

Registered number: 09359341

LONDON STADIUM 185 LIMITED

AUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

LONDON STADIUM 185 LIMITED

COMPANY INFORMATION

Directors	G Olive D Raczkowski M Camley G M M Murphy L Garner P Swordy
Registered number	09359341
Registered office	The Stadium at Queen Elizabeth Olympic Park London E20 2ST
Independent auditors	Ernst & Young LLP 400 Capability Green Luton Bedfordshire LU1 3LU

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The Directors present their strategic report of the company for the year ended 31 March 2023.

The company's mission remains unchanged and is set to deliver a multi-event schedule at the London Stadium and maximise its commercial development.

Business review

In June 2022, the venue completed its first summer programme since the COVID-19 pandemic. A wide variety of events were hosted, including the National League Play-Off Final, Soccer Aid for UNICEF and Monster Jam. In addition, the Hella Mega Tour concert, which was postponed due to the pandemic, was staged and featured Green Day, Weezer and Fall Out Boy. The summer programme closed with two nights of the Red Hot Chili Peppers.

The West Stand redevelopment was completed in August 2022. The stand has been configured to ensure more efficient transitions between football and other modes (following similar work to the North and South stands). The London Stadium matchday capacity has also been increased to 62,500, which is the third largest in Premier League.

The stadium replaced the majority of non-LED lights with LED (both within the bowl and back of house), as well as improvements to its system including automation and dimmer switches. This has resulted in a 14% energy saving across the venue, with further consumption reductions expected. The new workforce entrance building includes 150 sqm of solar panels, which should generate enough power for the building outside event days. Ten electric vehicle chargers have been installed for use by staff, contractors, broadcasters and event holders.

Events continued to thrive in-year on the Stadium Island, with Wing Fest and London Halal Food Festival held in July and September respectively. These weekend events were hugely successful and sold out across both the weekends on which they were held, to a diverse visitor base across London and beyond.

The company's event and commercial strategies are underpinned by a resolute commitment to the Stadium's surrounding communities and to further enhancing its partnerships with LLDC and London Borough of Newham.

Principal Risks and Uncertainties

One of the principal risks identified was that of non-delivery of existing commercial rights, and not maximizing new commercial opportunities. The Stadium, as part of the LLDC group including Queen Elizabeth Olympic Park, continues to explore all joint commercial opportunities. In addition, ongoing utilities and other cost inflation are materials risks, as well as match day costs driven by fan behaviour and other factors.

Outlook

2023 marked a record-breaking summer at London Stadium which saw the most diverse range of stadium events in Europe. Burna Boy was the first African artists to perform at a UK stadium, with his sold-out show in June. The Weeknd played two sold-out shows, with a crowd of more than 150,000 over two nights breaking the record for the highest attendance at London Stadium.

Major League Baseball returned for the London Series 2023, with St. Louis Cardinals facing Chicago Cubs in the two-day 2023 London Series. The weekend was a big success with more than 100,000 spectators in attendance, a global TV audience and international media coverage. The total economic impact of hosting the 2023 London Series was close to £51m for London (£61m total for England), with the hotels and food and drinks sectors generating maximum revenue.

The long-term strategic partnership with Major League Baseball will continue with regular season games scheduled for summer 2024 and 2026, further enhancing London Stadium's reputation as a world-class multi-use venue.

The July 2023 London Athletics Meet was the first event for UK Athletics in the stadium for four years, with the meet selling out the 50,000 tickets, making it the best attended one-day athletics event in the world this year. In addition, the meet recorded 'Excellent' in the event evaluation from athletes and athlete managers, who are notoriously harsh critics. This score was the best UKA has received in years, reflecting the quality of the event and the teamwork

LONDON STADIUM 185 LIMITED

between UKA & London Stadium. Following this success, the 2024 event is already over 50% sold and is well on the way to exceeding the strong ticket performance from this year.

Wing Fest and the renamed World Halal Food Festival are returning for their third successive years in 2023 with free tickets to the Halal Festival to be distributed to the surrounding boroughs of Tower Hamlets, Hackney and Newham to engage directly with the community and councils.

London Stadium continues to offer a diverse range of events with The Sidemen Charity Football Match to be hosted in September 2023, with money to be raised for Campaign Against Living Miserably (CALM), Teenage Cancer Trust and Rays of Sunshine Children's Charity.

The stadium carried out a feasibility study to investigate the installation of a solar membrane on the stadium roof. This work is currently out to tender with the hope of appointing a contractor later in 2023. A lightweight membrane measuring up to 7,000 square metres will be placed over the stadium roof to generate more than 1 million kWh of renewable energy per year. The project could save up to 270 tonnes of carbon emissions annually.

West Ham United secured European honours at the end of the 2022/23 season by winning the UEFA Europa Conference League, with some special performances under the lights at London Stadium on the way to the final.

This report was approved by the Board on xx and signed on its behalf.



.....
Graham Olive
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Company registration number: 09359341

The financial statements cover the 12 months from 1 April 2022 to 31 March 2023.

The financial statements have been presented in pounds sterling currency and amounts have been rounded to the nearest pound sterling.

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company in the year under review was that of the management and the operations of the London Stadium at Queen Elizabeth Olympic Park.

Results and dividends

The loss for the period, after taxation, amounted to £1,370,982 (2022 - loss £3,234,546).

The directors did not recommend any payment of an ordinary dividend during the financial year to 31 March 2023.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Directors

The directors who served during the year were:

G Olive
D Raczkowski
M Camley
G M M Murphy
L Garner
P Swordy

Qualifying third-party and pension scheme indemnity provisions

A Group Personal Pension Scheme has been put in place with Royal London Pension Provider and the setup of the scheme was activated on 1 August 2017. The directors Graham Olive, Darren Raczkowski and Peter Swordy are recipients of the Royal London Group Pension Scheme. Beforehand a Group Pension Scheme was in place with Scottish Equitable PLC trading as Aegon of which only Graham Olive was a recipient before the switch to Royal London.

A Group Private Medical cover was put in place at BUPA Insurance Limited, for the employees of London Stadium 185 Limited. The directors Graham Olive, Darren Raczkowski and Peter Swordy are recipients of the BUPA health insurance and their subscription cover (No. 55314009737) was effective respectively as from 3 August 2015, 18 September 2018 and 27 November 2017.

The directors Graham Olive, Darren Raczkowski and Peter Swordy are also recipients of the Canada Life Group Life Assurance Scheme and their subscription cover (Policy E18693/1/L) was effective respectively as from 23 September 2015, 1 January 2017 and 9 February 2018.

Political contributions

There were no political donations made by the company during the financial year in review.

Future developments

The directors aim to continue developing the management policies and procedures to sustain the company's development, and to maximise the commercial development of the company through event deals and partnership deals.

London Stadium is excited to commence its long-term strategic partnership with Major League Baseball to hold major events in London over a multi-year period, starting in 2023.

The venue will continue to work towards a fully 'cashless' experience for visitors, allowing convenient and contactless points of payment for all retail and refreshment purchases. The reduced queueing time, increased speed of service and improved hygiene will allow fans to miss less of the action while having peace of mind at point of sale. All bars, restaurants, kiosks, programme sellers and retail outlets in the outer island will go cashless, improving the overall customer experience.

As part of the venue's sustainability agenda, in addition to the solar membrane project, work continues on the LED lights as part of lifecycle programme, with a water audit to reduce consumption and implement recycling rainwater and grey water onsite. Further work to improve the efficiency of the stadium heating system and additional solar project will be under consideration, dependent on future investment.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Going Concern

In April 2023, London Stadium 185 Limited's (LS185) twelve-month budget and cash forecast for the financial year 2023/24 by the E20 Stadium LLP (E20 LLP) Board. This reflected continued challenging forecasts in relation to the cost of hosting West Ham United Football Club matches and UK Athletics.

The Directors have a reasonable expectation based on projections and the Greater London Authority's commitment to provide support for the whole LLDC Group, including LS185, that adequate funding and liquidity will be made available for a period of at least one year from the date of approval of these accounts.

Accordingly, the directors adopt the going concern basis in preparing the annual report and financial statements.

Employees

Following previous work, the directors have continued to take actions during the year to maintain and develop arrangements aimed at involving UK employees in the entity's affairs. There is a systematic provision of relevant information to employees through weekly team meetings in which the Senior Executive Team shares information and discusses strategic matters. There is a regular consultation with employees so that employee's views may be considered in making decisions that are likely to affect their interests. The employees are made aware of the financial and economic factors affecting the company's performance.

The directors will abide by the UK policy for giving full and fair consideration to applications for employment from disabled people, the policy for employment, training, career development and promotion of disabled people and for the continuing employment and training of employees who might have become disabled while employed by the company.

As part of the LLDC's priority themes, London Stadium 185 Limited is committed to making important contributions to delivering regeneration and convergence in the areas of Newham and East London more generally. As part of this, all vacancies are advertised locally through Newham Workplace as well as more widely dependent on any specialism required and, at a minimum, London Living Wage is paid to all workers across the venue, including sub-contractors.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There are no post balance sheet events.

Auditors

The auditors, Ernst & Young LLP, Statutory Auditors, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Olive', with a horizontal line extending to the right.

Graham Olive
Director

Date: 8 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON STADIUM 185 LIMITED

Opinion

We have audited the financial statements of London Stadium 185 Limited for the year ended 31 March 2023 which comprise of Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes¹ to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company 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 directors' 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 company'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 directors 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 company'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 directors are responsible for the other information contained within the annual report.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Financial Reporting Standards 102, Companies Act 2006, Income and Corporation Taxes Act 1988, Bribery Act 2010, Money Laundering regulations and the relevant employment regulations in the United Kingdom.
- We understood how London Stadium 185 Limited is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance.
- We assessed the susceptibility of the company'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.

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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 noncompliance 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 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

LONDON STADIUM 185 LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	12 months ended 31 March 2023 £	12 months ended 31 March 2022 £
Turnover	5	31,126,461	18,989,756
Cost of sales		(16,233,374)	(10,243,804)
Gross profit		14,893,087	8,745,952
Administrative expenses		(16,264,069)	(11,980,498)
Operating loss		(1,370,982)	(3,234,546)
Loss before tax		(1,370,982)	(3,234,546)
Tax on loss	9	0	0
Loss for the financial year		(1,370,982)	(3,234,546)
Other comprehensive income/(loss) for the year		0	0
Total comprehensive loss for the year		(1,370,982)	(3,234,546)

The notes on pages 14 to 26 form part of these financial statements.

All transactions are from continuing operations.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	31 March 2023	31 March 2022
Fixed Assets			
Fixed assets	10	<u>2,020,182</u>	<u>2,769,574</u>
		2,020,182	2,769,574
Current assets			
Debtors: amounts falling due within one year	11	4,995,051	5,814,798
Cash at bank and in hand	12	<u>7,898,664</u>	<u>2,296,314</u>
		12,893,715	8,111,113
Creditors: amounts falling due within one year	13	(21,850,717)	(15,721,696)
Net Current Assets		(8,957,002)	(7,610,584)
Total assets less current liabilities		(6,936,821)	(4,841,010)
Creditors: amounts falling due after more than one year	14	(216,979)	(1,032,857)
Provisions for liabilities			
Net (liabilities)/assets		<u>(7,153,800)</u>	<u>(5,873,867)</u>
Capital and reserves			
Called up share capital	15	30,000	30,000
Other reserves	16	796,049	705,000
Profit and loss account		(7,979,849)	(6,608,867)
Net (deficit) / surplus		<u>(7,153,800)</u>	<u>(5,873,867)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



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Graham Olive

Director

The notes on pages 14 to 26 form part of these financial statements.

LONDON STADIUM 185 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Other Reserves	Profit and loss account	Total equity
	£	£	£	£
At 31 March 2021	30,000	605,000	(3,374,321)	(2,739,321)
Comprehensive income for the year				
Loss for the year			(3,234,546)	(3,234,546)
Other Movement		100,000		100,000
Total comprehensive income for the year	0	100,000	(3,234,546)	(3,134,546)
Total transactions with owners	0	0	0	0
At 31 March 2022	30,000	705,000	(6,608,867)	(5,873,867)
Comprehensive income for the year				
Loss for the year			(1,370,982)	(1,370,982)
Other Movement		91,049		91,049
Total comprehensive income for the year	0	91,049	(1,370,982)	(1,279,933)
Total transactions with owners	0	0	0	0
At 31 March 2023	30,000	796,049	(7,979,849)	(7,153,800)

The notes on pages 14 to 26 form part of these financial statements.

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ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 31 March 2022	Cash inflows	At 31 March 2023
	£	£	£
Cash at bank and in hand	2,296,314	5,602,350	7,898,664
	<hr/>	<hr/>	<hr/>
	<u>2,296,314</u>	<u>5,602,350</u>	<u>7,898,664</u>

The notes on pages 14 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. Statutory Information

London Stadium 185 Limited is a private limited company, limited by shares and is incorporated and domiciled in England and Wales. The Company registration number is 09359341 and the registered office address is at The Stadium at Queen Elizabeth Olympic Park, London E20 2ST, United Kingdom.

The principal activity of the Company in the year under review was operation, management and commercial development of Sports Facilities (the Stadium at Queen Elizabeth Olympic Park).

2. Compliance with Accounting Standards

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") (effective January 2015) and the Companies Act 2006.

3. Accounting Policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

3.2 Going Concern

The directors of the Company have assessed the entity's ability to continue as a going concern. It has considered all available information about the future of the entity. The directors have prepared the financial statements on the going concern basis.

3.3 Exemptions for qualifying entities under FRS 102

The Company is a "qualifying company" for the purpose of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b).

In accordance with FRS 102 paragraph 33.1A, transactions entered into by the Company and other wholly owned subsidiaries of the LLDC Group are not disclosed within the notes to the financial statements.

3.4 Consolidated financial statements

On the 21 January 2019, further to an agreement between E20 Stadium LLP, the Stadium owner, and Vinci Stadium SAS, the shares of London Stadium 185 Ltd were acquired by E20 Stadium LLP. Prior to that, the Company was a wholly owned subsidiary of Vinci Stadium SAS from the date of its incorporation on 17 December 2014, and its ultimate parent VINCI SA domiciled in France. From the 2019/20 financial year, London Stadium 185 Ltd was fully consolidated into E20 Stadium LLP's Group accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2023

3. Accounting Policies (continued)

E20 Stadium LLP has prepared group accounts for the year ended 31 March 2023, which consolidates London Stadium 185 Ltd. The E20 Stadium LLP Group is fully consolidated into the group accounts of its parent, London Legacy Development Corporation (LLDC).

3.5 Foreign currency translations

(i) Functional and presentation currency

The Company's functional and presentation currency is the Pounds Sterling currency and amounts have been rounded to the nearest pounds sterling.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency of pounds sterling and recorded at the rate of exchange ruling at the date of the transactions.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date, or, where applicable, agreed settlement rates. All exchange differences are dealt with through the income statement.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**3. Accounting Policies (continued)****3.6 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue represents income recognised at invoiced amounts less value added tax and comprises of:

- (i) Funds Receivable - Recharges
- (ii) Funds Receivable - Annual Covered Fixed Costs
- (iii) Revenue from the caterer
- (iv) Revenue related to events
- (v) Revenue related to Connected Stadium
- (vi) Revenues related to commercial partnerships

3.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.8 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, private medical cover, income protection life assurance and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay, childcare vouchers and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Private medical cover

The Company operates a group private medical cover scheme for its employees. The benefits that are covered under that scheme include treatment as an out-patient, treatment in hospital, cancer treatment, mental health treatment, treatment at home and cash benefits for in-patient treatment. The scheme provider applies the Moratorium underwriting method.

Payments are recognised as an expense when they are due. The assets of the scheme are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. Accounting Policies (continued)****3.8 Employee benefits (continued)****(iii) Group life assurance**

The Company operates a group life assurance scheme for its employees. The group life assurance scheme is a scheme under which the company pays premiums into a separate entity. Once the premiums have been paid, the Company has no further payment obligations. The premiums payments are recognised as an expense when they are due. The assets of the scheme are held separately from the Company in independently administered funds.

(iv) Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

3.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company has traded.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current or deferred taxation assets and liabilities are not discounted.

3.10 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2023**

3. Accounting Policies (continued)

3.11 Fixed Assets

Fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows (years):

Office Premises	-	5
Refurbishment of Medical Rooms	-	5
Software Development	-	3
License Fees	-	24
IT Development	-	7
Turf Equipment	-	7
Hospitality and Commercial	-	7
Fixtures and Fittings, Plant & Machinery	-	5
Stadium Grow Lighting	-	7

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

3.12 Government grants

Government grants are recognised in the income statement to match them with the expenditure towards which they are intended to contribute. To the extent that the grant is made as a contribution towards expenditure on a fixed asset, and since the company is governed by the accounting and reporting requirements of UK company legislations, the grant is not deducted from the purchase price or production costs of the fixed asset. In this case, the amount so deferred has been treated as deferred income.

A government grant has been recognised in the income statement until the conditions for its receipt have been complied with, and there is reasonable assurance that the grant will be received.

Government capital grants has been released and recognised in the income statement, to the extent that they match with the depreciation level of the fixed assets purchased with the grants.

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2023

3. Accounting Policies (continued)

3.13 Leased assets

At inception, the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

The Company does not currently have any finance leased assets.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.15 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 no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2023

3. Accounting Policies (continued)

3.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- (i) Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- (ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

3.18 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separately embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

LONDON STADIUM 185 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Accounting Policies (continued)

3.18 Financial liabilities (continued)

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

4. Judgments in applying Accounting Policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from the estimates.

5. Turnover

Turnover totalling £31,126,461 (2022: £18,989,756) arose from the Company's sole principal activity which is the management and operation of the London Stadium at Queen Elizabeth Olympic Park in London.

All turnover arose within the United Kingdom.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	12 months ended 31 March 2023	12 months ended 31 March 2022
	£	£
Wages and salaries; Directors Benefits	2,996,945	2,655,048
Social security costs	331,656	254,616
Pension costs and aggregate benefits receivable	129,259	132,931
	<u>3,457,860</u>	<u>3,042,596</u>

The average monthly number of employees, including the directors, during the year was as follows:

	12 months ended 31 March 2023	12 months ended 31 March 2022
Management and staff	39	38
Casual workforce	88	36

LONDON STADIUM 185 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2023**

7. Audit Remuneration

	12 months ended 31 March 2023	12 months ended 31 March 2022
	£	£
Audit Remuneration	38,000	30,000
	<u>38,000</u>	<u>30,000</u>

8. Directors' Remuneration

	12 months ended 31 March 2023	12 months ended 31 March 2022
	£	£
Directors' emoluments	510,701	483,776
	<u>510,701</u>	<u>483,776</u>

During the year retirement benefits were accruing to 3 directors (2022 - 3) in respect of defined contribution pension schemes.

The total expense for the highest paid director was £203,616 (2022 - £216,807).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,465 (2022 - £23,236).

LONDON STADIUM 185 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Taxation

	12 months ended 31 March 2023 £	12 months ended 31 March 2022 £
Corporation tax		
Current tax on profits for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Group taxation relief	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Total current tax	<u><u>0</u></u>	<u><u>0</u></u>

Factors affecting tax charge for the period/year

The tax assessed for the year is the same as (2022 – same as) the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	12 months ended 31 March 2023	12 months ended 31 March 2022
Loss in ordinary activities before tax	<u>(1,370,982)</u>	<u>(3,234,546)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(260,487)	(614,564)
Effects of:		
Non-tax deductible depreciation	155,017	178,611
Capital Grant release not subject to tax	(155,017)	(178,611)
Unrelieved tax losses carried forward	260,487	614,564
Group Relief		
Total tax (credit) / charge for the year	<u><u>0</u></u>	<u><u>0</u></u>

On 3 March 2021, the UK government announced that the rate of corporation tax will increase from 19% to 25%, which was effective from 1 April 2023.

LONDON STADIUM 185 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Fixed Assets

	Office Premises £	Refurbishment of Medical Rooms £	Plant and machinery £	Stadium Glow Lighting £	Hospitality and Commercial fixtures and fittings £
Cost or valuation					
At 31 March 2022	138,302	62,573	2,202,743	823,181	185,122
Additions	0	0	0	0	0
Revaluations					
At 31 March 2023	<u>138,302</u>	<u>62,573</u>	<u>2,202,743</u>	<u>823,181</u>	<u>185,122</u>
Depreciation					
At 31 March 2022	132,025	62,573	1,847,567	617,305	75,856
Charge for the year on owned assets	2,545	0	266,837	117,597	18,512
At 31 March 2023	<u>134,570</u>	<u>62,573</u>	<u>2,114,404</u>	<u>734,902</u>	<u>94,368</u>
Net book value					
At 31 March 2023	<u><u>3,732</u></u>	<u><u>0</u></u>	<u><u>88,338</u></u>	<u><u>88,278</u></u>	<u><u>90,753</u></u>
At 31 March 2022	<u><u>6,277</u></u>	<u><u>0</u></u>	<u><u>355,175</u></u>	<u><u>205,877</u></u>	<u><u>109,265</u></u>
	Equipment and Tools & Turf Equipment £	Software and IT Development £	License Fees £	Total £	
Cost or valuation					
At 31 March 2022	937,137	3,927,634	142,670	8,419,362	
Additions	45,286	0	21,200	66,486	
At 31 March 2023	<u>982,423</u>	<u>3,927,634</u>	<u>163,870</u>	<u>8,485,847</u>	
Depreciation					
At 31 March 2022	865,527	1,988,774	60,159	5,649,787	
Charge for the year on owned assets	46,380	346,121	17,885	815,878	
At 31 March 2022	<u>911,907</u>	<u>2,334,896</u>	<u>78,044</u>	<u>6,465,665</u>	
Net book value					
At 31 March 2023	<u><u>70,516</u></u>	<u><u>1,592,738</u></u>	<u><u>85,826</u></u>	<u>2,020,182</u>	
At 31 March 2022	<u><u>71,610</u></u>	<u><u>1,938,860</u></u>	<u><u>82,511</u></u>	<u>2,769,574</u>	

LONDON STADIUM 185 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Debtors

	31 March 2023	31 March 2022
	£	£
Trade Debtors	4,995,051	5,814,798
	4,995,051	5,814,798

12. Cash and cash equivalents

	31 March 2023	31 March 2022
	£	£
Cash at bank and in hand	7,898,664	2,296,314
	7,898,664	2,296,314

13. Creditors: Amounts falling due within one year

	31 March 2023	31 March 2022
	£	£
Trade creditors	2,432,315	2,564,562
Other taxation and social security	867,257	356,773
Other creditors	1,397,026	1,499,986
Accruals and deferred income	17,154,119	11,300,376
	21,850,717	15,721,696

Within the Accruals and deferred income balance, £5,404,950 is owed London Stadium 185 Ltd's parent, E20 Stadium LLP.

14. Creditors: Amounts falling due after more than one year

	31 March 2023	31 March 2022
	£	£
Accruals and deferred income	216,979	1,032,857
	216,979	1,032,857

Included within Accruals and Deferred Income are:

Deferred Income - Capital Costs Contribution:	190,000	190,000
Deferred Income - Grant Capital Contribution:	26,979	842,857

LONDON STADIUM 185 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Share capital

	31 March 2023	31 March 2022
	£	£
Allotted, called up and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000

16. Other reserves

	31 March 2023	31 March 2022
	£	£
Other Reserves	(796,049)	(705,000)
	(796,049)	(705,000)

The Other Reserves are ear-marked reserves for the long-term maintenance of the venue. The reserve is added to annually and amounts are released to cover purchases, as required. In the year £100,000 was added to the reserve with £8,951 released for purchases.

17. Pension commitments

The Company operates a defined contribution pension scheme for its employees.

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £129,259 (2022 - £132,931). The amount outstanding at the year-end was £18,976.

18. Controlling party

London Stadium 185 Ltd is a wholly-owned subsidiary of E20 Stadium LLP, which owns 100% of the share capital and has full control.

It is included in the consolidated financial statements of E20 Stadium LLP which are filed with the Companies House. The ultimate controlling party is the London Legacy Development Corporation, a functional body of the Greater London Authority.