

Meeting of the Board of the London Legacy Development Corporation

Meeting Date: Tuesday 23 September 2014

Time: 2.00 pm

Venue: LLDC meeting rooms 1 and 2, Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ

Members of the Board of the London Legacy Development Corporation are hereby notified and requested to attend the meeting of the Board at 2.00 pm on Tuesday 23 September 2014 to transact the business set out below.

Board Members:

Boris Johnson (Chairman)
Neale Coleman CBE (Deputy Chairman)
Sonita Alleyne OBE
Nicholas Bitel
Nicky Dunn
Keith Edelman
David Edmonds CBE
David Gregson
Baroness Tanni Grey-Thompson DBE
Philip Lewis
Lord Andrew Mawson OBE
Jayne McGivern
Mayor Jules Pipe CBE
Mayor Lutfur Rahman
Councillor Chris Robbins
David Ross
Mayor Sir Robin Wales

1 Apologies for absence

2 Declarations of interest

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

3 Minutes of previous meeting held on 22 July 2014 (Pages 1 - 10)

The Board is asked to agree the minutes of the meeting held on 22 July 2014.

4 Matters arising and action list (Pages 11 - 12)

The Board is asked to note the actions arising from previous meetings.

5 Chief Executive's Report (Pages 13 - 44)

The Board is asked to note the Chief Executive's report, which provides an update on major projects and activities since the last meeting and note the Quarterly Report.

6 Report of the meeting of the Planning Decisions Committee held on 22 July 2014 (Pages 45 - 48)

The Board is asked to note the report.

7 Report of the meeting of the Investment Committee held on 10 September 2014 (Pages 49 - 50)

The Board is asked to note the report.

8 Report of the meeting of the Audit Committee held on 10 September 2014 (Pages 51 - 52)

The Board is asked to note the report.

9 2013/14 Statutory Accounts (Pages 53 - 156)

The Board is asked to approve the 2013/14 statutory accounts and note the letter of representation.

10 Delegation of signing authority to LLDC staff in respect of Three Mills Studio Agreements (Pages 157 - 160)

The Board is asked to approve, subject to consultation with the Mayor, an amendment to the Scheme of Delegations, as set out at Appendix 1 of the report, and a consequential amendment to the Financial Regulations relating to signing specified Three Mills Studios agreements.

11 Changes to the Scheme of Planning Delegations and Planning Decisions Committee's terms of reference (Pages 161 - 164)

The Board is asked to agree: 1). the minor amendments to the Scheme of Planning Delegations as set out in section 4 relating to minor changes to terminology which will update the scheme to reflect changes to the titles of 'the Authorised Planning

Officers'; and 2). the consequential minor changes to the terms of reference of the Planning Decisions Committee.

12 Appointment of the Proper Officer and Chief Finance Officer (Pages 165 - 168)

The Board is asked to agree the appointment of officers to take on specific statutory duties for the London Legacy Development Corporation.

13 E20 Stadium LLP project update (Pages 169 - 170)

The Board is asked to note the report which provides an update on the ongoing work being undertaken by and on behalf of the E20 Stadium Limited Liability Partnership.

14 Cultural and higher education quarter (Olympicopolis) outline business case update (Pages 171 - 172)

The Board is asked to note the report which provides an update on the development of the outline business case for the cultural and educational quarter known as Olympicopolis on Queen Elizabeth Olympic Park.

15 Cultural and higher education quarter budget and ten year plan update (Pages 173 - 174)

The Board is asked to note the report which provides an update on the cost and funding updates for the Olympicopolis project and implications on the Corporation's Ten Year Business Plan.

16 ArcelorMittal Orbit update (Pages 175 - 176)

The Board is asked to note the report which provides an update on the ArcelorMittal Orbit visitor attraction.

17 Date of next meeting

The next meeting of the London Legacy Development Corporation Board is due to be held on 28 October 2014 at 3pm at the LLDC's offices.

18 Any other business the Chairman considers urgent

The Chairman will state the reason for urgency of any item taken.

19 Exclusion of the press and public

Members are recommended to agree to exclude the public and press from the meeting, in accordance with Part 1, paragraph 3 Schedule 12A of the Local Government Act 1972 (as amended), in order to consider the following items of business.

- 20 Minutes of the previous meeting held on 22 July 2014 that contain exempt information** (Pages 177 - 180)

The Board is asked to agree the minutes of the meeting held on 22 July 2014 that contain exempt information.

- 21 Chief Executive's Report - Exempt information relating to item on Part 1 - Appendix 2 - Commercial update** (Pages 181 - 186)

The Board is asked to note the commercial update appendix that contains exempt information including the corporate dashboard.

- 22 E20 Stadium LLP project update - Exempt information relating to the item on Part 1 (to follow)**

The Board is asked to note the report containing exempt information which provides an update on the ongoing work being undertaken by and on behalf of the E20 Stadium Limited Liability Partnership.

- 23 Cultural and higher education quarter (Olympicopolis) outline business case update - Exempt information relating to the item on Part 1 (to follow)**

The Board is asked to agree the recommendations in the report containing exempt information which provides an update on the development of the outline business case for the cultural and educational quarter on Queen Elizabeth Olympic Park.

- 24 Cultural and higher education quarter budget and ten year plan update - Exempt information relating to the item on Part 1 (to follow)**

The Board is asked to note the report containing exempt information which provides an update on the cost and funding updates for the Olympicopolis project and implications on the Legacy Corporation's Ten Year Business Plan.

- 25 ArcelorMittal Orbit update - Exempt information relating to the item on Part 1** (Pages 187 - 190)

The Board is asked to agree the recommendations in the report containing exempt information which provides an update on the ArcelorMittal Orbit visitor attraction.

MINUTES



Minutes of the Meeting of the Board of the London Legacy Development Corporation

Date: Tuesday 22 July 2014
Time: 2.00 pm
Venue: LLDC meeting rooms 1 and 2, Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ

Present: Boris Johnson (Chairman)
Neale Coleman CBE (Deputy Chairman)
Sonita Alleyne OBE
Nicholas Bitel
Keith Edelman
David Edmonds CBE
David Gregson
Philip Lewis
Lord Mawson OBE
Jayne McGivern

In Attendance: Sir Edward Lister, Mayor's Observer to the LLDC Board
Dennis Hone, Chief Executive
Jonathan Dutton, Executive Director of Finance and Corporate Services
Anthony Hollingsworth, Director of Planning Policy and Decisions
Rosanna Lawes, Executive Director of Development
Paul Brickell, Executive Director of Regeneration and Community Partnerships
Lawrence Waterman, Head of Health and Safety
Caroline Moore, TfL Legal
Rachel Massey, LLDC secretariat
Ed Williams, GLA secretariat

1 Apologies for absence

- 1.1 Apologies for absence were received on behalf of Nicky Dunn, Tanni Grey Thompson, Mayor Jules Pipe CBE, Mayor Lutfur Rahman, Councillor Chris Robbins, Mayor Sir Robin Wales and David Ross.

2 Declarations of interest

- 2.1 The Chairman noted that Members had declared registrable interests in line with the relevant Standing Orders and asked Members to confirm if they had any interests or additional interests to be declared related to matters listed on the agenda other than those already made and included in the register.
- 2.2 Jayne McGivern informed the Board that her register of interests entry would be updated shortly as she had recently been appointed as a member of the Crossrail board.
- 2.3 David Edmonds and David Gregson declared interests in Agenda Item 7 (Report of the meetings of the Investment Committee held on 28 April, 13 May and 8 July 2014) as board members of E20 Stadium Limited Liability Partnership.
- 2.4 David Ross had, prior to the meeting, declared a pecuniary interest in Agenda Item 26 ((Legacy Communities Scheme – early delivery of all-through school). Accordingly, Mr Ross had not been provided with any of the papers on this item. Mr Ross had given apologies for the meeting and so was not present for the consideration of this item.

3 Minutes of previous meeting on 30 April 2014

- 3.1 **It was agreed that the minutes of the meeting of the London Legacy Corporation Board held on 30 April 2014 be signed by the Chairman as a correct record.**

4 Matters arising and action list

- 4.1 **The Board noted the Actions List.**

5 Chief Executive's Report

- 5.1 The Chairman introduced the report, confirming that David Goldstone had been appointed as the successor to Dennis Hone, Chief Executive, and would join the LLDC in the Autumn. David was currently Chief Finance Officer at transport for London. Prior to that he had played a major role in delivering London 2012 as the Government's finance director on the project between 2007 and 2012, helping ensure that the Games were delivered within the £9.3 billion budget. Before his role on the Games, David had spent 12 years involved in the delivery of major investment programmes for Government. The Chairman also paid tribute to the work of Dennis Hone.
- 5.2 The Chairman also noted the recent announcements about the re-zoning of the three Stratford stations into zone2/3 and the launch of the design competition for

the Stratford Waterfront site of Olympicopolis.

5.3 The Chief Executive then highlighted the following elements of his report:

- The lease for the Broadcast Centre and Press Centre buildings (now known as Here East) had been signed with iCITY in May 2014;
- Three firms had been shortlisted in the procurement for a development partner to take forward the next phase of new neighbourhoods on the Park at East Wick and Sweetwater;
- Sales of new homes at Chobham Manor were progressing well and over 70 of those within the first phase had been reserved;
- The Park had been animated through a number of high profile events including the Queen's Baton Relay for the Commonwealth Games and a Festival of Sport, an mass participation sports event on the Park. The Park had also hosted the FINA/NVC Diving World Series at the London Aquatics Centre, the Tour de France on 7 July 2014 and the National Lottery Newham London Anniversary Run on 20 July 2014;
- Future planned events on the Park included: the Great British Carnival on 27 July; the Prudential RideLondon event on 10 August; National Paralympic Day on 30 August; and The Invictus Games on 10-14 September; and
- The Legacy Corporation had been awarded £500,000 from Sport England's Community Sport Activation Fund to get people in and around the Park more active, more often. Following discussion, it was agreed that a review would be undertaken in relation to the overall scheme of fees and prices charged for activities in the Park.

5.4 The Board noted the report and Quarterly Report for January to March 2014 and agreed that a review would be undertaken in relation to the overall scheme of fees and prices charged for venues and activities in the Park.

6 Report of the meeting of the Planning Decisions Committee held on 22 April, 27 May and 24 June 2014

6.1 The Chair of the Planning Decisions Committee introduced the report, which provided an update on the meetings held on 22 April, 27 May and 24 June 2014.

6.2 The Board noted the report.

7 Report of the meetings of the Investment Committee held on 28 April, 13 May and 8 July 2014

7.1 The Chair of the Investment Committee introduced the report which provided details of the agenda items presented to the meeting held on 28 April, 13 May and

8 July 2014.

7.2 The Board noted the report.

[See also Minute 2 – Declarations of Interest.]

8 Report of the meeting of the Park Opening and Operations Committee held on 13 May 2014

8.1 The Deputy Chairman introduced the report which provided an update of the meeting held on 13 May 2014.

8.2 The Board noted the report.

9 Report of the meeting of the Chairman's Committee held on 10 June 2014

9.1 The Deputy Chairman introduced the report which provided an update of the Chairman's Committee meeting held on 10 June 2014.

9.2 The Board noted the report.

10 Report of the meeting of the Audit Committee held on 17 June 2014

10.1 The Chair of the Audit Committee introduced the report which provided an update of the meeting held on 17 June 2014, and informed Members that he considered that, whilst there was still some work to do, the Legacy Corporation was now in a good position with regard to the forthcoming review by the External Auditor.

10.2 The Board:

(a) Noted the report; and

(b) Approved the internal audit plan for 2014/15 as set out at Appendix 1 to the report.

11 Publication Local Plan

11.1 The Director of Planning Policy and Decisions introduced the report which presented the Publication Local Plan for approval for the final stage of consultation. During discussion, officers confirmed that they considered that there was sufficient flexibility within the proposed Plan, with particular reference to housing, to accommodate the emerging 'Olympicopolis' proposals; and also that they considered that the Plan, as proposed, should be capable of dealing with the main areas where there was a risk of challenge during the Examination stage of

the approval process.

11.2 The Board placed on record its thanks to the officers for the quality of the Plan and the work involved in its preparation.

11.3 The Board:

- a) Approved the Publication Local Plan for the purposes of its Regulation 19 'Publication' stage public consultation;**
- b) Agreed that the approval of any minor changes to the draft Publication Local Plan prior to its finalisation for publication for consultation and any minor changes following the close of the publication period be delegated to the Director of Planning Policy and Decisions; and**
- c) Agreed that, subject to any minor changes approved by the Director of Planning Policy and Decisions before or after the period of public consultation, the Local Plan be submitted to the Secretary of State for the purposes of its Examination.**

12 Governance update

12.1 The Board received a report setting out proposed revisions to the Legacy Corporation's committee structure and minor changes to the Scheme of Delegations.

12.2 The Board:

- a) Agreed that the Committee structure, membership and terms of reference be amended as set out in the report;**
- b) Noted the membership of the Planning Decisions Committee, as set out at Appendix 4 to the report, following the Local Government elections in May 2014; and**
- c) Agreed the minor amendments to the Scheme of Delegations, as set out at Appendix 5 to the report, to the financial delegations to LLDC officers and signing of documents and the consequential minor changes to Standing Orders.**

13 Shared Committee Services with the Greater London Authority

13.1 The Executive Director of Finance and Corporate Services introduced the report.

13.2 The Board agreed that, prior to any decision by the Mayor under Section

401A of the Greater London Authority Act 1999 (as amended), the proposed transfer of the relevant parts of the LLDC's committee services/secretariat function for discharge by the Greater London Authority be approved.

14 Environmental Sustainability report

14.1 The Board received the annual report on the Legacy Corporation's performance against its sustainability targets as set out in its Environmental Sustainability Policy. A Board Member suggested that more could be done to promote the fountain area of the Park.

14.2 The Board:

(a) Noted the progress made by the Legacy Corporation against its sustainability targets to date; and

(b) Agreed that the report be published online, subject to any minor amendments prior to its publication.

15 Health and Safety Update

15.1 The Board received a report which provided an update on the Legacy Corporation's health and safety resources and management system. During a detailed discussion on the approach taken to health and safety issues within the Park, the Chief Executive confirmed that health and safety was the first item at each weekly meeting of the senior management team, where all aspects were reviewed in detail, and that a log of all issues and incidents was kept up to date and under constant review and that all events in the Park have an event management plan including a risk assessment. The Chief Executive emphasised that the organisation was always keen to learn lessons where issues had arisen and that it had made significant progress in this area as a result.

15.2 The Board noted the report.

16 Hackney Wick neighbourhood centre update

16.1 The Board received an update on the development of a masterplan and delivery strategy for Hackney Wick neighbourhood Centre.

16.2 The Board noted the report and the supplemental report on Part 2 of the agenda.

17 Cultural and higher education quarter update

17.1 The Executive Director of Development introduced the report which updating the Board on plans to create a cultural and higher education quarter on Queen Elizabeth Olympic Park.

17.2 The Board noted the report and the supplemental report on Part 2 of the agenda.

18 Legacy Communities Scheme - early delivery of all-through school

18.1 The Executive Director of Regeneration and Community Partnerships introduced the report which provided an update on the Legatum Academy All-through Free School delivery proposals.

18.2 The Board noted the report and the supplemental report on Part 2 of the agenda.

19 Date of next meeting

19.1 **The Board noted that the next meeting was due to be held on Tuesday 23 September 2014 at 2pm.**

20 Any other business the Chairman considers urgent

20.1 There was no urgent business.

21 Exclusion of the press and public

21.1 **It was agreed that the public and press be excluded from the meeting, in accordance with Part 1, paragraph 3 of Schedule 21A to the Local Government Act 1972 (as amended), in order to consider the exempt papers, noting that each of these papers contained information relating to the financial or business affairs of a person or authority.**

22 Minutes of the previous meeting on 30 April 2014 containing exempt information

22.1 **It was agreed that the minutes of the meeting of the Board held on 30 April 2014 containing exempt information be signed by the Chairman as a correct record.**

23 Exempt information relating to item 5 - Appendix 2 - Commercial update

23.1 The Chief Executive presented the exempt appendix in relation to Agenda Item 5, the Chief Executive's Report, and provided a related verbal update.

23.2 The Board noted the appendix and the verbal update provided and agreed that three options in relation to the ArcelorMittal Orbit would be provided to the next meeting of the Board for consideration.

24 Exempt information relating to item 16 - Hackney Wick neighbourhood centre update

24.1 The Board received the exempt information relating to the report at Agenda Item 24 in relation to the development of the masterplan and delivery strategy for Hackney Wick Neighbourhood Centre.

24.2 The Board noted the report.

25 Exempt information relating to item 17 - Cultural and higher education quarter update

25.1 The Executive Director of Development presented the report containing exempt information in relation to Agenda Item 17 on plans to create a cultural and higher education quarter on Queen Elizabeth Olympic Park.

25.2 The Board agreed the recommendations set out in the report, subject to the inclusion of a clause relating to any overage resulting from future sales within a defined period.

26 Exempt information relating to item 18 - Legacy Communities Scheme - early delivery of all-through school

26.1 The Board received the report containing exempt information relating to Agenda Item 18 on the Legacy Communities Scheme – Early Delivery of All-Through Free School.

26.2 The Board agreed the recommendations as set out in the report.

[See also Minute 2 – Declarations of Interest.]

26.3 The meeting closed at 3.55pm.

Chairman

Date

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Board Actions List (reported to the meeting on 23 September 2014)

Outstanding Actions from the Last Meeting

Minute No.	Item/Description	Action By	Target Date	Status/note
23.2	Exempt information relating to item 5 - Commercial update Prepare an update report on the ArcelorMittal Orbit.	Mark Camley	23 September 2014	On the agenda for this meeting

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Subject: Chief Executive's report to the LLDC Board
Date: 23 September 2014
Report to: Board
Report of: Dennis Hone, Chief Executive

This report will be considered in public

1. SUMMARY

- 1.1. This report provides progress updates on the activities of the London Legacy Development Corporation (LLDC) since the last Board meeting. Further progress updates on LLDC's programmes are set out in the attached Corporate Performance Report (**Appendix 1**) which covers the April to June 2014 quarter and includes an overview of key achievements, a financial report and an update on progress against milestones from the LLDC's Business Plan. A further commercial update on projects is provided at **Appendix 2** (exempt information).
- 1.2. This report also presents the Health and Safety update which is provided to every Board meeting.

2. RECOMMENDATION

- 2.1 The Board is asked to note this report and the appendices.

3. CHOBHAM MANOR

- 3.1. Leading national homebuilder Taylor Wimpey and L&Q, one of London's largest residential developers, launched the first phase of homes for private sale at Chobham Manor, the Legacy Corporation's first residential development, in May 2014. Over 100 units have been sold to date and construction of the first phase of housing commenced in July 2014. Next phase planning application is due to be submitted in September 2014 and the first units are due to be occupied from December 2015 onwards.

4. STADIUM AND TRANSFORMATION

- 4.1. The Legacy Corporation, on behalf of E20 Stadium LLP, is working to transform the Stadium in the Park into a year round multi-use venue to deliver a permanent sporting, cultural and community legacy in east London. A further update on the transformation work is provided in the separate Stadium item on the agenda for this meeting.
- 4.2. Procurement has continued for the operation and event management of the Stadium and south of the Park, an operator is scheduled to be appointed in late 2014. Construction work has continued to convert the Stadium for temporary use for the 2015 Rugby World Cup followed by permanent re-opening for use by UK Athletics and West Ham United FC before the start of the 2016/17 football season.
- 4.3. Transformation works on the Park are coming to a close and final outturn figures are being agreed with the major contractors.

5. CONNECTIVITY

- 5.1. Work has commenced on the Eastcross Bridge (previously known as F03 Bridge) which connects the Copper Box Arena and the Timber Lodge Café in the north of the Park. This involves removing a temporary Games-time structure and installing a new permanent bridge. This will increase the amount of daylight on the River Lea and its towpaths, improving conditions for the river and its wildlife, as well as creating brighter riverside walks.
- 5.2. Whilst this work is going on, there will still be a fully accessible bridge, but it will be narrower, and hoardings will be in place. The north of the Park, including the Timber Lodge Café and Tumbling Bay playground, will remain open as usual; however, the towpaths will be closed intermittently to allow work on the bridge. Works are due to finish in summer 2015.

6. HIGHER EDUCATION AND CULTURAL DISTRICT

- 6.1. Work has continued with potential to create a major new higher education and cultural district on the Park. The Mayor of London launched an international design competition to find a team to design Olympicopolis. This new quarter on Stratford Waterfront at the gateway to the site will bring together outstanding organisations to showcase exceptional art, dance, history, craft, science, technology and cutting edge design.
- 6.2. Internationally renowned institutions, The Victoria and Albert Museum and Sadler's Wells are planning to occupy the new development with University College London planning a move to a neighbouring site south of Anish Kapoor's ArcelorMittal Orbit sculpture.
- 6.3. Detailed work has been undertaken in recent months to develop an Outline Business Case (OBC) to present to the Government in September on the Cultural and Higher Education project to establish a cultural and higher

educational quarter on the Park. The OBC sets out in detail the costs and funding requirements of the Mayor's university services. There is a separate item on the agenda relating to this matter.

- 6.4. The Mayor has also announced that to maximise the unique potential of the Olympicopolis initiative and wider strategic plans for regeneration and growth at Stratford, he has asked Transport for London to 're-zone' the three Stratford stations (Stratford, Stratford International and Stratford High Street) from zone 3 to zone 2/3 effective from January 2016, at a net cost to Transport for London of about £7m annually. The move will benefit commuters and visitors travelling to the stations at a lower cost, boosting the commercial attractiveness of the area, for workers, businesses and residents.

7. PARK OPENING AND EVENTS

- 7.1. Since the south of the Park opened to the public on Saturday 5 April 2014 for the first time since the London 2012 Olympic and Paralympic Games, visitor numbers to the Park have been very high (1.3m since the opening date) and media coverage about the area has been positive. The Park has been animated through a number of high profile events. Some events on the Park in July and August 2014 included:
- Staging part of the Tour de France through the Park on 7 July 2014 bringing large crowds to the Park and surrounding areas.
 - The National Lottery Newham London Anniversary Run: a five mile run on the Park held on 20 July 2014, which also included a shorter distance run for children in the Family Run.
 - The Great British Carnival at the Park. Marking the midway point between the London and Rio Olympics on 27 July, 35,000 people attended this free event included dance, music, performance and costume for the whole family to enjoy.
 - The Prudential RideLondon event on 10 August 2014, which started in the Park with around 24,000 cyclists and 150 of world's top professional male cyclists riding through the South East of England.
 - 29,000 people attended National Paralympic Day on 30 August 2014 which included Paralympics GB medallists competing at the iconic London Aquatics Centre for the first time since the London 2012 Paralympic Games and British and International athletes competing in Boccia, Goalball and Wheelchair Basketball at the Copper Box Arena. This event also included the Mayor's Liberty Festival featuring attractions from deaf and disabled artists.
 - The Park also hosted boat tours, Blue badge walking tours and 4 free walking trails including the Explorer's Guide to Adventures in the Park for children to enjoy.

- The Invictus Games, the international sports event launched by Prince Harry were held in the Park from 10-14 September 2014. The event saw wounded, injured and sick Servicemen and women in venues on the Park including the Aquatics Centre, Copper Box Arena, Lee Valley VeloPark and Here East, with athletics running at Lee Valley Athletics Centre. Further details are available at this website: www.invictusgames.org

7.2. Future events on the Park include:

- A Winter Festival for the 2014 season.
- The first World Wheelchair Rugby Challenge, which will take place at the Copper Box Arena between 11 and 16 October 2015. As well as Great Britain, current Paralympic Gold Medal holders Australia and current World Champions USA will take part, along with teams from Canada, South Africa, Japan, France, and New Zealand.

8. JOBS AND SKILLS

- 8.1. The Legacy Corporation has been promoting its work in ensuring that local residents benefit from jobs, skills and training relating to its work on the Park. A social media campaign set out how organisations like The Landscape Group and ArcelorMittal Orbit operators Cofely GDF Suez have recruited from the Park's surrounding areas and what impact this has had: <http://queenelizabetholympicpark.co.uk/news/news-articles/2014/8/celebrating-jobs-and-careers-on-queen-elizabeth-olympic-park>

9. LOCAL PLAN

- 9.1. The Publication version of the Local Plan began formal consultation, running between 18 August and 6 October 2014. Once adopted in spring 2015, the Local Plan will provide strategic guidance for all the developments in the area, and will form part of decisions about planning applications in the area until 2031.
- 9.2. The five new neighbourhoods planned in and around the Park are designed to complement and extend the communities already in the area. The Legacy Corporation aims to support the growth and diversity of these communities and is actively working to make sure the area around the Park is developed in the best way possible. One of the ways the Legacy Corporation does this is as planning authority for an area covering the Park and parts of Newham, Hackney, Waltham Forest and Tower Hamlets. The Local Plan sets out the principles which will apply to planning decisions in this area. <http://queenelizabetholympicpark.co.uk/news/news-articles/2014/8/local-plan-out-to-consultation>

10. ARTS AND CULTURE

- 10.1. The **Young Poet Laureate 2014/15**, selected from a shortlist of six, will be announced on National Poetry Day on 2 October 2014, and will go on to benefit from a year of superb development opportunities, a high profile platform for their work and commissions worth at least £7,500. Acting as a voice for young Londoners, they will advocate for poetry as an art form and be a positive role model for young poets, providing comment and reflections on current events. The current Young Poet Laureate Warsan Shire undertook a two-week residency in the Poetry Potting Shed on the Park in July 2014.
- 10.2. Work completed on 2 kilometres of **artworks on hoardings** on the Park. This project provided 35 local businesses with their own advert, has engaged with over 200 local people and 50 local children and provided 40 artists with an opportunity to create new work especially for the Park. More information can be found here: <http://livingwalls-london.com/>

11. YOUTH ENGAGEMENT

- 11.1. The Legacy Corporation announced a new **fashion challenge** for 11 to 16 year olds will culminate in a fashion show held at Queen Elizabeth Olympic Park in March 2015. *Concept to Catwalk* challenges London school children to design a collection of clothing that reflects 21st Century lifestyles and technology-led innovation in fashion. The Challenge draws on east London's rich tradition of textile manufacturing from silk weaving and imported textiles in the docks through to the emerging technology and creative businesses in this part of the Capital. The project aims for students to bring together stories of east London's textile heritage with visions of its technology-led future, to explore how fashion moves forward through enterprise and innovation.
- 11.2. Throughout the Challenge students and teachers will be aided by online resources and events such as an Inspiration Day held on 9 October 2014 at the Podium on the Park, where pupils will learn more about the work of contemporary fashion designers and emerging technologies and how these can be applied to fashion.

12. AQUATICS CENTRE

- 12.1. The Aquatics Centre has been shortlisted by the Royal Institute of British Architects for its national annual awards. The RIBA Stirling Prize - whose nominees also include Liverpool's Everyman Theatre, the Library of Birmingham, the London School of Economics, and Manchester School of Art - is awarded annually to the best new building. The winner, picked by a team of judges, will be announced on 16 October 2014.

13. BUSINESS PLANNING

- 13.1. The 10 year plan and budget was approved by the Legacy Corporation's Board at its 30 April 2014 meeting and was approved by GLA's Investment Performance Board on 20 May 2014. Mayoral consent for the 2014/15 budget and 10 year business plan was granted on 11 July 2014. This replaced the format of the Three Year Plan which had been approved in previous years.

14. STAFFING UPDATE

- 14.1. The Executive Director of Finance and Corporate Services, Jonathan Dutton, resigned his post in August and will be leaving the Legacy Corporation in late October 2014. The Corporation advertised the role on 15 August 2014 with a closing date for applications set for 7 September 2014. Interviews are planned to be held in the week beginning 15 September 2014.

15. HEALTH AND SAFETY

- 15.1. The Stadium, Canal Park and Ancillary works continued to be delivered to a good standard. The most significant recent incident was when excavation work associated with a boundary wall on the Canal Park led to material falling against heras fencing, which in turn knocked a cyclist into the water. The incident prompted a review of boundary arrangements, and for future works it has been agreed that full hoardings are the default, unless there are specific risk-evaluated reasons for other fencing to be used.
- 15.2. More recently, a worker on the Stadium suffered a crushed finger when working on the inner tension ring requiring a minor corrective procedure in hospital, which is a RIDDOR-reportable incident (the first for many months).
- 15.3. The Stadium occupational health facility has been reviewed by the LLDC's occupational health advisor, and deemed to be operating well. The resources have been extended by Balfour Beatty to meet their own internal requirements to log all activities with *Constructing Better Health*, and work continues to ensure that the LLDC specification is being met appropriately. The intention to extend the service to other Park works (Canal Park, etc.) continues to be explored, and it is hoped that it will begin to take practical effect this autumn.
- 15.4. The second QEOP Community SHELТ meeting will be held in September, a draft Charter has been prepared to assist in defining its purpose and how it will operate. Already information is being shared between Stadium, Canal Park, Here East and Taylor Wimpey – so the aims of SHELТ are being realised in practice as a mechanisms to maintain high standards on every Park worksite.

- 15.5. The July Board meeting discussed arrangements for Events on the Park (how event organisers were selected and contracted, how preparations were agreed, how arrangements on the day were overseen, how contingencies were managed). The arrangements have been summarised, and a draft paper is being consulted on internally to be finalised for the Executive Team in September.
- 15.6. Liaison continues with the Canals and Rivers Trust to establish the appropriate boundary protection to rivers and canals on the Park, avoiding unnecessary fence installation whilst not leaving any significant risk area unprotected.
- 15.7. The post of Health and Safety Manager has been filled by an experienced advisor from the beginning of September 2014. This is a permanent, part-time position, reporting to the Head of Human Resources, who will focus on the H&S of LLDC staff and support the teams in the work that they do. Mace (LLDC's project management partner) continues to provide H&S advisory and assurance role to E20 and to Real Estate for all LLDC construction projects, and works with Lawrence Waterman, LLDC's former Head of Health and Safety and currently H&S advisor to the Chief Executive, to extend the liaison with other Park developers such as Here East and Taylor Wimpey. Parks Operations & Venue's team leads on all aspects of public safety in the Park, for day-to-day and event management. Lawrence Waterman continues to provide overall strategic direction, supported by LLDC's occupational health advisor on occupational health.

16. APPENDICES

Appendix 1 – Quarterly report for April to June 2014

Appendix 2 – Commercial update including corporate dashboard (exempt information)

List of Background Papers

- None

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**London Legacy Development Legacy Corporation
Corporate Performance: April to June 2014**



Purpose of the document

This is a quarterly report that provides an update on progress in the work areas and against the milestones in the London Legacy Development Corporation's (LLDC, the Legacy Corporation) 10 Year Plan and sets out information about the Legacy Corporation's financial performance. The 10 Year Plan can be found on the LLDC's website:

<http://queenelizabetholympicpark.co.uk/~media/lldc/committee%20minutes/committees/board/april%202014/20140430lldcboardpublicwithout%20item%2014%20appendices.pdf>

The first section provides information about **financial performance**. Subsequent sections are grouped by theme: **Park Operations and Stadium; Real Estate and Regeneration; Planning Policy and Decisions; and Corporate**. Each section includes progress against milestones, commentary on major projects and key risks. Where relevant the sections also include monitoring information about the Legacy Corporation's performance against targets; the measurement of targets commences as projects start to be delivered. Note that milestones are listed by quarter within calendar years (i.e. Q1 2015 refers to January - March 2015).

Summary of progress in the quarter April to June 2014

LLDC's major achievements during this period are set out below. Further details can be found in the body of the report:

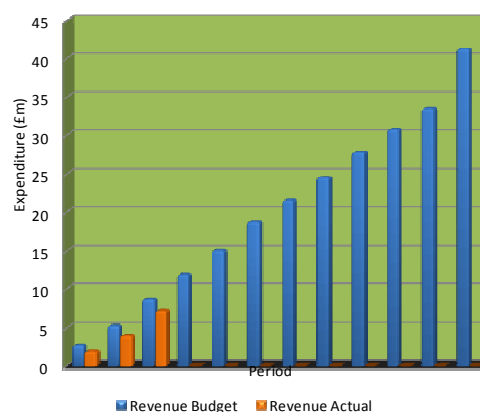
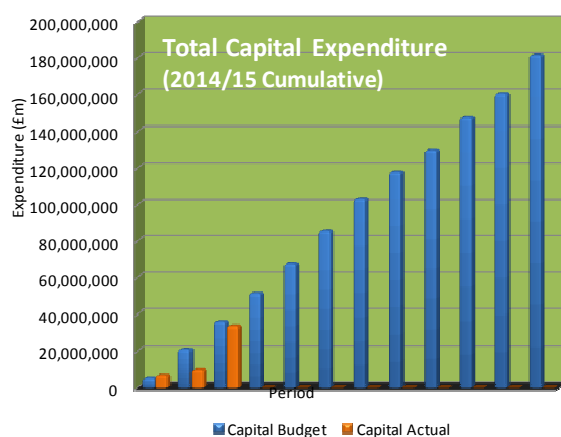
- Successful full opening of the Park including the ArcelorMittal Orbit, the Podium and kiosks. Excellent press coverage and visitor numbers.
- Lee Valley Regional Park Authority opened the Lee Valley Hockey and Tennis Centre at Eton Manor.
- Held a series of events to animate the Park including the Queen's Baton Relay and FINA/NVC Diving World Series.
- Funding for National Paralympic Day approved. Targets for Motivate East inclusive sport project exceeded.
- Funding approved for 3 years for Active People, Active Park programme.
- Signed the Grant of Lease for the Press and Broadcast Centres (Here East) and handed over the buildings.
- Commenced marketing for Chobham Manor with very good initial sales.
- Shortlisted bidders for East Wick and Sweetwater development, Planning Decisions Committee resolved to approve the revised LCS application for the development.
- Undertook public consultation on Community Infrastructure Levy charging schedule.
- Board and GLA approval for the 2014/15 budget and 10 Year Plan.
- Appointed the new Chief Executive, David Goldstone.

Some of the key goals for LLDC for the period from July to September 2014 are to:

- Continue progress in development of the cultural and higher education quarter, including submission of Outline Business Plan.
- Continue programme of events including Tour de France, Great British Carnival, National Paralympic Day, Prudential RideLondon, National Lottery Newham Anniversary run.
- Commence Chobham Manor construction and continue sale of housing units.
- Submit planning for Hackney Wick Station and approaches.
- Submit Planning Application for East Wick School.
- Resolve Aquatics Centre defects.
- Completion of Artwork on Chobham Manor Hoardings.
- Publication of Local Plan for formal consultation.
- Mayoral approval for the 2014/15 budget and the 10 Year Plan.

1. Financial summary and comment

£'000s	For the 3 months ended 30 June 2014			Full Year to Mar 2015	
	Actual	Revised Budget	Variance	Revised Budget	Original Budget
Total Capital Expenditure	33,996	36,525	2,529	181,665	181,394
Revenue - Income	(591)	(625)	(34)	(2,674)	(2,674)
Revenue - Expenditure	7,906	9,356	1,450	44,598	44,598
Net Revenue	7,315	8,731	1,416	41,924	41,924
Trading net result	(139)	15	(153)	(700)	(700)



Capital: The capital expenditure underspend for the 3 months to the end of June primarily sits within Infrastructure: The programme for the construction of the Stadium roof has slipped causing a £9m underspend for the year to-date and hence lower levels of capital injection have been required from LLDC.

The underspend is partially offset by overspends across the 'All Park', 'Other Projects' and 'Parkwide' workstreams, where expenditure of £8m has been incurred in closing out the various transformation contracts for work that was completed at the end of the 2013/14 financial year. This expenditure will be funded from reserves generated from underspends in previous years.

The transformation works on the Stadium are being managed by E20 Stadium LLP, a joint venture established by the LLDC and London Borough of Newham. E20 Stadium LLP is a separate legal entity and produces its own management accounts. The expenditure that appears in the LLDC management accounts represents the capital injection of funds to the LLP by LLDC.

Revenue: Revenue expenditure to date is £7.3m against a budget of £8.7m. Expenditure across the directorates is largely as anticipated with the exception of Park Operations and Venues who expect expenditure to accelerate later in the year. Other contributions to the underspend include the Planning Policy and Decisions team where planning receipts have been over-achieved to date.

Trading: 3 Mills has a positive variance of £0.5m to date, having over performed against the profiled income budget. As at the end of June, 3 Mills has contracted income of £1.8m, which represents 75% of budgeted annual income for the year.

The AMO trading account is showing an adverse variance of £0.3m to date due to receiving fewer visitors than anticipated.

A more detailed breakdown is presented below.

£'000s	For the 3 months ended 30 June 2014			Full Year to Mar 2015	
	Actual	Revised Budget	Variance	Revised Budget	Original Budget
Capital Expenditure					
Infrastructure - Stadium	19,154	28,326	9,172	120,135	118,188
Infrastructure - Other	7,278	(216)	(7,494)	2,199	1,996
Park Operations and Venues	168	424	256	5,457	5,457
Real Estate	4,939	5,391	452	35,885	35,841
Regeneration	1,031	1,077	46	7,293	7,493
Corporate	1,426	1,523	97	10,696	12,419
	33,996	36,525	2,529	181,665	181,394
Revenue - Income					
Park Operations and Venues	(336)	(525)	(189)	(2,102)	(2,102)
Real Estate	-	-	-	(172)	(172)
Planning Policy and Decisions	(255)	(100)	155	(400)	(400)
	(591)	(625)	(34)	(2,674)	(2,674)
Revenue - Expenditure					
Park Operations and Venues	2,875	3,647	772	17,399	17,419
Real Estate	46	362	316	1,162	1,162
Stadium	344	285	(59)	705	705
Regeneration	219	409	190	3,073	2,873
Planning Policy and Decisions	141	128	(13)	837	837
Corporate	4,281	4,525	244	21,422	21,602
	7,906	9,356	1,450	44,598	44,598
Revenue - Net Result	7,315	8,731	1,416	41,924	41,924
	Actual	Revised Budget	Variance	Revised Budget	Variance
Trading net (surplus) / deficit					
3 Mills Studios	(178)	290	(467)	400	400
AMO trading	25	(275)	300	(1,100)	(1,100)
Copperbox	(6)	-	(6)	-	-
London Aquatics Centre	41	-	41	-	-
Timberlodge	(21)	-	(21)	-	-
Total Net (surplus) / deficit	(139)	15	(153)	(700)	(700)

Capital

Infrastructure

Stadium expenditure is behind the anticipated budget as the programme for the roof expenditure has slipped reducing the need for capital injections from LLDC to date.

Other areas of capital expenditure in Infrastructure are higher than anticipated as work to close out contracts and agree settlements with contractors is ongoing. The phasing of the budgets assumed the majority of contracts would have been agreed and payments made in 2013/14 and budget was therefore not profiled in the 2014/15 year.

As the payments were not incurred in 2013/14, this generated an underspend in these areas that will be used to fund the expenditure as it is incurred in 2014/15.

There has also been an ongoing requirement for some of the consultants' services relating to transformation works to continue into this financial year. Again these costs were not

reflected in the phasing of the budget meaning the 2014/15 budget will be overspent but can be funded by 2013/14 underspend.

Park Operations and Venues

There is an under spend variance in capital expenditure to date. Park Operations and Venues have not spent this budget as responsibility for tarmacing at the Stratford Waterfront moved to Real Estate. The budget is to be transferred and spend incurred in Real Estate later in the year. Smaller slippages also exist following that are expected to be caught up in the coming months.

Real Estate

An underspend of £0.5m exists across the Real Estate directorate to date; commencement of F03 bridge work has been delayed due to the winning tender bid being above budget and a value engineering exercise is taking place to bring costs within budget. Expenditure on the cultural and higher educational quarter project is expected to accelerate later in the year. These underspends are offset by smaller overspends in refurbishing Hackney Wick station and Canal Park expenditure being ahead of profile.

Regeneration

Expenditure within the Regeneration directorate is in line with the revised budget. Some minor works have been delayed until later in the year.

Corporate

Expenditure is broadly in line with budget, with Park IT expenditure expected to increase through the rest of the year.

Revenue

Park Operations and Venues

Income is slightly below the year to date budget. However the team have a number of forward bookings and remain hopeful the year end target will be made.

Expenditure is behind budget as a review of Facilities Management costs across the park has led to a dispute of some invoices and reduced costs. There have also been delays in marketing expenditure as visitor surveys are now planned to be conducted in conjunction with Westfield and are expected to take place later in the year.

Regeneration

The underspend primarily relates to a grant for £116k which has been included within expenditure, suppressing spend. The remaining underspend mostly relates to £40k of slippage due to the Urban Bioscience Park work starting later than anticipated.

Real Estate

The primary reason for that costs in relation to the handover of the Press and Broadcast Centre will no longer be incurred.

Planning Policy and Decisions

The net under spend continues to be driven by planning application fees received that are much higher than anticipated due to the receipt of applications for some large-scale.

Corporate

In Corporate variances include an underspend of £0.2m in Park IT due to work not yet having started on fibre management.

2. Park Operations and Stadium

The work in this area in 2014/15 is focussed on ensuring that following the opening of Queen Elizabeth Olympic Park (the Park) and its venues in April 2015 that the Park and venues are carefully managed and maintained, to ensure a reputation for quality and safety, and to maximise visitor numbers and spending for local businesses. This is underpinned by major sporting and cultural events preserving and enhancing the spirit of 2012, and a wider programme of events at all scales ensuring repeat visits from local people and the wider audience.

This area also includes work to convert the Stadium into a multi-use venue which will re-open temporarily for major events such as the Rugby World Cup matches in 2015, then permanently prior to the start of the football season in summer 2016 for its concessionaires, West Ham United Football Club and UK Athletics.

Progress against major milestones and targets

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Complete transformation, reopen Park & venues	Complete: The Park and major venues re-opened on schedule as planned. This does not include the Stadium which has separate milestones.
Defects resolved for Aquatics Centre and Copper Box Arena	Ongoing work to rectify defects in the two venues. Major defects in the Aquatics Centre to be resolved in Q3 2014.
Hold FINA diving championships	Tournament successfully held with 8,592 people attending.
Hold Revolution track cycling	Scheduled to take place in the Lea Valley VeloPark in October 2014, with another event in February 2015.
Tour de France stage through the Park	Complete: The Tour de France completed a circuit of the Park in July 2014.
Hold European Badminton Grand Prix	This event is not taking place.
Complete installation of signage and wayfinding	Temporary wayfinding and signage installed for Park opening. Permanent solution to be complete by Q4 2014.
Stadium: naming rights partner announced	Discussions are ongoing with possible naming rights partners for Stadium; a decision is due to be made in Q1 2015.
Appoint Park & Stadium events operator	Dialogue progressing to schedule with Stadium+ operator bidders. Operator to be appointed in Q4 2014.
Achieve and maintain Green flag status for the Park (15/16)	Green flag status has been achieved, 1 year ahead of schedule.
Stadium complete for Rugby World Cup (15/16)	Stadium conversion is on track for re-opening for the Rugby World Cup in summer 2015, Section 1 of the Stadium completed on schedule in this period.

Targets and performance for 2014/15	Performance and Commentary
<p>Health and safety: Targets are to complete transformation without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked</p>	<p>No fatal injuries on site to date. There have been no life-changing injuries sustained in accidents, and no reportable work-related ill health. The Transformation programme completed with a very good safety performance. The accident rate ended at the historically low 0.05 (equivalent to a reportable accident for every 2,000,000 hours worked) for the final 12 months and an average over the whole programme of works of 0.13 (lower than for the ODA pre-Games works of 0.15).</p>
<p>Visitors: Annual target of 3.5m visitor to the Park Copper Box throughput Aquatics Centre throughput</p>	<p>Estimated 870k visitors to the Park between April and June 2014. 50,597 people have visited the Copper Box Arena in 2014/15. 191,158 people have visited the Aquatics centre in 2014/15.</p>

Commentary on key projects

The **south of the Park** opened to the public on Saturday 5 April 2014 for the first time since the London 2012 Olympic and Paralympic Games. In 18 months, the Legacy Corporation has led the transformation of the former Olympic Park into London's newest Park with beautiful parklands and waterways, world-class sporting venues, arts and events.

The Park opening weekend attracted over 50,000 visitors and generated positive media and social media coverage. Highlights of the opening weekend included: a parade of 250 local children; choirs, bands, dancers, poets, circus performers and story tellers throughout the south of the Park; a spectacular aerial performance by acrobats from Aircraft Circus at the ArcelorMittal Orbit; try out sessions for a range of sports and fitness activities; and visits from the East London Mobile workshop arts and crafts bus and the Bikeworks team.

Since that time visitor numbers to the Park have been very high and media coverage about the Park has been positive. The Park has been animated by a number of events, summarised in the section below.

The **ArcelorMittal Orbit** visitor attraction also opened on the same day. Visitors to the ArcelorMittal Orbit are able to experience a new perspective of London and unrivalled views of the Park. With two spacious viewing platforms at 76 and 80 metres high, visitors can see over 20 miles across London and newly installed interactive technology enables guests to get close up to the breathtaking views.

At the base of the ArcelorMittal Orbit is **The Podium** which has a versatile events space, EastTwenty Bar & Kitchen and roof top terrace with views of the iconic venues.

Aquatics Centre: The Aquatics Centre opened on 1 March 2014. The 50 metre competition pool is available for lane and fitness swimming. The 50 metre training pool is used for family sessions; fun sessions with inflatables and swimming lessons. There is also a 25 metre diving pool with boards and platforms up to 10 metres, a dry diving zone, a state-

of-the-art 50 station gym and café. In April the Aquatics Centre hosted the 2014 FINA/NVC Diving World Series and in 2016 will host the European Swimming Championships.

North Park and Hub: The first phase of the North Park opened on schedule in late July 2013, including the Unity Kitchen Café, the Tumbling Bay playground and the Timber Lodge community centre. The café is run by The Camden Society and was the first of four permanent cafés and four permanent kiosks across the site.

The **Copper Box Arena** opened on 27 July 2013. During this period it hosted a number of events including National Handball finals and London Lions basketball matches. The Arena is also open for use by the community including a sports hall for activities such as badminton, an 80 station gym and 2 studios.

Events: The Park has been animated through a number of high profile events including the **Queen's Baton Relay** for the Commonwealth Games passing through the Park, marking the midpoint of the English leg of the Relay, as it nears the end of its international journey. As part of the celebrations the Park held a Festival of Sport, a free event which was the biggest mass participation sports event on the Park, bringing people of all ages and backgrounds together to try new sports. This included a range of inclusive sports such as wheelchair basketball, and activities for all ages and abilities and launched Active People Active Park, LLDC's initiative with Sport England to provide sports activation across the Park.

The **FINA/NVC Diving World Series**, the first international event to be hosted at the London Aquatics Centre since the London 2012 Olympics and Paralympic Games, concluded to sell out crowds. British Swimming, UK Sport, London Legacy Development Corporation, London and Partners, Mayor of London and Greater London Authority and GLL brought the event to the capital and saw over 9,000 spectators watching world class diving.

The **Lee Valley Hockey and Tennis Centre**, owned by the Lee Valley Regional Park Authority, was officially opened by members of the England Hockey Women's and Men's teams and British Wheelchair Tennis Paralympic medalists Jordanne Whiley and Lucy Shuker. Members of the public had their first chance to take part in both sports at Lee Valley Hockey and Tennis Centre on Saturday 21 June when the venue hosted a free Family Fun Day.

Future events: events on the Park scheduled to take place in the next period (July – September 2014) include:

-Hosting part of the **Tour de France** 7 July 2014.

-The **National Lottery Newham London Anniversary Run:** a five mile run including venues on the Park on 20 July 2014.

-The **Great British Carnival at the Park.** A free event marking the midway point between the London and Rio Olympics on 27 July.

-The **Prudential RideLondon** on 10 August 2014 starts in the Park with an estimated 24,000 cyclists and 150 of world's top professional male.

- **National Paralympic Day:** 30 August 2014. Featuring family activities, the chance to try inclusive and disability sports, watch elite Paralympic sports and featuring the Mayor's Liberty Festival featuring attractions from deaf and disabled artists.

- **Invictus Games:** more than 300 wounded, injured and sick Servicemen and women, serving and veteran, competing in events on the Park on 10 - 14 September 2014.

Park Operations: The first phase of opening was supported through the Legacy Corporation's Park Operations team whose work included the mobilisation of venue operators and the delivery of the estates and facility management contact. The preparatory work ensured that full Park opening was smooth and the Park has been operating well since this time.

Stadium: LLDC, on behalf of E20 Stadium LLP, is working to transform the Stadium in the Park into a year round multi-use venue to deliver a permanent sporting, cultural and community legacy in east London. Last summer Balfour Beatty was awarded the contract to convert the Stadium roof and is leading the remainder of the transformation works of the Stadium including constructing the warm-up track, spectator and hospitality facilities, and the external landscaping.

Carey's PLC has continued work as contractors to remove 25,000 seats and the grass field of play. Work continued in this period to remove all 14 of the floodlight paddles on the Stadium so a new roof – twice the size of the original at around 45,000sq metres – can be built. At 84 metres at its deepest point it will be the longest cantilevered roof in the world and will cover every seat in the Stadium and improve the acoustics and spectator experience for football matches, other sporting events and concerts. The pitch will then be laid for the five Rugby World Cup matches held in the Stadium in September and October 2015. After this, final work will be carried out, including construction of retractable seating, to prepare the Stadium for its long term tenants West Ham United FC and UK Athletics to open the Stadium from summer 2016.

Procurement has commenced for the operation and event management of the Stadium and south of the Park, an operator is scheduled to be appointed in Q4 2014.

For information about LLDC's **Sport and Healthy Living** projects see the Community Engagement text in the Regeneration section of the report.

Key Park Opening and Operations and Stadium risks:

Summary	Impact	Mitigation
Red risk that the construction programme for the Stadium will slip and/or budgets will overrun	Significant financial, reputational and operational impacts.	Budgets secured for the construction work and contracts let. Monitor budgets closely.
Amber risk relating to Park visitor numbers and experience	Significant reputational impacts.	Marketing plan, good customer services, animation of the Park through events. Positive initial figures for visitors to the Park.
Amber risk relating to Stadium+ Operator procurement	Significant financial impacts.	Procurement exercise is on track.
Amber risk relating to impact of remedial works for Copper Box Arena and Aquatics Centre on	Significant financial and reputational impacts.	Ensure management of remedial works is monitored closely and issues identified

operations		and dealt with promptly.
Amber risk about the impacts of serious accidents or episodes of significant ill health on site	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive health and safety programme is in place, designed to identify and manage the construction risks and led actively by LLDC and its Project Management Partner.

3. Real Estate and Regeneration

Real Estate

The work in this area in 2014/15 includes working towards the delivery of vibrant new places: new homes, workplaces and community facilities will be built and managed in partnership with developers and investors, with the mix of uses and tenures, high quality design and excellent environmental standards that will create places that work. This includes commencement of construction of housing at the Corporation's first housing development at Chobham Manor and sales of properties in this development. It also includes preparing for the next phases of housing on the Park at East Wick and Sweetwater and working with Partners to deliver two schools on the Park.

The Real Estate directorate is delivering construction project across the park including connectivity project and the development of a Canal Park. It is also working closely with partners to improve neighbourhoods outside the Park, in particular in Hackney Wick and Bromley by Bow.

The Legacy Corporation is also working with central Government, the Mayor of London and potential partners with the aim to emulate the legacy left in South Kensington by the Great Exhibition, by promoting the Mayor's vision for a Cultural and Higher Education quarter in the Park, comprising cultural facilities, education and research institutions and workspaces, to stimulate job creation and economic growth across east London.

Progress against milestones

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Chobham Manor developer on site	Enabling works have been taking place and the developer is due to start construction on site in Q3 2014.
East Wick & Sweetwater developer procurement complete	Three bidders have been shortlisted and the developer is due to be appointed in Q3 2014.
Olympicopolis development agreements complete	Final agreement to be signed Q4 2014.
Here East start on site to fit out Press & Broadcast Centres	Following the granting of the lease to Here East Construction will commence in Q4 2014.
Bromley by Bow - Delivery strategy for BbB preferred option agreed	Preferred option to be agreed in Q4 2014.
East Wick School - submit planning application	On scheduled to submit Planning Application in Q3 2014.
East Wick School construction commences	There is a tight programme of planning, design and letting contracts but on track for commencement in Q1 2015.
Legatum all through school: planning application submitted	Two planning submissions to be submitted, one for the Primary School the other for the Secondary school. Both on schedule for submission in Q4 2014.

Delivery strategies for Bromley by Bow agreed	Contractors appointed to prepare a viability assessment of the design options and to produce a delivery strategy by Q4 2014.
Olympicopolis outline business case approval	Outline Business Case in draft and due to be submitted to Government in Q3 2014 for approval in Q4 2014.
Hackney Wick Station construction commences (15/16)	Construction on track to commence Q1 2015.
U13/14 construction complete	Project has slipped to an estimated completion date of Q2 2015 due to delays in flood modelling.
Set up of Estates Management body	LLDC Investment Committee to be updated on options to create an Estates Management body.
Legatum all through school construction commences (15/16)	On schedule to commence construction of the Primary school in Q1 2015 and the Secondary school in Q2 2015.
Hackney Wick Station construction commences (15/16)	Planning application due to be submitted in Q3 2015.
Hackney Wick Neighbourhood Centre submission of Outline Planning Application (15/16)	On track for submission in Q2 2015, supported by approval for Business Case, landowner meetings and planning discussions in this period.
Olympicopolis full business case approval (15/16)	Approval for Outline Business Case due in Q3 2015, further work with Partners to complete the Full Business case.
Canal Park Opens (15/16)	On track to complete construction works and open to the public in Q4 2015.

Commentary on key projects

Cultural and Higher education district: This is a new project which aims to create a major new higher education and cultural district on Queen Elizabeth Olympic Park. The Mayor of London, the Chancellor and LLDC have agreed to work together on this ambitious plan that would potentially see two world class institutions – University College London (UCL) and Victoria and Albert Museum (V&A) – on the Park and potentially other higher education and cultural institutions on the Park.

The Legacy Corporation has been working closely with the V&A and UCL and other partners to develop a business case for the creation of a major new higher education and cultural district for submission to Government. The Legacy Corporation has been engaged in negotiations with UCL to discuss the delivery arrangements for a new university campus on PDZ 1.2, (south of Aquatics) and PDZ 2 (south of the ArcelorMittal Orbit).

Chobham Manor development: in November 2012 LLDC entered into the development agreement with Chobham Manor LLP (a joint venture between Taylor Wimpey and London & Quadrant) to build LLDC's first neighbourhood on the Park, Chobham Manor, on the site of the former temporary Basketball Arena. The development will contain 75% family housing (defined as 3 beds or more) as this is a planning requirement and will be supported by a new health centre, nursery and community spaces.

Chobham Manor LLP launched the first phase of homes for private sale at Chobham Manor, in May 2014. Over the first weekend, 48 open market homes were reserved by purchasers who were keen to set up home on the Park in Stratford, East London, which hosted the London 2012 Olympic and Paralympic Games. Construction of the first phase of housing will commence in Q3 2014.

Press Centre and Broadcast Centre (Here East):

The long-term use for the Broadcast Centre and Press Centre has been secured. Here East (formerly iCITY) and the Legacy Corporation signed the lease for the buildings in May 2014. Here East will be a world-leading creative and digital cluster at the heart of Queen Elizabeth Olympic Park with 1.2 million square feet of space. Here East has appointed Lang O'Rourke as preferred contractor for their fit out works which will commence in Summer 2014.

Legacy Communities Scheme: The Legacy Communities Scheme planning application to deliver comprehensive mixed use development on the Queen Elizabeth Olympic Park was granted outline planning permission in September 2012. Work is ongoing to ensure that LLDC monitors and discharges its planning obligations relating to the LCS. LLDC has completed the majority of submissions of pre-commencement discharge of S106 and conditions to the planning authority, the majority of approvals are expected to be complete in Q3 2014.

LCS Phase 2 – East Wick and Sweetwater: The Legacy Corporation has continued procurement to identify a development partner to take forward the next phase of new neighbourhoods on the Park at East Wick and Sweetwater to create up to 1,5000 homes. Six firms submitted outline proposals earlier this year and the Legacy Corporation has announced three candidates to submit full proposals in September 2014: Grainger; Mace, Argent and Peabody; and Places for People and Balfour Beatty. The three final bidders will now enter into a period of detailed competitive dialogue meetings to formalise their proposals, which are expected to be submitted in Q3 2014. The Legacy Corporation will then select a preferred bidder later in the autumn. Because of conflict of interest relating to his new role, Dennis Hone has not been involved in the decision to agree this shortlist and will not be involved in future stages of procurement. The Planning Application to revise elements of the Legacy Communities Scheme (LCS) relating to this development was submitted to PPDT on 3 February 2014 and at the Planning Committee on 22 April, the Committee resolved to grant permission.

The Legacy Corporation is also working with Partners towards the early delivery of two **Legacy Community Scheme schools:** a three-form entry primary school at East Wick, due to open in 2015/16, and an all-through free school called Legatum at Sweetwater and Stadium Island, provisionally scheduled to open in September 2016. The Legacy Corporation is working with relevant partners for both schools to ensure that contractual arrangements, planning and design issues are all resolved to allow construction to commence in 2015 to meet the deadlines to open the schools.

Improvements to **Hackney Wick Station** have been identified as a key factor in helping to unlock the full economic potential of Hackney Wick. In this period LLDC secured a loan of £8.5m from the London Enterprise Panel (LEP) for improvements to **the Station**. The improvements include new routes to reduce journey-times between the station and iCITY and the Queen Elizabeth Olympic Park, a new and enlarged station concourse, the installation of lifts to the platforms, and the creation of a new north-south pedestrian route for both passengers and other pedestrians under the railway embankment. Work is ongoing with partners on the station design, submission of a planning application due in the next period and procurement. Discussions are also progressing well with LB Hackney and other landowners relating to development of the **neighbourhood centre** in Hackney Wick: the Business Case was approved in this period, landowner meetings and planning discussions were also held.

Construction projects: The **U13/14 underpass** will link the north and south of the Park: construction is now scheduled to commence in Q2 2014, this has been delayed because of

the need to complete level surveys to allow the designs to be finalised and planning approval to be sought. The construction is now scheduled to be complete in Q2 2015. **F03 bridge** construction works: the contractor has been appointed and construction is on track to commence in Q3 2014 for completion in Q3 2015. The **Canal Park** project to create a linear park on the western side of the Queen Elizabeth Olympic Park along the Lea Navigation Canal is on track to complete construction works and open to the public in Q4 2015.

Key Real Estate risks:

Summary	Impact	Mitigation
Red risk relating to the remaining major construction work inside and outside the Park in particular where dependent on external partners and funding	Significant financial and reputational risks.	Working closely with delivery partners and funders.
Amber risks on design, programme and budget relating to the delivery of the All Through (Legatum) School	Reduced design quality of the school, missed deadlines and financial impacts.	Close working with partners, budget and programme monitoring.
Amber risk relating to the funding and programme of East Wick School	Significant financial and reputational impacts.	Close working with LB Hackney. Ensure contractors are brought in early and all surveys are undertaken early.
Amber risks relating to construction of Olympicopolis to programme.	Significant financial and reputational impacts.	Effective design and early market testing.
Amber risks relating to ensuring that there is funding in place to deliver Olympicopolis.	Significant financial and reputational impacts.	Early insight to funding requirements.
Green risk that related development projects undertaken by other organisations are not successful.	Negative knock on effect on the success of the Park.	Close work with partners to influence developments and monitor progress.
Amber risk that there are challenges to the ability of LLDC to return expected capital receipts.	Significant financial and reputational impacts.	Close working with GLA. Consider alternative deal structures to support increased receipts.

Regeneration and Community Partnerships

The work in this area in 2013/14 includes developing a range of projects to help deliver regeneration and convergence in the Park and its surrounding area. These include socio economic projects around jobs, skills and business engagement; projects to promote equalities and inclusive design, engagement with the local community; projects promoting arts and culture; and projects relating to design and public realm improvements inside and outside the Park.

Progress against major milestones

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Business Case approval to Hackney Wick Development and Delivery Strategy	Business case approved in this period
ELMO: Artist residency with public programming and mentorship scheme complete	Excellent participation in this period, on schedule to complete by September 2014.
Rothbury Road Hub 67 build complete	Procurement for contractor commenced, construction due to complete in Q4 2014.
Legacy Careers -complete Phase 2 Legacy Careers programme in 15 secondary schools	Commenced delivery of second phase of legacy careers in schools, programme due to complete in Q1 2015
NPD - NPD 2014 successfully held	A positive Lottery funding decision was given in this period, which secures the delivery of NPD for this year and next. Planning for the event which will take place on the Park on 30 August 2014.
Ensure future phases of LCS contribute to the LCS offset mechanism	All bidders have committed to using the offset mechanism for PDZs 4 and 5 This will be kept under review throughout the drafting of the development agreement.
Pudding Mill Lane: Masterplan complete and preferred option for Pudding Mill Lane agreed	The Masterplan is complete and preferred option on course to be agreed in Q4 2014.
Leaway: complete phase 1 (15/16)	Due for completion in Q3 2015

Targets	Performance and commentary
<p>Transformation Construction workforce targets:</p> <ul style="list-style-type: none"> - 25% of the workforce have permanent residency in Host Boroughs - 10% of the workforce were previously unemployed - 25% of the workforce are from BAME groups - 5% of the workforce are women - 3% of the workforce are disabled - 3% of the workforce are apprentices 	<p>As of the end of June 2014 the majority of workforce targets have been met or exceeded:</p> <ul style="list-style-type: none"> - 24% of Transformation employees working on the Park are Host Borough residents - 5% were previously unemployed - 50% of the workforce are from BAME groups - 7% are women. - 5% are disabled - 7% are apprentices
<p>Copper Box Arena and Aquatics Centre workforce targets:</p> <ul style="list-style-type: none"> - 70% of the workforce have permanent residency in the Host Boroughs - 55% are from BAME groups - 50% are women - 3-5% are disabled 	<p>As of the end of April 2014 the workforce performance is shown below:</p> <ul style="list-style-type: none"> - 71% workforce Host Borough residents - 54% workforce are BAME - 35% workforce are women - 5% workforce are disabled
<p>Estates and Facilities workforce targets:</p> <ul style="list-style-type: none"> - 85% of the workforce have permanent residency in the Host Boroughs - 35% are from BAME groups - 42% are women - 10% are disabled 	<ul style="list-style-type: none"> - 70% workforce Host Borough residents - 55% workforce are BAME - 45% workforce are women - 3% workforce are disabled
<p>The Chobham Manor allowable solution programme will ensure zero carbon emissions for the development.</p> <p>A full list of sustainability targets can be found in the Sustainability Guide at http://www.londonlegacy.co.uk/media/LLDC_Your_sustainability_guide_to_the_Queen_Elizabeth_Olympic_Park2030.pdf</p>	<p>The Chobham Manor allowable solution programme to be agreed in 2014/15.</p> <p>Performance against other sustainability targets to be measured and reported in the annual sustainability report.</p>
<p>Community Engagement: My March 2016: 195 people supported to achieve training or qualification certificates through community projects</p> <p>Number of Echo members paying subscription fees from 2015 (at least 1000)</p>	<p>20 people awarded the voice of east London silver arts award.</p> <p>Will be measured from 2015 onwards.</p>

<p>Sport and Healthy living and Paralympic Legacy: 26,000 opportunities to participate in inclusive sports and physical activity delivered by 2015/16 as part of 'Motivate East' in partnership with Sport England.</p> <p>Recruitment of 60 Paralympic Legacy Ambassadors (now called Para-legacy agents) reaching 600 people over the three years.</p> <p>To March 2017: Engage 100,000 people in community sports project including Paralympic sports</p>	<p>Motivate East has reached 8,097 disabled people who have participated in the programme, exceeding the target for the first year of the project of 2874 participants</p> <p>The Bromley By Bow Centre has been appointed to recruit Para-legacy agents. 480 have been appointed to date.</p> <p>Paralympic Legacy figures are above; Active Park Active People sessions are being delivered and are on track to meet annual targets.</p>
<p>Arts and Culture: Engaging directly with over 70,000 people (from 2013/14 to 2015/16) through activities with artists, cultural festivals, mentorship scheme, outdoor performances, creative workspaces, and Art in the Park</p> <p>Supporting 30 jobs in the arts by March 2016</p> <p>Delivering 20 events in the Park by March 2016</p> <p>Commissioning 15 new artworks on the Park by March 2016</p>	<p>The latest figures show direct engagement with 43,324 people. This figure does not include engagement through LLDC arts and culture projects at the Summer Events series, notably at National Paralympic Day and Open East.</p> <p>45 by June 2014 (quantified as either direct or indirect employment)</p> <p>34 by June 2014 (an 'event' classed as an organised event of more than 50 people attending)</p> <p>51 by June 2014</p>

Commentary on key projects

Inclusion and Paralympic Legacy: LLDC's has continued to deliver its Paralympic legacy programme. As a part of that programme inclusive sport project Motivate East (which is funded by LLDC and with match from Sport England and other partners including the Host Boroughs, Lee Valley Regional Park Authority, Greenwich Leisure Limited, the University of East London, ProActive East London and Wheelpower) is exceeding targets relating to throughput, supported by the appointment of Para-legacy agents to promote the programme.

The date for National Paralympic Day 2014 has been agreed (to be held on 30 August in the South Park) and funding for this year and next year has been approved. The event will feature inclusion and disability sports, the Mayor of London's Liberty Festival as well as elite sport in 2 venues on the Park.

Procurement has continued for a design team to re-imagine **Mandeville Place**, the central public open space between Carpenters Lock and the Belvedere, as an area of Paralympic recognition, meeting our commitments to the International Paralympic Committee. This interpretation will include a tactile map and will be retrofitted after Park opening. Planning permission is due to be submitted in the next period.

Socio Economic projects:

The Legacy Corporation has continued its programme to help provide opportunities on the Park to encourage jobs, skills and apprenticeships. Progress against individual targets can be found above. In this period good progress has been made in recruiting apprentices to work on the Canal Park, Chobham Manor and in particular the Stadium (over 20 apprentices recruited).

Delivery has commenced on Legacy Careers which will raise awareness of employment opportunities coming forward from the Park and help secondary school students to better understand their future career options, broaden horizons and equip them with the information, confidence and motivation they need to plan and manage their own careers. This will be delivered to 15 schools in the Host Boroughs and run until Q1 2015.

Education and schools: The Legacy Corporation has progressed its work to deliver the Legacy Communities Scheme schools and to facilitate additional capacity in the Legacy Corporation's area.

Community Engagement:

The Legacy Corporation has been running a number of high profile community engagement projects with local residents including delivery of workshops community roadshow in the 4 boroughs, work around maps and routes and working with community clubs.

The aspiration for the Park to be known as London's largest outdoor classroom is progressing well through the Learning Trails project. 400 lesson plans have been developed as free downloadable resources, and teachers and students are able to use these lesson plans on the Park.

The Legacy Corporation is working with the V&A on a Mayor's Challenge schools project. This is due to commence in September 2014 and aims to engage effectively with the local east London communities to increase the V&A's audience base and enhance its presence in East London prior to its proposed location on the Park. This fits in with the Legacy Corporation's ambition to create and foster innovation and new industry and technology at the heart of east London.

An application process to appoint members of the Legacy Youth Board has completed and the first meeting held. The Legacy Youth Panel will also continue to operate, delivery partner for 2014/15 has been appointed and the Youth Panel's film was shown at the Stratford Picture House.

The Legacy Corporation has been awarded £500,000 from Sport England's Community Sport Activation Fund to get people in and around the Park more active, more often. Following on from a successful pilot project, which attracted over 3,000 people, the Active People, Active Park programme is expected to reach more than 90,000 people over the next three years. The project will bring people of all ages and backgrounds together to try new sports, encouraging increased levels of physical activity.

Arts and Culture:

Good progress has been made on the **SPOKE** project, a poetry and spoken word programme offering people in East London an opportunity to watch, perform and develop careers in spoken word and performance poetry in and around the Park. A New Direction, Apples and Snakes and Spread the Word continued work to deliver a poetry and spoken word project in and around the Park. The schools programme concludes in the next period with a final poetry slam event at Stratford Circus showcasing poems from students in 10 local schools.

The **East London Makers Outside** (ELMO) project has continued. The spring season saw very high participation numbers of 4,695 across all events. These include 75 stools being made on the Park, a ceramic tile mural made in Beckton Community centre with a core group of disabled participants and an illustration workshop with Hackney Housing Association with an elders group. Summer programme is now finalised with activities at larger scale events until September 2014.

The Arts & Culture programme has completed two further major **artworks on hoardings**: one at Chobham Manor by artist David Shillinglaw who has worked with local communities in Leyton and Newham to tell their stories across 385 metres. The artwork was unveiled by Taylor Wimpey on 2nd July; the second artwork by famous artist Ben Eine stretches across 400 metres on Carpenters Road and features huge lettering which spells out words inspired by the forthcoming cultural quarter.

Nathan Eastwood from Newham was awarded the inaugural East London Painting Prize. Selected from over 300 submissions by artists from across East London, Nathan receives a life changing £10,000 prize and a prominent solo show at East London's Nunnery Gallery later this year. The East London Painting Prize has been created by The Legacy List, the charity of Queen Elizabeth Olympic Park with the Goldhill Family Zabłudowicz Collection, and in association with Bow Arts.

Interim Uses: in parallel with plans to appoint a Park-wide operator LLDC is developing smaller scale interim uses on the Park. This project aims to animate the routes to the Park, enhance the visitor experience and increase visitor numbers and begin to establish a mix of retail and commercial elements for the new neighbourhoods on the Park when these are built. The business case for this has been approved and the opportunities are being scoped.

The Lea River Park - Leaway: LLDC design team is leading the process of working in partnership with Newham, Tower Hamlets and other stakeholders to re-scope the Leaway project (formerly known as Fatwalk) and develop a delivery strategy for a series of projects which will connect the Park to the cable car, Royal Docks and River Thames with continuous landscaped walking and cycling routes along the River Lea.

Key regeneration risks:

Summary	Impact	Mitigation
Green risk relating to construction communications	Impacts on the reputation of the corporation	Deliver a clear communication plan which manages expectations and explains the reasons for the construction work
Amber risk relating to meeting priority theme targets and wider regeneration aspirations	Significant reputation impacts	A strong set of targets agreed through procurement and contracts. Close working with Partners

Planning Policy and Decisions

Progress against major milestones

Milestones for completion in 14/15	Estimated date and comment
Local Plan: Complete viability testing of Local Plan	BNP Paribas completed viability test in this period
Planning Committee Report finalised - Publication Local Plan	Local Plan finalised for publication in this period
Proof of consultation documents received and approved for printing	Proof of consultation documents received and approved in this period
Draft CIL Charging Schedule	Draft of Charging Schedule to be completed in Q3 2014
Local Plan: Submission of Local Plan	Publication of the Local Plan for consultation due in Q3 2014

Targets

Targets	Performance and commentary
At least 70% of Applications determined in time	Targets met in each month in this period (April 92%; May 83%; June 95%0
Number of enforcement cases closed per month	6 cases closed in this period, 27 open to the end of June

Commentary on key projects

The Planning Policy and Decisions Team (PPDT) have continued its work to develop the Local Plan and Community Infrastructure Levy. **The Local Plan** has been progressed to a final draft of the Publication version and has been amended in light of stakeholder and Planning Decisions Committee review during June. The Local Plan will now be reported to Board at its July meeting prior to formal public consultation during August and September. The Local Plan is on track for adoption in late spring 2015 in accordance with the project programme.

On the 30 April 2014 the Legacy Corporation Board agreed that the **Community Infrastructure Levy** Draft Charging Schedule and associated documents and evidence be published for consultation. Community Infrastructure Levies are new levies on development which local planning authorities may introduce in their areas to help fund the social, environmental and physical infrastructure that a new development will need.

The Legacy Corporation ran a consultation exercise in this period seeking comments from any interested individuals or organisations through the Legacy Corporation's website.

Development Management, Performance against all development management targets is being met, with particularly good performance in planning applications determined within time in June (95% against a target of 70%).

PPDT has consulted from mid December on proposals to extend the boundary of the Hackney Wick and Fish Island Conservation Areas. A further period of consultation on the proposed conservation area extension character appraisals was undertaken during late January and February and a report was considered by the Planning Decisions Committee in

March. Following PPDT’s detailed review of the consultation and further consideration by the Planning Decisions Committee, the Board approved recommendations designating the conservation area extensions in an amended form.

Key Planning Policy and Decisions Team risks:

Summary	Impact	Mitigation
There is a risk that there are delays to the programmes to develop the Local Plan and the Community Infrastructure Levy (CIL).	Negative financial and reputational impacts for the Legacy Corporation.	A programme of activities including evidence gathering, consultation and independent examination has been adopted for both the Local Plan and the CIL programme, to be monitored regularly by the LLDC Board.

4 Corporate

Work in this area includes functions to support the delivery of the Legacy Corporation's objectives through services including finance, human resources, IT and Information management, programme management, legal, procurement and communications.

This includes work to develop the Smart London Plan, which aims for the Park to become one of the world's leading digital environments, providing a unique opportunity to showcase how digital technology enhances urban living. The aim is to use the Park as a testing ground for the use of new digital technology in transport systems and energy services.

Corporate

Progress against milestones

Milestones for completion in 14/15	Estimated date and comment
Unqualified Audit Opinion	The External Audit of 2013/14 accounts is due to be undertaken in Q3 2014 with results reported to the Audit Committee in September 2014.

Commentary on key projects

The 10 year plan and budget was approved by the Legacy Corporation's Board at its 30 April 2014 meeting and was approved by GLA's Investment Programme Board on 20 May 2014. This replaced the format of the Three Year Plan which had been approved in previous years. The 10 year plan and budget was awaiting Mayoral approval at the end of June 2014 (this was granted in July 2014).

Work has continued to implement the **Park Wide IT** strategy which sets out a plan to address requirements for information and technology on the Park link in with corporate IT requirements. ICT requirements for Park Opening (e.g. visitor centre & kiosks) progressed well in this period (and were ready for opening on 5 April 2014).

The Legacy Corporation has been considering a range of shared services with the GLA Group. At its meeting on 27 February 2014 the Chairman's Committee agreed the proposal to transfer LLDC's in house legal function to TfL, subject to appropriate consultation, from 1 May 2014. This transfer took place successfully in this period.

Following Dennis Hone's resignation in May 2014, to take up a new role within Mace as Finance Director, a recruitment campaign was launched and attracted an excellent response. The recruitment and selection process took place in June and David Goldstone has been appointed as the successor to Dennis Hone and will join in the Autumn. David joins the Legacy Corporation from Transport for London where he is currently Chief Finance Officer. Prior to that he played a major role in delivering London 2012 as the Government's finance director on the project between 2007 and 2012, helping ensure that the Games were delivered within the £9.3 billion budget. In that capacity he worked closely with the Olympic Delivery Authority on the design and delivery of the Olympic Park and on the planning for the future of the Park including the regeneration of east London now being delivered by LLDC. Before his role on the Games, David spent 12 years involved in the delivery of major investment programmes for Government. A trained accountant, he spent the early part of his career at Price Waterhouse and before that was an economics and politics teacher. A risk assessment has been undertaken in relation to managing the actual and perceived conflicts of interest relating to Dennis Hone's new role and protocols have been put into place to mitigate this risk.

Key corporate support risks:

Summary	Impact	Mitigation
Amber risk relating to organisational change, particularly relating to the resignation of the Chief Executive.	Risk to stability of the organisation	Ensure good internal communications to keep staff updated on changes and future plans
Red risk of changed VAT recovery rate for the Legacy Corporation	Significant financial implications	Continue discussions with HMRC



Subject: Report of the meeting of the Planning Decisions Committee held on 22 July 2014
Meeting date: 23 September 2014
Report to: Board
Report of: Philip Lewis, Chair of Planning Decisions Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Planning Decisions Committee held on 22 July 2014.

2. RECOMMENDATION

- 2.1 The Board is asked to note this report.

3. ITEMS CONSIDERED ON 22 JULY 2014

- 3.1. A report was considered by the Committee on the planning application for the 9/11 public artwork within Queen Elizabeth Olympic Park (application 13/00558/FUL). The application sought approval for the permanent installation of a public work of art made from steel from the buildings destroyed during the 9/11 attacks in New York.

Following a lengthy discussion about the merits of the scheme, the Committee resolved to grant permission subject to the conditions and informatives set out in the report and additional conditions requested by Committee members in respect of: (i) limiting the permission to run in accordance with the period of the lease, and (ii) that the Director of Planning Policy and Decisions undertake further discussions with the applicant about the lighting issues raised by the members.

- 3.2. A report, on plot N06 East Village, (application 14/00185/REM) considered reserved matters design details submitted by QDD Athletes Village Ltd for 422 residential units in podium buildings of between 7 and 10 storeys with two towers up to a maximum of 29 and 24 storeys.

Committee resolved to grant permission for the reserved matters details, subject to the conditions and informatives set out in the report.

- 3.3. A report on 1 William Guy Gardens, Bromley-by-Bow (application 14/00063/FUL) considered proposals for a part 6, part 7 storey residential redevelopment comprising of 45 flats (28 affordable units and 17 for market sale) by Gateway Housing Association. A previous scheme by Gateway for the redevelopment of the site had been refused by Committee in July 2013. The proposed development had been reduced in height and the design significantly enhanced in response to the earlier decision.

Committee resolved to grant permission subject to the conditions set out in the report and authority being delegated to the Director of Planning Policy and Decisions to finalise and complete a s.106 agreement to secure the affordable housing and a financial contribution towards improvement works at Bromley-by-Bow station.

- 3.4. A report on an application for a 9 storey building accommodating 6 residential units and ground floor commercial space at 6-7 Park Lane, off Stratford High Street, in LB Newham (application 13/00548/FUL) was considered by members. The scheme had previously been deferred by Committee at its meeting of 27 May 2014 to allow re-consultation with LB Newham and further resolution of design and materials details.

Committee resolved to grant permission subject to the conditions and informatives set out in the report and authority being delegated to the Director of Planning Policy and Decisions to finalise and complete obligations in the s106 with respect to financial contributions towards Stratford Station s-w entrance and affordable workspace.

- 3.5. A report for the construction of a single lane, two directional bridge over the River Lea Navigation and accompanying footpath that would link land between Hancock Road and Sugar House Lane in Bromley-by-Bow was considered by members. The bridge would provide bus and pedestrian/cycle access to support the approved LandProp mixed use redevelopment scheme at Sugar House Lane and is a requirement of the s.106 agreement for that development.

Committee resolved to grant permission subject to the conditions and informatives set out in the report and that authority be delegated to the Director of Planning Policy and Decisions to (i) finalise the recommended conditions as set out in the report and (ii) issue planning permission.

4. DELEGATED DECISIONS

- 4.1. The Committee Members noted the listed delegated decisions which had been decided by officers under delegated authority between 1 June and 30 June 2014.

5. LEGAL IMPLICATIONS

- 5.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

6. LIST OF APPENDICES TO THIS REPORT

- 6.1. None

List of Background Papers

- Papers for the meeting of the Planning Decisions Committee on 22 July 2014

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Subject: Report of the meetings of the Investment Committee held on 10 September 2014
Meeting date: 23 September 2014
Report to: Board
Report of: David Edmonds, Chair of the Investment Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides the formal report to the Board of the meeting of the Investment Committee on 10 September 2014.

2. RECOMMENDATION

- 2.1 The Board is asked to note this report.

3. ISSUES DISCUSSED AT 10 SEPTEMBER MEETING

E20 Stadium Limited Liability Partnership project update

- 3.1. The Committee considered a report which provided an update on a number of areas on the stadium project being undertaken by and on behalf of the E20 Stadium Limited Liability Partnership (LLP) including the status of the transformation works, the Stadium operator procurement, discussions with a summer sport interested in using the Stadium, and the naming rights process. Following a positive resolution to exclude members of the press and public, the Committee considered a further report containing exempt information. There is a separate item on the agenda related to this matter. The Committee also agreed to meet again in late September.

Cultural and higher education quarter (Olympicopolis) outline business case update

- 3.2. The Committee considered a report which provided an update on the development of the outline business case for the cultural and educational quarter on Queen Elizabeth Olympic Park. Following a positive resolution to exclude members of the press and public, the Committee agreed the recommendations in the report containing exempt information. There is a separate item on the agenda related to this matter.

Cultural and higher education quarter budget and ten year plan update

- 3.3. The Committee considered a report which provided an update on the cost and funding updates for the Olympicopolis project and implications on the Corporation's Ten Year Business Plan. Following a positive resolution to exclude members of the press and public, the Committee also noted the report that contained exempt information. There is a separate item on the agenda related to this matter.

ArcelorMittal Orbit update

- 3.4. The Committee considered a report on visitor numbers to the ArcelorMittal Orbit and the plans for enhancing visits. Following a positive resolution to exclude members of the press and public, the Committee also agreed the recommendations in the report that contained exempt information. There is a separate item on the agenda related to this matter.

4. LEGAL IMPLICATIONS

- 4.1. Legal and procurement advice has been obtained in relation to these matters.

5. LIST OF APPENDICES TO THIS REPORT

- 5.1. None

List of Background Papers

- Papers for the meeting of the Investment Committee on 10 September 2014

Report originator: Rachel Massey
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Subject: Report of the meeting of the Audit Committee held on 10 September 2014
Meeting date: 23 September 2014
Report to: Board
Report of: Keith Edelman, Chair of the Audit Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Audit Committee held on 10 September 2014.

2. RECOMMENDATION

- 2.1 The Board is asked to note this report.

3. ISSUES DISCUSSED

Executive Director of Finance and Corporate Services' update

- 3.1. The Committee considered a report which provided an update on activities related to the remit of the committee including an update on tax, trading and finance team staffing. The Committee also made comments on the Corporation's draft Code of Corporate Governance.

2013/14 Statutory accounts

- 3.2. The Committee considered the 2013/14 statement of accounts and the external audit results report. The Committee suggested some changes to be made to strengthen the accounts and agreed to recommend the accounts to the Board for approval (there is a separate item for this on the Board agenda)

Internal Audit

- 3.3. The Committee noted progress made against previous internal audits noting progress made against internal audit recommendations. The Committee commented on two documents related to internal audit recommendations: the updated Financial Control Manual and the Corporation's Commercial Strategy.

- 3.4. The Committee noted progress in fulfilling the internal audit plan for 2014/15. It received the Commercial Activities audit which was given an amber rating and included 5 recommendations all of which were accepted in the management response.
- 3.5. The Committee was attended by officers from the Mayor's Office for Policing and Crime (MOPAC) who will take over the Corporation's Internal Audit function later this financial year as part of the Mayor's Shared Services agreement. It agreed that as part of the handover arrangements the scheduled internal audit on the Stadium Construction programme would be undertaken jointly by MOPAC and the outgoing internal auditors, Moore Stephens LLP.

Finance system improvements

- 3.6. The Committee noted progress in making improvements to the Legacy Corporation's finance systems following recommendations, outlined in internal audit reports reported to the March Committee meeting, and received a report from KPMG who are undertaking interim finance functions and helping to improve systems and processes.

Corporate risk register

- 3.7. The Committee noted the corporate risk register.

4. LEGAL IMPLICATIONS

- 4.1. Legal and procurement advice has been obtained in relation to the matters discussed at the meeting.

5. LIST OF APPENDICES TO THIS REPORT

- 5.1. None

List of Background Papers

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| <ul style="list-style-type: none">• Papers for the meeting of the Audit Committee on 10 September 2014 |
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Report originator: Oliver Shepherd
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Subject: 2013/14 Statutory Accounts
Meeting date: 23 September 2014
Report to: Board
Report of: Jonathan Dutton, Executive Director of Finance and Corporate Services

This report will be considered in public

1. SUMMARY

- 1.1 This report presents the Annual Report and Statement of Accounts for the financial year ended 31 March 2014 for adoption by the Board

2. RECOMMENDATION

- 2.1 The Board is invited to adopt the 2012/13 Annual Report and Statement of Accounts at Appendix 1 and note the letter of representation at Appendix 2.

3. BACKGROUND

- 3.1 London Legacy Development Corporation (the Legacy Corporation) was established as a Mayoral Development Corporation on 1 April 2012 under the provisions of the Localism Act 2011. This made the Legacy Corporation a functional body of the GLA, and, as such, it is required to comply with the CIPFA Code of (Accounting) Practice for Local Authorities.
- 3.2 Also as a result of effectively becoming a local authority a five year contract to provide External Audit services was awarded to Ernst & Young and 2013/14 is the second year of that appointment.
- 3.3 The Audit Committee met on 10 September 2014 to consider the Accounts and the related assurance letters and the external auditors' Audit Results Report (IAS260). The Audit Committee agreed to recommend the Accounts to the Board for adoption.
- 3.4 The statement of accounts can be found in **Appendix 1**. The letter of representation from the Corporation to the External Auditors can be found in **Appendix 2**.

4. AUDIT RESULTS

- 4.1 The External Auditors' Audit Results Report returned an unqualified opinion on the financial statements and on the Corporation's arrangements for securing economy, efficiency and effectiveness in the use of resources.

5. LIST OF ANNEXES TO THIS REPORT

1. Statement of accounts 2013/14
2. Letter of representation

List of Background Papers

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|---|
| <ul style="list-style-type: none">• 2013/14 Statutory Accounts papers to the Audit Committee 10 September meeting |
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**LONDON LEGACY
DEVELOPMENT CORPORATION
ANNUAL REPORT AND
ACCOUNTS**

2013/2014

STATEMENT OF UNAUDITED ACCOUNTS

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Chairman's foreword

Along with hundreds of thousands of other Londoners, I was excited at the prospect of revisiting Queen Elizabeth Olympic Park when it reopened in April 2014. And, like hundreds of thousands of other Londoners, I was impressed and inspired by what I saw.

Eighteen months after the 2012 Paralympic Games ended, we have taken down or relocated the temporary venues, re-opened the London Aquatics Centre, Copper Box Arena, Lee Valley VeloPark and ArcelorMittal Orbit, completely remodelled 250 acres of parkland, and built new playgrounds, climbing walls, water fountains, cafes and visitor centres. All this, alongside a summer events programme last year which drew over 700,000 people back to watch Diamond League athletics, to try out paralympic sports, to dance and sing, and to enjoy performances ranging from Justin Timberlake to Justin Fletcher (better known as 'Mr Tumble' to those with small children).

And even as we complete this first phase of legacy, we are laying the foundations for the next stage in the evolution of London's most exciting and fast-changing district. Just to the north of where the new residents of East Village – the former Athletes' Village – are settling in, we are building our first 850 homes in Chobham Manor. We have also brought the programme for building the next 1,500 homes, on East Wick and Sweetwater, forward by six years, aiming to complete a total of nearly 2,500 new homes within the ten years after the Games.

Important as these homes are to housing Londoners, we want to do more to help turn Queen Elizabeth Olympic Park into a new heart for east London. We want to use the Park as a catalyst for the industries and technologies in which London now leads the world. We have done this before. Queen Victoria's consort, Prince Albert, took the proceeds of the 1851 Great Exhibition and used them to create the 86 acre constellation of institutions in South Kensington – museums, universities, artistic, scientific and cultural institutions – that is world-renowned as a centre for learning and scholarship.

Now we are in the throes of a third industrial revolution, and it is time for a 21st century vision that matches Albert's ambition. We want Queen Elizabeth Olympic Park to be the home for skilled artists, designers, educators, engineers, scientists, architects, and 21st century craftsmen and women – and the global companies that need this talent. These people will work, and live, throughout east London, and these developments will be the fulcrum of growth, and the new symbol of London as a global economic powerhouse.

Here East – what was once the Olympic Press and Broadcast Centre – is already a real example of this, as the new home of BT Sport, and its next phase will be as a dedicated campus for the digital and creative giants of the future. Together with founding partners University College London, the Victoria and Albert Museum and Sadler's Wells, we have been developing plans for a new creative, educational and cultural quarter to the southern end of Queen Elizabeth Olympic Park. The response to these plans has been phenomenal: we have been deluged with enquiries from interested institutions and businesses, and the Chancellor of the Exchequer included our proposals in the National Infrastructure Plan in December 2013.

While all this activity has been taking place within the Park, myriad smaller projects are underway to forge and strengthen links with local communities. Hackney Wick Station is to be upgraded, courtesy of a loan from the London Enterprise Panel; the Leaway is creating a new landscaped route along the banks of the River Lea; 60 local apprentices have worked on the transformation of Queen Elizabeth Olympic Park - the largest group of apprentices on a single site in London; and people across the Legacy Corporation have been consulted about the draft Local Plan – our blueprint for development, which identifies capacity for 25,000 new homes and thousands of jobs. Hundreds of projects, big and

small, have been delivered on time and to budget – a testament to the reputation for high quality delivery that has been with this project since before Games-time, and continues today.

I am as ever grateful to my fellow board members, and to everyone who has helped deliver the first phases of legacy in Queen Elizabeth Olympic Park. In particular, I pay tribute to the energetic and inspiring leadership shown by Dennis Hone as chief executive over the last two years, and wish him well as he moves on to new challenges.

Boris Johnson
Mayor of London

23 September 2014

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Chief Executive's statement

Opening Queen Elizabeth Olympic Park to the public in April 2014 was a crucial staging post in the move from Games-time to a long term legacy. There are now clearly defined and costed plans in place for all eight permanent venues, and the Park has been re-opened as an amenity for Londoners, an international visitor attraction, and a platform and catalyst for the future success of east London.

Achieving this unprecedented turnaround from Games to legacy has been a genuine team effort. Our success has been established on the solid foundations put in place by the Olympic Delivery Authority, London Development Agency and Olympic Park Legacy Company. It has been made possible by the leadership of our Board, chaired by the Mayor of London, and by the hard work of a dedicated and high performing team at the Legacy Corporation. And it has only been achieved through sustained joint working with central government, the Greater London Authority, the neighbouring growth boroughs, Lee Valley Regional Park Authority, and our contractors and development partners.

We have established a clear mission for the Legacy Corporation – to use the once-in-a-lifetime opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to develop a dynamic new heart for east London, creating opportunities for local people and driving innovation and growth in London and the UK. The Ten Year Plan that our Board adopted in April 2014 also set out the ways in which we will judge our success a decade after the 2012 Olympic and Paralympic Games. These objectives are now reflected in the performance targets of everyone in the organisation.

Pressure over the next years will be intense, as we consolidate successes to date, and take forward ambitious plans to deliver a stronger regeneration legacy, better and faster than we had originally planned. Construction works on the Stadium and the Canal Park will be completed, but new works will begin on our new neighbourhoods and business districts. New employers will come to the area – the Financial Conduct Authority and Transport for London are already confirmed as anchor tenants of The International Quarter. At the same time, we will continue to enhance the Park and its venues, so that they grow in popularity year on year, as well as offering a great experience for spectators at major events such as Ride London, the Rugby World Cup, National Paralympic Day and the IAAF and IPC World Championships. With our first phase of housing at Chobham Manor now on sale, we will appoint our development partners for East Wick and Sweetwater, and finalise the area's Local Plan. And, subject to discussions on funding, we will begin design, planning and construction for a new cultural and higher education quarter in the south of the Park, creating thousands of additional jobs for Londoners and providing a long-term boost to the visitor economy. After two years of remarkable events and achievements at the Legacy Corporation, I will be sorry to move on, but I am confident that my successor, David Goldstone, will be able to take the Legacy Corporation on to the next level of performance, so that it can continue to deliver a great legacy for Londoners, and east Londoners in particular. I look forward to seeing this project continue to develop, and transform the lives of all those it touches.

Dennis Hone
Chief Executive Officer
23 September 2014

Financial review

2013/14 has been an exciting and critical year for the London Legacy Development Corporation. It has seen the preparations made for the Park and venues to re-open and begin operations, with major events programmes establishing the Park's profile as a visitor destination. These were successfully completed during the year, with the park re-opening as planned in April 2014.

London Legacy Development Corporation is a Mayoral Development Corporation, established under the provisions of the Localism Act 2011. As a functional body of the Greater London Authority, our funding is provided by the GLA principally under the terms of the London Settlement. Original funding sources included the 2010 Comprehensive Spending Review and the Public Sector Funding Package for the London 2012 Games.

During the year, the Legacy Corporation has received capital funding of £190.4m and revenue funding of £25.8m. Capital spend on transformation and associated works was £245m. Within this spend, a £5.1m (2.4%) overspend reflected the work undertaken to catch up on the delays caused by the adverse weather conditions in early 2013. There were underspends across other areas meaning that overall our capital spend was £5.1m under budget.

The Legacy Corporation is member of a joint venture, E20 Stadium LLP, with the London Borough of Newham. This partnership is designed to give the local area ownership of a key asset within the park – the Stadium – under the terms of a 102 year lease. It is responsible for the transformation works required for the Rugby World Cup in 2015 and the subsequent use by West Ham United Football Club and UK Athletics. During the year under review, the Legacy Corporation has invested £22.8m in E20 Stadium LLP. At the year end, the Legacy Corporation has recognised its share of the loss of the partnership for a total of £23.8m. This loss is related to the impairment of the transformation work on the Stadium recognised in the partnership of £25.3m.

The Legacy Corporation's portfolio has been revalued at 31 March 2014 by Jones Lang LaSalle. The assets are being developed by the Legacy Corporation for their rental potential and are classified as investment property. A number of different valuation methodologies have been applied but the investment method, where rental incomes are capitalised at appropriate yields, and the profits method, where earnings are multiplied by an appropriate factor, predominate. The effect of the valuation has been to write down, by £168.1m, the asset base of the Legacy Corporation to £169.6m. Overall the market value of the assets has increased by £27.5m, mostly due to continued improvement of the residential market.

Revenue expenditure to support the activities of the Legacy Corporation totalled £30m. The Summer Events series of concerts was successfully concluded and overall the programme broke-even across the two financial years.

3 Mills Studios experienced challenging trading conditions during the year. Overall the Studios made a full year loss of £0.5m against the budgeted loss of £0.8m. Whilst income was in line with budget, tight controls on expenditure ensured that the Studios performed better than expected.

The ArcelorMittal Orbit opened in April 2014. The full year net deficit on AMO was £1.4m which included the mobilisation costs ahead of the re-opening.

The Legacy Corporation has access to sufficient funding to complete the transformation and other works scheduled to take place through to the end of the current spending review period in March 2015. We have sought to reduce our expenditure and re-prioritise certain activities in order to maximise the value for money generated by our spend. Given ongoing public sector financial constraint there can be no doubt that the Legacy Corporation will continue to operate in a tight funding environment in the years ahead.

Jonathan Dutton
Executive Director of Finance and Corporate Services
23 September 2014

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation are as follows:

Boris Johnson (Chairman)

Boris Johnson (Chairman). After securing a second four year term as Mayor of London in the Spring of 2012, Boris Johnson became Chairman of the London Legacy Development Corporation last September, following the massive success of the Olympic and Paralympic Games. Prior to becoming Mayor Boris was the Member of Parliament for Henley and the Editor of the Spectator magazine. He has worked for The Times and The Telegraph as a reporter and foreign correspondent, and he still writes a weekly column for the Telegraph. Johnson is a critically acclaimed author. His latest book, "Johnson's Life of London" was published in 2011, and earlier this year he was commissioned to write a biography of Winston Churchill by the Churchill family estate. Boris was born in New York in 1964 and brought up in London. As a teenager he won scholarships to Eton College and later to Oxford University, where he read Classics. He lives in North London with his wife Marina and their four children.

Neale Coleman (Deputy Chairman)

Neale Coleman is the Mayoral Advisor on Tottenham and the Olympic and Paralympic Legacy and Deputy Chair of LLDC. He was formerly the Mayor's Advisor on London 2012, a post he held since the first days of London's bid in 2003. Neale was a Board Member of London 2012, the Olympic Bid company, and has been a Board member of the Olympic Delivery Authority from its inception. He has extensive experience in major regeneration projects, chaired the Olympic Masterplan Reference Group that led the work during the bid to deliver the Masterplan and planning consent for the Olympic Park and co-chaired the Olympic Delivery Group which oversaw all work on the Games immediately after the successful bid.

Sonita Alleyne

Sonita currently holds a number of non-executive board posts including the Archant media group, Cultural Capital Fund and the British Board of Film Classification. In November 2012, Sonita was appointed as a member of the BBC Trust for a term of four years. She is also the founder of The Yes Programme, a new and unique internet based service that aims to help school pupils make career decisions by giving them an insight into how classroom skills translate to the real world. Previous board roles include the National Employment Panel, the London Skills and Employment Board, Chair of the Radio Sector Skills Council and Chair of Islington Arts and Media School and non-executive director of the Department for Culture, Media and Sport. Sonita Alleyne also founded the radio company Somethin' Else and led it as Chief Executive from 1991 until 2009, when she joined the board and served as a non-executive director until 2011. She was brought up in east London. Sonita won the Carlton Multicultural Achievement Award for TV and Radio in 2002 and is a Fellow of The Royal Society of the Arts and the Radio Academy. Sonita is an Ambassador for Street Kids International. She was awarded an OBE for services to broadcasting in November 2003.

Nick Bitel

Nick Bitel is Chief Executive of the London Marathon and one of the country's leading events experts. As well as being a consultant at law firm Kerman & Co LLP, he is Chair of Sport England and a Board member of UK Sport. He is the former Vice Chairman of Wigan Athletic.

Nicky Dunn

Nicky has extensive experience in the leisure industry. Her company IMD Group provides strategic advice and operational guidance to venues, events and the arts. Previously she held a number of positions within the industry, most recently as Chief Executive of Odyssey Arena in Belfast where she oversaw the operational design, planning, opening, and management of the venue. Odyssey Arena became internationally recognised as one of the top 10 busiest Arenas worldwide. Her experience includes theatres, arenas, stadia and conference and exhibition venues. Nicky chairs the Titanic Foundation which opened in Belfast in April 2012 and is on the boards of the Lyric Theatre and Ticket ABC. She was a board member of the Princes Trust (NI) from 2007 to 2011.

Keith Edelman

Keith Edelman was formerly the Managing Director of Arsenal Holdings plc and was instrumental in the development of the Emirates Stadium and the attendant regeneration of the surrounding area including the development of Highbury Square. He is currently the Chairman of Goals Soccer Centres, Senior Independent Director of Supergroup plc and Thorntons plc and a Non-Executive Director of Safestore Holdings. Prior to Arsenal during his executive career he was CEO of Storehouse plc, Managing Director of Carlton Communications plc. In addition he has held the following non executive positions-: a non executive director of Eurotunnel, Chairman of Beales plc and Chairman of Glenmorangie.

David Edmonds

David Edmonds has had extensive experience within the housing, commercial property and regeneration sectors. He was for eight years a Board Member of the FTSE 100 company, Hammerson PLC; for seven years as Managing Director he ran the NatWest Group's £3 billion property portfolio and led the development of a number of major buildings in the City and the West End; for seven years he was the Chief Executive of The Housing Corporation, later becoming a member of the Board of English Partnerships. He is a former civil servant and was in charge of the Government's Inner Cities programme in England. He is a former Chairman of Crisis, the charity for the single homeless. He was also the UK's Telecoms Regulator for five years and the Chairman of NHS Direct for four years. He is currently the Chairman of Kingston University, Swanton Care and Community Ltd, E20 LLP, and NHS Shared Business Services Ltd. He is a Board member of Barchester Healthcare Ltd.

David Gregson

David Gregson is Chairman of Precise Media Group; of CRI, a leading national social care charity; and of the Lawn Tennis Association. David is a member of the Advisory Boards of both The Sutton Trust and the Education Endowment Foundation. David was previously Chairman of the Mayor of London's Legacy Board of Advisors.

Philip Lewis

Philip Lewis is a chartered surveyor and Chief Executive of the property division of the Kirsh Group. Previously he was Chief Executive of Lambert Smith Hampton and Milner Estates plc and Executive Chairman of Safestore plc and Hines UK. He is a former Chairman of Sport England, London and past President of the British Council of Shopping Centres. He has held non executive roles in a number of companies and is involved in various charitable organisations.

Lord Mawson

Andrew Mawson is one of the UK's leading social entrepreneurs. Over 25 years he has created a family of projects, in particular the renowned Bromley-by-Bow Centre in East London. Today he is leader, motivator and adviser to major projects including the St Paul's Way Transformation Project in the London Borough of Tower Hamlets and Water City, a visionary plan to revitalise East London.

Jayne McGivern

Jayne McGivern is an experienced CEO in the property industry, specialising in the creation and delivery of high value mixed use and regeneration schemes of national importance. Her former roles include CEO (Europe) of Multiplex plc, and managing director of Anschutz Entertainment Group in London, during its acquisition and redevelopment for the O2 (formerly the Millennium Dome). She currently runs Red Grouse, her small private property investment vehicle. She is independent Chair of Croydon Council Urban Regeneration Vehicle (CCURV) a joint venture partnership between John Laing and Croydon Council.

Jules Pipe

Jules Pipe was re-elected as Mayor of Hackney for a fourth term in May 2014, having become the borough's first directly elected Mayor in October 2002. Since Jules Pipe became Mayor, Hackney has seen the establishment of six new secondary schools, one of the country's largest housing programmes, one of the fastest falls in crime in London, and the successful campaign to put Hackney on the tube map. Council Tax has been frozen for the past nine years, with no cuts to services. Jules was also at the forefront of Hackney's ambitious plans and aspirations for the borough's 2012 legacy. Jules has been Chair of London Councils, the organisation that represents the 32 boroughs and the Corporation of London, since 2010.

Lutfur Rahman

Lutfur Rahman is the first directly elected Mayor of Tower Hamlets and a solicitor by profession, specialising in family law. He is a member of the Law Society and Law Society Advanced Children's Law Panel. Lutfur has been a Councillor for the Spitafield's and Banglatown ward of Tower Hamlets since May 2002. He was appointed Chair of the Development Panel in May 2002 and was the Lead Member for Education and Youth Services, 2003-2005. He has also been the Lead Member for Culture. He was Leader of the Council from May 2008 to May 2010. Lutfur was a founding member of the Phoenix Youth Project and the Bow Community School (1982-1986), founding member and first treasurer of Keen Students School and trustee of Tower Hamlets and Canary Wharf Education Trust (2003-2005). He was a member and general secretary of Community Alliance for Police Accountability in 1988 and a member and chairman of Tower Hamlets Law Centre from 1996-2001. Lutfur was a Board member of the Poplar and Leaside Regeneration Project (2001-2002) and since 2001 has been a non executive director for the Board of Barts & The Royal London NHS Trust. Lutfur Rahman was re-elected as Mayor of Tower Hamlets for the second term on 22 May 2014.

Chris Robbins

Chris Robbins has been serving Waltham Forest since 2002, when he was elected as a Councillor for Grove Green in Leyton. He is now in his third term as Leader of the Council, having first been elected as Leader in 2009, and prior to that acted as Cabinet Member for Children and Young People. Previously, Chris worked in the trade union movement for 27 years, fighting against low pay, workplace injustice and unemployment. Cllr Robbins was born and brought up in Bethnal Green and has spent his entire life living in East London. He lives with his family in Leyton, where he has lived for 39 years.

Sir Robin Wales

Sir Robin Wales is the directly elected Mayor of the London Borough of Newham. He was a Councillor from 1982 to 1986 and then from 1992 to 2002 and leader from 1996 to 2002. He was elected Mayor in 2002. He was re-elected for a third term in 2010. His goals include raising employment and aspiration in the Borough. Sir Robin was involved with a number of organisations that were concerned with staging the London 2012 Olympic and Paralympic Games and ensuring the local legacy. He is Chair of the six Growth Boroughs.

David Ross

David Ross is the co-founder of Carphone Warehouse plc. He brings considerable business acumen, experience in sport and sport infrastructure projects plus his extensive entrepreneurial skills.

Baroness Grey-Thompson

Tanni, Baroness Grey-Thompson of Eaglescliffe has competed in five Paralympic Games, winning 11 gold, four silver and one bronze medal. She has held 30 world records. She is a member of the Board of Transport for London, a Director of the London Marathon as well as holding other prominent positions in sports bodies. In December 2012 she became a Member of the London Legacy Development Corporation. She has been a member of the National Disability Council and Senior Deputy Chair of the UK Lottery Award Panel. She was made a Dame of the British Empire in 2005 and was appointed to the House of Lords as a cross-bench peer in March 2010.

Attendance at LLDC Board and Committee meetings during 2013/14

	Meetings of the Board attended	Meetings of the Audit Committee attended	Meetings of the Investment Committee attended	Meetings of the Planning Decisions Committee attended	Meetings of the Park Opening and Operations Committee attended	Meetings of the Regeneration and Communities Committee attended	Meetings of the Chairman's Committee attended	Notes
Total number in the period	7	4	9	10	4	3	2	
Boris Johnson	7	-	-	-	-	-	-	Chairman's Committee meetings are chaired by the Deputy Chair; see also note 1
Sonita Alleyne	4	-	-	-	3	2	-	See notes 2, 4 and 6
Nicholas Bitel	6	2	-	8	2	-	-	See notes 2, 4, 7
Neale Coleman	7	-	8	-	4	3	2	See notes 1, 6 and 7
Nicky Dunn	5	-	8	-	4	-	2	See note 4, 5, 7
Keith Edelman	6	4	4	-	3	-	2	See notes 3, 4, 6, 7
David Edmonds	5	2	8	-	-	-	2	See notes 1, 4, 5, 6
David Gregson	5	-	7	-	-	1	-	See note 2, 4, 6, 7
Baroness Grey-Thompson	5	2	-	-	1	-	-	See notes 1 and 7
Philip Lewis	6	-	-	9	-	-	2	See notes 1
Lord Mawson	6	-	-	7	-	3	2	See notes 1, 6 and 7
Jayne McGivern	6	-	6	-	-	-	-	See notes 1 and 6
Jules Pipe	4	-	-	-	-	-	-	See notes 1, 4
Lutfur Rahman	3	-	-	-	-	-	-	See notes 1, 4
Chris Robbins	0	-	-	-	-	-	-	See notes 1, 4; Sent a representative to the October board meeting
David Ross	5	-	-	-	-	1	-	See notes 2, 4, 6 and 7
Sir Robin Wales	4	-	-	-	-	-	-	See note 1
Cllr Geoff Taylor	-	-	-	10	-	-	-	
Cllr Conor McAuley	-	-	-	7	-	-	-	See note 7

ClIr Lester Hudson	-	-	-	5	-	-	-	See note 7
ClIr Rabinah Khan	-	-	-	3	-	-	-	
ClIr Terry Wheeler	-	-	-	9	-	-	-	See note 7
Dru Vesty	-	-	-	9	-	-	-	See note 7
Joanne Moon	-	-	-	5	-	-	-	See note 7
Lynda Addison	-	-	-	8	-	-	-	See note 7
Piers Gough	-	-	-	9	-	-	-	See note 7

Notes:

1. These Members indicated that they were able to attend three of the scheduled Board meetings which were subsequently cancelled
 2. These Members indicated that they were able to attend two of the three scheduled Board meetings which were subsequently cancelled
 3. These Members indicated that they were able to attend one of the three scheduled Board meetings which were subsequently cancelled
 4. These Members indicated that they were unable to attend some specific Board meetings when the meeting calendar was issued
 5. These Members were unable to attend a committee meeting called at short notice
 6. These Members indicated that they were able to attend Committee meetings which were subsequently cancelled
 7. These Members indicated that they were unable to attend some specific Committee meetings when the meeting calendar was issued
- A dash (-) indicates that an individual is not a member of a Board or Committee

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Explanatory foreword and financial review

Explanatory foreword

London Legacy Development Corporation (Legacy Corporation) is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011. Its aims were defined by the Mayor of London as follows:

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

The Legacy Corporation is a ‘functional body’ of the Greater London Authority (GLA); the Mayor of London appoints Members to its Board and allocates its budgets. The current Mayor, Boris Johnson, is also Chairman of the Legacy Corporation.

The Legacy Corporation will seek to deliver this mission through pursuing the following objectives:

- **PARK:** To operate a successful and accessible Park and world-class sporting venues, offering facilities for high-performance and community participation, enticing visitor attractions, and a busy programme of sporting, cultural and community events that will continue to draw crowds to Stratford;
- **PLACE:** To create one of London’s most dynamic urban districts, attracting investment from across London and beyond, becoming a location of choice for current residents and new arrivals, acting as a fulcrum for wealth creation and entrepreneurship, and linking the Olympic Park estate with surrounding neighbourhoods; and
- **PEOPLE:** To create local opportunities and transformational change, to promote regeneration and convergence for East London, and to ensure value for money for taxpayers.

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

Regulation 31 of the Local Authorities (Capital Finance and Accounts (England)) Regulations 2000 directs that the appropriate accounting practices for local authorities are those in the CIPFA "Code of Practice for Local Authorities". These Accounts have been produced in accordance with this guidance and regulation.

The Legacy Corporation was created on 1 April 2012 and replaced the Olympic Park Legacy Company. As part of the statutory instrument creating the Legacy Corporation, it took over the property, rights and liabilities of the Olympic Park Legacy Company.

Purposes of major schedules within the financial statements

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

The Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Legacy Corporation. The net assets of the Legacy Corporation (assets less liabilities) are matched by the reserves held by the Legacy Corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the Legacy Corporation may use to provide services, subject to the need to maintain a prudent level of reserves. The second category of reserves is those that the Legacy Corporation is not able to use to provide services. This category of reserves includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

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

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the Legacy Corporation analysed between usable reserves and unusable reserves. The statement shows how the movement in the Legacy Corporation's reserves is broken down between gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts chargeable to council tax for the year.

Comprehensive Income and Expenditure Statement

The Statement of Accounts sets out the Legacy Corporation's income and expenditure in line with accounting requirements. The table below reports the same underlying information, but in the form of the Legacy Corporation's management accounts.

£'000	2013/14		
	Actual	Budget	Variance
Total capital expenditure	244,959	250,029	5,070
Total revenue expenditure	29,998	40,045	10,047
Trading net (surplus)/deficit	1,840	1,789	51
Amounts included in the Comprehensive Income and Expenditure Statement not reported to management in the management accounts	(38,348)		
Amounts included in the management accounts not included in the Comprehensive Income and Expenditure Statement	(228,706)		
Net costs of services (as in the Comprehensive Income and Expenditure Statement)	9,743		

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Capital

The Legacy Corporation's capital expenditure for the year was £245m against a budget of £250m, a 2% under-spend. This under-spend reflects the combined effect of a £5.1m (2.4%) overspend in the Infrastructure budget and a £10.2m (25%) under-spend across all other Directorates. The overspend in the Infrastructure budget reflects how the work caught up on the delays caused by the adverse weather conditions in early 2013. The underspend in the other Directorates has resulted in the non-utilisation of the full contingency and provision for irrecoverable VAT. Overall, the Legacy Corporation was able to complete the significant capital work enabling the Park to be opened on the scheduled date of 5th April 2014.

Revenue

Revenue expenditure of £30m was 25% underspent against a budget of £40.0m. This was partially a result of the focus on the summer event series and the Directorate reorganisation during the year. The underspend also means that the use of provision for irrecoverable VAT and the contingency was reduced in a similar proportion, which together account for £5.8m of the £10.1m underspend against the budget.

Balance Sheet

The Balance Sheet as at 31 March 2014 is summarised below.

	31 March 2014	31 March 2013
	£'000	£'000
Long term assets	172,503	145,016
Cash and cash equivalents	21,348	66,288
Net current assets/(liabilities)	(29,443)	(23,817)
Net pension liabilities	(7,376)	(2,908)
Other long term liabilities	(4,153)	(23,919)
Net assets	152,879	160,660

Represented by

Usable reserves	(4,945)	(27,816)
Unusable reserves	(147,934)	(132,844)

Total reserves	(152,879)	(160,660)
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Usable Reserves are made up of:

General funds	(4,945)	(8,485)
Capital grants unapplied	-	(17,516)
Capital receipts reserve	-	(1,815)

Total usable reserves	(4,945)	(27,816)
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Long term assets

The increase in long term assets is mostly related to the increase in fair value of the investment property of £32m linked to an improvement in the residential market.

Cash and short term investments

The Legacy Corporation's short term cash balances are invested through the GLA Group Investment Syndicate (GIS). The GIS is an operation jointly controlled by the participants for the investment of pooled monies belonging to those participants and operated by the GLA as Investment Manager under the supervision of the Syndics (the participants' respective Chief Financial Officers). The other participants are the GLA, London Fire and Emergency Planning Authority, the London Pensions Fund Authority and The Mayor's Office for Policing and Crime, and such bodies as sign the Syndicate Agreement agreeing to the terms of the syndicate.

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

Additionally, the Executive Director of Finance and Corporate Services may from time to time instruct the Group Treasury team to invest sums independently of the GIS, for instance if the GLA identifies balances which are available for longer term investment.

Pension scheme

The Legacy Corporation is a member of the Local Government Pension Scheme, administered by the London Pensions Fund Authority. The net liability (the amount by which pension liabilities exceed assets) affects the Legacy Corporation's net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the Legacy Corporation's financial position in relation to its pension obligations remains healthy. The net pension liabilities as at 31 March 2014 have increased by £4.5m. This reflects the increase in the number of active employees from 77 in 2012/13 to 102 in 2013/14 as well as change in financial assumptions used by the actuaries. The deficit on the Pension Scheme will be made good by increased contributions over the employees' remaining working life, as assessed by the Scheme actuary.

Other assets and liabilities

£12.6m of liabilities related to the obligation of the Legacy Corporation under the Olympic Park Transport Environment Management Strategy and Section 106 schemes were classified as long term liabilities in 2012/13 and have been classified as short term liabilities as at 31 March 2014 to reflect the fact that those liabilities are expected to be settled in the next financial year. The Legacy Corporation has ring fenced the funds required to meet its obligation.

Reserves

At the end of the financial year, the Legacy Corporation had usable reserves of £4.9m in the general fund surplus. The level of usable reserve is closely monitored and is considered sufficient in light of the Legacy Corporation's current and future financial challenges.

Prospects and outlook

In April 2014, the Members adopted the 10 year Plan which sets out the Legacy Corporation's funding position, milestones and targets for the next ten years.

2014/15 will be a critical year for the Legacy Corporation, with the Park re-opened and operational, and major event programmes establishing the Park's profile as a visitor destination. The first family homes will also be under construction on Chobham Manor, and local infrastructure plans will be prepared to support integrated urban change across the Park, and in the established neighbourhoods around it. Work will also be progressing on plans to create a major new higher education and cultural district on the Park ('Olympicopolis') following the announcement from the Chancellor of the Exchequer to support the project in the National Infrastructure Plan. This 'Olympicopolis' concept has been developed with Here East (the operators of the new tech hub at the former press and broadcast centre), the Victoria and Albert Museum (V&A) and University College London (UCL), who will be the founding members in establishing this new cultural and higher educational heart for east London. These new facilities will strengthen the Park's offer for national and international visitors, but also create a home for skilled artists, designers, teachers, engineers, scientists, architects and craftspeople – and the global companies that need this talent.

Forecasted net cash position

As extracted from the 10 year plan, the net cash position of the Legacy Corporation's activities in the coming three years is expected to be as follows:

Capital

£'000	2014/15	2015/16	2016/17	Total
	£'000	£'000	£'000	£'000
Net capital receipts	-	1,060	26,153	27,213
Funding	130,429	36,647	22,470	189,546
Total income	130,429	37,707	48,623	216,759
Total expenditure	(196,749)	(79,415)	(27,481)	(303,645)
Allocated funding carried forward or drawn down	66,320	3,708	-	70,028
Net capital position	-	(38,000)	21,142	(16,858)

Revenue

£'000	2014/15	2015/16	2016/17	Total
	£'000	£'000	£'000	£'000
Trading income	3,774	5,019	7,027	15,820
Funding	38,749	18,248	14,300	71,297
Total income	42,523	23,267	21,327	87,117
Total expenditure	(44,387)	(33,517)	(28,346)	(106,250)
Allocated funding carried forward or drawn down	1,864	10,250	7,019	19,133
Net revenue position	-	-	-	-

Statement of Responsibility for the Accounts

The Legacy Corporation's responsibilities

The Legacy Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Legacy Corporation that officer is the Executive Director of Finance and Corporate Services;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Executive Director of Finance and Corporate Services' responsibilities

The Executive Director of Finance and Corporate Services is responsible for the preparation of the Statement of Accounts for the Legacy Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Executive Director of Finance and Corporate Services has:

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

Certificate of the Executive Director of Finance and Corporate Services

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Legacy Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2014.

Jonathan Dutton

Executive Director of Finance and Corporate Services

23 September 2014

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

Opinion on the Corporation's financial statements

We have audited the financial statements of the London Legacy Development Corporation for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Corporation and Group Movement in Reserves Statement, the Corporation and Group Comprehensive Income and Expenditure Statement, the Corporation and Group Balance Sheet, the Corporation and Group Cash Flow Statement, the related notes 1 to 26 to the Corporation Accounts and notes 1 to 4 to the Group Accounts. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the members of the London Legacy Development Corporation, as a body, in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation and the corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Director of Finance and Corporate Services and auditor

As explained more fully in the Statement of the Executive Director of Finance and Corporate Services Responsibilities set out on page 19, the Executive Director of Finance and Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Corporation and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Finance and Corporate Services and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the London Legacy Development Corporation Statement of Accounts 2013/2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the London Legacy Development Corporation as at 31 March 2014 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2014 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

Opinion on other matters

In our opinion, the information given in the London Legacy Development Corporation Statement of Accounts 2013/2014 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007 (updated as at December 2012);
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Corporation to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Conclusion on the Corporation's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Corporation and the auditor

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

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Corporation has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Corporation's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Basis of conclusion

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Corporation has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

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

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, the London Legacy Development Corporation has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

Certificate

We certify that we have completed the audit of the accounts of the London Legacy Development Corporation in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

for and on behalf of Ernst & Young LLP, Appointed Auditor

London

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2014

		31 March 2014	Restated 31 March 2013
	Notes	£'000	£'000
Gross income ¹	2	(43,912)	(25,906)
Gross expenditure ¹	4	53,655	26,609
Net cost of services		9,743	703
Financing and investment income	7	(14,411)	(3,844)
Change in fair value of investment properties ²	13	168,135	1,280,898
Impairment of investment in joint venture	14	22,817	-
Financing and investment expenditure	8	8,352	6,603
Taxation and non specific grant income	9	(190,353)	(136,681)
Deficit on provision of services before tax		4,283	1,147,679
Corporation tax	10	(319)	943
Deferred tax	10	(71)	674
Deficit on the provision of services after tax		3,893	1,149,296
Other comprehensive income and expenditure			
Remeasurement of the net defined benefit liability/asset	18	3,888	(479)
Total comprehensive income and expenditure		7,781	1,148,817

¹ All the Legacy Corporation's services are classified under CIPFA Services Reporting Code of Practice (SeRCOP) for local Authority Accounting in the UK as planning and development services.

² In 2012/13 this amount represents an exceptional item for the write down of investment property including the assets transferred from the Olympic delivery Authority following a change in valuation methodology.

Balance Sheet

As at 31 March 2014

		31 March 2014	Restated 31 March 2013
	Notes	£'000	£'000
Long term assets			
Intangible assets	11	49	61
Property, plant and equipment	12	2,824	2,870
Investment property	13	169,630	142,085
Investment in joint venture	14	-	-
		172,503	145,016
Current assets			
Short term debtors	15	15,684	12,791
Cash and cash equivalents	16	21,348	66,288
		37,032	79,079
Total assets		209,535	224,095
Current liabilities			
Short term creditors	17	(45,127)	(36,608)
		(45,127)	(36,608)
Long term liabilities			
Long term creditors	17	(4,153)	(23,919)
Retirement benefit obligation	18	(7,376)	(2,908)
		(11,529)	(26,827)
Total liabilities		(56,656)	(63,435)
Net assets		152,879	160,660
Reserves			
Usable reserves		(4,945)	(27,816)
Unusable reserves	20	(147,934)	(132,844)
Total reserves		(152,879)	(160,660)

Movement in Reserve Statement

As at 31 March 2014

	Notes	General Fund £'000	Capital receipts reserve £'000	Capital grants unapplied account £'000	Total usable reserve £'000	Unusable reserves £'000	Total reserves £'000
At 1 April 2013		(8,485)	(1,815)	(17,516)	(27,816)	(132,844)	(160,660)
Movement in reserves during 2013/14							
Deficit on the provision of services	From CIES	3,893	-	-	3,893	-	3,893
Other comprehensive income and expenditure	From CIES	-	-	-	-	3,888	3,888
Total comprehensive income and expenditure		3,893	-	-	3,893	3,888	7,781
Adjustments between accounting and funding basis under regulations	21	(353)	1,815	17,516	18,978	(18,978)	-
Decrease/(Increase) in 2013/14		3,540	1,815	17,516	22,871	(15,090)	7,781
Balance at 31 March 2014		(4,945)	-	-	(4,945)	(147,934)	(152,879)

As at 31 March 2013

	Notes	General fund £'000	Capital receipts reserve £'000	Capital grants unapplied account £'000	Total usable reserve £'000	Unusable reserves £'000	Total reserves £'000
At 1 April 2012		-	-	-	-	-	-
Transfers to LLDC		(10,313)	-	-	(10,313)	(1,298,368)	(1,308,681)
Adjusted 1 April 2012		(10,313)	-	-	(10,313)	(1,298,368)	(1,308,681)
Movement in reserves during 2012/13							
Deficit on the provision of services	From CIES	1,149,296	-	-	1,149,296	-	1,149,296
Other comprehensive income and expenditure	From CIES	-	-	-	-	(479)	(479)
Total comprehensive income and expenditure		1,149,296	-	-	1,149,296	(479)	1,148,817
Adjustments between accounting and funding basis under regulations	21	(1,147,468)	(1,815)	(17,516)	(1,166,799)	1,166,799	-
Other adjustment		-	-	-	-	(796)	(796)
Decrease/(Increase) in 2012/13		1,828	(1,815)	(17,516)	(17,503)	1,165,524	1,148,021
Restated balance at 31 March 2013		(8,485)	(1,815)	(17,516)	(27,816)	(132,844)	(160,660)

Statement of Cash Flows

For the year ended 31 March 2014

		31 March 2014	Restated 31 March 2013
	Notes	£'000	£'000
(Deficit) on the provision of services		(3,893)	(1,149,296)
Adjustments to net (deficit) for non-cash movements	19	179,049	1,260,609
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	19	(192,264)	(136,681)
Net cash flows from operating activities		(17,108)	(25,368)
Investing activities	19	(28,171)	43,391
Financing activities	19	339	14,048
Net increase/(decrease) in cash and cash equivalents		(44,940)	32,071
Cash and cash equivalents at the start of the year		66,288	34,217
Cash and cash equivalents at the end of the year		21,348	66,288

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Accounting Policies

a) Code of practice

The Legacy Corporation is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2011 (the 2011 Regulations). These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code), and the Service Reporting Code of Practice 2013/14, supported by International Financial Reporting Standards adopted by the European Union (Adopted IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

The Statement of Accounts summarises the Legacy Corporation's ("the Corporation") and the Legacy Corporation Group's ("the Group") transactions for the 2013/14 financial year and its position at 31 March 2014. The Group financial statements have been prepared in accordance with the Code.

b) Basis of Accounting

The Accounts are made up to 31 March.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Legacy Corporation's performance.

c) Accruals of income and expenditure

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

- revenue from the provision of services is recognised when the Legacy Corporation can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Legacy Corporation; and
- expenses in relation to services received are recorded as expenditure when the services are received rather than when payments are made.

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered by the Members that the Legacy Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment.

e) The application of new and revised standards

The Code requires the Legacy Corporation to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the Statement of Accounts.

The following standards will be applied in 2014/15:

IFRS 10 – *Consolidated Financial Statements* defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The assessment of the Legacy Corporation having joint control of E20 Stadium LLP is not expected to be modified by the application of the new standard.

IFRS 11 – *Joints Arrangements* establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. IFRS 11 defines two types of joint arrangements: joint operations or joint ventures. Management has assessed that under IFRS 11, E20 Stadium LLP would be classified as a joint venture and accounted for using equity accounting, which is consistent with the accounting treatment applied in the 2013/14 financial statements.

Changes to IFRS 12 – *Disclosure of Interest in Other Entities*, IAS 27 *Separate Financial Statements*, IAS 28 *Investments in Associates and Joint Ventures* and IAS 32 *Financial Instruments: Presentation* are unlikely to have any impact on the Statement of Accounts.

The implementation of IFRS 13 *Fair Value Measurement* (May 2011) has been delayed to 2015/16. This standard includes new measurement and disclosure requirements which is unlikely to have a material impact on the Statement of Accounts.

f) Cash and cash equivalents

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

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Legacy Corporation's cash management.

g) Critical judgements on applying accounting policies

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

Funding

There is a degree of uncertainty about future levels of funding for the Legacy Corporation. However, the Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long term objectives will not be achieved. Investment Properties

The Legacy Corporation owns a number of commercial properties where all or part of the property is leased to third parties. Judgement needs to be exercised in determining whether these properties should be classified as investment properties in accordance with IAS 40. As investment properties are valued at fair value with movements in the fair value being recorded in the Comprehensive Income

and Expenditure Statement this could have a significant effect on the reported financial performance of the Legacy Corporation.

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

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

Item	Uncertainties	Effect if actual results differ from assumptions
Investment properties	Investment property valuations have been based on the potential income to be generated by the various assets. Should evidence emerge that causes the Legacy Corporation to amend these estimates, the estimated fair value of its investment properties could change.	A reduction in the estimated valuations would result in a loss being recorded in the Comprehensive Income and Expenditure Statement (CIES). For example, a 10 per cent reduction in the value of the investment properties would result in a £17.4million charge to the CIES. Conversely, an increase in value would result in increases to the CIES.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.
Pensions Liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the Accounts. Details on sensitivity analysis can be found in note 18.
VAT	VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs (HMRC). The Legacy Corporation is subject to HMRC's partial VAT recovery scheme. The partial recovery rate has been based on the rate agreed between the Olympic Park Legacy Company and HMRC.	The Legacy Corporation took over the remit of the Olympic Park Legacy Company and as such, the basis and underlying assumptions built into the calculation of the partial VAT recovery rate is essentially the same. This basis has been informally agreed with HMRC. There is however the possibility that the recovery rate could change leading to increases or decreases in the irrecoverable VAT charged to the Comprehensive Income and Expenditure Statement. The Legacy Corporation is currently in discussion with HMRC to confirm its rate of VAT recovery, which currently stand at 47%. The Legacy Corporation has no clear indication that the rate currently in use will be challenged but any change in the recovery rate would have a material impact in the accounts. As an example, a decrease of 5% of the recoverability rate would result in an additional expense of £1.9m in the statements of accounts.

j) Events after Balance Sheet date

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

Adjusting events

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

Non-adjusting events

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

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

j) Revenue recognition

Revenue is generated from planning fees and rental of commercial properties.

Revenue is measured after the deduction of value added tax (where applicable).

k) Segmental reporting

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

In 2012/13, four segments had been identified. The number of segments has been increased to five in 2013/14 by separately identifying Infrastructure and Park Operations and Venues which were previously recognised in one single segment as Park Opening and Operations. Management believes that this presentation better distinguished between the transformation of the venues and the operations of the venues post-completion.

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

Infrastructure

Infrastructure has the primary function of transforming the Park and Venues.

Park Operations and Venues

Park Operations and Venues has the primary function of contributing to the Park objective of operating a successful and accessible Park and world-class sporting venues, offering facilities for high-performance and community participation, enticing visitor attractions, and securing a busy programme of sporting, cultural and community events that will create a sense of excitement and continue to draw crowds to Stratford and the surrounding area.

Real Estate and Regeneration

This segment comprises two directorates, Real Estate and Regeneration and Community Partnerships. It contributes to creating London's most dynamic urban district, attracting investment from across London and beyond, and acting as a fulcrum for wealth creation and entrepreneurship; and creating local opportunities and transformational change, supporting convergence.

Planning Policy and Decisions

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

Finance and Corporate

This function includes Finance and Corporate Services, Legal and Procurement, Communications and Public Affairs and the Executive Office.

The Finance and Corporate Services directorate provides support across the Legacy Corporation including finance, facilities management, IT and information management, audit, governance, strategy and corporate planning, programme management, procurement and legal services. Following the year end, legal services are provided by Transport for London and internal audit is provided by the Mayor's Office for Policing And Crime, both other functional bodies within the Greater London Authority Group, under the Mayor's shared service agenda.

The Communications and Public Affairs directorate supports and delivers effective communications between the Legacy Corporation and its stakeholders, and manages online information to ensure it is accurate and up to date. This has included preparing the Legacy Corporation's communications strategy concerning the organisation and its role, development projects, events, major procurements and a wide range of activities including community engagement, as well as preparing for Park re-opening.

1) Government grants

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

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

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

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

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

Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

m) Financing and investment income and expenditure

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

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

n) Corporation and Chargeable Gains Taxation

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

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

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

o) Value Added Taxation

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

p) Revenue expenditure funded from capital under Statute

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

q) Intangible assets

Other intangible assets

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

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

r) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets under construction are measured at cost less any recognised impairment loss.

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

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

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

Depreciation

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

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

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

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

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

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

s) Interests in Companies and Other Entities

The Legacy Corporation has material interests in a Limited Liability Partnership that has the nature of a jointly-controlled entity and requires it to prepare group accounts. In the Legacy Corporation's own single-entity accounts, the interest in this jointly-controlled entity is recorded as financial assets at

cost, less any provision for losses incurred by the entity to the extent they are likely to be borne by the Legacy Corporation.

t) Investment property

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

Investment property is measured initially at cost, including transaction costs, and subsequently measured at fair value with any change therein recognised in the Comprehensive Income and Expenditure Statement. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties held at fair value are not subject to depreciation.

u) Provisions

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

v) Foreign currencies

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

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

w) Leases (the Legacy Corporation as lessee)

Leased assets

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

Other leases are operating leases and the leased assets are not recognised in the Legacy Corporation's Balance Sheet.

Lease payments

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

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

Determining whether an arrangement contains a lease

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

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

x) Leases (the Legacy Corporation as lessor)

Leased assets

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

Other leases are operating leases and the leased assets are not derecognised from the Legacy Corporation's Balance Sheet.

Lease payments

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

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

y) Impairment of non-financial assets

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

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

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

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

z) Employee benefits

Defined benefit plans

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

On retirement, members of the Schemes are paid their pensions from a fund which is kept separate from the Legacy Corporation. The Legacy Corporation makes cash contributions to the funds in advance of members' retirement.

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

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

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

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

Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years which is debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.

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

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

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

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

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

Defined benefit plans - multi-employer exemption

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

Other employee benefits

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

aa) Reserves

Reserves consist of two elements, usable and unusable.

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

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

ab) Financial instruments

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as:

- financial assets at fair value through the Comprehensive Income and Expenditure Statement;
- loans and receivables; or
- available for sale financial assets.

Financial liabilities within the scope of IAS 39 are classified as either financial liabilities at fair value through the Comprehensive Income and Expenditure Statement or financial liabilities measured at amortised cost.

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

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

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

ac) Loans and receivables

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

The fair value of loans advanced to third parties at nil interest rate or below the prevailing market rate of interest is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. The loan is subsequently amortised up to its repayment amount using the effective rate of interest.

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

ad) Trade and other receivables

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

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

ae) Trade and other creditors

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

af) Impairment of financial assets

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

ag) Embedded derivatives

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

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

ah) Prior Period Adjustments, Changes in Accounting Policies and Errors and Estimates

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Legacy Corporation's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. The effects of changes in accounting policies implemented during the financial year are disclosed in note 1.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Notes to the Statement of Accounts

1. Change in the accounting policies of the Legacy Corporation

The International Accounting Standards Board published a revised IAS19 *Employee Benefits* standard in June 2011 which became effective for accounting periods beginning on or after 1 January 2013. The standard requires retrospective application and therefore the prior period has been restated.

As shown in the table below, the retrospective application has no net impact on the total comprehensive expenditure or the level of usable reserves.

	As previously stated 31 March 2013	Change in Accounting Policies	As restated 31 March 2013
	£'000	£'000	£'000
Gross expenditure	26,601	8	26,609
Net cost of services	695	8	703
Financing and investment income	(4,139)	295	(3,844)
Financing and investment expenditure	6,834	(231)	6,603
(Surplus) or deficit on the provision of services after tax	1,149,224	72	1,149,296
Actuarial (gain) or loss on defined pension scheme	(407)	(72)	(479)
Total comprehensive income and expenditure	1,148,817	-	1,148,817

2. Gross Income

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

	31 March 2014	31 March 2013
	£'000	£'000
Grants received	(28,665)	(25,136)
Planning fees	(748)	(248)
Support service recharges	(9,850)	-
Summer event series	(3,765)	-
Other	(884)	(522)
	(43,912)	(25,906)

The support service recharges are related to construction services and staff support provided by the Legacy Corporation to E20 Stadium LLP.

The summer events series was organised to celebrate the opening of the north part of the Park. Income has been generated through hiring fees, ticketing and merchandising.

3. Segmental analysis

Decisions taken by the Members about resource allocation are made using internal management reports which show total expenditure. In 2013/14, the segment "Park Opening and Operations" has been separated between "Infrastructure" and "Park Operations and Venues" as management believe this presentation better reflects how the costs are monitored during the year.

These management reports are presented on a segmental basis as shown below:

	Infrastructure	Park Operations and Venues	Real Estate and Regeneration	Planning Policy and Decisions	Corporate	Total
						31 March 2014
						£'000
Income	-	(18,355)	-	(758)	(5)	(19,118)
Expenditure	215,227	33,875	9,795	612	36,406	295,915
Net operating expenditure	215,227	15,520	9,795	(146)	36,401	276,797

	Park Opening and Operations	Real Estate and Regeneration	Planning Policy and Decisions	Corporate	Total
					31 March 2013
					£'000
Income	(100)	(419)	(248)	-	(767)
Expenditure	97,873	23,604	454	20,863	142,794
Net operating expenditure	97,773	23,185	206	20,863	142,027

Reconciliation of net operating expenditure per the segmental analysis to net cost of services in the Comprehensive Income and Expenditure Statement for the years ended 31 March 2014 and 2013:

	31 March 2014	31 March 2013
	£'000	£'000
Net operating expenditure per segmental analysis	276,797	142,027
Amounts included in the Comprehensive Income and Expenditure Statement not reported to management in the segmental analysis	(38,348)	(22,159)
Amounts included in the segmental analysis not included in the Comprehensive Income and Expenditure Statement	(228,706)	(119,165)
Net costs of services (as in Comprehensive Income and Expenditure Statement)	9,743	703

Amounts included in the costs of services within the Comprehensive Income and Expenditure Statement but not reported to management in the in-year budget monitoring reports include charges for depreciation and amortisation, pension service costs, capital grants receivable, corporate and deferred tax and the share of loss from investment in joint ventures.

The amount reported to management but not included in the net costs of services within the Comprehensive Income and Expenditure Statement is capital expenditure.

The reconciliation of segmental analysis to subjective analysis in the Comprehensive Income and Expenditure Statement for the years ended 31 March 2014 and 2013 is set out below:

31 March 2014						
	Net operating expenditure per the segmental analysis	Amounts included in the Comprehensive Income and Expenditure Statement not reported to management in the segmental analysis	Amounts included in the segmental analysis not included in the Comprehensive Income and Expenditure Statement	Cost of services as per Comprehensive Income and Expenditure Statement	Corporate Amounts	Deficit on the provision of services
Subjective analysis				£'000	£'000	£'000
Fees, charges and other service income	(19,118)	(9,476)	-	(28,594)	-	(28,594)
Interest and Investment income	-	-	-	-	(14,411)	(14,411)
Government grants and contributions	-	(28,665)	-	(28,665)	(190,353)	(219,018)
Total Income	(19,118)	(38,141)	-	(57,259)	(204,764)	(262,023)
Employee expenses	9,754	459	-	10,213	-	10,213
Other expenditure	286,161	(1,037)	(228,706)	56,418	-	56,418
Interest and Investment expenditure	-	-	-	-	8,232	8,232
Depreciation, amortisation and impairment	-	371	-	371	168,135	168,506
Pensions interest cost and expected return on assets	-	-	-	-	120	120
Impairment in investment in joint venture	-	-	-	-	22,817	22,817
Taxation	-	-	-	-	(390)	(390)
Total expenditure	295,915	(207)	(228,706)	67,002	198,914	265,916
Deficit on the provision of services	276,797	(38,348)	(228,706)	9,743	(5,850)	3,893

31 March 2013					
	Net operating expenditure per the segmental analysis	Amounts included in the Comprehensive Income and Expenditure Statement not reported to management in the segmental analysis	Amounts included in the segmental analysis not included in the Comprehensive Income and Expenditure Statement	Cost of services as per Comprehensive Income and Expenditure Statement	
Subjective analysis					£'000
Fees, charges and other service income	(767)	(3)	-	-	(770)
Interest and Investment income	-	(3,844)	-	-	(3,844)
Government grants and contributions	-	(161,817)	-	-	(161,817)
Total Income	(767)	(165,664)	-	-	(166,431)
Employee expenses	7,468	-	-	-	7,468
Other expenditure	135,326	9,211	(119,165)	-	25,372
Depreciation, amortisation and impairment	-	1,281,270	-	-	1,281,270
Taxation	-	1,617	-	-	1,617
Total expenditure	142,794	1,292,098	(119,165)	-	1,315,727
Deficit on the provision of services	142,027	1,126,434	(119,165)	-	1,149,296

4. Gross expenditure

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

	31 March 2014	Restated 31 March 2013
	£'000	£'000
Staff costs:		
Wages and salaries	6,650	5,492
Social security costs	683	580
Pension costs	1,319	1,149
Other staff costs	504	247
Grants and contributions	665	3,680
Consultancy and Strategy Development costs	5,132	1,184
Accommodation costs	3,703	2,928
Legal fees	972	2,298
Communications, events and marketing	3,539	1,811
Agency and seconded staff costs	1,401	1,729
Irrecoverable VAT	1,782	1,130
Support services to be recharged	8,532	-
Revenue expenditure funded from capital under statute	8,232	2,018
Insurance	844	-
Stationery	1,372	-
Security	1,854	-
Travel	315	-
Amortisation	37	223
Depreciation	796	149
Other	5,323	1,991
Total	53,655	26,609

5. External audit fees

External audit fees are made up as follows:

	31 March 2014	31 March 2013
	£'000	£'000
Auditors' remuneration		
for statutory audit services	40	45
for non-statutory audit services	-	-
for non-audit services	-	-
	40	45

6. Remuneration

The Code requires disclosure of remuneration for the Legacy Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000.

a) Employees' remuneration

	31 March 2014	31 March 2013
£	Number	Number
50,000- 54,999	8	4
55,000- 59,999	13	11
60,000- 64,999	6	3
65,000- 69,999	5	5
70,000- 74,999	6	5
75,000- 79,999	1	4
80,000- 84,999	7	5
85,000- 89,999	4	2
90,000- 94,999	3	1
95,000- 99,999	2	-
100,000- 104,999	2	2
105,000- 109,999	1	2
110,000- 114,999	1	2
115,000- 119,999	1	-
120,000- 124,999	-	2
125,000-129,999	-	-
130,000- 134,999	2	2
135,000- 139,999	1	-
150,000- 154,999	1	2
175,000-175,999	-	1
195,000- 199,999	1	-

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b) Senior employees' remuneration

31 March 2014

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	£'000	£'000	£'000	£'000	£'000
Dennis Hone	Chief Executive	195	-	-	-	-	195
Jonathan Dutton	Executive Director of Finance and Corporate Services	151	-	-	-	17	168
Paul Brickell	Executive Director of Regeneration and Community Partnerships	138	-	-	-	-	138
Jan Boud	General Counsel	132	-	-	-	15	147
Mark Camley	Executive Director of Park Operations	131	-	-	-	15	146
Rosanna Lawes	Executive Director of Development	113	-	-	-	12	125
Victoria O'Byrne (1)	Director of Communications & Public Affairs	108	-	-	-	12	120
Vivienne Ramsey (2)	Director of Planning Policy and Decisions	92	-	-	-	9	101
Anthony Hollingsworth (3)	Director of Planning Policy and Decisions	91	-	-	-	9	100
Colin Naish (4)	Executive Director of Infrastructure	-	-	-	-	-	-
Duncan Innes (5)	Executive Director of Infrastructure	63	-	-	-	7	70

(1) Ms O'Byrne left in March 2014. Annual equivalent salary is £107,481.

(2) Ms Ramsey left in October 2013. Annual equivalent salary is £138,471.

(3) Mr Hollingsworth was appointed to his post in October 2013. Annual equivalent salary is £94,530.

(4) Post filled by a secondment from the ODA under which the Legacy Corporation paid the ODA £219,048 inclusive of on costs.

Mr Naish has subsequently joined the Legacy Corporation starting on 1st April 2014 (termination fees are accrued in relation with this transfer)
Annual equivalent salary is £177,000.

(5) Mr Innes left in August 2013. Annual equivalent salary is £151,251.

Senior employees' remuneration

31 March 2013

Name	Title	Salary (incl fees and allowances) £'000	Bonuses £'000	Expenses £'000	Compensation for loss of office £'000	Pension contribution £'000	Total remuneration including pension contributions £'000
Andrew Altman (6)	Chief Executive	73	-	1	266	8	348
Dennis Hone (7)	Chief Executive	-	-	-	-	-	-
Malcolm Ross (8)	Executive Director of Park Operations and Venues	175	-	-	121	24	320
Duncan Innes	Executive Director of Real Estate	151	-	1	-	17	169
Jonathan Dutton	Executive Director of Finance and Corporate Services	151	-	-	-	17	168
Paul Brickell	Executive Director of Regeneration and Community Partnerships	134	-	-	-	-	134
Jan Boud	General Counsel	132	-	-	-	15	147
Victoria O'Byrne	Director of Communications and Public Affairs	106	-	1	-	12	119
Mark Camley (9)	Interim Executive Director of Park Operations and Venues	120	-	-	-	14	134
Kathryn Firth	Chief of Design	120	-	-	-	13	133
Vivienne Ramsey (10)	Director of Planning Policy and Decisions	68	-	-	-	8	76
Colin Naish (11)	Executive Director of Infrastructure	-	-	-	-	-	-

(6) Mr Altman left in August 2012. Annual equivalent salary is £195,000.

(7) Mr Hone was seconded from the ODA for two days per week from August 2012 to March 2013 under which arrangement the Legacy Corporation paid the ODA £90,000 for Mr Hone's services.

(8) Mr Ross left in February 2013. Annual equivalent salary is £185,000.

(9) Mr Camley's current job title and role took effect from March 2013 and this disclosure includes remuneration in his previous role.

(10) Ms Ramsey entered service in October 2012. Annual equivalent salary is £135,000.

(11) Post filled by a secondment from the ODA under which the Legacy Corporation paid the ODA £217,087 for Mr Naish's services.

c) **Members' remuneration**
31 March 2014

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	£'000	£'000	£'000	£'000	£'000
Boris Johnson	Chairman	-	-	-	-	-	-
Neale Coleman	Deputy Chairman	-	-	-	-	-	-
David Edmonds	Chair of the Investment Committee	28	-	-	-	-	28
Lord Mawson	Chair of the Regeneration and Communities Committee	28	-	-	-	-	28
Keith Edelman	Chair of the Audit Committee	28	-	-	-	-	28
Nicky Dunn	Chair of the Park Opening and Operations Committee	28	-	-	-	-	28
Philip Lewis	Chair of the Planning Decisions Committee	28	-	-	-	-	28
Sonita Alleyne	Member	14	-	-	-	-	14
Nicholas Bitel	Member	14	-	-	-	-	14
David Gregson	Member	14	-	-	-	-	14
Jayne McGivern	Member	14	-	-	-	-	14
Baroness Grey-Thompson	Member	14	-	-	-	-	14
David Ross	Member	14	-	-	-	-	14
Sir Robin Wales	Member	-	-	-	-	-	-
Lutfur Rahman	Member	-	-	-	-	-	-
Jules Pipe	Member	-	-	-	-	-	-
Chris Robbins	Member	-	-	-	-	-	-

c) Members' remuneration
31 March 2013

Name	Title	Salary (incl fees and allowances) £'000	Bonuses £'000	Expenses £'000	Compensation for loss of office £'000	Pension contribution £'000	Total remuneration including pension contributions £'000
Baroness Ford (1)	Chairman	24	-	-	32	6	62
Daniel Moylan (2)	Chairman	32	-	-	25	-	57
Boris Johnson (3)	Chairman	-	-	-	-	-	-
Neale Coleman (4)	Deputy Chairman	-	-	-	-	-	-
David Edmonds	Chair of the Investment Committee	28	-	-	-	-	28
Lord Mawson	Chair of the Regeneration and Communities Committee	28	-	-	-	-	28
Keith Edelman	Chair of the Audit Committee	28	-	-	-	-	28
Nicky Dunn	Chair of the Park Opening and Operations Committee	19	-	-	-	-	19
Philip Lewis	Chair of the Planning Decisions Committee	21	-	-	-	-	21
David Gregson	Member	14	-	-	-	-	14
Robert John (5)	Member	11	-	-	-	-	11
Sonita Alleyne	Member	14	-	-	-	-	14
Nicholas Bitel	Member	14	-	-	-	-	14
Jayne McGivern	Member	14	-	-	-	-	14
Elizabeth McMahon (6)	Member	8	-	-	-	-	8
Baroness Grey-Thompson (7)	Member	5	-	-	-	-	5
David Ross (8)	Member	5	-	-	-	-	5
Sir Robin Wales (9)	Member	-	-	-	-	-	-
Lutfur Rahman (9)	Member	-	-	-	-	-	-
Jules Pipe (9)	Member	-	-	-	-	-	-
Chris Robbins (9)	Member	-	-	-	-	-	-

(1) Baroness Ford was Chairman from April to May 2012. Annual equivalent salary is £95,000.

(2) Mr Moylan was Chairman from June to September 2012. Annual equivalent salary is £127,700.

(3) Boris Johnson, as Mayor of London, became Chairman from September 2012. This post is unpaid.

(4) Mr Coleman has been Deputy Chairman since December 2012. This post is unpaid.

(5) Mr John was a Member from April to December 2012.

(6) Ms McMahon was a Member from April to October 2012.

(7) Baroness Grey-Thompson became a Member in December 2012.

(8) Mr Ross became a Member in December 2012.

(9) Sir Robin Wales, Mr Rahman, Mr Pipe and Mr Robbins are not paid as Members of the Corporation.

d) Termination payments

The Code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. No staff have left under compulsory terms during the year. Those who left the Legacy Corporation did so under the Legacy Corporation's voluntary severance terms, by choosing to accept the voluntary severance terms which were set out in a compromise agreement signed by the employee on termination of their appointment. These employees are classified as leaving due to voluntary severance.

Non – compulsory exit packages	Number of staff		Total cost	
	31 March 2014	31 March 2013	31 March 2014	31.03.2013
			£'000	£'000
£0 – £20,000	3	-	36	-
£20,001 -£40,000	3	3	75	78
£40,001- £60,000	3	-	128	-
£60,001 - £80,000	1	-	60	-
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	1	1	110	121
£150,001 - £200,000	-	-	-	-
£200,001 - £250,000	-	-	-	-
£250,001 - £300,000	-	1	-	266

7. Financing and investment income

	31 March 2014	31 March 2013
	£'000	£'000
Interest income on deposits	(197)	(334)
Income in relation to investment property	(4,269)	(3,510)
Net gain on disposal of investment property	(748)	-
Net gain on fair value adjustment	(9,197)	-
Financing and investment income	(14,411)	(3,844)

8. Financing and investment expenditure

	31 March 2014	31 March 2013
	£'000	£'000
Net interest on the net defined benefit liability (asset)	120	127
Expenditure in relation to investment property	8,232	6,476
Financing and investment expenditure	8,352	6,603

9. Taxation and non specific grant income

	31 March 2014	31 March 2013
	£'000	£'000
Capital grants from the Greater London Authority	(184,989)	(125,986)
Other capital grants	(5,364)	(10,695)
Taxation and non specific grant income	(190,353)	(136,681)

10. Corporation tax

a) Corporation tax

	31 March 2014	31 March 2013
	£'000	£'000
Income chargeable to corporation tax	12,163	7,942
Expenditure that can be offset against chargeable income	(11,758)	(4,013)
Profits chargeable to corporation tax	405	3,929
Corporation tax	91	943

Provision to meet the Legacy Corporation's corporation tax liability has been made at 23% including a marginal tax relief of £2.6m.

Of the provision of £0.9m made in 2013/14 in relation with corporation tax, £0.5m has been paid during the financial year. The remaining balance of £0.4m has been released. As such, the total impact of corporation tax on the comprehensive income and expenditure statement is a credit of £0.3m.

b) Unrecognised deferred tax assets

The Legacy Corporation has a potential deferred tax asset of £2.3m (2013: £7.9m). No deferred tax asset has been recognised as it is not considered probable that there will be sufficient future taxable profits available against which the capital losses can be utilised.

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

	Balance at 1 April 2013	Movement in period	Balance at 31 March 2014
	£'000	£'000	£'000
Deferred tax assets			
Investment property	20,212	2,664	22,876
Total	20,212	2,664	22,876
Deferred tax liabilities			
Investment property	(20,212)	(2,664)	(22,876)
Property, plant and equipment	(660)	67	(593)
Intangible assets	(14)	4	(10)
Total	(20,886)	(2,593)	(23,479)
Net deferred tax liability	(674)	71	(603)

	Balance at 1 April 2012	Movement in period	Balance at 31 March 2013
	£'000	£'000	£'000
Deferred tax assets			
Investment property	-	20,212	20,212
Total	-	20,212	20,212
Deferred tax liabilities			
Investment property	-	(20,212)	(20,212)
Property, plant and equipment	-	(660)	(660)
Intangible assets	-	(14)	(14)
Total	-	(20,886)	(20,886)
Net deferred tax liability	-	(674)	(674)

11. Intangible assets

	Computer Software	Licences	Total
	£'000	£'000	£'000
Cost			
At 1 April 2012	128	282	410
Additions	55	-	55
At 31 March 2013	183	282	465
At 1 April 2013	183	282	465
Additions	25	-	25
At 31 March 2014	208	282	490
Amortisation			
At 1 April 2012	84	100	184
Charged during the period	38	182	220
At 31 March 2013	122	282	404
At 1 April 2013	122	282	404
Charged during the period	37	-	37
At 31 March 2014	159	282	441
Net book value at 31 March 2013	61	-	61
Net book value at 31 March 2014	49	-	49

12. Property, plant and equipment

	Land and buildings	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2012	-	962	223	4	1,189
Additions	-	942	1,030	-	1,972
Disposals	-	-	-	-	-
At 31 March 2013	-	1,904	1,253	4	3,161
At 1 April 2013	-	1,904	1,253	4	3,161
Additions	-	51	699	-	750
Disposals	-	-	-	-	-
At 31 March 2014	-	1,955	1,952	4	3,911
Depreciation					
At 1 April 2012	-	10	128	-	138
Charged during the period	-	35	116	2	153
At 31 March 2013	-	45	244	2	291
At 1 April 2013	-	45	244	2	291
Charged during the period	-	194	601	1	796
At 31 March 2014	-	239	845	3	1,087
Net book value at 31 March 2013	-	1,859	1,009	2	2,870
Net book value at 31 March 2014	-	1,716	1,107	1	2,824

13. Investment property

	31 March 2014	31 March 2013
Valuation	£'000	£'000
Opening balance at 1 April	142,085	1,309,677
Additions	196,843	115,120
Disposals	(1,163)	(1,814)
Changes in fair value	(168,135)	(1,280,898)
Total Investment property	169,630	142,085

The Legacy Corporation's portfolio was valued as at 31 March 2014 by Jones Lang LaSalle. The assets are being developed by the Legacy Corporation for their income generating potential or for capital appreciation and have therefore been classified as Investment Property in accordance with IAS 40.

Investment property can be analysed as follows:

Asset	31 March 2014	31 March 2013	Change	Basis
	£'000	£'000	£'000	
Aquatics Centre and Copper Box Arena	7,000	5,700	1,300	Greenwich Leisure Limited has been appointed as the operator of the Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues have been valued at £7m on the basis of the estimated future income the venues will produce, taking account of the £2.3m contribution to fit out costs that the operator has made. The change in the market value is mostly related to the decrease of the discount rate used from 9% to 8% due to market improvement.
Press and Broadcast Centre	19,000	15,040	3,960	The valuation of the Press and Broadcast Centre is based on the potential net income that the Legacy Corporation will receive over the 200 years of the lease with iCity (London) Limited. The change in the market value is mostly related to the decrease of the discount rate used from 8% to 7.5% due to market improvement.
Stadium	1,500	1,500		The Stadium is subject to a lease to let the Stadium to E20 Stadium - LLP until 2115. The Legacy Corporation reversionary interest discounted back to the present day is valued at £1.5m.
ArcelorMittal Orbit	875	16,100	(15,225)	The ArcelorMittal Orbit has been valued at £875k on the basis of the earnings that could be generated from operating the attraction. The decrease in market value is mostly related to the reduction of the projected yearly ticketed admission.
Queen Elizabeth Olympic Park	120,000	85,000	35,000	Receipts from plot sales within the six development zones on the park have been cash flowed on the basis of the phasing identified in the consented scheme, discounted at a present value. Primary infrastructure section 106 obligations have been deducted from this value. The increase in market value is due to continued improvement of the residential market.
3 Mills Studios	2,500	3,000	(500)	The 3 Mills Studio site is held on a lease with 90 years outstanding. It has been valued on the investment method, adopting an estimated rental value for each building with a yield reflecting the leasehold interest and risks attaching to the income stream.
LTGDC transferred assets	6,560	5,035	1,525	These sites have been valued as industrial land, using comparable evidence to establish market value. The increase in the market value is mostly related to the improvement in the industrial land and residential redevelopment markets.
Other assets	12,195	10,710	1,485	Other sites have been valued using a mixture of estimated rental values applying an appropriate yield and comparable market value information from similar sites. The increase in the market value is mostly related to the improvement in the industrial land and residential redevelopment markets.
Total	169,630	142,085	27,545	

14. Investments in joint venture

E20 Stadium LLP

The Legacy Corporation has interest in a joint venture, E20 Stadium LLP, with the London Borough of Newham through its subsidiary Newham Legacy Investments Limited (NLI). E20 Stadium LLP is the only joint arrangement in which the Legacy Corporation currently participates. This partnership is designed to give the local area ownership of the Olympic Stadium and is the legal entity that now holds a 102 year leasehold interest in the Stadium Island site and is responsible for the transformation works required for the Rugby World Cup in 2015 and the subsequent use by West Ham United Football Club and UK Athletics.

The following table summarises the financial information of E20 Stadium LLP as included in its own financial statements.

	31 March 2014	31 March 2013
	£'000	£'000
Non current assets	9,116	-
Current assets	7,812	-
Non current liabilities	-	-
Current liabilities	(17,722)	-
Net assets	(794)	-
Revenue	1,000	-
Operating expense	(659)	-
Impairment	(25,284)	-
Interest expense	-	-
Income tax expense	-	-
Total comprehensive loss	(24,943)	-

The total comprehensive loss of the partnership is £25.0m; a negative adjustment in fair value of property, plant and equipment of £25.3m offset marginally by some revenue once operating expenses have been taken into account.

The fair value of property, plant and equipment under construction was determined by external, independent property valuers, Jones Lang LaSalle, who have appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value of the Olympic Stadium after the transformation work was determined by considering what market value a hypothetical purchaser would be willing to pay. This assessment considered the level of income that the Olympic Stadium can generate in excess of operating expenditure, as well as market data of the performance of other European Stadium developments. As at 31 March 2014, the Stadium fair value is expected to be £60 million once the transformation work has been completed in the summer of 2016.

In accordance with the Members' Agreement between the Legacy Corporation and NLI, any impairment loss should be offset against the Legacy Corporation's capital contribution in the first place before any impact on the contribution made by NLI. As a result the contribution made by the Legacy Corporation during the year has been fully impaired.

The movements for the year can be detailed as follow:

	31 March 2014	31 March 2013
	£'000	£'000
Opening balance at 1 April	-	-
Investment	22,817	-
Impairment	(22,817)	-
Total Investment in joint ventures	-	-

Capital commitments

During the year the partnership entered into three contracts to undertake the transformation of the Stadium for £160.5 million. The Legacy Corporation is legally committed to finance these contracts up to a value of £121.8 million (2012/13: nil).

15. Short term debtors

	31 March 2014	31 March 2013
	£'000	£'000
Current		
Central Government bodies	3,447	1,301
Other entities and individuals	12,237	11,490
Total short term debtors	15,684	12,791

16. Cash and cash equivalents

	31 March 2014	31 March 2013
	£'000	£'000
Cash in hand and at bank	5,488	26,106
Investments	15,860	40,182
Total cash and cash equivalents	21,348	66,288

17. Current and non-current liabilities

	31 March 2014	31 March 2013
	£'000	£'000
Current		
Central Government bodies	(266)	(1,300)
Other Local Authorities	(508)	(545)
Other entities and individuals	(44,353)	(34,763)
Total current liabilities	(45,127)	(36,608)
Non - current		
AcelorMittal Orbit Limited	-	(9,197)
Olympic Park Transport and Environmental Management Scheme (OPTEMS)	-	(10,669)
Section 106 contributions	(3,060)	(3,379)
Stadium rent premium	(490)	-
Deferred taxation	(603)	(674)
Long term creditors	(4,153)	(23,919)
Retirement benefit obligation (pension liability)	(7,376)	(2,908)
Total non-current liabilities	(11,529)	(26,827)

A loan of £10.1m (principal £9.2m plus unpaid interest), taken out to part fund the construction of the ArcelorMittal Orbit is repayable to ArcelorMittal Orbit Limited from future profits as and when they are generated. Discounted projected cash flow was used for calculation of the carrying amount. The projected cash flows are based on visitor numbers significantly lower than originally expected and result in the carrying value of the loan being set at nil. The Legacy Corporation assumed planning responsibilities for the Mayoral Development Corporation area including the Queen Elizabeth Olympic Park (QEOP) from the ODA on 1 October 2012.

The Legacy Corporation received from the ODA on that date the unspent balance of the £20m contribution the ODA was obliged to make in 2008 under Section 106 of the Town & Country Planning Act 1990 for Olympic Park Transport and Environmental Management Schemes (OPTEMS). This fund is to be spent on schemes that aim to mitigate the adverse transportation effects of the development of the QEOP within neighbouring residential and business communities. The outstanding balance at the end of the financial year is £9.8m (2013: 10.7m) and has been fully classified as short term creditors as the Legacy Corporation expects this balance to be paid during the year.

The Legacy Corporation also inherited unspent balances of Section 106 contributions received by London Thames Gateway Development Corporation upon that body's dissolution in January 2013. The outstanding balance at the end of the financial year is £4.8m (2013: £3.4m). £1.7m has been classified as short term creditors as the Legacy Corporation expects this balance to be paid during the year.

During the year, the Legacy Corporation entered in a lease with E20 Stadium LLP for the lease of the Stadium Island Site, which includes the Stadium, up to 1 September 2115. Land and buildings have been considered separately for lease classification. The minimum lease payments have been considered to be mostly attached to the land element. For the land element, the Legacy Corporation does not substantially transfer all the risks and rewards of ownership of the leased asset and as such the land is classified as an operating lease. The building element is assumed to transfer substantially all the risks and rewards and is classified as a finance lease. E20 Stadium LLP has paid an upfront payment of £0.5 million which is recognised in the income and expenditure statement on straight line basis over the term of the lease.

18. Pensions

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

Local Government Pension Scheme

The Legacy Corporation provided the opportunity for its employees to participate in the LGPS. The LGPS is administered by the London Pension Fund Authority and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (1997). The fund's actuaries, Bennett Waddingham, carried out a full triennial valuation as at 31 March 2010. Employers' and employees' contributions to the Scheme were determined by the actuary following this valuation. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The employers' contribution rate for 2013/14 was 11.2% (2012/2013: 11.2%). Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the account would lead to an adjustment to the contribution rates, which are reviewed every three years.

Employer contributions of £0.7m were paid in 2014 (2013: £0.6m). The number of participating employees was 104 active members as at 31 March 2014 (2013: 77 active members). There were 16 deferred pensioners and 4 actual pensioners at 31 March 2014.

Principal assumptions used by the actuary

	31 March 2014	31 March 2013
Expected return on assets	4.00	5.60
	%	%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.8	22.8
Women	25.4	23.8
Longevity at 65 for future pensioners:		
Men	25.1	24.7
Women	27.6	25.7
Rate of inflation	3.70%	3.40%
Rate of increase in salaries	4.70%	4.30%
Rate of increase in pensions	2.90%	2.60%
Rate for discounting scheme liabilities	4.60%	4.70%

The expected return on assets was based on the long-term expected investment return for each asset class as at the beginning of the period. The return on gilts and other bonds was assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property was then assumed to be a margin above gilt yields.

The term of the employer's liabilities is estimated at 27 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2014	31 March 2013
	£'000	£'000
Service cost	1,159	1,346
Total included in net cost of services	1,159	1,346
Net interest on the defined liability	120	127
Administration expenses	11	8
Total included in deficit on provision of services before tax	131	135
Remeasurement of the net defined benefit liability/asset	3,888	(479)
Total	5,178	1,002

Reconciliation of present value of the defined benefit obligation

	31 March 2014	31 March 2013
	£'000	£'000
Opening balance	10,052	6,974
Current service cost	1,159	1,099
Contributions by scheme participants	455	432
Change in financial assumptions	1,530	4
Change in demographic assumptions	(51)	-
Experience loss/(gain) on defined benefit obligations	2,170	-
Liabilities assumed / extinguished on settlements	-	519
Estimated benefits paid net of transfers in	120	666
Interest cost	486	358
Closing defined benefit obligation	15,921	10,052

Reconciliation of fair value of scheme assets

	31 March 2014	31 March 2013
	£'000	£'000
Opening balance	7,144	3,585
Interests on assets	366	231
Return on assets less interest	(88)	483
Other actuarial gains/(losses)	(151)	-
Administration expenses	(11)	(8)
Contributions by scheme participants	455	432
Contributions by the Legacy Corporation including unfunded benefits	710	1,483
Estimated benefit paid (net of transfers in and including unfunded)	120	666
Settlement prices received/ (paid)	-	272
Fair value of scheme assets as at 31 March	8,545	7,144

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

	31 March 2014	31 March 2013
	£'000	£'000
Present value of the defined benefit obligation	(15,921)	(10,052)
Fair value of plan assets	8,545	7,144
Net liability arising from defined benefit obligation	(7,376)	(2,908)

Local Government Pension Scheme assets comprised:

	31 March 2014		31 March 2013	
	£'000	%	£'000	%
Employer asset share - Bid value				
Equities	4,529	53%	5,215	73%
LDI/Cashflow matching	513	6%	n/a	n/a
Target Return Portfolio	2,564	30%	714	10%
Alternative Assets	n/a	n/a	1,072	15%
Infrastructure	342	4%	n/a	n/a
Commodities	85	1%	n/a	n/a
Property	256	3%	n/a	n/a
Cash	256	3%	143	2%
Total	8,545	100%	7,144	100%

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

Sensitivity analysis	£'000	£'000	£'000
Adjustment to discount rates	+0.1%	0.0%	-0.1%
Present value of total obligation	15,509	15,921	16,344
Projected service cost	1,221	1,255	1,289
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	16,034	15,921	15,809
Projected service cost	1,255	1,255	1,255
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	16,238	15,921	15,614
Projected service cost	1,290	1,255	1,220
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	15,439	15,921	16,403
Projected service cost	1,217	1,255	1,292

Impact on the Legacy Corporation's cash flows

The total contributions expected to be made to the Local Government Pension Scheme by the Legacy Corporation in the year to 31 March 2015 is £1.6m.

Homes and Communities Agency Pension Scheme

The Homes and Communities Agency Pension Scheme is a defined benefits scheme but has been accounted for as if it were a defined contribution plan. The Homes and Communities Agency Pension Scheme is exempt from defined benefit accounting as the pension scheme exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the pension scheme.

As at 31 March 2012, the overall deficit of the pension scheme was £129m, of which the Legacy Corporation's share represents 0.366%.

Contributions on behalf of the two employees who are members of the above scheme are accounted for in operating costs and amount to £31,656 (2013: £67,000).

The total contributions expected to be made to the Homes and Communities Agency Pension Scheme by the Legacy Corporation in the year to 31 March 2015 is £31,000.

19. Cash flow notes

a) Adjustments to net deficit for non-cash movement

	31 March 2014	31 March 2013
	£'000	£'000
Depreciation of property plant and equipment	796	149
Amortisation of intangibles	37	223
Reversal of defined benefit pensions services costs	1,290	387
Increase in Interest debtors	-	(182)
Reversal of impairment on investment in joint venture	22,817	-
Cash payments for employer's contributions to pension funds	(710)	-
(Increase) in trade and other debtors	(2,893)	(23,134)
Increase/(decrease) in trade and other creditors	(11,067)	2,302
Increase in bad debt provision	(11)	-
Other non cash movement	-	(34)
Net book value of non-current assets disposal	1,163	-
Changes in Fair Value of Investment Property	168,135	1,280,898
Tax paid	(508)	-
Adjustment to net deficit for non cash movements	179,049	1,260,609
Adjust for items included in the net deficit on the provisions of services that are investing or financing activities		
Capital grants credited to the deficit on the provision of services	(190,353)	(136,681)
Gain/loss on sale of investment property	(1,911)	-

The cash flows from operating activities includes interest received of £0.2m for the year ended 2014 (2013: £0.2m).

b) Investing activities

	31 March 2014	31 March 2013
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(197,618)	(97,105)
Investment in joint venture	(22,817)	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets proceeds from sale of land and buildings	1,911	1,815
Capital grant received	190,353	136,681
Other capital receipts	-	2,000
Net cash outflow from investing activities	(28,171)	43,391

c) Financing activities

	31 March 2014	31 March 2013
	£'000	£'000
Movement on OPTEMS fund	(1,051)	10,669
Movement on S106 fund	1,390	3,379
Net cash flow from financing activities	339	14,048

20. Unusable reserves

	31 March 2014	31 March 2013
	£'000	£'000
Capital adjustment account	(155,431)	(135,819)
Pensions reserve	7,376	2,908
Accumulated absences account	121	67
Balance at 31 March	(147,934)	(132,844)

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

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

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

Further breakdown within unusable reserves is shown below.

Capital adjustment account

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	(135,819)	(1,301,757)
Charges for depreciation and amortisation	833	372
Capital grants applied	(190,353)	(119,165)
Capital grants transferred from the Unapplied Account	(17,516)	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,163	-
Capital receipts received during the year	-	1,815
Capital receipts used during the year	(3,726)	-
Revenue expenditure funded from capital under statute	8,232	2,018
Impairment charged to the Comprehensive Income and Expenditure Statement	190,952	1,280,898
Movement in the fair value of loan charged to the Comprehensive Income and Expenditure Statement	(9,197)	-
Balance at 31 March	(155,431)	(135,819)

Pensions reserve

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	2,908	3,390
Remeasurements of the net defined benefit liability/(asset)	3,888	(479)
Reversal of charges relating to retirement benefits	1,290	1,481
Employer's pension contribution and direct payments to pensioners payable in the year	(710)	(1,484)
Balance at 31 March	7,376	2,908

Accumulated absences reserve

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	67	-
Settlement or cancellation of accrual made at the end of the preceding year	(67)	-
Amounts accrued at the end of the current year	121	67
Balance at 31 March	121	67

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on a accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements

(54) 67

21. Adjustments between accounting basis and funding under regulations

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

For the year ended 31 March 2014

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital adjustment account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(833)	-	-	(833)	833
Movements in the market value of Investment Property	(168,135)	-	-	(168,135)	168,135
Movements in the fair value of loan used to finance Investment Property	9,197	-	-	9,197	(9,197)
Impairment of Joint venture Investment	(22,817)	-	-	(22,817)	22,817
Capital grants and contributions applied	190,353	-	-	190,353	(190,353)
Revenue expenditure funded from capital under statute	(8,232)	-	-	(8,232)	8,232
Net gain/loss on disposal on non-current assets charged to the Comprehensive Income and Expenditure Statement	748	-	-	748	(748)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Capital expenditure charged against the General Fund and HRA balances	-	-	-	-	-
Adjustments involving the Capital Grants Unapplied Account					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	-	-	-	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	17,516	17,516	(17,516)
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	-	(1,911)	-	(1,911)	1,911
Use of the Capital Receipts Reserve to finance new capital expenditure	-	3,726	-	3,726	(3,726)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,290)	-	-	(1,290)	1,290
Employer's pensions contributions and direct payments to pensioners payable in year	710	-	-	710	(710)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(54)	-	-	(54)	54
Total adjustments	(353)	1,815	17,516	18,978	(18,978)

For the year ended 31 March 2013

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital adjustment account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(372)	-	-	(372)	372
Movements in the market value of Investment Property	(1,280,898)	-	-	(1,280,898)	1,280,898
Capital grants and contributions applied	119,165	-	-	119,165	(119,165)
Revenue expenditure funded from capital under statute	(2,018)	-	-	(2,018)	2,018
Adjustments involving the Capital Grants Unapplied Account					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	17,516	-	(17,516)	-	-
Adjustments involving the Capital Receipts Reserve					
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	(1,815)	-	(1,815)	1,815
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,481)	-	-	(1,481)	1,481
Employer's pensions contributions and direct payments to pensioners payable in year	687	-	-	687	(687)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(67)	-	-	(67)	67
Total adjustments	(1,147,468)	(1,815)	(17,516)	(1,166,799)	1,166,799

22. Trading operations

The group has five trading operations:

3 Mills: The Legacy Corporation holds a 99 year lease over 3 Mills Studios, of which the unexpired term is 90 years. The Studios are managed by Deloitte Real Estate. The overall objective is to build a thriving creative centre for east London, through proactive generation of revenue and the control of costs to deliver a financially robust operation of the Studios to support ongoing development of the area. The deficit for the financial year was £451k.

AMO: The ArcelorMittal Orbit (AMO) is managed by Cofely on behalf of the Legacy Corporation and was opened to the public on 5 April 2014. The main objective is to launch a high quality attraction, with event and visitor facilities. The revenues from the AMO mainly comprise ticketing sales, catering sales and fees, charges relating to private functions and special events. The costs incurred on the AMO over the last

financial year were £2.1m which included all security and mobilisation costs ahead of the re-opening in April 2014.

Aquatics Centre and Copper Box Arena: The Copper Box Arena opened in its post Games mode in July 2013 and the Aquatics Centre in March 2014. Both venues are operated by Greenwich Leisure Limited. The trading objective is to maximize usage of the facilities. The net return generated by the Legacy Corporation over the last financial year was £29k.

Timber Lodge: The Timber Lodge Cafe started to operate in July 2013. The Legacy Corporation has a head lease from Lee Valley Regional Park Authority for Timber Lodge which is operated by The Camden Society. The cafe is expected to generate an increasing footfall when the East Village is fully occupied and park activity increases. The venue provides space to be rented out to community groups and local business. The net return generated by the Legacy Corporation over the last financial year was £29k.

Operation		31 March 2014		31 March 2013	
		£'000	£'000	£'000	£'000
3 Mills	Turnover	(2,197)		(3,245)	
	Expenditure	2,648		3,616	
	Deficit		451		371
ArcelorMittal Orbit	Turnover	(646)		(32)	
	Expenditure	2,093		173	
	Deficit		1,447		141
Aquatics Centre and Copper Box Arena	Turnover	(29)		-	
	Expenditure	-		-	
	Surplus		(29)		-
Timber Lodge	Turnover	(29)		-	
	Expenditure	-		-	
	Surplus		(29)		-
Net deficit on trading operations			1,840		512

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement.

As all the venues used for trading are classified as investment properties all income in relation to the venues is treated as income in relation to investment property, and all expenditure likewise is recognised as expenditure in relation to investment property (see note 13).

	31 March 2014	31 March 2013
	£'000	£'000
Income in relation to investment property	(2,901)	(3,277)
Expenditure in relation to investment property	4,741	3,789
Net deficit on trading operations charged to financing and investment	1,840	512

23. Related party transactions

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

The related parties to the Legacy Corporation are:

- Central Government;
- other public bodies (including the Greater London Authority);
- entities controlled or significantly influenced by the Legacy Corporation; and
- its Members and Executive Management Team.

Central Government and other public bodies - Income and Expenditure

All relationships were as delivery partners to the Legacy Corporation and significant transactions for the years ended 31 March 2013 and 2014 were as follows:

	31 March 2014	31 March 2013
	£'000	£'000
Income		
Greater London Authority ¹	(213,625)	(151,084)
E20 Stadium LLP ²	(9,850)	-
Transport for London ³	(335)	(351)
Olympic Delivery Authority ⁴	(871)	(1,791)
London Borough of Newham ⁵	(20)	-
Lee Valley Regional Park Authority	(15)	-
London Borough of Hackney ⁶	(6)	-
The London Organising Committee of the Olympic and Paralympic Games ⁷	-	(8,511)
Crossrail Limited	-	(1,814)
Sport England ⁸	-	(146)
London Borough of Waltham Forest ⁹	(1)	-
	31 March 2014	31 March 2013
	£'000	£'000
Expenditure		
Greater London Authority ¹	23	29
Transport for London ³	1,281	52
Olympic Delivery Authority ⁴	4,922	2,108
London Borough of Newham ⁵	2,990	4,972
Lee Valley Regional Park Authority	113	674
London Borough of Hackney ⁶	430	678
The London Organising Committee of the Olympic and Paralympic Games ⁷	-	13
London Borough of Waltham Forest ⁹	261	500
London Borough of Barking and Dagenham	80	42
London Borough of Tower Hamlets ¹⁰	246	1,397
The Legacy List ¹¹	159	150
Cabinet Office	11	-

1. The Chair of LLDC, Boris Johnson is the Mayor of London. LLDC Deputy Chairman Neale Coleman is the GLA's mayoral Advisor on Tottenham and the Olympic and Paralympic legacy.

2. Board members David Edmonds, David Gregson and Nicky Dunn are E20 Stadium LLP board members

3. Board members Baroness Grey-Thompson and Boris Johnson are Transport for London board members

4. LLDC Deputy Chairman Neale Coleman is also board member of the Olympic Delivery Authority.

5. Board members Sir Robin Wales Mayor of Newham.

6. Board members Jules Pipe is Mayor of Hackney

7. Board members Sir Robin Wales was a member of the London Organising Committee for the Olympic and Paralympic Games board.

8. Board member Nick Bitel is chair of Sport England

9. Board member Chris Robbins is leader of Waltham Forest council

10. Board members Lutfur Rahman is Mayor of Tower Hamlets.

11. Board Member Lord Mawson is a member of the Legacy List board.

Members and Executive Management Team - Income and Expenditure

Members of the Legacy Corporation have direct control over the Legacy Corporation's financial and operating policies. The total of Members' allowances paid in 2013/14 is shown in note 6.

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

Other related parties transactions for Members are disclosed as follows:

Organisation	Income		Expenditure		Nature of Relationship
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	
	£,000	£,000	£,000	£,000	
Archant Media Ltd	-	-	-	10	LLDC Member Sonita Alleyne also non executive director of Archant Media Ltd.
Precise Media Group	-	-	58	11	LLDC Member David Gregson also Chairman of Precise Media Group.
Bromley By Bow Centre	-	-	38	-	LLDC Chair of the Regeneration and Communities Committee Lord Mawson also Founder and President of Bromley By Bow Centre.
St Paul's Way Trust School	-	-	5	-	LLDC Chair of the Regeneration and Communities Committee Lord Mawson also Director of St Paul's Way Trust School.
Deloitte	-	-	996	1,314	Husband of the Executive Director of Development Rosanna Lawes is a Director of Deloitte Real Estate
London Marathon Trust	750	-	-	-	LLDC Member Nick Bitel also Chief Executive of the London Marathon Trust

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2014 and 2013 are as follows:

Organisation	Income		Expenditure	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£,000	£,000	£,000	£,000
Olympic Delivery Authority	36	414	244	347
E 20 Stadium LLP	9,850	-	-	-
London Borough of Barking and Dagenham	-	-	24	-
Greater London Authority	-	-	19	-
London Borough of Newham	-	-	402	80
London Borough of Tower Hamlets	-	-	41	168
London Borough of Hackney	-	-	1	170
London Borough of Waltham Forest	1	-	40	126
The London Organising Committee of the Olympic and Paralympic Games	-	8,511	-	-

24. Operating leases

a) Leases as lessee

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

	31 March 2014	31 March 2013
	£'000	£'000
Within one year	921	581
Between 2 -5 years	3,684	3,684
Over 5 years	22,288	23,806
	26,893	28,071

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2014	31 March 2013
	£'000	£'000
Rent payable in year	921	581
	921	581

b) Leases as lessor

Details of properties leased out as operating leases include:

- Aquatics Centre and Copper Box Arena: Greenwich Leisure Limited has been appointed as the operator of the Aquatics Centre and Copper Box Arena under a 10 year arrangement;
- Stadium: leased to E20 Stadium LLP (see more details in note 17);
- Press and Broadcast Centres : leased to iCity (London) Limited over a 200 years lease;
- Off park rental properties: currently leased by a mixture of industrial and residential tenants;
- LTGDC transferred assets: currently leased by industrial tenants;
- Queen Elizabeth Olympic Park: various cafe and kiosks leased across the Park.

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

	31 March 2014	31 March 2013
	£'000	£'000
Within one year	945	399
Between 2 -5 years	2,140	1,385
Over 5 years	805	804
	3,890	2,588

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2014	31 March 2013
	£'000	£'000
Rent receivable in year	2,277	3,010
	2,277	3,010

25. Capital expenditure and capital financing

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

Financial assets	31 March 2014	31 March 2013
	£'000	£'000
Opening capital financing requirement	9,197	9,197
Capital Investment		
Property plant and equipment	750	1,971
Investment Property	196,843	115,121
Investment in joint venture	22,817	-
Intangible assets	25	55
Revenue expenditure funded from capital under statute	8,232	2,018
Sources of finance		
Government grants and other contributions	(190,353)	(119,165)
Application of grants to capital financing transferred to the Capital Adjustment Account	(17,516)	-
Capital Receipt Reserve	(3,726)	-
Movement in the fair value of financial liabilities	(9,197)	-
Closing capital financing requirement	17,072	9,197
Explanation of movement in year		
Sources of finance	31 March 2014	31 March 2013
	£'000	£'000
Opening capital financing requirement	9,197	9,197
Increase/(decrease) in underlying need to borrow	7,875	-
Closing capital financing requirement	17,072	9,197

The Capital Financing Requirement represents the underlying need for the Legacy Corporation to borrow for capital purposes. The increase in the year represents capital expenditure that has been accrued at year end and therefore application for a grant has not been made yet.

26. Financial instruments

Categories of Financial Instruments

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

	31 March 2014	31 March 2013
	£'000	£'000
Financial assets		
Current		
Loans and receivable at amortised costs	11,402	11,799
Net cash and cash equivalents	21,348	66,288
Total financial assets	32,750	78,087
Financial liabilities		
Current		
Financial liabilities at amortised costs	(18,035)	(33,232)
Non-current		
Financial liabilities at amortised costs	(3,060)	(23,919)
Total financial liabilities	(21,095)	(57,151)

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in advance and statutory debts.

Income, Expense, Gains and Losses

	2013/14		2012/13	
	Financial liabilities measured at amortised costs	Financial assets: loans and receivables	Financial liabilities measured at amortised costs	Financial assets: loans and receivables
	£'000	£'000	£'000	£'000
Interest expense	-	-	-	-
Interest income	-	(197)	-	(334)
Net (gain)/loss for the year	-	(197)	-	(334)

Fair Values of Assets and Liabilities

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

	2013/14		2012/13	
	Carrying amount	Fair value	Carrying amount	Fair value
	£'000	£'000	£'000	£'000
Financial assets				
Loans and receivable	11,402	11,402	11,799	11,799
Cash and cash equivalents	21,348	21,348	66,288	66,288
Total financial assets	32,750	32,750	78,087	78,087
Financial liabilities at amortised costs				
Borrowings	-	-	(9,197)	(9,197)
Short-term creditors	(18,035)	(18,035)	(33,232)	(33,232)
Long-term creditors	(3,060)	(3,060)	(14,722)	(14,722)
Total financial liabilities	(21,095)	(21,095)	(57,151)	(57,151)

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.

The carrying value of the long term creditors has been assessed to not being materially different to their fair value.

Nature and extent of risks arising from financial instruments

The Legacy Corporation's activities expose it to a variety of financial risks, primarily:

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

Treasury management risk

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the key treasury management objectives of the Legacy Corporation. The execution and operational aspects of investment and borrowing, together with the management of external advisors, are delegated to the Greater London Authority (GLA) under a shared service agreement managed by the Executive Director of Finance and Corporate Services. The nature of the Legacy Corporation's current

funding model means treasury operations are focussed on the management of short term cash balances. The objectives are security of capital, meeting the organisation's operational cash flow requirements and obtaining the best available yield from balances available for investment. The priorities are ranked in that order, security, liquidity then yield. A risk sharing agreement ensures risk and return relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment. The Legacy Corporation has currently invested £1.6m in the GIS and £14.3m in the GLA and does not expect any losses in relation to the investments placed.

Credit risk

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

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

As at 31st March 2014			
£'000	Gross value	Impairment value	Net Value
Deposits with financial institutions	21,240		21,240
Accrued interest on deposits	108		108
Debtors with joint-venture entity	9,461		9,461
Trade debtors	2,018	(77)	1,941
Total exposure	32,827	(77)	32,750

Liquidity risk

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

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

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

	2013/14	2012/13
	£'000	£'000
Maturing in 1 - 2 years	1,840	13,089
Maturing in 2 - 5 years	1,220	2,302
Maturing in 5 - 10 years	-	1,618
Maturing in more than 10 years	-	6,910
Long term financial liabilities with more than one year to mature	3,060	23,919
Long term financial liabilities maturing within one year	1,093	-
Total financial liabilities	4,153	23,919

27. Contingent Liabilities

The Legacy Corporation recognises the following contingent liabilities;

VAT Partial Recovery Rate

LLDC is currently in discussion with HMRC to confirm its rate of VAT recovery, which currently stands at 47%. HMRC is considering whether the current recovery rate is appropriate. However at this point in time the Corporation has insufficient information regarding the potential outcome on which to make a reasonable estimate of any potential liability. Any future change in the VAT recovery rate may have a material impact on the financial statements; for example, a decrease of 5% of the recoverability rate would result in an additional expense of £1.9m in the Comprehensive Income and Expenditure Statement.

AcelorMittal Orbit Loan

LLDC recognises a contingent liability for the loan of £10.1m (principal £9.2m plus unpaid interest), used to part fund the construction of the ArcelorMittal Orbit. LLDC's obligation to repay the loan to ArcelorMittal Orbit Limited only arises in the event profits are generated from the trading activity. Currently projected cash flows are based on visitor numbers significantly lower than originally expected, this results in the carrying value of the loan being set at nil and there being an uncertain obligation that LLDC will have to repay monies to ArcelorMittal Orbit Limited. In the contingent event of increased visitor numbers and therefore increased profits occurring, the liability may become due.

Group Accounts

Introduction

The Legacy Corporation has an interest in a joint venture, E20 Stadium LLP, with the London Borough of Newham through its subsidiary Newham Legacy Investments Limited. This means that the Legacy Corporation's own financial statements may not fully reflect its activities.

The aim of the Group Accounts is to give an overall picture of the activities of the Legacy Corporation and the resources used to carry out those activities.

Basis of Preparation of Group Accounts

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

Jointly controlled entities are accounted for using the equity method (equity-accounted investment) and are initially recognised at cost. The Group financial statements include the Group's share of the total comprehensive income and equity movements of equity-accounted investment, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

The partnership was incorporated on 6 July 2012 and did not trade during its first financial period ended 31 March 2013. This is therefore the first year that the Legacy Corporation is required to prepare Group accounts. The figures included in these accounts for E20 Stadium LLP are draft figures subject to audit. There are no material differences between the accounting policies adopted by E20 Stadium LLP and those of the Legacy Corporation.

Group Comprehensive Income and Expenditure Statement

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

For the year ended 31 March 2014

	31 March 2014		Restated
	Notes	£'000	31 March 2013 £'000
Gross income ¹	2	(43,912)	(25,906)
Gross expenditure ¹	4	53,655	26,609
Net cost of services		9,743	703
Financing and investment income	7	(14,411)	(3,844)
Change in fair value of investment properties ²	13	168,135	1,280,898
Financing and investment expenditure	8	8,352	6,603
Taxation and non specific grant income	9	(190,353)	(136,681)
(Surplus) or deficit on provision of services before tax		(18,534)	1,147,679
Share of the (surplus) or deficit on the provision of services of joint venture	G1	23,873	-
Corporation tax	10	(319)	943
Deferred tax	10	(71)	674
(Surplus) or deficit on the provision of services after tax		4,949	1,149,296
Other comprehensive income and expenditure			
Remeasurement of the net defined benefit liability/asset	18	3,888	(479)
Total comprehensive income and expenditure		8,837	1,148,817

¹ All the Legacy Corporation's services are classified under CIPFA Services Reporting Code of Practice (SeRCOP) for local Authority Accounting in the UK as planning and development services.

² In 2012/13 this amount represents an exceptional item for the write down of investment property including the assets transferred from the Olympic delivery Authority following a change in valuation methodology.

Group Balance Sheet
As at 31 March 2014

		31 March 2014	Restated 31 March 2013
	Notes	£'000	£'000
Long term assets			
Intangible assets	11	49	61
Property, plant and equipment	12	2,824	2,870
Investment property	13	169,630	142,085
		172,503	145,016
Current assets			
Short term debtors	15	15,684	12,791
Cash and cash equivalents	16	21,348	66,288
		37,032	79,079
Total assets		209,535	224,095
Current liabilities			
Short term creditors	17	(45,127)	(36,608)
		(45,127)	(36,608)
Long term liabilities			
Long term creditors	17	(4,153)	(23,919)
Retirement benefit obligation	18	(7,376)	(2,908)
Investment in joint venture	G1	(1,056)	-
		(12,585)	(26,827)
Total liabilities		(57,712)	(63,435)
Net assets		151,823	160,660
Reserves			
Usable reserves		(4,945)	(27,816)
Unusable reserves	G2	(146,878)	(132,844)
Total reserves		(151,823)	(160,660)

Group Movement in Reserves Statement

As at 31 March 2014

	Notes	General Fund	Capital receipts reserve	Capital grants unapplied account	Total usable reserve	Unusable reserves	Total reserves
		£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2013		(8,485)	(1,815)	(17,516)	(27,816)	(132,844)	(160,660)
Movement in reserves during 2013/14							
Deficit on the provision of services	From CIES	(18,924)	-	-	(18,924)	-	(18,924)
Authority's share of the reserves of subsidiaries associated and joint ventures	From CIES	23,873			23,873		23,873
Other comprehensive income and expenditure	From CIES	-	-	-	-	3,888	3,888
Total comprehensive income and expenditure		4,949	-	-	4,949	3,888	8,837
Adjustments between accounting and funding basis under regulations	G3	(1,409)	1,815	17,516	17,922	(17,922)	-
Decrease/(Increase) in 2013/14		3,540	1,815	17,516	22,871	(14,034)	8,837
Balance at 31 March 2014		(4,945)	-	-	(4,945)	(146,878)	(151,823)

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Group Statement of Cash Flows

For the year ended 31 March 2014

		31 March 2014	Restated 31 March 2013
	Notes	£'000	£'000
(Deficit) on the provision of services		(4,949)	(1,149,296)
Adjustments for non-cash movements	G4	180,105	1,260,609
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G4	(192,264)	(136,681)
Net cash flows from operating activities		(17,108)	(25,368)
Investing activities	G4	(28,171)	43,391
Financing activities	G4	339	14,048
Net increase/(decrease) in cash and cash equivalents		(44,940)	32,071
Cash and cash equivalents at the start of the year		66,288	34,217
Cash and cash equivalents at the end of the year		21,348	66,288

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Notes to the Group Financial Statements

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

G1. Joint venture

The table below reconciles the summarised financial information of E20 Stadium LLP as included in its own draft financial statements to the carrying amount of the Legacy Corporation's interest in E20 Stadium LLP.

	31 March 2014	31 March 2013
	£'000	£'000
Non current assets	9,116	-
Current assets	7,812	-
Non current liabilities	-	-
Current liabilities	(17,722)	-
Net assets	(794)	-
Group's share of net assets	(1,056)	-
Carrying amount of interest in Joint Venture	(1,056)	-
Revenue	1,000	-
Operating expense	(659)	-
Impairment	(25,284)	-
Interest expense	-	-
Income tax expense	-	-
Total comprehensive loss	(24,943)	-
Group's share of total comprehensive loss	(23,873)	-

In accordance with the Members' Agreement between the Legacy Corporation and Newham Legacy Investments Limited (NLI), any impairment loss will be firstly offset in full against the Legacy Corporation's capital contribution before any call is made on the contribution made by the London Borough of Newham through NLI. The Members' agreement also specifies that during the transformation phase, the Legacy Corporation is liable in full for the operating losses of the partnership even if they exceed of its capital contribution. As a result, the share of loss taken by the Legacy Corporation amounts for 95.7 % of the total loss of the partnership and the Legacy Corporation has a liability of £1.1m at the year end in respect of its participation in E20 Stadium LLP.

G2. Unusable reserves

	31 March 2014	31 March 2013
	£'000	£'000
Capital adjustment account	(154,375)	(135,819)
Pensions reserve	7,376	2,908
Accumulated absences account	121	67
Balance at 31 March	(146,878)	(132,844)

Capital adjustment account

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	(135,819)	(1,301,757)
Charges for depreciation and amortisation	833	372
Capital grants applied	(190,353)	(119,165)
Capital grants transferred from the Unapplied Account	(17,516)	-
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	1,163	-
Capital receipts received during the year		1,815
Capital receipts used during the year	(3,726)	-
Revenue expenditure funded from capital under statute	8,232	2,018
Impairment charged to the Comprehensive Income and Expenditure Statement	192,008	1,280,898
Movement in the fair value of loan charged to the Comprehensive Income and Expenditure	(9,197)	-
Balance at 31 March	(154,375)	(135,819)

Pensions reserve

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	2,908	3,390
Reassessments of the net defined benefit liability/(asset)	3,888	(479)
Reversal of charges relating to retirement benefits	1,290	1,481
Employer's pension contribution and direct payments to pensioners payable in the year	(710)	(1,484)
Balance at 31 March	7,376	2,908

Accumulated absences reserve

	31 March 2014	31 March 2013
	£'000	£'000
Balance as at 1 April	67	-
Settlement or cancellation of accrual made at the end of the preceding year	(67)	-
Amounts accrued at the end of the current year	121	67
Balance at 31 March	121	67

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements

	54	67
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G3. Adjustments between accounting basis and funding under regulations

For the year ended 31 March 2014

	General Fund £'000	Capital Receipts Reserves £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Movement in Unusable Reserves £'000
Adjustments involving the Capital adjustment account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(833)	-	-	(833)	833
Movements in the market value of Investment Property	(168,135)	-	-	(168,135)	168,135
Movements in the fair value of loan used to finance Investment Property	9,197	-	-	9,197	(9,197)
Movements in the market value of Joint Venture	(23,873)	-	-	(23,873)	23,873
Capital grants and contributions applied	190,353	-	-	190,353	(190,353)
Revenue expenditure funded from capital under statute	(8,232)	-	-	(8,232)	8,232
Net gain/loss on disposal on non-current assets charged to the Comprehensive Income and Expenditure Statement	748	-	-	748	(748)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement					
Capital expenditure charged against the General Fund and HRA balances	-	-	-	-	-
Adjustments involving the Capital Grants Unapplied Account					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	-	-	-	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	17,516	17,516	(17,516)
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	-	(1,911)	-	(1,911)	1,911
Use of the Capital Receipts Reserve to finance new capital expenditure	-	3,726	-	3,726	(3,726)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(1,290)	-	-	(1,290)	1,290
Employer's pensions contributions and direct payments to pensioners payable in year	710	-	-	710	(710)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(54)	-	-	(54)	54
Total adjustments	(1,409)	1,815	17,516	17,922	(17,922)

G4. Cash Flow Notes

a) Adjustments to net deficit for non-cash movement

	31 March 2014	31 March 2013
	£'000	£'000
Depreciation of property plant and equipment	796	149
Amortisation of intangibles	37	223
Reversal of defined benefit pensions services costs	1,290	387
Increase in Interest debtors	-	(182)
Reversal of share of loss or profit on joint venture	23,873	-
Cash payments for employer's contributions to pension funds	(710)	-
(Increase) in trade and other debtors	(2,893)	(23,134)
Increase/(decrease) in trade and other creditors	(11,067)	2,302
Increase in bad debt provision	(11)	-
Other non cash movement	-	(34)
Net gain or loss on non-current assets disposal	1,163	-
Changes in Fair Value of Investment Property	168,135	1,280,898
Tax paid	(508)	-
Adjustment to net deficit for non cash movements	180,105	1,260,609

Adjust for items included in the net deficit on the provisions of services that are investing or financing activities

Capital grants credited to the deficit on the provision of services	(190,353)	(136,681)
Gain/loss on sale of investment property	(1,911)	-

The cash flows from operating activities include interest received of £0.2m in the year ending 2014 (2013: £0.2m).

b) Investing activities

	31 March 2014	31 March 2013
	£'000	£'000
Purchase of property, plant and equipment, investment property and intangible assets	(197,618)	(97,105)
Investment in joint venture	(22,817)	-
Proceeds from the sale of property, plant and equipment, investment property and intangible assets proceeds from sale of land and buildings	1,911	1,815
Capital grant received	190,353	136,681
Other capital receipts	-	2,000
Net cash outflow from investing activities	(28,171)	43,391

c) Financing activities

	31 March 2014	31 March 2013
	£'000	£'000
Movement on OPTEMS fund	(1,051)	10,669
Movement on S106 fund	1,390	3,379
Net cash flow from financing activities	339	14,048

Annual governance statement

Scope of responsibility

The Legacy Corporation is a Mayoral development corporation, established on 1 April 2012, under the provisions of the Localism Act 2011. Its aims were defined by the Mayor of London as follows:

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

The Legacy Corporation is a functional body of the GLA, which operates within the overall legislative and governance framework provided by the GLA Act 1999 and 2007; the Mayor of London appoints members to its Board and allocates its budgets. The Legacy Corporation became planning authority within its Mayoral development area on 1 October 2012.

The Mayor is also able to direct the Legacy Corporation in the exercise of its functions, and to delegate functions to it. In July 2012, the Mayor approved a general consent for the LLDC to give financial assistance by way of a grant with a total lifetime cost up to £100,000 in line with Section 213 and 221 of the Localism Act 2011. In November 2012, the Mayor delegated to the Legacy Corporation powers to promote economic development and wealth creation, social development and the improvement of the environment. In July 2013, the Mayor directed the Corporation on the approval of certain transactions as set out in the London Legacy Development Corporation Governance Direction. This set out arrangements for the Mayor to be consulted on, or approve certain decisions, activities and larger projects of the LLDC and its subsidiaries, over and above the limited circumstances where Mayoral consent is required under the Localism Act. It covers Mayoral approval for such matters as the budgets and business plans of the Legacy Corporation; approving major decisions to spend, borrow, give grants, create subsidiaries and dispose of land interests; and making appointments to the LLDC committees.

The Legacy Corporation is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Legacy Corporation is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The purpose of the governance framework

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

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

The governance framework has been in place at the Legacy Corporation for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts.

The governance framework

Board and committees

The Legacy Corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. During the year ended 31st March 2014 the Legacy Corporation's committee structure was as follows:

- **Investment Committee**
To ensure the efficient and effective discharge of the Corporation's functions, through investment of public funds and use of assets and resources.
- **Audit Committee**
To ensure the efficient and effective discharge of the Corporation's functions, through the proper administration of the Corporation's financial affairs including but not limited to the maintenance preparation and audit of accounts, internal controls and risk management, internal and external audit.
- **Regeneration and Communities Committee**
To ensure the efficient and effective discharge of the Corporation's functions, through the advocacy and delivery of regeneration, community engagement, environmental sustainability, education and learning programmes.
- **Park Opening and Operations Committee**
To ensure the efficient and effective discharge of the Corporation's functions, through the successful preparation, opening and ongoing operations of the Queen Elizabeth Olympic Park and venues.
- **Chairman's Committee**
To ensure effective communication and co-ordination of the Corporation's different committees and to provide advice on specific matters as requested by the Board or Chairman.
- **Planning Decisions Committee**
To enable transparent, efficient and effective discharge of the Corporation's functions to determine planning applications and to respond to consultation on applications on which the Corporation is a consultee.

In July 2014 the Board resolved to disband the Park Opening and Operations Committee.

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

Vision and performance

The Legacy Corporation's vision, purpose and strategic objectives are set out in its Ten Year Plan, which was adopted in April 2014. The objectives are updated on an annual basis, as part of the GLA Group's annual budget and business planning round.

The Plan sets milestones and performance indicators. Performance is reported through quarterly reports to the Board and quarterly reports to the GLA on financial and service performance. Financial performance is also reported through monthly management accounts.

Standing orders, delegations and codes of conduct

Key governance documents for the Legacy Corporation comprise:

- Standing Orders, which set out arrangements for the conduct of meetings, recording of decisions and managing conflicts of interest, and also include the Members' Code of Conduct and Gifts and Hospitality Code;
- Scheme of Delegations, which sets out arrangements for delegation of decisions to committees and officers;
- Scheme of Planning Delegations, which sets out how the Legacy Corporation will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Decisions Committee and planning officers;
- Planning Code of Conduct, which sets out the approach of Planning Officers and the Planning Decisions Committee Members to planning decision-making;
- Financial Regulations, which set out the framework for managing the Legacy Corporation's financial affairs; and
- Procurement Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works.

These documents have all been in place throughout 2013/14, though some have been amended as a result of the London Legacy Development Corporation Governance Direction made on 2 July 2013 from the Mayor of London. All the above documents are available on the Legacy Corporation's website.

A staff code of conduct (and other people management policies) are published on the Legacy Corporation's intranet site, and issued to staff as part of their induction process.

Changes to the scheme of delegations were made to reflect the Governance Direction which came into effect in July 2013 and the governance arrangements will continue to be reviewed and updated to ensure that the organisation's structures and decision-making processes remain appropriate to the Legacy Corporation's changing role. For example, the ongoing role of the Park Opening and Operations Committee is being reviewed following the successful re-opening of the Park.

Risk management, fraud and corruption

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

Risks and issues are managed at various different levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a directorate are managed by the relevant executive director or director; and corporate risks are owned by the Executive Management Team.

Corporate level risks and issues are identified through analysing the risk register and considering any other risks and issues impacting on the Legacy Corporation. These are agreed by the Executive Management

Team and the risks are summarised in the Legacy Corporation's Ten Year Plan. Updates on corporate risks and issues, including new risks and issues raised, are reported to the Board quarterly and to every Audit Committee meeting.

During the year, the Legacy Corporation implemented a new programme and project management reporting system called Execview to provide clear visibility of data, improved data quality, improved data gathering efficiency, increased auditability and accountability across all directorates. The risk registers are now managed using this reporting system.

The Corporation has an Anti- Fraud, Bribery and Corruption Policy and a Whistle Blowing Policy, and these have been presented to the Audit Committee. Measures include processes to prevent and detect fraud. Preventative controls include the Legacy Corporation's policies and procedures, including senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders, and other decision-making, procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, and payroll allied to senior management scrutiny of the monthly management accounts.

Management of change

The Legacy Corporation is an organisation whose role will change from planning, to delivery to management as the Park is re-opens fully, and development programmes are implemented. During 2013/14 the Legacy Corporation started a 'One Organisation' programme to develop its culture and values, harmonise terms and conditions of employment inherited from predecessor bodies, review its appraisal process and review pay and grading.

Financial and legal controls compliance

The Legacy Corporation's financial management arrangements are in conformity with the governance requirements of the Chartered Institute of Public Finance Accountants statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of the Legacy Corporation (designated in accordance with Section 127 of the Greater London Authority Act 1999) is Jonathan Dutton, the Executive Director of Finance and Corporate Services and a Fellow of the Institute of Chartered Accountants in England and Wales.
- The Chief Finance Officer sits on the Executive Management Team, and is able to attend all Board and committee meetings. He prepares the budget and corporate plan, including leading internal review processes, and is party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegations. The execution of contracts and grant agreements is reserved to the Chief Executive and Chief Finance Officer.
- The Chief Finance Officer is also responsible for financial controls, for corporate programme management, for performance measurement and for supporting the Audit Committee's work (including internal audit).
- The Chief Finance Officer is supported by a team including CIPFA-qualified accountants with significant public sector experience, which provides support on budget monitoring, financial and taxation advice.

The Legacy Corporation ensures compliance with relevant laws and regulations through the activities of procurement team and the in-house legal function that became the subject of a shared services arrangement with Transport for London during the financial year (which came into effect on 1 May 2014). Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board papers, Project Initiation Documents (PIDs) and other decision documents. Projects (of

over £10,000 in value) require approval from the legal team before they can commence through PIDs in which the legal team analyses how the project approach complies with relevant legislation, how it is covered in the Legacy Corporation's powers, the legal implications of the project and the legal instruments to be entered into as a result of this project. All contracts entered into by the Corporation must also be approved by the legal team for signing.

Compliance with other legalisation e.g. employment or procurement, is ensured by the working policies, procedure and practice of the relevant the Legacy Corporation team. Policies are approved by the Executive Management Team and available for staff on the Corporation's intranet.

Audit Committee and internal audit

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

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

Moore Stephens were appointed by the Board as the Legacy Corporation's internal auditors, and their work is reported to, and monitored and reviewed by, the Audit Committee. Moore Stephens assist in the promotion of good governance through individual audits on activities identified as areas of risk. When complete the reviews are reported to the executive and the Audit Committee. The Legacy Corporation's progress against agreed internal audit recommendations are monitored regularly and reported to the Audit Committee. The Internal Auditors provide an annual report summarising their findings for the year. The box below is their audit opinion, extracted from the 2013/14 annual report:

2.4 I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a conclusion as to the adequacy and effectiveness of the LLDC's governance, risk management and internal control processes.

2.5 During the year significant weaknesses were reported in the LLDC's financial control systems. In response to this the Audit Committee requested a prompt follow up of the implementation of recommendations. A review subsequently undertaken in May 2014 confirmed that action had been taken to address the majority of matters raised and implement the related recommendations.

2.6 In my opinion, the LLDC has adequate and effective systems of internal control in place to meet its objectives, with the exception of the matter referred to in paragraph 2.5 above.

2.7 This opinion is informed by all of the work completed by internal audit during the year and our understanding of the organisation, It should be noted that in providing this opinion, assurance can only be reasonable and not absolute in respect of weaknesses in processes

The full audits carried out as part of the 2013/14 Internal Audit plan are listed below with assurance ratings:

- Park Transformation: amber green
- Operational activities: amber
- Payroll: amber
- Ordering receipt and payment: amber
- High level accounting controls: amber red
- Records management: amber green (part of 2013/14 plan but undertaken in early 2014/5)

Explanation of ratings: An amber green rating is defined as: “minor weaknesses have been identified in the control framework or non-compliance which may put achievement of system objectives at risk.” An amber rating is defined as: “Weaknesses have been identified in the control framework or non-compliance which put achievement of system objectives at risk. Some remedial action will be required.” An amber red rating is defined as “Significant weaknesses have been identified in the control framework or non-compliance with controls which put achievement of system objectives at risk. Remedial action should be taken promptly.”

Good progress has been made in addressing the 36 recommendations set out in the three internal audit reports on the Legacy Corporation’s finance systems (payroll, ordering and receipting; high level accounting controls) and referred to in the internal auditors’ audit opinion. The Audit Committee has been provided with regular updates on progress to address the recommendations. In May 2014, the Internal Auditors reported that the Legacy Corporation had demonstrated good progress with the implementation of internal audit recommendations. The conclusion approximates to a ‘green’ assurance rating. Further checks will be undertaken to ensure that the new processes introduced as a result of the recommendations. The internal audit plan for 2014/15 includes carrying out audits in the same three areas. In addition, a financial improvement plan is underway to support and increase the effectiveness of the Legacy Corporation’s financial systems to improve the performance of the system and build capacity in the team.

Greater London Authority (GLA) Corporate Governance

The Legacy Corporation is a functional body of the GLA and complies with its annual budgeting process, engages with the London Assembly and its committees as required and also fulfils the requirements of any Mayoral directions that it has been given. There is also an on-going dialogue with the mayor's office to ensure that the activities of the legacy corporation are aligned with the Mayor's general policy framework. The Legacy Corporation also complies with the requirements of the GLA Group Corporate Governance Framework Agreement relating to having codes of conduct, complaints procedures and the registration and declaration of interests, gifts and hospitality. The Legacy Corporation is not currently covered by this agreement, which is due shortly to be revised by the GLA and which will then, subject to the views and decision of the Legacy Corporation's Board, formally incorporate the Legacy Corporation within its scope.

Whistleblowing and complaints

The Legacy Corporation’s Whistleblowing Policy is on the Corporation’s website, available for all staff setting out how employees can report concerns. The Policy includes provision for staff members to report concerns directly to the Chair of the Audit Committee if necessary.

The Legacy Corporation’s Complaints Policy was formally adopted and added to the Corporation’s website in May 2013. It sets out how the Corporation handles complaints, the different stages of the procedure, and how complaints can be made to the Local Government Ombudsman if the complainant is not satisfied with Corporation’s response. This includes a dedicated email address to receive complaints.

Meeting development needs of members and senior staff

The Legacy Corporation's people development processes are incorporated into its performance management framework for staff, which were revised as part of the One Organisation programme mentioned above. Board members are offered tailored induction programmes, and specialist induction was provided to Planning Committee members. Staff training has addressed corporate governance and approval issues through presentations at team meetings across the organisation.

Community engagement and partnership

The Legacy Corporation's Community and Business Engagement Team manages a programme of active engagement with local people, through participation in relevant local community forums, as well as through dedicated consultation on the legacy masterplan, and the constituent development proposals.

The Legacy Corporation manages a construction hotline, which enables local people to raise issues relating to construction activities (e.g., lorry movements, dust, noise) 24 hours a day.

As Queen Elizabeth Olympic Park re-opened, the Legacy Corporation's website and messaging ensured that the Park, venues and related services are fully accessible to the local community and wider audience.

On being granted planning powers, the Legacy Corporation consulted on and adopted a Statement of Community Involvement, which sets out its approach to engaging and consulting with local people on individual planning applications, and the preparation of a local plan.

The Legacy Corporation has partnership arrangements in place with a number of bodies, including neighbouring local authorities and landowners, the Lee Valley Regional Park Authority, the Olympic Delivery Authority and other stakeholders and partners. These address issues from engagement on park operations and events, to discussion of local job brokerage, sports participation and regeneration schemes.

Governance review

As set out above, the Legacy Corporation's governance arrangements were reviewed several times during the previous financial year. These have ensured that the Legacy Corporation is able to respond to its changing role, and to unforeseen urgent events that may arise as Queen Elizabeth Olympic Park becomes fully operational.

Significant governance issues

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

Issue	Proposed response
The need to achieve more with less financially, and to ensure a firm financial footing for future years	Ten year plan agreed by Board and Mayor of London, though medium term funding challenges remain, including on precise implications of Olympicopolis.
The need to ensure public accountability, effective customer service and the ability to act entrepreneurially, as Queen Elizabeth Olympic Park re-opens;	Staff customer service training completed, and customer satisfaction surveys planned.
The need to develop staff and corporate culture to respond to a changing role;	One Organisation plan implementation under way May 2013 to Nov 2014. Completed actions include pay and grading review, new performance management system, corporate processes review.
The need to continue to develop effective joint working with other parts of the GLA Group, including through shared services; and	Legal services shared with TfL from May 2014, internal audit to be provided by MOPAC from 2015 (handover underway), and discussions on sharing insurance services continuing.
The need to continue developing capability and enhancing the internal control environment in relation to finance	Financial improvement plan underway and internal auditors approximated a 'green' assurance rating in relation to implemented recommendations.

We will address these and other issues that arise, in order to enhance our governance arrangements, and will keep these under review to ensure fitness for function.

Significant changes in Executive Management Team

Chief Executive

In May 2014, the Chief Executive Dennis Hone announced that he was resigning to take up a new role with Mace Group Ltd (“Mace”) as Group Finance Director.

A recruitment process for a new chief executive was commenced immediately and was overseen by the Chairman’s Committee in line with its terms of reference and the Scheme of Delegations. The post was advertised extensively using traditional and digital methods and attracted an excellent field of diverse and experienced candidates. The Chairman’s Committee met in early June to agree the short list and interview panel. Following the interviews, the preferred candidate was recommended to the Mayor for approval under the London Legacy Development Corporation Governance Direction 2013 and the appointment of David Goldstone was made by the Deputy Chairman on behalf of the Legacy Corporation. He will take up his new role start in October 2014 following a comprehensive handover from Dennis Hone. David Goldstone joins the Legacy Corporation from Transport for London where he is currently Chief Finance Officer, prior to this post he played a major role in delivering London 2012 Olympic and Paralympic Games as Finance Director for the Government Olympic Executive between 2007 and 2012, helping ensure the Games were delivered within the £9.3 billion budget. In that capacity he worked closely with the Olympic Delivery Authority on the design and delivery of the Olympic Park including the regeneration of east London now being delivered by the Legacy Corporation. Before his role on the Games, he spent 12 years involved in the delivery of major investment programmes for Government. A trained accountant, he spent the early part of his career at Price Waterhouse and before that was an economics and politics teacher.

To avoid any conflicts of interest, it was agreed with Dennis Hone that during his notice period he would step aside from any dealings or discussions in relation to Mace and any matters would be dealt with by the most appropriate member of the Executive Management Team. Letters to that effect were sent immediately to Mace and to the relevant members of the Executive Management Team. A risk assessment was undertaken by the Legacy Corporation using best practice methodology to identify all real, perceived and potential conflicts of interest and protocols were put into place to mitigate them. The risk assessment and protocols were approved by the Deputy Chairman on behalf of the Board and issued to Dennis Hone and Executive Management Team as the approved risk assessment. In relation to the procurement of a developer for the East Wick and Sweetwater neighbourhoods in which Mace is part of a consortium bid, the protocols included relocating the team working on this project to another office, changing the reporting line of the Executive Director of Real Estate in relation to this project from Dennis Hone to the Executive Director of Finance and Corporate Services and the Deputy Chairman, with oversight of the project by the Deputy Chairman and the Chair of the Investment Committee. This risk assessment has been monitored and updated throughout the transition period and there have been no identified breaches.

Executive Director of Finance and Corporate Services

In August 2014, the Executive Director of Finance and Corporate Services, Jonathan Dutton, announced that he was resigning to take up a new role overseas. A recruitment process for a new Executive Director was agreed between Dennis Hone and David Goldstone and commenced immediately. It is proposed that David Goldstone act as the s127 officer in any interim period before the new Executive Director starts.

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Legacy Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

Balances

The balances of the Legacy Corporation represent the accumulated surplus of income over expenditure on any of the Funds.

Capital adjustment account

The account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (deferred charges). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital expenditure

This is expenditure on the acquisition of a fixed asset, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital financing charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Comprehensive Spending Review (CSR)

CSR is the public expenditure planning process introduced by the Government in 1997. The CSR in October 2010 set the parameters for public spending for the four years from 2011/12 to 2014/15.

Contingent liabilities or assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Legacy Corporation's accounts.

Creditors

Amounts owed by the Legacy Corporation for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Curtailement

Curtailements will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Legacy Corporation that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined contribution scheme

A defined contribution scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive

obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Department for Communities and Local Government (DCLG)

A department of central government with an overriding responsibility for determining the allocation of general resources to Local Authorities.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

Exceptional items

Material items deriving from events or transactions that fall within the ordinary activities of the Legacy Corporation, but which need to be separately disclosed by virtue of their size and/ or incidence to give a fair presentation of the accounts.

External audit

The independent examination of the activities and accounts of Local Authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Legacy Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Legacy Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Finance lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial regulations

These are the written code of procedures approved by the Legacy Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Fixed assets

Assets that yield benefits to the Legacy Corporation and the services it provides for a period of more than one year. Examples include land, buildings and vehicles.

General fund

This is the main revenue fund of the Legacy Corporation and includes the net cost of all services financed by Government and other trading income.

Impairment

A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

Income

These are amounts due to the Legacy Corporation for goods supplied or services rendered of either a capital or a revenue nature. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Legacy Corporation).

Intangible fixed assets

These are fixed assets that do not have physical substance but are identifiable and controlled by the Legacy Corporation. Examples include software, licenses and patents.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Leasing costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Net Realisable Value (NRV)

NRV is the open market value of the asset in its existing use (or open market value in the case of non operational assets) less the expenses to be incurred in realising the asset.

Operating lease

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Legacy Corporation.

Prior period adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs is uncertain.

Public Works Loan Board (PWLB)

An arm of Central Government which is the major provider of loans to finance long term funding requirements for Local Authorities.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:-

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting Standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revaluation reserve

The reserve records the accumulated gains on the fixed assets held by the Legacy Corporation arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue expenditure

Expenditure incurred on the day-to-day running of the Legacy Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded From Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Service Reporting Code of Practice (SeRCOP)

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). It is reviewed annually to ensure that it develops in line with the needs of modern Local Government, Transparency, Best Value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales, it is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

Treasury Management

This is the process by which the Legacy Corporation controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Legacy Corporation.

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DRAFT

Ernst & Young
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Tuesday, 23 September 2014

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of London Legacy Development Corporation (“the Corporation”) for the year ended 31 March 2014. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of London Legacy Development Corporation as of 31 March 2014 and of its expenditure and income for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations (England) 2011 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.
2. We acknowledge our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, and of the expenditure and income of the Corporation in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. We believe that the Corporation has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 that are free from material misstatement, whether due to fraud or error.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Corporation's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Corporation.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
 - Additional information that you have requested from us for the purpose of the audit and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of the Corporation, and committees being the Investment Committee, the Regeneration and Communities Committee, the Park Opening and

Operations Committee, the Chairman's Committee, the Planning Decisions Committee and the Audit Committee, held through the year to the most recent meeting on 22 July 2014.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Corporation's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We have disclosed to you, and the Corporation has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent.

F. Subsequent Events

1. There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Accounting Estimates

1. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
2. Accounting estimates recognised or disclosed in the financial statements:
 - We believe the measurement processes, including related assumptions and models, we used in determining accounting estimates are appropriate and the application of these processes is consistent.
 - The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - The assumptions we used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.

- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

I. Specific representations

Environmental Liabilities

1. We have disclosed to you all liabilities or contingencies arising from environmental matters. These liabilities or contingencies have been recognised, measured and disclosed, as appropriate, in the financial statements. With respect to the valuation of related assets, we have considered the effect of environmental matters, and the carrying value of the relevant assets is recognised, measured and disclosed, as appropriate, in the financial statements. Any commitments related to environmental matters have been measured and disclosed, as appropriate, in the financial statements.

Ownership and Completeness of Assets

1. Except for assets capitalised under finance leases, the Corporation has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on these assets, nor has any asset been pledged as collateral. All assets to which the Corporation has satisfactory title appear in the balance sheet.
2. The Corporation has included all relevant long term assets within its accounts within the categories of property, plant and equipment and investment property in line with IAS16 and IAS40.

Income and Indirect Taxes

1. We acknowledge our responsibility for the tax accounting methods adopted by the Corporation which have been consistently applied in the current period, and for the current year income tax provision calculation.

Use of the Work of an Expert

1. We agree with the findings of the experts engaged to evaluate the valuation of investment property and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Three Mills Lease

1. We believe that the assumptions used in deciding the appropriate

accounting treatment for the 3 Mills lease, specifically that the rental payments being made relate solely to the land element of the lease, are reasonable.

Stadium Transformation Costs

1. We have disclosed to you all known current and future liabilities or contingencies arising from the transformation of the stadium. These liabilities or contingencies have been considered when calculating the estimated impairment that will arise on stadium transformation and the recognition of the estimated impairment throughout the transformation period.

The Orbit Loan

1. Having made appropriate enquiries, we are satisfied that there are no undisclosed guarantees or secondary loan agreements that underwrite the loan agreement in place between the Corporation and ArcelorMittal.

Yours faithfully

Jonathan Dutton
Executive Director of Finance and Corporate Services

I confirm that this letter was discussed and agreed at the Audit Committee meeting held on Wednesday, 10 September 2014.

Chairman of the Audit Committee

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Subject: Delegation of signing authority to LLDC staff in respect of Three Mills Studio Agreements
Meeting date: 23 September 2014
Report to: Board
Report of: Jonathan Dutton, Executive Director of Finance and Corporate Services

This report will be considered in public

1. SUMMARY

- 1.1. The purpose of this report is to request that the Board delegate authority to execute the standard form of Three Mills studio agreement which have both a value of £10,000 or less (excluding VAT) and a term of six months or less on LLDC's behalf to any of the following LLDC employees: Executive Director of Park Operations and Venues; Director of Visitor Services; and Senior Manager - Contracts. Each studio agreement will be validly executed if signed by **one** of the said LLDC employees.

2. RECOMMENDATION

- 2.1 Board members are asked to approve, subject to consultation with the Mayor, an amendment to the Scheme of Delegations as set out at **Appendix 1** and a consequential amendment to the Financial Regulations relating to signing specified Three Mills Studio agreements.

3. BACKGROUND

- 3.1. This proposal relates to studio use agreements in respect of property at Three Mills, which have both a value of £10,000 or less (excluding VAT) and a term of six months or less. This proposal applies only to studio agreements in the standard form pre-approved by Transport for London (TfL) Legal.
- 3.2. Delegating authority to the Executive Director of Park Operations and Venues, to the Director of Visitor Services and to the Senior Manager – Contracts, permitting each of those staff members the power to execute these documents by applying their sole signature, would reduce the administrative burden upon the Chief Executive, Executive Director of Finance and Corporate Services and the members of the Executive Management Team (collectively “the Executive”). The Executive is currently required to deal with and sign these routine agreements (two officers signing each agreement) of up to 40 agreements per month for hire

of the studios and rehearsal rooms. This proposed delegation of signing authority would also mean that studio agreements could be completed more efficiently/quickly on behalf of LLDC.

4. LEGAL

- 4.1. The Localism Act 2011 permits the Board to delegate powers to a member of staff.
- 4.2. Under the July 2012 London Legacy Development Corporation Governance Direction, the Legacy Corporation is required to consult with the Greater London Authority on significant changes to the scheme of delegations. This amendment is being reviewed by the GLA and the decision to approve the amendment is subject to consultation with the Mayor.

5. APPENDICES

- 5.1 Appendix 1: Extract of the Scheme of Delegations and Financial Regulations, July 2014 (amendments shown in track changes)

List of Background Papers:

Scheme of Delegations Financial Regulations
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Appendix 1: Extract of the Scheme of Delegations and Financial Regulations (changes shown in tracked changes)

Extract of the Scheme of Delegations (v3 approved July 2014)

<p><u>Execution of</u> Contracts and other legal documents</p>	<p>The signature or execution of all contractual documents <u>(with the exception of deeds and specified Three Mills studio agreements – see below)</u>, including novations, and other documents creating legal rights and liabilities, requires two signatures:</p> <ul style="list-style-type: none">• One of the Chief Executive, Executive Director of Finance and Corporate Services, and any Board Member ; and• Another of the above, or any other member of the Executive Management Team (in Bands 9 and 10), or any other employee appointed in writing by the Chief Executive in accordance with Standing Orders. <p>Deeds may be executed on behalf of the Legacy Corporation by application of the seal in accordance with paragraph 11 of Schedule 21 to the Localism Act 2011 (i.e. by authentication of the seal by either the Chair or a Board Member). In addition, each of the Chief Executive or the Executive Director of Finance and Corporate Services are hereby authorised to authenticate the seal.</p> <p><u>Three Mills Studio Agreements in the approved form (as approved by TfL Legal Services from time to time) with a value of £10,000 or less and a term of six months or less require one signature only, being that of either the Executive Director of Park Operations and Venues, the Director of Visitor Services or Senior Manager – Contracts.</u></p>
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Extract of the Financial Regulations (v3 approved July 2014) – proposed amendment to section 7 only

7. Purchasing and Contract Management

- 7.1 The signature or execution of all contractual documents (with the exception of deeds and specified Three Mills studio agreements – see below), including novations, and other documents creating legal rights and liabilities, requires two signatures:
- 7.1.1. One of the Chief Executive, Executive Director of Finance and Corporate Services, and any Board Member; and
- 7.1.2. Another of the above, or any other member of the Executive Management Team (in Bands 9 and 10), or any other employee appointed in writing by the Chief Executive in accordance with Standing Orders 11.2 and 7.34 below.
- 7.2. Deeds may be executed on behalf of the Legacy Corporation by application of the seal in accordance with paragraph 11 of Schedule 21 to the Localism Act 2011 (i.e. by authentication of the seal by either the Chair or a Board Member). In addition, each of the Chief Executive or the Executive Director of Finance and Corporate Services, are hereby authorised to authenticate the seal.
- 7.3. Three Mills Studio Agreements in the approved form (as approved by TfL Legal Services from time to time) with a value of £10,000 or less and a term of six months or less require one signature only, being that of either the Executive Director of Park Operations and Venues, the Director of Visitor Services or Senior Manager – Contracts.

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Subject: Changes to the scheme of planning delegations and Planning Decisions Committee's terms of reference
Meeting date: 23 September 2014
Report to: Board
Report of: Anthony Hollingsworth, Director of Planning Policy and Decisions

This report will be considered in public

1. SUMMARY

- 1.1. This paper sets out the proposed to the Scheme of Planning Delegations relating to minor changes to terminology which will update the scheme to reflect changes to the titles of 'the Authorised Planning Officers'.
- 1.2. This also paper sets out the proposed consequential changes to the terms of reference of the Planning Decisions Committee (PDC).

2. RECOMMENDATIONS

- 2.1 The Board is asked to agree:
 - 2.1.1 the minor amendments to the Scheme of Planning Delegations as set out in section 4 relating to minor changes to terminology which will update the scheme to reflect changes to the titles of 'the Authorised Planning Officers'; and
 - 2.1.2 the consequential minor changes to the terms of reference of the Planning Decisions Committee.

3. BACKGROUND

- 3.1 At its meeting in July 2012, the Board agreed to appoint a Planning Decisions Committee. The Board approved the Scheme of Planning Delegations and the terms of reference of the PDC at its meeting in 27 September 2012 and its membership and the terms of reference were revised at the December 2012 and March 2013 Board meetings respectively.

4. PROPOSALS

Planning Committee Scheme of Delegations

- 4.1. Following a review of the scheme of delegation by PPDT Officers minor changes to terminology are proposed which will update the scheme to reflect changes to the titles of 'the Authorised Planning Officers'. The 'Chief Planner (Development Management)' will be updated to 'Head of Development Management' and the 'Chief Planner (Policy & Relationships)' will be updated to 'Head of Planning Policy'.

Committee terms of reference and membership

- 4.2. The proposed changes are outlined below.

Planning Decisions Committee remit	Summary of changes
To enable transparent, efficient and effective discharge of the Corporation's functions to determine planning applications and to respond to consultation on applications on which the Corporation is a consultee.	Minor changes to terminology are proposed which will update the scheme to reflect changes to the titles of 'the Authorised Planning Officers'. There is no change to the committee membership.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no financial implications relating to this proposal,

6. LEGAL IMPLICATIONS

- 6.1. The Localism Act, pursuant to section 198 and paragraphs 6 and 7 of Schedule 21, allows a Mayoral development corporation to establish committees, and to delegate powers to them.
- 6.2. Under the July 2012 London Legacy Development Corporation Governance Direction, the Legacy Corporation is required to consult with the GLA on significant changes to the scheme of delegations. The GLA has been informed of the proposed minor amendments.

7. APPENDICES

- 7.1 None

Background papers

LLDC Standing Orders

LLDC Scheme of Delegation

Report to Board 17 July 2012 – Membership of the Planning Decisions Committee

Report to Board 27 September 2012 – Planning Functions

Report to Board 5 December 2012 – Governance Review

Report to the Board 26 March 2013 - Planning Decisions Committee, Membership and amended Terms of Reference

Report originator:

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Subject: Appointment of the Proper Officer and Chief Finance Officer
Meeting date: 23 September 2014
Report to: Board
Report of: Dennis Hone, Chief Executive

This report will be considered in public

1. SUMMARY

- 1.1. This paper proposes the appointment of officers, to take on specific statutory duties for the London Legacy Development Corporation.

2. RECOMMENDATIONS

- 2.1 The Board is invited to:
- 2.1.1 Agree that David Goldstone be appointed as proper officer for as long as he holds the post of Chief Executive, in accordance with paragraph 9.1 of the Standing Orders.
 - 2.1.2 Agree that David Goldstone be appointed as Chief Finance Officer (CFO), the section 127 officer, with responsibility for the proper administration of the financial affairs of the Legacy Corporation for the period from the departure of the current Executive Director of Finance and Corporate Services until a permanent successor assumes their role as Executive Director of Finance and Corporate Services.

3. BACKGROUND

The Proper Officer

- 3.1 On 29 June 2012, the Board designated Dennis Hone as the proper officer with effect from the date of his taking up office for as long as he held the post of Chief Executive. Dennis Hone announced his resignation in May 2014 and following a successful recruitment campaign, David Goldstone was appointed to be his successor.
- 3.2 The proper officer has duties in relation to public access to meetings and related documents. Specific duties are:
- excluding from the copies of reports provided to the public those reports or parts of reports which relate to items during which, in his opinion, the meeting is likely to be held in private; and
 - where the minutes for the private part of the meeting do not provide members of the public with a reasonably fair and coherent record of the

meeting (because they will exclude exempt information), making a summary of decisions taken but in such a way as not to disclose exempt information. This means in practice a separate summary of the private part of the meeting for public consumption.

- 3.3 The proper officer is simply the officer appointed by the Corporation for that purpose. It is possible to appoint the Chief Executive to this role and for him to discharge its responsibilities through a member of the secretariat. Standing Order 9.1 provides that “The Chief Executive shall discharge the duties of the proper officer under Part VA of the Local Government Act 1972...”

The chief finance officer

- 3.4 The Greater London Authority Act says (at section 127) that functional bodies (which include mayoral development corporations) shall make arrangements for the proper administration of their financial affairs and that each functional body shall secure that one of its officers (“Chief Finance Officer”) has responsibility for the administration of those affairs.
- 3.5 On 2 April 2012, the Legacy Corporation’s Board agreed to appoint Jonathan Dutton as CFO with responsibility for the proper administration of the financial affairs of the Corporation for as long as he holds the post of Executive Director of Finance and Corporate Services.
- 3.6 In August 2014, Jonathan Dutton announced his resignation and a recruitment campaign has been launched. To ensure a smooth transition, it is proposed that the new Chief Executive, David Goldstone will temporarily take on the statutory financial responsibilities of a CFO after Jonathan Dutton’s departure, pending the arrival of a successor. If there is a long interval before a successor is appointed, David Goldstone will consider the appointment of an interim Executive Director of Finance and Corporate Services. In this situation, David Goldstone may consider continuing in the role of CFO or recommending to the Board that the interim Executive Director of Finance and Corporate Services is appointed as CFO on an interim basis.
- 3.7 The CFO must be a member of one of the professional accounting bodies which are in England the Institute of Chartered Accountants, the Chartered Association of Certified Accountants, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Management Accountants. David Goldstone is a member of CIPFA.
- 3.7.1 The CFO has a duty under (s114 of) the Local Government Finance Act 1988 as applied to the Corporation to report to the Board if the Board, a committee or officer or employee:
- i. has made or is about to make a decision involving unlawful expenditure;
 - ii. has taken or is about to take a course of action which if pursued would be unlawful and likely to cause a loss or deficiency on the part of the Corporation;
 - iii. is about to enter an item of account which is unlawful;

3.7.2 The CFO has a duty under the Local Government Finance Act 1988 as applied to the Corporation to report to the Board if it appears to him the expenditure incurred including proposed expenditure in a financial year is likely to exceed the resources available including borrowings to meet that expenditure.

3.8 “Unlawful” in this context means action outside the powers of the Corporation including the unlawful exercise of power in an administrative law sense and which is susceptible to judicial review. A copy of the report must go to the auditors (and to the Mayor and the Chair of the Assembly) and must be considered by the Board within 21 days. During that period the action proposed may not be implemented. In the case of 3.7.2 the CFO may permit expenditure to prevent the situation leading to the report getting worse, to improve the situation or to prevent a recurrence.

3.9 These are reserve powers which underpin the duty of the Corporation to make proper arrangements for the management of its financial affairs and show how the Corporation is firmly established in the public law arena.

4. FINANCIAL IMPLICATIONS

4.1. There are no financial implications to this proposal.

5. LEGAL IMPLICATIONS

5.1. The duties of the Chief Finance Officer are set out in Section 127 of the Greater London Authority Act 1999. The duties of the proper officer in relation to meetings and documents are set out in Part VA of the Local Government Act 1972.

6. APPENDICES

- None

Background papers

Papers to 2 April 2012 and 29 June 2012 Board meetings
Standing Orders

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Subject: E20 Stadium LLP project update
Meeting date: 23 September 2014
Report to: Board
Report of: Colin Naish, Executive Director of Stadium

This report will be considered in public

1. SUMMARY

- 1.1. This report provides the Board with information relating to a number of areas on the Stadium project. The Investment Committee considered this in detail at their meeting on 10 September 2014 and agreed to meet again in late September.
- 1.2. A further report is included on Part 2 of the agenda, which contains exempt information. The information is exempt by virtue of paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATION

- 2.1. The Board is invited to note this report and the report in Part 2 of the agenda.

3. TIMING

- 3.1. Timings relating to individual workstreams and approvals are contained within relevant sections of the report.

4. BACKGROUND

- 4.1. The extensive transformation works being undertaken to the Stadium by LLDC on behalf of E20 Stadium LLP aim to deliver a multi-use and multi-functional venue. Transformation works to the Stadium are ongoing and progressing well on-site.
- 4.2. The report in Part 2 of the agenda provides an update on a number of concurrent workstreams including:
 - 4.2.1. Further exempt information on the programme and financial performance of the transformation works.

- 4.2.2. Further exempt information on the procurement by LLDC and E20 Stadium LLP to appoint an operator for the Stadium and South Park areas. This procurement is ongoing with tender returns received on 10 September and evaluation of the final tenders taking place between 10 and 26 September 2014.
- 4.2.3. Further exempt information on the current status of discussions with a summer sport who are interested in using the Stadium on an annual basis in the Part 2 report.
- 4.2.4. Further exempt information on the naming rights process being led by LLDC, on behalf of the LLP, for a naming rights partner for the Stadium, Aquatics Centre, Copper Box Arena and wider Queen Elizabeth Olympic Park association.

5. LEGAL IMPLICATIONS

- 5.1. The legal implications are addressed in the Part 2 report.

6. APPENDICES

- 6.1. None.

Background papers

Papers for the meeting of the Investment Committee on 10 September 2014
(exempt information)

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Subject: Culture and higher education quarter (Olympicopolis) Outline Business Case (OBC)
Meeting date: 23 September 2014
Report to: Board
Report of: Rosanna Lawes, Executive Director of Development

This report will be considered in public

1. SUMMARY

- 1.1. This report provides the Board with an update on plans to create a cultural and higher education quarter known as Olympicopolis on Queen Elizabeth Olympic Park. The Legacy Corporation has been working closely with the University College London (UCL), the Victoria & Albert Museum (V&A) and other partners to develop an outline business case (OBC) for submission to Government in September 2014. The Board last considered an update on this matter at its meeting on 22 July 2014.
- 1.2. The Investment Committee considered the draft OBC in detail at its meeting on 10 September 2014. A report is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATION

- 2.1 The Board is invited to note this report and the supplemental report on Part 2 of the agenda.

3. TIMING

- 3.1. The OBC has been in development with partners since April 2014 and the latest version was submitted to government on 10 September 2014. The Chief Executive Officer and Executive Director of Development will present the OBC to the Department for Communities and Local Government Finance Committee on 19 September 2014. Following feedback from that session, a final version of the OBC will be submitted to Government on 30 September 2014.

4. BACKGROUND

- 4.1. In December 2013, the Mayor of London, the Chancellor and the Legacy Corporation agreed to work together to create a major new higher education

and cultural district on the Park. The plans were included in the National Infrastructure Plan. Discussions are ongoing with potential partners to develop the business case for Government.

5. Appendices

5.1 None

Background papers

Papers for the meeting of the Board on 22 July 2014 (exempt information).

Papers for the meeting of the Investment Committee on 22 July 2014 (exempt information).

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Subject: Cultural and higher educational quarter budget and 10 year plan update
Meeting date: 23 September 2014
Report to: Board
Report of: Jonathan Dutton, Executive Director of Finance and Corporate Services

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update on the work the London Legacy Development Corporation (the Corporation) is doing to reflect the latest financial implications of the cultural and higher educational quarter (Olympicopolis) development and the other financial pressures facing the Corporation in advance of the next round of budget submissions to the Greater London Authority (GLA) in November 2014. The Investment Committee considered a report on this matter at its meeting on 10 September 2014.

2. RECOMMENDATION

- 2.1. The Board is asked to note the report.

3. CULTURAL AND HIGHER EDUCATIONAL QUARTER

- 3.1. At the time that the 10 Year Business Plan was approved by the Board in April 2014, plans for the cultural and higher educational quarter were at a relatively early stage. Detailed work has been undertaken by the Real Estate and Finance and Corporate Services teams in recent months to develop an Outline Business Case (OBC) on the cultural and higher educational quarter project which was presented to Government in September. The OBC sets out in detail the costs and funding requirements of the Mayor's vision for the cultural and higher educational quarter on the Park. There is a separate item on the agenda relating to this matter.
- 3.2. Working closely with the Founding Partners, University College London (UCL) and the Victoria & Albert Museum (V&A), a detailed assessment of the total costs has been modelled for the OBC. The funding strategy is being developed with Government and the GLA and, when agreed, will be reflected in the Corporation's

updated 10 year plan and budget submission to the GLA which is due at the end of November 2014.

4. CAPITAL BUDGET

- 4.1. When updating the Investment Committee on the proposed funding and costs of the cultural and higher education quarter project, other cost pressures facing the Corporation and potential areas of savings were also set out. A full update on this position will be brought to the Board at its November 2014 meeting.

5. REVENUE BUDGET

- 5.1. Revenue income and expenditure has also been reviewed given the knowledge gained the initial months since full Park opening, with savings, efficiencies and potential long term and short term cost pressures being identified. Again a full update will be brought to Board in November 2014.

6. SUMMARY AND NEXT STEPS

- 6.1. Work will continue to on updating our capital and revenue budgets in conjunction with GLA finance to enable the Corporation to submit an acceptable budget to the Board and then the GLA as part of the Mayor's budgeting process in November 2014.

7. Appendices

- 7.1 None

List of Background Papers:

Papers for the meeting of the Board on 30 April 2014 - 10 year plan report (exempt information)

Papers for the meeting of the Investment Committee on 10 September 2014 (exempt information)

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Subject: ArcelorMittal Orbit update
Meeting date: 23 September 2014
Report to: Board
Report of: Peter Tudor, Director of Visitor Services

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the ArcelorMittal Orbit (AMO) and the plans for enhancing visits as requested by the Board at its meeting in July 2014.
- 1.2. The Investment Committee considered this matter in detail at its meeting on 10 September 2014 and endorsed the recommendations set out in the report on Part 2 of the agenda, which contains exempt information. The information is exempt by virtue of paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATIONS

- 2.1 The Board is invited to note this report and agree the recommendations in the report on Part 2 of the agenda.

3. TIMING

- 3.1. The Board asked for a report at their next meeting, following the July Board meeting, including recommendations for bringing forward enhancements to the attraction.

4. FINANCIAL IMPLICATIONS & LEGAL IMPLICATIONS

- 4.1. The financial implications of the revised visitor projections are captured in the 10 year plan. Further revisions will be required subject to the recommendations adopted. The legal implications are address in the report on Part 2 of the agenda.

5. PRIORITY THEMES

- 5.1. The AMO is the centre of the South Park Plaza, and provides opportunities for the Corporation to deliver on all of the priority themes and contribute to its aspirations around People, Park, Place.

6. APPENDICES

6.1. None.

List of Background Papers:

Papers for the meeting of the Investment Committee on 10 September 2014 (exempt information)

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