OLYMPIC
PARK
LEGACY
COMPANY

Olympic Park Legacy Company Limited

Annual Report and Accounts 2010-11

Registered no: 06900359

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Chairman's Statement

The last twelve months have been hugely important for securing the legacy from the London 2012 Olympic and Paralympic Games At the beginning of the year it was clear that, in order to get the best possible outcome from the Games, we needed to have most of our Park legacy planning complete before they start We also wanted to have made tangible progress in identifying tenants and operators for venues so that they can be operational without delay when the Park reopens for legacy

I am delighted to report that great headway has been made in these important areas of our work In February we announced that we had a preferred bidder for the Olympic Stadium, we are well advanced in the process of identifying legacy operators for the Aquatics Centre, for the Multi Use Arena and for the ArcelorMittal Orbit, and we are on course to make appointments for the management of the whole Park. We are confident that these appointments will all be settled well before the Games take place

When we launched the new masterplan last year, we were delighted by the response The focus on family housing really resonated with local people, and in March we announced that we were coming to the market for our first neighbourhood of predominantly family housing This is very good progress and means that as soon as the Games are over, work can immediately begin to fulfil one of the big promises made in the bid. new, high quality housing that is affordable for local people

The Park will be one of the most sustainable new developments in London In creating a new piece of city, we have a duty to conserve scarce resources, to respond intelligently to a changing climate, to make the most of our great inheritance of parkland and waterways, and to help our residents to enjoy more environmentally responsible lifestyles

But sustainability is about more than natural resources. It is also about economic resilience There are two major employment centres in the Park The first is around the transport hub at Stratford Station This year we have agreed a joint approach with the landowners, Lendlease and LCR, to create capacity for upwards of 15,000 new jobs in their International Quarter We have also worked hard to attract investment to the North West of the Park. after 2012, a media complex, set in a beautiful campus environment, will be attractive space for both new and relocating businesses - we aim to have tenants identified well before the Games

All of our work is done hand in hand with colleagues from the four adjacent boroughs We benefit from their strong political leadership and first class management, and are working particularly closely with them – and with our potential suppliers - to secure an economic legacy for local people and businesses, by making sure that they are equipped with the right skills at the right time, to get legacy jobs and win legacy business It is a genuine pleasure to work in partnership in East London

As we sharpen our focus on practical delivery in the next year, we will become a Mayoral Development Corporation, with an expanded boundary and planning powers added to our remit We look forward to continuing the excellent relationship we enjoy with the Mayor and his team at City Hall

And as we reflect on a year of solid progress, we also thank Ministers and our colleagues in Government for their continuing counsel and help. Finally, on a personal note, it is a pleasure and a privilege to chair this organisation and to enjoy the support of an outstanding Board

Baroness Ford
Chairman
21 June 2011

Chief Executive's Review

When I began work as Chief Executive of Olympic Park Legacy Company in August 2009, my immediate priorities were to secure control of the Olympic Park land, to undertake a review of the legacy plans prepared to date, to define our work programme for the years ahead, and to recruit a senior management team equal to the tasks

Over a year later, significant progress has been made in all these areas The Olympic Park and Three Mills Estate are now in our ownership Our plans have been revised to sharpen our focus on family housing, a great sporting legacy, and a beautiful park that is welcoming to all, and full of life year round Also, construction has begun on the ArcelorMittal Orbit – a spectacular visitor attraction for East London In addition to a highly skilled Board, we have recruited an Executive Management Team with global experience in event management, visitor attractions, real estate, planning and regeneration This skilled core team has been supplemented by 44 staff inherited from the London Development Agency, who bring wide-ranging experience and deep understanding of the Olympic Park area and its challenges.

There are three phases to delivering a lasting legacy in the Olympic Park. In the period running up to the London 2012 Olympic and Paralympic Games, our focus will be on planning for after the Games, promoting our plans to potential investors and developers, and forming partnerships for delivery After the Games, working closely with the Olympic Delivery Authority, we will spend a year to eighteen months converting the parkland and venues for their legacy uses As the Park re-opens in phases from summer 2013, the focus will turn to the delivery of our plans, with an exciting programme of events in world-class venues, an outstanding natural setting, and an evolving configuration of temporary and permanent developments and visitor attractions

To maximise commitment from sponsors and investors while the spotlight is on London, we need to make the most of the period before the Games We are already engaged in a formal process to secure a sustainable legacy use for the Stadium, and seeking 'expressions of interest' for the Press and Broadcast Centres In the coming months we will begin the process of procuring tenants, operators and contractors for the rest of the Olympic Park and venues, will apply for planning permission for the development of legacy communities, and will start searching for the development partners who will help us to create new neighbourhoods over the next 25 years.

At the same time, we will also develop our plans for events and visitor attractions to make the Olympic Park a new destination for London and a compelling focus for investment We will work with our partners to develop the policies and programmes to ensure that the Olympic Park creates a lasting legacy for local communities – enabling their participation in the opportunities we offer, and supporting the local boroughs' target of convergence with the rest of the capital

From our Stratford offices, just a few hundred yards from the Olympic Park and neighbouring Stratford City/Westfield development, we can see the huge scale of development underway, and the potential and challenge that the legacy offers We are optimistic about the future and look forward to addressing the challenges that it holds

Andrew Altman
Chief Executive
21 June 2011

Financial Review

During the year the Company was funded by grants from our Founder Members Programme and operational funding was provided by a combination of the London Development Agency (£17 3m) and the Department for Communities and Local Government (£1 4m) The Company has put in place the necessary infrastructure and governance processes to deliver against the goals it set for the year and to build a platform for future development

The Company acquired the Olympic Park and Three Mills Estate on 30 September 2010 from the London Development Agency for £138m This was funded by a grant from the Department for Communities and Local Government Of the acquisition consideration, £37.4m was paid during the year and the balance of £100 6m was paid in May 2011

The Company made a trading surplus in the year generated from interest income and profit on trading activities at the Three Mills Estate, which was more than offset by IAS 19 pension valuation provisions, leaving the Company with a small deficit overall

Funding for 2011/12 has been agreed with the Founder Members The Department for Communities and Local Government will provide up to £39 5m to cover both capital expenditure and operational costs The London Development Agency will provide £15 1m to cover programme costs In addition the Company has assumed responsibility for the transformation works previously agreed to be delivered by the Olympic Delivery Authority, the total cost of which is anticipated to be of the order of £315m Approximately £6m of this will be spent in 2011/12 Together these expenditures will represent a more than threefold increase in the level of activity in the Company when compared with the previous year We have invested in our infrastructure and support functions in order to enhance our ability to deliver the increased value of works and re-enforce the foundation from which we will continue to develop our capabilities

The Company has agreed a settlement under the 2010 Comprehensive Spending Review for funding over the four years that commenced on 1 April 2011 totalling nearly £300m This framework of phased expenditure provides the resources required to enable planning to be progressed, initial works in chosen areas of the Park to commence and post Games investment in Park infrastructure and assets to be made to ensure a high quality environment with a sustainable future.

As we progress our plans for the development of the Olympic Park, we continue to balance our regeneration and social objectives with our objective to return funds spent on the infrastructure for the London 2012 Olympic and Paralympic Games to the public purse We are confident that our Spending Review settlement and the progress we have made over the last year will enable us to meet the challenges we face in the year ahead and ensure that we are ready to begin delivery on our objectives once the Games are over

Jonathan Dutton
Executive Director of Finance and Corporate Services
21 June 2011

Board of Directors

Baroness Ford

Baroness Ford is Chairman of the Olympic Park Legacy Company She joined the Legacy Company from Royal Bank of Canada, where she was a Senior Adviser in the bank's Global Infrastructure Group. From 2002 until 2007 she was the Chairman of English Partnerships, the national regeneration agency Baroness Ford is Non Executive Chairman of May Gurney plc and a Non Executive Director of Grainger plc

Ranjit Singh Baxi

Ranjit Singh Baxi is one of the UK's most highly regarded Asian business leaders His own business, J and H Sales based in Redbridge, exports waste paper from Europe, the UK and USA to the Indian sub-continent and the Far East, and has become one of the leading recycling export companies in Europe Ranjit is also a Divisional President of the Bureau of International Recycling, an international trade federation based in Brussels and a Non Executive Director of Think London A Governor of the University of East London, Ranjit is actively involved with the UK Punjabi Community and is the President of the World Punjabi Organisation (European Division)

Nick Bitel

Nick Bitel is Chief Executive of the London Marathon and one of the country's leading events experts A partner in sports law firm Max Bitel Greene LLP, he is a member of the Events for London Steering Group, a member of the London Community Sports Board and former Vice Chairman of Wigan Athletic He was recently appointed to the Board of Sport England and is currently the Chairman of the Sports Rights Owners Coalition

Aman Dalvi

Aman Dalvi has lived in east London all his life He is Corporate Director, Development and Renewal at the London Borough of Tower Hamlets, is a former Chief Executive of Gateway to London, former Chief Executive of a London Housing Association and has extensive experience of housing development and regeneration He leads on Tower Hamlets' Olympic activities and is a former member of the Board of English Partnerships He sits on the Board as an individual member and not as a representative of the London Borough of Tower Hamlets

Keith Edelman

Keith Edelman was formerly the Managing Director of Arsenal Holdings and was instrumental in the development of the Emirates Stadium and the attendant regeneration of the surrounding area including the development of Highbury Square He is currently Chairman of Nirah, the Senior Independent Director of Supergroup plc and a Non Executive Director of Beale plc and Safestore Holdings He was formerly Chief Executive Officer of Storehouse plc, Managing Director of Carlton Communications plc, Non Executive Director of Eurotunnel and Chairman of Glenmorangie.

David Edmonds

David Edmonds has had extensive experience within the housing, commercial property and regeneration sectors He is a former senior civil servant, and was in charge of the Government's Inner Cities programme in England. He is a former Chief Executive of the Housing Corporation, Board member of English Partnerships, Non Executive Director of Hammerson PLC and 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 the Legal Services Board, Chairman of logistics company, Wincanton plc, Chairman of NHS Shared Business Services, and is a Non Executive Director of William Hill plc

David Gregson

David Gregson is Chairman of Phoenix Equity Partners, a leading UK private equity group He is also Chairman of Precise Media Group and a Director of Letts Filofax David is a Trustee of WWF-UK, a member of the Advisory Board for The Sutton Trust and Chair of Crime Reduction Initiatives, a leading national crime reduction charity David was previously Chairman of the Mayor of London's Legacy Board of Advisors.

Robert John

Robert John has been a Director of a number of private sector companies which focus on housing and regeneration issues He has held senior roles in the City and at Canary Wharf and has a continuing interest in transport and regeneration He was appointed Chairman of Wales in London in 2006 and is involved in a broad range of activities in Wales. He also advises on property development in Africa and India

Philip Lewis

Philip Lewis is a chartered surveyor and Chief Executive of the property division of the Kirsh Group and Non Executive Deputy Chairman of Lambert Smith Hampton Previously he was Chief Executive of Milner Estates plc and Executive Chairman of both 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

Lord 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 St Paul's Way Transformational project in the London Borough of Tower Hamlets and Water City, a visionary plan to revitalise east London

Liz McMahon

Elizabeth McMahon is Managing Director of Madison Muir, strategic marketing, brand and business development advisors Liz was Head of International Marketing for the London 2012 Olympic and Paralympic Games bid and was Director of Marketing Services at the International Olympic Committee A former Director at Citigroup and JP Morgan, she also managed the global corporate marketing and communications department at 3M She tutors in marketing communications and sponsorship at the Westminster Business School and the George Washington University Olympic Games MBA programme. Liz sits on the Corporate Development Board of the NSPCC and the Board of the International Women's Forum UK

Jules Pipe

Jules Pipe was re-elected as Mayor of Hackney for a third term in May 2010, having become the Borough's first directly elected Mayor in October 2002 He was also elected as Chair of London Councils in May 2010. Before becoming Mayor, Jules was a newspaper journalist, working for, among others, the Sunday Times and Sunday Telegraph, as well as serving as a ward councillor from 1996 to 2002, and Leader of Hackney Borough Council from June 2001 until elected as Mayor in 2002

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 is involved with a number of organisations that are concerned with staging the London 2012 Olympic and Paralympic Games and ensuring the local legacy He is a local government board member on the London Organising Committee of the Olympic Games, Chair of the six Olympic Host Boroughs and a member of the Olympic Park Regeneration Steering Group

In addition to these Non Executive Directors of the Company, the Chief Executive, Andrew Altman, and the Company's Executive Director of Finance and Corporate Services, Jonathan Dutton, are members of the Board

Andrew Altman

Andrew Altman was formerly Philadelphia's first Deputy Mayor for Planning and Economic Development as well as Director of Commerce and President of Altman Development LLC in New York City, leading large-scale, urban development projects Andrew was also President and CEO of the Anacostia Waterfront Corporation in Washington D C, established to guide the revitalisation of over 2,800 acres of urban waterfront.

Jonathan Dutton

Jonathan Dutton qualified as a chartered accountant with Price Waterhouse and, after a career in investment banking with UBS and Deutsche Bank, helped establish the academies programme of Oasis Community Learning

Directors' Report

Principal activities

The Company's principal activity is the long term development and management of the Olympic Park and its venues after the London 2012 Olympic and Paralympic Games to deliver socio-economic benefits for the communities within and surrounding the Park

Directors and Secretary

The Directors and Secretary in office during the year were as follows

Chairman:
- Baroness Ford

Non Executive Directors:
- Ranjit Singh Baxi
- Nick Bitel
- Aman Dalvi
- Keith Edelman
- David Edmonds
- David Gregson
- Robert John
- Sir Robert Kerslake (resigned 22 September 2010)
- Philip Lewis
- Lord Mawson of Bromley-by-Bow
- Elizabeth McMahon
- Jules Pipe
- Tessa Sanderson (resigned 22 March 2011)
- Sir Robin Wales

Executive Directors:
- Andrew Altman, Chief Executive
- Jonathan Dutton, Executive Director of Finance and Corporate Services

Secretary:
- Rachel Kennedy

Business review and future developments

The financial performance of the Company is described in the Financial Review on pages 7 and 8 This review also includes details of expected future developments in the funding of the Company.

Future funding

In the year ended 31 March 2011 the Company operated within the funding available to it

The Company has an outline funding framework in place for the four years that commenced on 1 April 2011 agreed under the recent Spending Review. After making relevant enquiries, the Directors have formed the opinion, at the time of approving the financial statements, that there is reasonable expectation that the Company has adequate resources to continue to operate in the foreseeable future For this reason the Directors have adopted the going concern basis in preparing the financial statements

Charitable and political donations

During the year the Company made no charitable or political donations

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job Opportunities are available for disabled employees for training, career development and promotion

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim

Directors' indemnities

The Company has taken out an insurance policy to cover its Directors and Officers against losses incurred for any wrongful acts made This policy remains in force as at the date of approving the Directors' Report

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether International Financial Reporting Standards (IFRSs) as adopted by the European Union, have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to Auditors

All of the Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information The Directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

During the year, the Company re-tendered its external audit contract in line with public sector procurement guidelines. This resulted in the appointment of Mazars LLP, replacing BDO LLP

On behalf of the Board

Jonathan Dutton
Executive Director of Finance and Corporate Services
21 June 2011

Corporate Governance Report

The Olympic Park Legacy Company Limited is a company limited by guarantee, established by the Government and Mayor of London to create a lasting legacy from the London 2012 Olympic and Paralympic Games.

The Company was incorporated on 8 May 2009 with three Founder Members the Mayor of London, the Secretary of State for Communities and Local Government and the Secretary of State for Culture, Olympics, Media and Sport (prior to the 2010 general election the Minister for the Olympics was a Founder Member) The ownership of the Company is split equally between the Mayor and Government, with the Government Founder Members' interest being further sub-divided equally The Company operates within the strategic aims as stipulated in and set by the Members' Agreement entered into by Founder Members in May 2009

The Company is committed to meeting high standards of corporate governance and as such the Board acknowledges its contribution to achieving management accountability, improving risk management and building a world class company to deliver the legacy

The Board and its committees

The Board currently comprises the Chairman, Baroness Ford, twelve Non Executive Directors and two Executive Directors (the Chief Executive and Executive Director of Finance and Corporate Services). As set out in the Company's Articles of Association, the Board can include three Non Executive Directors appointed by the Founder Members (two that are a member, officer or elected Mayor of a Legacy Borough and one who is a member or employee of the Homes and Communities Agency (HCA)) and eleven independent Non Executive Directors appointed by the Founder Members on the recommendation of the Chairman Sir Bob Kerslake resigned on 22 September 2010 and Tessa Sanderson resigned on 22 March 2011 The Chairman and Founder Members are discussing the appointment of replacements to the Board taking into account the changes at the HCA and the transition of the Company into a Mayoral Development Corporation

In line with the Government's Code of Practice on Corporate Governance, the Directors were appointed to provide a balance of skills and experience appropriate to directing the Company's activities as demonstrated by their biographies on pages 9 to 12 The Board met 10 times during the year

The Chairman was appointed by the Founder Members as a Non Executive Director The Chairman is responsible for the effective conduct of the Board's business and the Company's general meetings, ensuring the highest standards of propriety are adopted, and that the Company meets its objectives She represents the Company in the media and at key public events, and appears before Parliamentary Select Committees and the London Assembly as the representative of the Board and Company

The Chief Executive is responsible for the effectiveness and efficiency with which the Company discharges its functions and expends the funding provided by the Founder Members and any additional revenues the Company generates through its business activities.

A statement of the Directors' responsibilities in respect of the financial statements is set out on pages 14 and 15

The Board is responsible for providing leadership, advice and support to the organisation, setting strategic direction and overall policy, and monitoring standards, performance and corporate governance, as well as representing the Company with other stakeholders The Board has three committees which meet at least three times a year the Audit Committee, the Communities Committee and the Investment Committee The committee chairs report regularly to the Board

Audit Committee

The Audit Committee met three times during the year Its members, functions and responsibilities are shown below.

Functions and Responsibilities	Committee Members
• Monitor and ensure published financial statements comply with statutes and accounting standards • Review the effectiveness of internal financial controls and risk management systems • Monitor the internal audit programme • Make a recommendation to the Board on the appointment of external auditors and oversee the relationship with them • Review the Company's arrangements for staff to raise concerns about financial wrongdoing	Keith Edelman (Chair) Ranjit Singh Baxi Nick Bitel Robert John Elizabeth McMahon

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience The Audit Committee comprises only independent Non Executive Directors, consistent with the standards set out in the Combined Code The Executive Director of Finance and Corporate Services attends each meeting of the Audit Committee Meetings are also attended by the Chief Executive and other senior management as invited, internal and external auditors as required and by Founder Member observers The internal auditors, Moore Stephens, were appointed in March 2010

Communities Committee

The Communities Committee met five times during the year Its members, functions and responsibilities are shown below

Functions and Responsibilities	Committee Members
• Advise on the Company's community and local stakeholder engagement programme • Oversee the Company's work in developing opportunities for social enterprise and engaging with local small and medium sized enterprises • Advise on and promote community input into the regeneration of the area and on improving and maintaining the Company's visibility among local communities	Lord Mawson (Chair) Ranjit Singh Baxi Nick Bitel Elizabeth McMahon

The Executive Director of Marketing and Communications attends each meeting of the Communities Committee Meetings are attended by other senior management as invited and by Founder Member observers.

Investment Committee

The Investment Committee met eleven times during the year Its members, functions and responsibilities are shown below

Functions and Responsibilities	Committee Members
• Oversee investment projects and programmes including but not limited to real estate, investment in site development above delegated powers, capital fit out of venues and facilities, remediation and operations • Review and approve proposals for capital and revenue decisions • Advise on strategic policies for the Company's investment programmes • Oversee the planning and implementation of the Company's capital and revenue programmes	David Edmonds (Chair) Aman Dalvi David Gregson Robert John Philip Lewis

The Chief Executive and Executive Director of Finance and Corporate Services attend meetings of the Investment Committee Meetings are attended by other senior management as invited and by Founder Member observers

Ethical policies

The Company has adopted a code of conduct covering conflicts of interest to which all Directors and staff are subject, a code of practice on gifts and hospitality, an anti-fraud and corruption policy, a whistle blowing policy encouraging employees to elevate matters of concern, and an equalities and inclusion policy These policies are intended to ensure that all employees observe the spirit and letter of relevant laws and exercise high standards of ethical conduct in all of the Company's activities

Prevention of Bribery

The Company is carrying out a review of appropriate policies and procedures to enable it to meet the requirements of the Bribery Act 2010. The Company has in place an Anti-Fraud and Corruption Policy that is applied across the organisation and addresses many of the risks to be considered in ensuring compliance with the Bribery Act 2010

Internal control

The Directors acknowledge that they are responsible for the Company's system of internal control and for reviewing its effectiveness The system is designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss

Internal Audit

The Company appointed Moore Stephens as internal auditors in March 2010 Following a high level review of the Company's core business systems and controls which found no significant weaknesses in control that would expose the organisation, an internal audit plan was agreed with the Executive Director of Finance and Corporate Services and the Chair of the Audit Committee The internal auditors have reviewed information technology processes, the project assurance framework and the finance system during the year.

Identification and evaluation of business risks

The Company's risk management process ensures that programme wide and project risks are identified, mitigated and monitored effectively Corporate level risks are owned by the Executive Management Board and risk management and assurance is overseen by the Executive Director of Finance and Corporate Services and carried out by the Programme Management Office The Audit Committee oversees the risk assurance function to ensure that detailed risk assessment and assurance work is focused on the key activities of the Company and aligned to identified business risk

Report of the Audit Committee

The composition of the Audit Committee is described above The members of the Audit Committee have no personal financial interest in matters to be decided, no potential conflicts of interest (other than those identified and appropriately managed) arising from their affiliations with external interested parties and no day-to-day involvement in running the activities of the Company During the financial year, the Audit Committee carried out the following activities

- recommended that the Board approve the appointment of BDO LLP as external auditors for 2009/10,
- recommended that the Board approve the 2009/10 statutory accounts;
- approved the Company's 2009/10 Financial Return to the GLA,
- commissioned the internal auditors to carry out a review of the Company's information technology processes and the project assurance framework and finance systems,
- approved the Company's anti-fraud and corruption policy and the cash management policy and considered the Company's business continuity arrangements;
- recommended that the Board approve the appointment of Mazars LLP as external auditors for 2010/11 and 2011/12,
- recommended that the Board approve the operating, programme and capital budgets for 2011/12;
- reviewed the Company's corporate risk and issues register at each regular meeting This included the identification of risks and issues that were not on the registers and scrutinising existing risks and issues to ensure that they were accurate and up to date,
- approved the process for accessing contingency funds,
- received and scrutinised management accounts,
- conducted a review of the Committee's performance and effectiveness, and
- recommended to the Board risk assessment procedures and risk mitigation to meet the requirements of the Bribery Act 2010

On behalf of the Board

Keith Edelman
Chairman of the Audit Committee
21 June 2011

Directors' Remuneration Report

The Board considers it important that the Company is able to recruit, retain and motivate a high quality, high performing staff team. Remuneration of the executive team has been set at levels, agreed with the Founder Members, designed to attract people of the necessary calibre to deliver on the Company's challenging objectives A salary framework has been applied across the Company, having been benchmarked against other comparable organisations Contracts of employment of senior executive staff anticipate the possible payment of performance related pay, although no such payments were made in the year under review Staff joining the Company from the London Development Agency did so under the Transfer of Undertakings (Protection of Employment) Regulations

The remuneration of the Chairman is set by the Founder Members Under her contract she is paid a fee of £95,000 per annum for a minimum commitment of two days per week to the role She was appointed on 13 May 2009 for a fixed term of five years

The remuneration of the Chief Executive is set by the Board in consultation with the Founder Members Under his contract of employment he is paid a salary of £195,000 per annum. He took up the position on 10 August 2009 and was appointed for a fixed term of five years

The remuneration of the Executive Director of Finance and Corporate Services is set by the Board in consultation with the Founder Members Under his contract of employment he is paid a salary of £151,251 per annum. He took up his role on 1 January 2010

The remuneration of the Non Executive Directors is determined by the Chairman in consultation with the Founder Members, taking appropriate independent advice Remuneration has been set at £14,000 per annum for each Non Executive Director, with £28,000 per annum paid to those who chair committees of the Board The elected Mayors and the HCA representative receive no remuneration from the Company.

No Directors are involved in any discussions or decisions about their own remuneration Non Executive Directors (other than the Chairman) are not eligible to join the Local Government Pension Scheme

Directors' remuneration during the year ended 31 March 2011 was as follows:

	Total emoluments for the year ended 31 March 2011	Total emoluments for the period ended 31 March 2010
	£'000	£'000
Executive Directors		
Andrew Altman	195	133
Jonathan Dutton	151	27
Non Executive Directors		
Baroness Ford	95	89
Ranjit Singh Baxi	14	5
Nick Bitel	14	5
Aman Dalvi	14	5
Keith Edelman	28	9
David Edmonds	28	9
David Gregson	14	5
Robert John	14	5
Sir Robert Kerslake	-	-
Philip Lewis	14	5
Lord Mawson	28	9
Elizabeth McMahon	14	5
Jules Pipe	-	-
Tessa Sanderson	14	5
Sir Robin Wales	-	-
Total	**637**	**316**

Total emoluments include salaries, fees and benefits in kind but exclude contributions paid by the Company to the defined benefit pension scheme

On behalf of the Board

MHFord

Baroness Ford
Chairman
21 June 2011

Independent Auditors' Report

We have audited the financial statements of Olympic Park Legacy Company Limited for the year ended 31 March 2011 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' responsibilities statement set out on pages 14 and 15, the directors are responsible for the preparation of the financial statements 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 (APB's) Ethical Standards for Auditors. This report is made solely to the Company's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on the financial statements

In our opinion.

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of the loss for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

William Neale Bussey (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

22 JULY 2011

Statement of Comprehensive Income
for the year ended 31 March 2011

	Notes	£'000	£'000
		Year ended 31 March 2011	**Period ended 31 March 2010**
Revenue from operating activities	3	17,876	4,239
Operating costs		(18,024)	(4,239)
Release of capital grant		878	
Revaluation of Investment property	9	(878)	-
Operating loss		**(148)**	-
Finance costs	5	(41)	(2)
Finance income	5	60	2
Net financing income		19	-
Loss on ordinary activities before taxation		**(129)**	-
Taxation	7	(17)	-
Loss for the year attributable to the Members		**(146)**	-
Other comprehensive income			
Actuarial gains/(losses) on Scheme liabilities		271	(29)
Actuarial gains on Scheme assets		2	7
Movement in unrecognised pension surplus		(66)	-
Total comprehensive income/(loss) for the year/period attributable to the Members		**61**	**(22)**

All amounts relate to continuing activities

Statement of Changes in Equity
for the year ended 31 March 2011

	Reserves
	£'000
At 8 May 2009	-
Total Comprehensive Loss for the period	(22)
At 1 April 2010	**(22)**
Total Comprehensive Income for the year	61
At 31 March 2011	**39**

Balance Sheet

as at 31 March 2011

Registered no 06900359

	Notes	£'000	£'000
		31 March 2011	**31 March 2010**
Non current assets			
Property, plant and equipment	8	125,362	127
Investment property	9	19,950	-
Intangible assets	10	356	94
		145,668	**221**
Current assets			
Trade and other receivables	11	103,219	3,349
Cash and cash equivalents		7,790	935
		111,009	**4,284**
Total assets		**256,677**	**4,505**
Current liabilities			
Trade and other payables	12	111,467	4,511
Non current liabilities			
Trade and other payables	12	145,171	-
Liability related to defined pension scheme		-	16
Total liabilities		**256,638**	**4,527**
Retained earnings		39	(22)
Total equity and liabilities		**256,677**	**4,505**

On behalf of the Board

Andrew Altman
Chief Executive

Jonathan Dutton
Executive Director of Finance and Corporate Services

Statement of Cash Flows
for the year ended 31 March 2011

	Notes	Year ended 31 March 2011	Period ended 31 March 2010
		£'000	£'000
Operating activities			
Operating loss		(148)	-
Depreciation	8	46	21
Amortisation	10	33	10
IAS 19 current service cost		654	42
Past service gain		(119)	-
Employer's contribution paid to the LGPS		(346)	(48)
Increase in trade and other receivables	11	(99,870)	(3,349)
Increase in trade and other payables	12	152,389	4,511
Net cash inflow from operating activities		**52,639**	**1,187**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(24,682)	(148)
Purchase of Investment Property	9	(20,828)	-
Purchase of intangible assets	10	(295)	(104)
Net cash outflow from investing activities		**(45,805)**	**(252)**
Cash flows from financing activities			
Interest received		21	-
Net cash inflow from financing activities		**21**	**-**
Increase in cash and cash equivalents		**6,855**	**935**
Cash and cash equivalents at 1 April 2010		935	-
Cash and cash equivalents at 31 March 2011		**7,790**	**935**

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of the Olympic Park Legacy Company Limited for the year ended 31 March 2011 were authorised for issue by the Board of Directors on 21 June 2011 and the Balance Sheet was signed on the Board's behalf by the Chief Executive and the Executive Director of Finance and Corporate Services on 21 June 2011 The Olympic Park Legacy Company Limited is a company limited by guarantee, incorporated and domiciled in the United Kingdom under the Companies Act 2006 The address of the head office is given on page 47

2. Accounting Policies

a) Basis of preparation

The financial statements have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs") as they apply to the financial statements of the Company for the year ended 31 March 2011 and applied in accordance with the Companies Act 2006

After making enquiries the Directors have formed a judgement, at the time of approving the financial statements, that there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future For this reason the Directors have adopted the going concern basis in preparing the financial statements for the year ended 31 March 2011

b) Estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period

The most significant items subject to such assumptions include the valuation of the investment properties, the useful economic lives of assets, the measurement of accruals and the measurement of the defined benefit pension scheme's assets and liabilities The estimates and associated assumptions are based on factors which are believed to be reasonable under the circumstances. Actual results may differ from these estimates

The valuation of the Three Mills Estate was carried out under RICS guidelines by Jones Lang LaSalle on 13 April 2011

c) International Financial Reporting Standards adopted during the year

All IFRSs issued with an effective date before the end of the reporting period have been fully adopted. There has been no material impact on the financial statements of the Company as the result of standards adopted during the reporting period

d) Standards and interpretations not yet in issue

Standards and interpretations issued by the IASB are only applicable if endorsed by the EU The Company does not consider that any standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a material impact on the financial statements

e) Comparatives

The Company was incorporated on 8 May 2009 and the comparable figures set out in these Report and Accounts relate to the period from incorporation to 31 March 2010

f) Revenue recognition

The Company receives a public sector funding package comprising grants from the London Development Agency and the Department for Communities and Local Government

Government grants received for capital expenditure are initially recognised as deferred income, and are subsequently recognised as revenue over the useful economic life of the asset purchased In the case of land and investment property, these are released to the Income Statement in line with any reduction in valuation

Grants for revenue expenditure are recognised as revenue Where retention of the grant is dependent on the satisfaction of certain criteria, revenue is only recognised to the extent that those criteria have been met

Non monetary Government grants and services received in kind are recognised as revenue at their fair value

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease

Interest receivable is recognised on an accruals basis in the period to which it relates.

g) Intangible assets

Software licences acquired for a period of more than one year are stated at cost less accumulated amortisation Amortisation is provided on a straight line basis over three years, or the expected useful life, if shorter The amortisation expense on intangible assets is recognised in the Statement of Comprehensive Income under the operating costs heading

The licence granted to enable the ODA and LOCOG to occupy the Olympic Park is stated at cost, being the present value of the expected future revenue streams at the date of acquisition, less accumulated amortisation Amortisation is provided over the period of the license

The amortisation expense on intangible assets is recognised in the Statement of Comprehensive Income under the operating costs heading

h) Property, plant and equipment

Computer hardware, telecommunications equipment and furniture, fixtures and fittings are stated at cost less accumulated depreciation Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making that asset capable of operating as intended

Depreciation is provided on a straight line basis over the expected useful life as follows

Computer hardware	33%
Telecommunications equipment	33%
Furniture, fixtures and fittings	20%

The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable and the assets are written down immediately to their recoverable amount Useful lives and residual values are reviewed annually

Land is not depreciated

i) Investment property

Investment properties which are held for income or capital appreciation purposes only are valued at fair market value

Investment properties are not depreciated, rather an annual review is undertaken of the fair carrying value Any changes to these values are charged to the Statement of Comprehensive Income in the period that they occur

j) Cash and cash equivalents

Cash and short term deposits in the Balance Sheet comprise cash at banks, in hand and short term deposits with an original maturity of three months or less

For the purposes of the cash flow statement, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts

Balances held by our agent GVA Grimley in respect of trading at the Three Mills Estate are shown in Trade and other receivables

k) Pensions

Employees of the Company are members of the Local Government Pension Scheme or the Home and Communities Agency Pension Scheme, both of which are defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at.

- the fair value of plan assets at the reporting date, less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities, plus
- adjustments for unrecognised past service costs

Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme are recognised in other comprehensive income in the year in which they arise Past service costs are recognised directly in the Statement of Comprehensive Income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time In this case, the past service costs are amortised on a straight line basis over the vesting period Where improvements are made to benefits payable under a defined benefit scheme, the effect on the plan liability is recognised in the Statement of Comprehensive Income on a straight-line basis over the average period until the employees become entitled to the improved benefits Where the benefits vest immediately, the effect of the change is recognised immediately

If the Company cannot (or can only partly) benefit from a scheme surplus in the form of refunds from the plan or reductions in future contributions (e g because of minimum funding requirements), any asset resulting from the above policy is restricted accordingly

l) Taxation

The Company is liable for corporation tax Corporation tax is provided for on an accruals basis. Where the Company is liable for other taxes, these are also provided for on an accruals basis

m) Financial risk management

The Company has taken steps to ensure that its risk exposure is minimised. It is and has been throughout the year under review the Company's policy that no trading in financial instruments shall be undertaken The main risks arising from the Company's financial instruments are credit risk and liquidity risk

n) Credit risk

The Company seeks to ensure that it trades only with recognised credit worthy third parties The Company does not enter into derivatives to manage its credit risk

With respect to credit risk arising from the other financial asset of cash and cash equivalents, the Company's exposure arises from default of the counter party with a maximum exposure equal to the carrying amount of these instruments

o) Liquidity risk

Funding for the Company is from grants from the London Development Agency and Department for Communities and Local Government

The Company is working towards the maintenance of cash balances that meet its expected operational requirements for a period of six months Budgets are set and agreed in advance by the Board to enable the Company's cash requirements to be anticipated This liquidity risk is managed by monthly monitoring and review of performance against budget

p) Financial assets

Financial assets are classified as "loans and receivables" The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition The Company does not hold any "held-to-maturity" investments, "fair value through profit or loss" or "available for sale" financial assets

Loans and receivables

Trade receivables loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables These and other receivables are initially recognised at fair value and subsequently carried at amortised cost, less provision for impairment A provision for impairment of trade and other receivables will be established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables The provision will represent the difference between the asset's carrying amount and the present value of estimated future cash flows The amount of the provision will be recognised in the Statement of Comprehensive Income.

Cash and cash equivalents include cash in hand, deposits at call with banks, bank overdrafts and unpresented cheques

q) Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements Financial liabilities are classified as "other financial liabilities" The Company does not hold any "financial liabilities at fair value through profit and loss (FVTPL)"

Financial liabilities at FVTPL

The Company does not have any liabilities held for trading nor has it designated financial liabilities as being at fair value through profit and loss

Other financial liabilities

Trade and other payables are recognised on the trade date of the related transactions Trade payables are not interest-bearing and are stated at their nominal value

Borrowings will be recognised initially at fair value net of transaction costs incurred Borrowings will then be subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method The Company did not have any borrowings for the period

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities There have been no equity instruments issued by the Company

r) Segmental reporting

An operating segment is a distinguishable component of a company that engages in business activities, earns revenue and incurs expenses, whose operating results are regularly reviewed by the company's chief operating decision makers and for which discrete financial information is available

During the period the Company had only one business activity being the operation of an organisation to deliver a lasting legacy from the London 2012 Olympic and Paralympic Games

s) Capital risk management

The Company manages its funding to ensure that it is able to meet working capital requirements, the investment programme and continue as a going concern.

3. Revenue

Revenue recognised in the Statement of Comprehensive Income comprises Government grants receivable and trading income and can be analysed as follows

	Year ended 31 March 2011	**Period ended 31 March 2010**
	£'000	**£'000**
Grant income receivable - Revenue	13,758	2,570
Non monetary grants and services received in kind	1,855	1,669
Rental income	1,914	-
Other income	349	-
Total	**17,876**	**4,239**

4. Operating profit

The operating profit for the period has been arrived at after charging:

	Year ended 31 March 2011	**Period ended 31 March 2010**
	£'000	**£'000**
Depreciation of tangible assets	46	21
Amortisation of intangible assets	33	10
Auditors' remuneration – fees payable for the audit of the Company's financial statements	12	8

5. Net financing

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	£'000
Interest costs on Pension Scheme liabilities	(41)	(2)
Finance costs	**(41)**	**(2)**
Interest receivable	21	-
Expected return on Pension Scheme assets	39	2
Finance income	**60**	**2**
Net financing	**19**	**-**

6. Staff costs and Directors' emoluments

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	£'000
(a) Staff costs		
Wages and salaries	2,696	757
Social security costs	290	121
Pension costs	374	44
Total	**3,360**	**922**
	No.	**No.**
Average number of employees during the year	55	11
(b) Directors' emoluments	**£'000**	**£'000**
Directors' emoluments	637	316
Aggregate contributions to defined benefit pension scheme*	65	27
Total	**702**	**343**

* During the period three Directors participated in the defined benefit pension scheme

The highest paid Director received total emoluments of £195,000 (2009/10 £133,000) and pension contributions were made on his behalf of £29,000 (2009/10· £10,000) In addition to Directors' remuneration, key management personnel received total emoluments of £481,000 (2009/10 £62,000) and pension contributions were made on their behalf of £71,000 (2009/10. £9,000)

7. Taxation

Provision to meet the Company's corporation tax liability has been made at 28% (2009/10 28%) of the profits generated from rental and interest income

The corporation tax expense can be reconciled to the accounting loss as follows

	Year ended 31 March 2011	**Period ended 31 March 2010**
	£'000	**£'000**
Loss on ordinary activities before tax	(129)	-
Corporation tax credit calculated at 28% (2009/10: 28%)	**36**	-
Effect of FRS 17 costs not deductible in determining taxable profit	(97)	-
Effect of FRS 17 income that is exempt from taxation	44	-
Corporation tax expense recognised in profit or loss	**(17)**	-

8. Property, plant and equipment

	Land	Furniture, fixtures and fittings	Computer hardware and telecoms/ office equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 8 May 2009	-	-	-	-
Additions	-	21	127	148
At 31 March 2010	-	21	127	148
Additions	125,221	-	60	125,281
At 31 March 2011	125,221	21	187	125,429
Depreciation				
At 8 May 2009	-	-	-	-
Charged during the period	-	2	19	21
At 31 March 2010	-	2	19	21
Charged during the period	-	4	42	46
At 31 March 2011	-	6	61	67
Net book value at 31 March 2011	**125,221**	**15**	**126**	**125,362**
Net book value at 31 March 2010	-	19	108	127

On 30 September 2010, the Company acquired the freehold and leasehold interest in the Olympic Park (included within land above) and the Three Mills Estate (included within investment property) for a total of £138m, net of costs. At 31 March 2011 £100 6m remained outstanding

9. Investment Property

	Investment Property
	£'000
Valuation	
At 31 March 2010	-
Additions at cost	20,828
Revaluation	(878)
At 31 March 2011	**19,950**

On 30 September 2010 the Company acquired a long leasehold interest in commercial units on Sugar House Lane, London E15 and 3 Mills studios ("the Three Mills Estate") for allocated consideration of £19.95m, plus associated costs of £878,000 This estate is treated as investment property and was valued at £19 95m at the year end The fair value of the investment property has been arrived at on the basis of a valuation carried out on 13 April 2011 by Jones Lang LaSalle, independent valuers not related to the Company Jones Lang LaSalle are registered valuers in accordance with the RICS valuation standards 7th edition and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations The downward revaluation at the year end reflects the write-off of the acquisition costs

10. Intangible assets

	Computer Software	Licences	Total
	£'000	£'000	£'000
Cost			
At 8 May 2009	-	-	-
Additions	104	-	104
At 31 March 2010	104	-	104
Additions	13	282	295
At 31 March 2011	117	282	399
Amortisation			
At 8 May 2009	-	-	-
Charged during the period	10	-	10
At 31 March 2010	10	-	10
Charged during the period	33	-	33
At 31 March 2011	43	-	43
Net book value at 31 March 2011	**74**	**282**	**356**
Net book value at 31 March 2010	94	-	94

11. Trade and other receivables

	At 31 March 2011	At 31 March 2010
	£'000	£'000
Current		
Trade receivables	102,416	-
Allowance for doubtful debts	(249)	-
	102,167	-
Accrued income	239	2,720
Prepayments	21	284
VAT recoverable	762	311
Other receivables	30	34
Total	**103,219**	**3,349**

Trade receivables include a grant of £100 6m due from the Department for Communities and Local Government in regards to funding for the acquisition of the Olympic Park and Three Mills Estate

Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past payment experience of the counterparty and an assessment of the counterparty's current financial position All trade receivables are due within 30 days

12. Trade and other payables

	At 31 March 2011	At 31 March 2010
	£'000	£'000
Current		
Trade payables	100,772	3
Other payables	254	-
Taxation and social security	241	71
Accruals	2,470	409
Deferred income	7,730	4,028
Total	**111,467**	**4,511**
Non - Current		
Capital grant	145,171	-
Total	**145,171**	**-**

Trade payables include £100 6m due to the London Development Agency in respect of the acquisition of the Olympic Park and Three Mills Estate.

13. Financial instruments

Financial assets

Current financial assets	Loans and receivables	
	At 31 March 2011	At 31 March 2010
	£'000	£'000
Trade and other receivables (Note11)	103,198	3,065
Net cash and cash equivalents	7,790	935

Financial liabilities

Current financial liabilities	Financial liabilities measured at amortised cost	
	At 31 March 2011	At 31 March 2010
	£'000	£'000
Trade and other payables (Note 12)	103,737	483

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values

The maximum exposure to credit risk as at the reporting date is represented by the carrying value of the financial assets in the Balance Sheet

14. Pensions

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

Local Government Pension Scheme

The Company provides the opportunity for its employees to participate in the LGPS This is a funded scheme The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (1997) The fund's actuaries, Hymans Robertson, 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 The employers' contribution rate for 2010/11 was 14 7% (2009/10 12 5%). Members pay contributions at rates correlating to pensionable salary bands

Employer contributions of £346,000 were paid in 2010/11 The number of participating employees was 52 active members (2009/10. seven). There are no deferred pensioners or actual pensioners at 31 March 2011

Principal assumptions used by the actuary

	Year ended 31 March 2011	Period ended 31 March 2010
	%	%
Long-term expected rate of return on assets in the Scheme.		
Equity investments	7 4	7 5
Bonds	5 5	5 5
Target return portfolio	4 5	4.5
Cash	3 0	3 0
Alternative assets	6 4	6 5
Expected return on assets	**6.7**	**6.8**
Mortality assumptions		
Longevity at 65 for current pensioners		
Men	22 60	19 60
Women	23 60	22 50
Longevity at 65 for future pensioners		
Men	24 50	20 70
Women	25 50	23 60
Rate of inflation	3 5	3 9
Rate of increase in salaries	4 5	5.4
Rate of increase in pensions	2 7	3 9
Rate for discounting Scheme liabilities	5 5	5 5

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period The return on gilts and other bonds are 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 is then assumed to be a margin above gilt yields

Amounts charged to the Statement of Comprehensive Income

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	**£'000**
Current service cost	654	42
Past service gain	(119)	-
Gains/(Losses) on curtailments	-	-
	535	**42**
Interest cost	41	2
Expected return on Scheme assets	(39)	(2)
	2	-
Actuarial losses/(gains) on Scheme liabilities	(271)	29
Actuarial (gains)/losses on Scheme assets	(2)	(7)
Net charge to the Statement of Comprehensive Income	**264**	**64**

Reconciliation of present value of Scheme liabilities

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	**£'000**
Opening balance	**97**	-
Current service cost	654	42
Contributions by Scheme participants	174	24
Past service cost	(119)	-
Estimated benefits paid (net of transfers in)	471	-
Interest cost	41	2
Actuarial (gains)/losses	(271)	29
Closing balance	**1,047**	**97**

The reduction in scheme liabilities arose as a result of a change in indices used for pension increments, from Retail Price Index (RPI) to Consumer Price Index (CPI) as announced by the Minister of State for Pensions on 8 July 2010 This is treated as a past service gain reflecting the change to expected benefits and is calculated at £119,000

Reconciliation of fair value of Scheme assets

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	£'000
Opening balance	**81**	-
Expected return on assets	39	2
Contributions by Scheme participants	174	24
Contributions by the Company including unfunded benefits	346	48
Actuarial gains/(losses)	2	7
Transfers in	471	-
Fair value of Scheme assets as at 31 March	**1,113**	**81**

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	1,014	1,047	1,080
Projected service cost	635	663	692
Adjustment to mortality age rating assumption	+ 1 year	none	- 1 year
Present value of total obligation	1,015	1,047	1,079
Projected service cost	635	663	691

Analysis of fair value of Scheme assets

Assets in the LGPS are valued at fair value, principally market value for investments, and comprise

	Long Term Return	As at 31 March 2011		As at 31 March 2010	
	%	£'000	%	£'000	%
Equities	7.4	768	69	57	70
Target return portfolio	4 5	134	12	8	10
Alternative assets	6 4	156	14	11	14
Cash	3 0	33	3	4	5
Corporate bonds	5 5	22	2	1	1
Total	**6.7**	**1,113**	**100**	**81**	**100**

The actual return on Scheme assets for the year was £41,000

Analysis of movement included in reserve

The actuarial gains in the year ended 31 March 2011 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31 March 2011

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	£'000
Differences between the expected and actual return on assets	2	7
Fair value of Scheme assets	1,113	81
Percentage of assets	**0.2%**	**8.6%**
Experienced gains/(losses) on liabilities	2	4
Present value of Scheme liabilities	1,047	97
Percentage of the total present value of liabilities	**0.2%**	**4.1%**
Actuarial gains/(losses) recognised in Statement of Changes in Equity	251	(22)

The Company expects to make employer contributions of £517,000 in the year ending 31 March 2012

Homes and Communities Agency Pension Scheme

The Homes and Communities Agency Pension Scheme 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

Contributions on behalf of the three employees who are members of the above scheme are accounted for in operating costs and amount to £27,000 (2009/10 nil)

15. Ultimate controlling interest

The Company has three members the Mayor of London, the Secretary of State for Communities and Local Government and the Secretary of State for Culture, Olympics, Media and Sport The Mayor has a 50% interest in the Company and the Government has the other 50% interest, held by the Secretary of State for Communities and Local Government and the Secretary of State for Culture, Olympics, Media and Sport

16. Related party transactions

In the year ended 31 March 2011 the Company

- received grants of £16 2m (period ended 31 March 2010· £1 8m) from the London Development Agency,
- received services in kind with a fair value of £1 86m (period ended 31 March 2010 £1 67m) from the London Development Agency. These consisted of the provision of accommodation and seconded staff,
- was invoiced £162 2m (period ended 31 March 2010 £0 06m) for assets and services provided by the London Development Agency including the Olympic Park land and investment properties As at 31 March 2011 £100 6m (31 March 2010 £0 02m) was owed to the London Development Agency; and
- was granted £1 35m by the Department for Communities and Local Government, a Member of the Company, of which the Company received £1 1m (31 March 2010 £0 8m) during the year As at 31 March 2011 a total of £100 9m (31 March 2010. £2 24m) was due from the Department for Communities and Local Government

The London Development Agency is a functional body of the Greater London Authority The Mayor of London is a Member of the Company

In the period ended 31 March 2010 an interest free loan of £9,000 was made to Andrew Altman, a Director of the Company, as part of the arrangements for his relocation to the UK from the United States As at 31 March 2011 £9,000 (31 March 2010 £9,000) was owed to the Company.

17. Operating lease commitments

The future lease payments under non-cancellable operating leases are

	Year ended 31 March 2011	Period ended 31 March 2010
	£'000	£'000
Less than one year	251	-
1 – 2 years	125	-

The Company leases office accommodation under a 5 year lease with break clauses effective in October 2012 and October 2013

18. Post Balance Sheet Events

On 9 May 2011, a claim was lodged by Tottenham Hotspur PLC against the Company, the Mayor of London, the Minister for Sport and the Olympics and the Secretary of State for Communities and Local Government, for Judicial Review regarding the announcement made on 11 February 2011 that the Company was recommending that a joint bid by the London Borough of Newham and West Ham United Football Club Limited should be appointed as preferred bidder for a lease over the Olympic Stadium On 10 May 2011 a similar claim was lodged by Leyton Orient Football Club Limited.

The Directors are not able at present to quantify the precise parameters of the economic impact on the Company were either or both of the applications for Judicial Review to be successful They do, however, consider that such an impact would be unlikely to be material in the context of the Company's financial position and future funding profile

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