Lee Valley Regional Park Authority

Statement of Accounts

For the year ended 31 March 2011

Lee Valley
Regional Park Authority

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For the year ended 31 March 2011

Foreword

The Lee Valley Regional Park Authority (LVRPA) is an award winning and leading leisure organisation. It has a statutory duty to develop the 10,000 acre Park as a regional destination. The Authority's vision for 2020 is that the LVRPA should be "A World Class Leisure Destination".

Over recent years the Authority has undertaken significant work to leverage in external funding to support the development of the Park; and it is committed to continue to reduce its reliance on the levy.

These accounts for 2010/11 provide information about the costs and income from our services during the year and our assets and liabilities at the year end.

The accounts are produced in the format stipulated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in accordance with best accounting practice.

This year CIPFA has revised the statement of recommended accounting practice (the Code) to comply, subject to appropriate agreed variation for local authorities, with International Financial Reporting Standards (IFRS). The change to IFRS from Generally Accepted Accountancy Principles (GAAP) made this year will enable inter-authority comparison and bring benefits in consistency and comparability between financial reports whilst continuing to follow private sector best practice. The balance sheet has been restated to provide comparative figures under IFRS for earlier years.

The accounts consist of:

- a statement of accounting policies, which describes the main principles used to prepare the accounts;

- the movement in reserves statement, which is a summary of the changes that have taken place in the bottom half of the balance sheet over the financial year.

- the comprehensive income and expenditure account, which summarises expenditure and income on our main services;

- the balance sheet, which shows our overall financial position as at 31 March 2011; and

- a cash flow statement, which shows the total cash we received and how we used it.

The accounts are intended to be read mainly by accountants in the public sector. However, because general readers may find them of interest, we have explained some of the main technical terms in notes to the accounts and in a glossary. We have also included a summary of the most significant matters on page 3-6.

The Annual Governance Statement (AGS) highlights (page 8 to 11) the major risks and uncertainties the Authority faces in the year ahead and highlights the impact of the Olympics on the Authority as it moves to incorporate this legacy into its normal business operating environment. The AGS highlights the impact of the downturn in the economic climate and demonstrates the Authority's response to the pressure on the public purse.

Kulvinder Sihota
Corporate Director of Resources & Business Development

Summary of significant matters

This summary sets out the most significant matters in the accounts, such as the Authority's overall financial position.

Expenditure compared to budget

The 2010/11 budget was set in January 2010. Actual spending on facilities and services was £1.0m less than budgeted, which included £0.7m carried forward from the previous year. At the end of the year the Authority had general reserves of £7.25m.

Budget compared to actual

	Budget £'000	**Actual £'000**
Net operating expenditure	12,777	11,688
Levy on local authorities	(12,234)	(12,234)
Net general fund (surplus) / deficit	**543**	**(546)**
Non cash adjustments	440	(98)
Movement In general fund	**983**	**(644)**

Capital investment

Capital investment totalled £8.2m. This was financed by a contribution from revenue (£6.5m), and government grants and contributions from other bodies (£1.7m). In accordance with local authority accounting practice, accrued capital expenditure remained unfinanced at the year end.

Strategic Business Plan

The financial strategy is embodied in the comprehensive and demanding ten-year Strategic Business Plan 2010 to 2020. The Plan is designed to deliver the vision of creating a world class leisure destination. The Plan is underpinned by a financial strategy that aims to optimise the use of financial resources to meet business objectives. The Strategy includes maintaining a strong financial position, which these accounts demonstrate.

London Olympics 2012

In July 2005, London was awarded the 2012 Olympic Games. Under the current Olympic arrangements, some of the Authority's land and assets have been used and developed.

Velopark

The Olympic Agreement (dated 11 January 2005) contractually bound the London Development Agency (LDA) to deliver a Velopark to the Authority at the end of the lease period. This agreement was novated to the Olympic Park Legacy Company (OPLC) in September 2010. The lease period for this arrangement runs until 31 March 2015 or sooner if legacy works have been completed. It is likely that when this asset is transferred to the Authority the estimated depreciated replacement cost will be approximately £87m.

The current Olympic Agreement and supplementary agreements contain no specific legal obligations for the Authority to make good major future defects outside of the normal management and maintenance operations as specified in the legal agreements. In addition, the Authority will have a contingent liability of up to £5.25m in relation to the lottery funding agreement between the Authority, Sport England and the Olympic Development Agency (ODA). In addition, a contingent liability of £2m exists in relation to a funding agreement with the London Marathon Trust for legacy works. LVRPA has accrued for £3.5m within its capital programme for 2010/11 as its contribution to the construction of the Velopark.

The Velopark will be handed over in 2015 and construction was valued at £ 87.159m at year end. Only the land valuation of this asset has been included in the statements. The contingent liabilities are shown in note 40. The following agreement which relates to the Velopark is still awaiting final sign off:

<u>Third supplemental agreement</u>
This is still being negotiated and is in near final form. It cannot be signed until Secretary of State consent has been granted. It mainly concerns arrangements for utilities. This will have no impact on the accounts.

The following agreements have been completed and signed during the year:

<u>Funding agreement - Sport England £10.5m (LVRPA joint application with the ODA - £5.25m each)</u>
This agreement was signed and agreed on 3 November 2010 as a contribution towards the development of the Velopark.

<u>Funding agreement - London Marathon Trust £2m</u>
This agreement was signed and agreed on 14 January 2011 as a contribution to the legacy facilities at the Velopark and specifically the road circuit.

The Authority recognises that in substance an operating lease exists between itself and the London Organising Committee of the Olympic Games (LOCOG) for the period of the Olympic Games. As no material value can be attached to this arrangement this is regarded by the Authority as a unique and one-off short term arrangement and so no accounting entries have been made in respect of this matter. See Note 26 Operating leases page 53 for further details.

Lee Valley White Water Centre

This asset was transferred to the Authority on 17 December 2010 and the depreciated replacement cost is valued at £26m. The Authority has a contingent liability of up to £900,000 in relation to its lottery funding agreement with Sport England. In addition, the Authority also has a contingent liability of up to £4m in relation to its funding agreement with East of England Development Agency (EEDA). The legal transactions set out above are within the remit of s.12 and s.13 of the Lee Valley Regional Park Act 1966. See note 26 operating leases for further details.

The Authority recognises that in substance an operating lease exists between itself and the LOCOG for the period of the Olympic Games. As no material value can be attached to this arrangement this is regarded by the Authority as a unique and one-off short term arrangement and so no accounting entries have been made in respect of this matter.

Only the land valuation of this asset has been included in the statements. The contingent liabilities are shown in note 40.

Pension scheme

The Authority is a member of the Local Government Pension Scheme, administered by the London Pensions Fund Authority. The net liability (ie the amount by which the pensions liabilities exceed its assets) affects the Authority's net worth as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the Authority's financial position remains healthy. 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.

Borrowing and capital funding

The Authority has the facility to borrow funds for capital expenditure from the Public Works Loan Board (PWLB). Short term borrowing is covered by our bank overdraft.

The capital financing requirement measures the underlying need to borrow for capital (not revenue) purposes. It does not necessarily mean that borrowing will be undertaken. The following capital financing requirements are based upon the value of the Authority's depreciated value of non-current assets less provisions set aside for loan repayment.

Capital Financing Requirement						
	2009/10 Actual £'m	**2010/11 Estimate £'m**	**2011/12 Estimate £'m**	**2012/13 Estimate £'m**	**2013/14 Estimate £'m**	**2014/15 Estimate £'m**
LVRPA	11.6	11.2	10.9	10.4	10.0	9.6

In practice this Authority does not receive revenue support towards capital expenditure (the way local authorities do), so any new borrowing in the future will have to be self-funded, for example via efficiency savings, levering in external funding, new income streams or through the levy. Capital investment in the current year has been funded from the Authority's accumulated cash balances and, as a result, no new external long term borrowing has been undertaken.

After taking account of scheduled loan repayments of £658,464 (including interest of £131,540), outstanding external borrowing at 31 March 2011 totalled £734,615. A further £26,923 will be repaid within 2011/12 and subject to no further borrowing being undertaken, the remaining loans will be fully cleared by March 2016.

The estimated impact of capital investment decisions on the levy is shown in the table below. Where additional revenue from the levy is used to finance capital expenditure this would have an impact on contributing authorities. This would mean that the Authority would need to increase the levy over the current level. The base indicator for 2010/11 is £2.3m and is shown in the table below. This figure takes account of the resourcing requirements for the capital programme.

Impact of Capital Investment Decisions on the Levy						
	2009/10 Actual £'m	**2010/11 Revised Estimate £'m**	**2011/12 Estimate £'m**	**2011/12 Estimate £'m**	**2013/14 Estimate £'m**	**2014/15 Estimate £'m**
Direct revenue Financing	1.5	1.4	1.4	1.4	1.4	1.4
Capital fund	0.5	0.4	0.4	0.4	0.4	0.4
R & R contribution	0.5	0.5	0.5	0.5	0.5	0.5
Impact on levy	**2.5**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**

Economic climate

The economic climate has, and will continue to impact on the public sector purse and particularly the finances of the Authority. The Authority sets the annual budget in the context of a three year business plan and a ten year business strategy. The assumptions behind this forecast are reviewed annually; the medium term financial forecast is restated and then approved by elected Members. The Authority is conscious of the financial pressures faced by the levied authorities and the spending assessments that impact on them. The levy was reduced by 2% for 2011/12 (0% for 2010/11) and officers and Members are committed to providing on-going savings and efficiencies to achieve economy and efficiency through the use of public funds whilst delivering it's own core objectives detailed in the three year Business Plan 2010 – 2013. A further levy reduction is planned for 2012/13 subject to inflation and other economic factors prevailing at the time.

The Authority is continuing a robust plan of income generation projects across the Park to reduce its reliance on the levy. The key measure is to ensure that the reliance on the levy falls to 53% of the maximum the Authority can legally charge. An officer led Business Development Group is managing a variety of projects to create efficiencies, generate further income and to review the business operating model of the organisation. The work of this group is regularly monitored by the Members of the Executive Committee.

Revenue reserves

The Authority's current reserves policy states that the Authority should maintain a minimum general reserve balance of £2m. The individual usable reserves are explained below:-

General fund

The general fund reserves currently stand at £7.25m. It is anticipated that if all the carry forwards from 2010/11 (£0.7m) are spent in 2011/12 the balance at the year end will be approximately £6.55m.

Earmarked reserves

The Authority maintains renewal and repair funds to replace equipment and for major repairs to buildings or structures that cannot be funded in one year from service revenue budgets. An insurance fund is also maintained to self-insure certain risks that are not otherwise covered by the insurance policies of the Authority. For example, storm damage and insurance excesses on existing policies. All services are charged an annual premium, with policy excesses for claims against the Authority by third parties charged to the fund balance in any given year.

Capital receipts reserve

There is no balance on this reserve. All receipts from previous years and the current year have been applied to fund capital expenditure incurred in the year.

Capital grants unapplied

The capital grant of £0.3m unapplied relates to expenditure incurred in previous years relating to improvement works in the Roydon Loop, East India Dock and St Pauls Field capital schemes. These have been completed and will be removed from this fund when the conditions are met over the coming years.

Capital fund

Each year the Authority sets aside 3% of its levy in accordance with the Lee Valley Regional Park Act section 49 (30) for capital expenditure purposes. The figure of £5.4m is the accumulated fund available at 31 March 2011.

Capital receipts in advance

Where Capital grants and contributions have been received and grant conditions initially remain outstanding no statutory accounting requirements apply until and to the extent that the grant conditions have been met – in this case the grant or contribution will need to be treated as Capital Grants Receipts in Advance.

Statement of responsibilities

The Authority's responsibilities

We must arrange for the proper administration of our financial affairs and ensure that one of our officers is responsible for administering those affairs – that officer is the Corporate Director of Resources & Business Development; and manage our affairs to secure economic, efficient and effective use of resources and safeguard our assets.

The Corporate Director of Resources & Business Development's responsibilities

The Corporate Director of Resources & Business Development is responsible for preparing the Authority's statement of accounts in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code). The Code requires the accounts to present a true and fair view of our financial position at the accounting date and our income and expenditure for the year ended 31 March 2011.

In preparing this statement of accounts, the Corporate Director of Resources & Business Development:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Corporate Director of Resources & Business Development has also:

- kept proper accounting records that were up to date; and
- taken reasonable steps to prevent and detect fraud and other irregularities.

I certify that these statements of account present fairly the financial position of the Authority as at 31 March 2011 and the income and expenditure for the 2010/11 financial year.

Kulvinder Sihota	Alan Searing
Corporate Director of Resources & Business Development	Chairman - Audit Committee

Date statement was authorised for issue

Under the Accounts and Audit Regulations 2003, there are three formal points at which the Statement of Accounts can be regarded as issued in some form:

- When the responsible officer certifies the statement as 'presents fairly' and makes them available for member approval (Regulation 10).
- When the statement is ready for publication (Regulation 11).
- When the audit of the statement is certified closed, if later than the publication date. (Regulation 17).

This version of the statement of accounts was authorised for issue at the Regulation 10 stage by Kulvinder Sihota, Corporate Director of Resources and Business Development on 23 June 2011.

This statement forms part of the balance sheet shown on page 15.

The unaudited accounts were issued on 23 June 2011 and the audited accounts were authorised for issue on 22 September 2011.

Kulvinder Sihota
Corporate Director of Resources and Business Development

ANNUAL GOVERNANCE STATEMENT 2010/11

Scope of responsibility

The Authority 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. The Authority does not have a duty under the Local Government Act 1999 in the same way that local authorities do to make arrangements to secure continuous improvement when exercising its functions, having regard to a combination of economy, efficiency and effectiveness but it considers and adopts these elements as a matter of best practice.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

The Authority has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Good Governance in Local Government. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulation 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes for the direction and control of the Authority and its activities for which it is accountable to its stakeholders and the wider community.

The system of internal control is a significant part of that 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 an ongoing process designed to identify and prioritise the risks likely to impair the achievement of the Authority's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2011 and up to the date of approval of the statement of accounts.

The governance environment

A clear statement of the Authority's purpose and vision is set out in "The Lee Valley Regional Park Authority Business Strategy 2010-2020". The Authority's objectives are set out in the Performance Management Framework. These are translated into more specific aims and objectives in the service improvement plans which are prepared annually. The achievement of these objectives is monitored by the Senior Management Team, the Performance Team, the Executive and Scrutiny committees.

The behaviour of Authority Members is regulated through a Model Code of Conduct made by statutory instrument, which is adopted and regulated within their own Councils' systems and which is supported by a Members' planning code of good practice within this Authority. Employees are also subject to a Code of Conduct and a number of specific policies (e.g. on whistle blowing, IT usage, bullying and harassment) which are set out in the Employee Handbook. Advice on these matters is embedded through on-going training.

Policy and decision making are facilitated by a clear framework of delegation set out in the Lee Valley Regional Park Act 1966, the Authority's standing orders and financial regulations. This sets out, among other things, where responsibility lies for developing and delivering policy, and for taking decisions. The Standing Orders provide for delegation to officers but within a policy framework laid down by the Authority, and with the more significant executive decisions being taken by the elected Members of the Executive Committee and the Full Authority.

Compliance with established policies, procedures, laws and regulations is ensured by the requirement in the Standing Orders to give the Chief Executive, the Monitoring Officer and the Chief Finance Officer the opportunity to comment on every report submitted to a decision making body.

The Monitoring Officer has a legal duty to ensure the lawfulness of decision making.

Risk management is embedded in the Authority through a Corporate Risk Management Framework (Paper FA/126/07) which includes the requirement to identify strategic and operational risks, assess those risks for likelihood and impact, identify mitigating controls and allocate responsibility for those controls. The Authority maintains and reviews a register of its business risks, linking them to strategic business objectives and assigning ownership for each risk. Risk management awareness is an integral part of the Authority's employee/management competency framework. The Corporate Director of Resources & Business Development leads on matters of risk for the Authority and reports directly to the Audit Committee who receive quarterly reports on risk management and who take appropriate action to ensure that corporate business risks are up-to-date; being actively managed; and agree the soundness of the Authority's risk management arrangements.

The Authority's programme for securing continuous improvement in its services is set out in the Performance Management Framework. Actions for improvement are drawn from a variety of sources including internal audit; the Authority's own Self Assessment reviews, service reviews and, external inspections such as those undertaken by the Audit Commission, Quest, Green Flag, the British Safety Council and the British Quality Foundation. An annual assessment of performance, detailing future performance targets, is set out in the Annual Performance Management Report.

The Corporate Director of Resources & Business Development is designated as the responsible officer for the administration of the Authority's financial affairs under section 151 of the Local Government Act 1972 and section 11 (1) of the Lee Valley Regional Park act 1966. This includes ensuring the lawfulness and financial prudence of decision making; providing advice, particularly on financial impropriety, publicity and budget issues; giving financial information; and acting as the Authority's money laundering, whistle blowing and anti-fraud and corruption reporting officer.

The Authority has a performance management framework through which quality of service is measured through corporate performance indicators which in turn are reported through the Annual Performance Management Report. This is monitored by departmental management teams, Performance Team and the Senior Management Team and scrutinised on a six-monthly basis by the Executive Committee and a quarterly basis by the Scrutiny Committee.

Review of effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Annual Internal Auditor's report, and also by comments made by the external auditors and other review agencies.

The terms of reference for the Audit Committee requires it to monitor and review the Authority's system(s) of internal financial control and authorise/approve the Annual Governance Statement; it also monitors and reviews the Authority's Health & Safety and risk management policies and programmes.

The Internal Auditor reports to the Authority's Corporate Director of Resources & Business Development, but in order to ensure independence has direct access to the Chief Executive, Monitoring Officer, and the Audit Committee.

The Internal Auditor provides an independent opinion on the adequacy and effectiveness of the system of internal control, which is incorporated in the Annual Internal Audit Report to the Audit Committee. The Annual Internal Audit Report for 2010/11, which was presented to the Audit Committee on 2 June 2011 (Paper AUD/ 20/11), concluded that, based on the internal audit work undertaken, the Authority's internal control systems are considered to be adequate and effective.

A review of the effectiveness of the system of internal audit has been undertaken for 2010/11 in accordance with the Accounts and Audit Regulations 2006. This was presented to the Audit Committee on 2 June 2011 (Paper AUD/20/11) and concluded that the Authority's system of Internal Audit was effective.

The Audit Committee approved a new Risk Management Strategy in May 2010 (Paper AUD/06/10) (in which it was concluded that risk management arrangements are an established part of business operations and are entrusted with senior officers). The Strategic Risk register has undergone regular monitoring and this year Members have overseen the introduction of operational sub risk registers to ensure that risk management is conducted effectively at the lowest tiers of the organisation.

Senior Managers continue to carry out self assessment of the processes and controls they have in place to allow them to achieve their service objectives. This is reinforced by self assessment carried out by a cross section of employees as part of the Performance Management Framework using the European Foundation for Quality Management (EFQM) model.

Reporting on performance management information to the Executive Committee and the Scrutiny Committee has taken place over the course of the year. Based on the information provided during the year and reviews of data quality, controls can be seen to be satisfactorily in place.

The review of the effectiveness of the system of internal control is informed by:

- The work of managers within the Authority;
- The work of the Internal Auditor;
- The work of Corporate Risk Management;
- Performance Management Information; and
- The external auditors in their annual audit letter and other reports.

The results of the review of the Authority's system of internal control have concluded that it is satisfactory and effective.

Significant Governance Issues

One of the most significant areas of governance will move the Authority's focus on the Olympics from construction to legacy. The strategic risk register has identified the 2012 Olympics legacy as the major risks and opportunities that could affect all of our key business objectives into the future. The award of the Olympics to London has impacted upon our land, business, financial and human resources.

The Authority expects to receive significant assets as a result of the Olympic Development Authority's work. The transfer of the Lee Valley White Water Centre was completed in December 2010 and this is reflected through the Authority's accounts increasing its asset base significantly. The centre has already been open to the public since 22 April 2011. The Velopark, and a range of facilities at Eton Manor will be transferred post-Olympics and will undergo significant transformation works. These additional asset transfers are likely to exceed a value of £100m and with that comes a responsibility to manage and operate these as economically and efficiently as possible.

All senior officers are working on Olympic related issues. All key issues are discussed by the Senior Management Team. There is also Member involvement where key decisions are taken in relation to Olympic issues through the Upper and Lower Lee Valley Planning & Regeneration Committees. It is important that the Authority remains focused on legacy issues and the related risk of the Olympics; this is reflected in the new Strategic Business Plan 2010-2020 that shows the effect of the Olympics risk on our business objectives and our financial planning.

The Authority has been working with a new governance structure. This was reviewed in July 2010 to ensure its management and decision making processes remain robust, relevant and fit for purpose. In support of the Full Authority there are now Executive, Audit and Scrutiny committees. The Authority will review the current committee structure after the 2012 Olympic games with a further review planned at its Annual General Meeting in 2013 (paper A/4099/10) to ensure that it's governance framework remains fit for purpose.

The Authority has reviewed its own financial reporting requirements in the context of the new International Financial Reporting Standards (IFRS). It has directly employed support from its own internal auditors to ensure that the Accounts are prepared in accordance with these standards from 2010/11. This work has been monitored by the Audit Committee on an on-going basis and is one of the major items reviewed as part of the Pre-Statements Audit by the external auditors.

Work has been completed thus ensuring that the current accounts are correctly restated for comparative purposes in future years. Members of the Audit Committee were presented with a paper explaining the impact of IFRS by the Corporate Director of Resources & Business Development (5 February 2010 Paper AUD/03/10) and were also provided with a training presentation by the Audit Commission. Regular update reports have continued to be presented to Members of the Audit Committee to allow them to fully discharge their duty in signing off the accounts of the Authority for 2010/11.

The economic climate has, and will continue to impact on the Public sector purse and particularly the finances of the Authority. The Authority sets the annual budget in the context of a three year business plan and the ten year business strategy. The assumptions behind this forecast are reviewed annually; the medium term financial forecast is restated and then approved by Members. The Authority is conscious of the financial pressures faced by the levied authorities and the spending assessments that impact on them. The levy was reduced by 2% for 2011/12 (0% for 2010/11) and officers and Members are committed to providing on-going savings and efficiencies to achieve economy and efficiency through the use of public funds whilst delivering its own core objectives detailed in the three year Business Plan 2010 – 2013. A further levy reduction of 2% is planned for 2012/13 subject to inflation and other economic factors prevailing at the time.

The Authority is continuing a robust plan of income generation projects across the Park to reduce its reliance on the levy. The key measure is to ensure that the reliance on the levy falls to 53% of the maximum the Authority can legally charge. An officer led Business Development Group is managing a variety of projects to create efficiencies, generate further income and to review the business operating model of the organisation. The work of this group is regularly monitored by the Members of the Executive Committee.

Reporting on the Authority's use of Public Funds demonstrates to stakeholders and Council Tax payers how their money is spent. Closing the accounts in a timely manner and receiving an unqualified Audit opinion provide information and evidence to those stakeholders about how the Authority works. This year the draft accounts have been produced over a month earlier and were available for audit during June. This will ensure that the statutory sign-off date in September can be met by the External Auditor.

Kulvinder Sihota
Corporate Director of Resources & Business Development

Alan Searing
Chairman - Audit Committee

Independent Auditor's report to Members of Lee Valley Regional Park Authority

Opinion on the Authority accounting statements
I have audited the accounting statements of Lee Valley Regional Park Authority for the year ended 31 March 2011 under the Audit Commission Act 1998. The accounting statements comprise the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Movement in Reserves Statement, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Lee Valley Regional Park Authority 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.

Respective responsibilities of the Director of Resources and Business Development and auditor
As explained more fully in the Statement of the Directors Responsibilities, the Director of Resources and Business Development is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom. My responsibility is to audit the accounting statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practice's 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 accounting statements sufficient to give reasonable assurance that the accounting 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 Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority; and the overall presentation of the accounting statements. I read all the information in the foreword to identify material inconsistencies with the audited accounting statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on accounting statements
In my opinion the accounting statements:
- give a true and fair view of the state of Lee Valley Regional Park Authority's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

Opinion on other matters
In my opinion, the information given in the foreword for the financial year for which the accounting statements are prepared is consistent with the accounting statements.

Matters on which I report by exception
I have nothing to report in respect of the governance statement on which I report to you if, in my opinion the governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007.

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

Auditor's responsibilities
I am required under Section 5 of the Audit Commission Act 1998 to satisfy myself that the Authority 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 me to report to you my conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

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

Basis of conclusion
I have undertaken my audit in accordance with the Code of Audit Practice, having regard to the criteria for other local government bodies published by the Audit Commission in October 2010.

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

Conclusion
On the basis of my work, having regard to the guidance on the specified criteria published by the Audit commission in October 2010, I am satisfied that, in all significant respects, Lee Valley Regional Park Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2011.

Certificate
I certify that I have completed the audit of the accounts of Lee Valley Regional Park Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Andrea White
District Auditor

Audit Commission
1st Floor, Millbank Tower
Millbank
London
SW1P 4HQ

29 September 2011

Comprehensive income and expenditure statement

Restated 2009/10 £'000		Note	2010/11 £'000
7,154	**Cultural, environmental, regulatory and planning services**	41	10,214
2,184	**Corporate and democratic core**	42	2,544
(1)	**Non-distributed costs**	42	(3,929)
9,337	**Cost of services**		**8,829**
(1)	**Other operating expenditure**	6	0
77	**Financing and investment income & expenditure**	7	(225)
(12,234)	**Non-specific grant income - levy**	8	(12,234)
(2,821)	**(Surplus) / deficit on provision of services**		**(3,630)**
(78)	(Surplus)/deficit on plant, property & equipment assets		(669)
9,699	**Actuarial (gains)/losses on pension liability**	29	(4,985)
(34)	**Other losses/(gains) to be included**		0
9,587	**Other comprehensive income & expenditure**		**(5,654)**
6,766	**Total comprehensive income and expenditure**		**(9,284)**

Balance sheet as at 31 March 2011

Restated as at 01-Apr-09 £'000	Restated as at 31-Mar-10 £'000		Note	As at 31-Mar-11 £'000
		Property, plant & equipment		
53,608	52,699	- other land and buildings	9	73,845
964	931	- vehicles, plant, furniture and equipment	9	5,947
1,982	1,917	- infrastructure	9	1,862
32,197	32,746	- community assets	9	33,012
3,701	3,781	**Investment properties**	10	4,614
0	0	**Intangible Assets**		0
92,452	**92,074**	**Total non-current assets**		**119,280**
0	0	Long term investments	38	1,500
883	883	Long term debtors		883
883	**883**	**Long term assets**		**2,383**
8,590	9,693	Short term investments	38	6,458
353	358	Inventories	12	368
483	2,410	Short term debtors	13	1,081
287	326	Payments in advance		3,924
1,344	2,041	Cash and cash equivalents	14	3,882
11,057	**14,828**	**Current assets**		**15,713**
(194)	(374)	Bank overdraft		(353)
(27)	(527)	Short term borrowing	39	(27)
(1,927)	(1,981)	Short term creditors	15	(8,062)
(163)	(99)	Receipts in advance		(208)
(2,311)	**(2,981)**	**Current liabilities**		**(8,650)**
0	0	Provisions	16	0
(1,261)	(734)	Long term borrowing	39	(708)
(8,049)	(17,998)	Net pension liability	29	(10,021)
0	0	Donated assets	23	(20,875)
(17,930)	(18,044)	Capital grants received in advance		(20,226)
(27,240)	**(36,776)**	**Long term liabilities**		**(51,830)**
74,841	**68,028**	**NET ASSETS**		**76,896**
		Usable reserves		
(4,427)	(6,608)	- General fund	5	(7,252)
(8,729)	(9,209)	- Earmarked revenue reserves	5	(9,773)
(497)	(497)	- Capital receipts reserve	5	0
(257)	(279)	- Capital grants unapplied	5	(279)
(4,591)	(5,006)	- Capital fund	5	(5,401)
(18,501)	**(21,599)**	**Total usable reserves**		**(22,705)**
		Unusable reserves		
(9,341)	(9,498)	- Revaluation reserve	17	(10,010)
8,049	17,998	- Pensions reserve	17	10,021
(55,073)	(54,954)	- Capital adjustment account	17	(54,264)
25	25	- Short-term accumulating compensated absences account	17	62
(56,340)	**(46,429)**	**Total unusable reserves**		**(54,191)**
(74,841)	**(68,028)**	**TOTAL RESERVES**		**(76,896)**

Statement of the movement in reserves

PLEASE NOTE: After the explanatory note below the first two tables of information relate to the prior year (ended 31 March 2010) and are for comparison to those for the year ended 31 March 2011 which are shown in tables 3 and 4.

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be applied to fund expenditure) and other reserves. The surplus or (deficit) on the provision of services line shows the true economic cost of providing the Authority's services, more details of which are shown in the comprehensive income and expenditure statement. These are different from the statutory amounts required to be charged to the general fund balance. The net increase/decrease before transfers to earmarked reserves line shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

Analysis of usable reserves - 2009/10

Analysis of usable reserves	Note	General fund balance £'000	Earmarked general fund reserves £'000	Capital receipts reserve £'000	Capital grants unapplied £'000	Capital fund £'000	Total Usable reserves £'000	Unusuable reserves £'000	Total Authority reserves £'000
Balance at 31 March 2009		**4,427**	**8,729**	**497**	**257**	**4,591**	**18,501**	**56,340**	**74,841**
Movement in reserves during 2009/10									
Surplus/(deficit) on the provision of services		2,846	0	0	0	0	**2,846**	(9,587)	**(6,741)**
Other comprehensive income and expenditure		0	0	0	0	0	**0**	0	**0**
Total comprehensive income and expenditure		**2,846**	**0**	**0**	**0**	**0**	**2,846**	**(9,587)**	**(6,741)**
Adjustments between accounting basis and funding basis under regulations	4	230	0	0	22	0	**252**	(369)	**(117)**
Net increase/decrease before transfer to earmarked reserves		**3,076**	**0**	**0**	**22**	**0**	**3,098**	**(9,956)**	**(6,858)**
Transfer to/from earmarked reserves		(895)	480	0	0	415	**0**	0	**0**
Transfers between reserves		0	0	0	0	0	**0**	0	**0**
Increase/(decrease) in 2009/10		**2,181**	**480**	**0**	**22**	**415**	**3,098**	**(9,911)**	**(6,813)**
Balance carried forward		**6,608**	**9,209**	**497**	**279**	**5,006**	**21,599**	**46,429**	**68,028**

Analysis of unusable reserves - 2009/10

Analysis of unusable reserves	Note	Revaluation reserve £'000	Pensions reserve £'000	Capital adjustment account £'000	Short-term compensated absences £'000	Total unusable reserves £'000
Balance at 31 March 2009		**9,341**	**(8,049)**	**55,073**	**(25)**	**56,340**
Movement in reserves during 2009/10						
Surplus/(deficit) on the provision of services		112	(9,699)	0	0	**(9,587)**
Other comprehensive income and expenditure		0	0	0	0	**0**
Total comprehensive income and expenditure		**112**	**(9,699)**	**0**	**0**	**(9,587)**
Adjustments between accounting basis and funding basis under regulations	4	0	(250)	(119)	0	**(369)**
Net increase/decrease before transfer to earmarked reserves		**112**	**(9,949)**	**(119)**	**0**	**(9,956)**
Transfer to/from earmarked reserves		0	0	0	0	**0**
Transfers between reserves		0	0	0	0	**0**
Increase/(decrease) in 2009/10		**157**	**(9,949)**	**(119)**	**0**	**(9,911)**
Balance carried forward		**9,498**	**(17,998)**	**54,954**	**(25)**	**46,429**

Analysis of usable reserves - 2010/11

Analysis of usable reserves	Note	General fund balance £'000	Earmarked general fund reserves £'000	Capital receipts reserve £'000	Capital grants unapplied £'000	Capital fund £'000	Total usable reserves £'000	Unusuable reserves £'000	Total Authority reserves £'000
Balance at 31 March 2010		6,608	9,209	497	279	5,006	21,599	46,429	68,028
Movement in reserves during 2010/11									
Surplus/(deficit) on the provision of services		3,630	0	0	0	0	3,630	0	3,630
Other comprehensive income and expenditure		0	0	0	0	0	0	5,654	5,654
Total comprehensive income and expenditure		3,630	0	0	0	0	3,630	5,654	9,284
Adjustments between accounting basis and funding basis under regulations	4	(2,029)	0	0	0	0	(2,029)	1,611	(418)
Net increase/decrease before transfer to earmarked reserves		1,601	0	0	0	0	1,601	7,265	8,868
Transfer to/from earmarked reserves		(958)	564	0	0	395	0	0	0
Transfers between reserves		0	0	(497)	0	0	(497)	497	0
Increase/(decrease) in 2010/11		644	564	(497)	0	395	1,106	7,762	8,868
Balance carried forward		7,252	9,773	0	279	5,401	22,705	54,191	76,896

Analysis of unusable reserves - 2010/11

Analysis of unusable reserves	Note	Revaluation reserve £'000	Pensions reserve £'000	Capital adjustment account £'000	Short-term compensated absences £'000	Total Unusuable reserves £'000s
Balance at 31 March 2010		9,498	(17,998)	54,954	(25)	46,429
Movement in reserves during 2010/11						
Surplus/(deficit) on the provision of services		0	0	0	0	0
Other comprehensive income and expenditure		669	4,985	0	0	5,654
Total comprehensive income and expenditure		669	4,985	0	0	5,654
Adjustments between accounting basis and funding basis under regulations	4	0	2,992	(1,344)	(37)	1,611
Net increase/decrease before transfer to earmarked reserves		669	7,977	(1,344)	(37)	7,265
Transfer to/from earmarked reserves		0	0	0	0	0
Transfers between reserves		(157)	0	654	0	497
Increase/(decrease) in 2010/11		512	7,977	(690)	(37)	7,762
Balance carried forward		10,010	(10,021)	54,264	(62)	54,191

Cash flow statement as at 31 March 2011

Restated 2009/10 £'000		Note	2010/11 £'000
2,821	**Net surplus / (deficit) on the provision of services**	CI&E	3,630
2,305	Depreciation/impairment of property, plant and equipment	9	2,781
(433)	Other non-cash movement		15
(80)	Revaluation gains for investment properties	9	(409)
250	Pension fund adjustments	29	(2,992)
3	carrying amount of non current assets sold		0
(5)	(Increase)/decrease in stock	Balance sheet	(10)
(1,927)	(Increase)/decrease in debtors	Balance sheet	1,329
54	Increase/(decrease) in creditors	Balance sheet	2,580
4	Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities		0
2,992	**Net cash flows from operating activities**		6,924
	Investing activities		
(1,670)	Purchase of non current assets	9	(8,244)
0	Other capital cash payments		0
(1,103)	Repayment/(purchase) of short-term investments	Balance sheet	3,235
0	Purchase of long term investments	38	(1,500)
(2,773)	**Net cash outflow from investing activities**		(6,509)
	Financing activities		
(27)	Repayments of borrowings	Balance sheet	(527)
325	Capital grants received in advance	23	1,974
298	**Net cash outflow from financing activities**		1,447
517	Net increase or decrease in cash and cash equivalents		1,862
1,150	Cash and cash equivalents at the beginning of the reporting period		1,667
1,667	**Cash and cash equivalents at the end of the reporting period**		3,529
	Cash and cash equivalents at the end of the reporting period		
2,041	Cash and cash equivalents	Balance sheet	3,882
(374)	Bank overdraft	Balance sheet	(353)
1,667	**Cash and cash equivelents**		3,529

Note 1
Notes to the financial statements

Statement of accounting policies

1. First time adoption of the code of practice 2010 based on international financial reporting standards

The statement of accounts summarises the Authority's transactions for the 2010/11 financial year and its position at the year-end of 31 March 2011. The Authority is required to prepare an annual statement of accounts by the Accounts and Audit Regulations 2003 which those Regulations require 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 2010/11 and the Best Value Accounting Code of Practice 2010/11, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

These financial statements are the first financial statements of Lee Valley Regional Park Authority prepared in accordance with the Code of Practice 2010: Based on International Financial Reporting Standards. The Authority has applied IFRS 1: first time adoption of International Financial Reporting Standards in preparing these financial statements except where interpretations or adaptations to fit the public sector are detailed in the code. All the financial statements until 31 March 2010 were prepared in accordance with previous Code of Practice 2009 which was largely based on UK GAAP. See note 2 for reconciliations and descriptions of the effect of transferring from UK GAAP to IFRS on the Authority's opening balance sheet at 1 April 2009 and closing balance sheet at 31 March 2010 and comprehensive income statement for the year ended 31 March 2010.

2. Accounting policies not yet adopted
In respect of the accounting standards that are not yet due to be adopted until the 2011/12 financial year the Authority is required by the Code to refer to them in its accounting policies.

International Financial Reporting Standards (IFRS) affecting the Authority will include accounting for heritage assets, changes to the reporting of remuneration packages and a small number of other changes which are very unlikely to have a material impact on the figures being reported in future years.

3. Accruals of expenditure and income
- Figures shown in the financial statements are based on the accruals concept, ie that income or expenditure is included in the year to which it relates irrespective of whether the authority has actually received the income or incurred the expenditure.

- Debtors - at the year end, the Authority prepare estimates for goods and services provided before 31 March and which at that date have not been paid for.

- Creditors - at the year end, the Authority prepare estimates for goods and services received before 31 March and which at that date have not been paid for.

4. Cash and cash equivalents
Cash comprises cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours (deposits held at call) and bank overdrafts. Cash equivalents are short term, highly liquid investments with maturities of 3 months or less at acquisition, that are readily convertible to known amounts of cash. Cash equivalents are held to meet short term liquidity requirements.

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 Authority's cash management.

5. Contingent assets
Contingent assets are possible assets which arise from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Authority's control.

In accordance with the Code, they are not recognised in the accounts, rather they are disclosed as a note to the accounts where the inflow of economic benefits or service potential is probable and can be reliably measured. Contingent assets are continually assessed to determine their position.

6. Contingent liabilities
Contingent liabilities are either:

a) Possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Authority's control, or

b) Present obligations arising from past events, but is not recognised because:
- It is not probable that a transfer of economic benefits will be required to settle the obligation, or
- The amount of the obligation cannot be measured with sufficient reliability.

In accordance with the Code, material contingent liabilities are not recognised within the accounts as an item of expenditure, rather, they are disclosed as a note to the accounting statements. Contingent liabilities are subject to a continual assessment to determine their position.

7. Employee benefits
The code requires the Authority to make an accrual in its accounts at year end for any annual leave and flexible working entitlement earned but not taken by employees at the end of the financial year – to the extent that employees are permitted to carry forward annual leave and flexitime to the following year.

The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the movement in reserves statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits
Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Pension costs
The Authority participates in one scheme, the Local Government Superannuation Scheme, which is a defined benefit final salary scheme administered by the London Pension Fund Authority (LPFA). The LPFA is designated an 'administering authority' within the Local Government Superannuation Regulations 1995. The LPFA maintains the fund and administers the terms of the scheme in respect of those who participate in it. The employers contributions is set by the Fund's actuary based on three-yearly actuarial valuations.

The liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

The assets of the pension fund attributable to the Authority are included in the balance sheet at their fair value:
- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pensions liability is analysed into seven 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 arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of non distributed costs
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement
- expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement
- gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement as part of non distributed costs
- 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 – debited to the pensions reserve
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the Authority 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 are earned by employees.

8. Events after the balance sheet date

Events arising after the balance sheet date should be reflected in the statement of accounts if they provide additional evidence of conditions that existed at the balance sheet date and materially affect the amounts to be included. For example, they could significantly alter an estimate of credit or debt or a bad debt provision allowed for in the accounts; could substitute a materially different actual figure for an estimate; or could reflect a permanent impairment or betterment in the financial position.

Where these post-balance sheet events occur, the amounts to be included in the statement of accounts are changed.

For events that are indicative of conditions that arose after the reporting period – the statement of accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

9. Exceptional items and prior period adjustments

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 Authority'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.

Where significant transactions have occurred during the financial year these have been included in the financial statements, and explained in the supporting notes. Please see note 2 for details of prior period adjustments made as a result of the transition to IFRS.

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

10. Financial instruments

Financial liabilities
Financial liabilities are recognised on the balance sheet when the Authority becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement for interest payable are based on carrying amount of the liability, multiplied by the effective rate of interest. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the borrowing to the amount at which it was originally recognised.

Gains or losses on the repurchase or early settlement of borrowing are credited and debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement in the year of repurchase or settlement.

Financial assets
Financial assets are recognised when the Authority becomes party to the financial instrument contract.

Financial assets are classified into two types:

a. Loans and receivables
Loans and receivables are non-derivative assets with fixed or determinable payments which are not quoted in active market. After initial recognition at fair value, they are measured at amortised cost using the effective interest method. For most of the loans that the Authority has made, this means that the amount presented in the balance sheet is the outstanding principal receivable (plus accrued interest); and interest credited to the comprehensive income and expenditure statement is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the de-recognition of an asset are credited or debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement .

When soft loan is made, a loss is recorded in the comprehensive income and expenditure statement for the present value of interest that will be foregone over the life of the instrument. A soft loan is a loan made at less than market rates. Interest is credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the balance sheet. Statutory provisions require that the impact of soft loans on the general fund balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the comprehensive income and expenditure statement to the net gain required against the general fund balance is managed by a transfer to or from the financial instruments adjustment account in the movement in reserves statement.

b. Fair value through profit and loss
A financial asset held for trading is classified as at fair value through profit or loss if it is:

- Acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- Part of portfolio of identified financial assets that are managed together and there is a evidence of short term profit taking, or
- A derivative. The investments managed by a fund manager will commonly not be held until maturity and are classified as being acquired principally for the purpose of selling or repurchasing in the near term, with evidence in place of short term profit taking.

11. Government grants and other contributions
Under IFRS, all such grants are to be treated as revenue income as soon as any conditions relating to the grant have been met. 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 grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

12. Inventories and long term contracts

The Authority value stocks and stores at the lower of actual costs and net realisable value, after allowing for obsolescent items. Facilities count their shop and café stocks then value them at historic cost price.

The Authority use a qualified agricultural stock valuer to establish the value of our dairy herd and farm supplies and consumables. The herd is valued on a market price and the dry stock is valued at historic cost.

13. Investment properties

Under the Code, an investment property is defined as a property which is held exclusively for revenue generation or for the capital gains that the asset is expected to generate. In this respect, the asset is not used directly to deliver the Authority's services.

Investment properties are initially measured at cost and thereafter at market value.

Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

14. Leases

Leases can be classified as either finance or operating leases. If a lease transfers substantially all the risks and rewards incidental to ownership it will be classified as a finance lease regardless of its legal form.

For assets leased under a finance lease, a debtor or creditor should be recognised at the lower of fair value of the asset and present value of the minimum lease payments as appropriate and the annual payments consist of an amount of interest plus an amount to clear the relevant debtor or creditor.

Leases that do not meet the definition of finance leases are accounted for as operating leases and the income or expenditure is either credited, or charged to, service revenue accounts on a straight-line basis over the term of the lease.

Under the Code, the land and buildings elements of a lease of land and buildings require separate identification for both lease classification and subsequent valuation. In most cases, the land element of a lease will be an operating lease.

There were no finance leases included in the Authority's 2009/10 accounts.

15. Non-current assets held for sale

The following criteria have to be met before an asset can be classified as held for sale under this section of the code:

- The asset (or disposal group) must be available for immediate sale in its present condition subject to terms that are usual and customary for sales of such assets (or disposal groups).
- The sale must be highly probable; the appropriate level of management must be committed to a plan to sell the asset (or disposal group) and an active programme to locate a buyer and complete the plan must have been initiated.
- The asset (or disposal group) must be actively marketed for a sale at a price that is reasonable in relation to its current fair value.

- The sale should be expected to qualify for recognition as a completed sale within one year of the date of classification and action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

16. Property, plant and equipment
All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment (PPE) is capitalised on the accruals basis in the accounts. Non-current assets are valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the RICS.

The capital value of any work the Authority undertakes on towpaths is included in the balance sheet as an asset, even though the Authority does not usually own them. Agreements are in place with British Waterways, which allow public access to the towpaths and continuing use of the related facilities.

Surpluses arising on the initial valuation of non-current assets are credited to the revaluation reserve. PPE are revalued every five years, but adjustments to the valuations are made in the interim to take account of significant changes as they occur. This year a partial revaluation has been commissioned and is reflected in these statements.

Capital expenditure that does not result in the acquisition of an asset is classified as 'revenue expenditure funded from capital under statute (formally deferred charges), and is written out to revenue in the year in which it is incurred.

The Authority accounts for its income from the disposal of PPE on an accruals basis. It is held in a usable capital receipts reserve that can be used to finance new capital expenditure.

Component accounting
Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives, they should be recognised separately. For example, certain assets such as the White Water Centre are made up of separate elements that have different useful lives.

There is no requirement to apply these changes retrospectively and instead components should be recognised separately as and when they are replaced.

Depreciation and useful economic life
Depreciation is provided for on the 'building' element of all non-current assets with a finite useful life, except investment and community assets. We calculate it using the reducing balance method.

Non-current assets are not depreciated in the year of acquisition.

PPE have a useful economic life, which is determined by the class of asset. Depreciation is calculated on this life except in the case of investment properties that are not depreciated.

Asset class	**Useful economic life**
Land and buildings	5 - 60 years
Vehicles, plant and machinery	5 -15 years
Infrastructure assets	10 - 40 years
Community assets	n/a

Charges to Revenue for Non-Current Assets
Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:
depreciation attributable to the assets used by the relevant service
revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement [equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance (England and Wales).
Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the

contribution in the General Fund Balance [MRP or loans fund principal], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17. Overheads
The Authority allocates the salaries and associated costs of central support services to the various front line services. This is in accordance with the costing principles of the CIPFA Best Value Accounting Code of Practice 2010/11 (BVACoP).

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

19. Reserves
The current system of local authority capital accounting requires three capital reserve accounts to be set up in the balance sheet:

- The revaluation reserve records the accumulated gains on the non current assets held by the authority arising from increases in value as a result of inflation or other factors.
- Capital adjustment account shows amounts set aside from revenue resources or capital receipts to finance expenditure on PPE or the repayment of external loans and certain other capital financing transactions.
- The usable capital receipts reserve, which contains the unused proceeds arising from disposing of assets that can be used to finance future capital expenditure.
- The Authority also has a capital fund, financed from contributions from the general fund, which can be used to finance future capital expenditure

Amounts appropriated to / from reserves are distinguished from service expenditure disclosed in the Statement of Accounts. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cash flow management.

20. 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 PPE has been charged as expenditure to the relevant service in the comprehensive income and expenditure statement in the year. It is the Authority's policy to write off the value of revenue expenditure funded from capital under statute to services and reflect them in the comprehensive income and expenditure statement in the year they arise. The movement in reserves statement will then reflect a transfer from the general fund balance to the capital adjustment account so that there is no impact on the levy.

21. Value added tax
Value Added Tax (VAT) has been adjusted to reflect the higher rate identified in the budget. The figures in the statements are net of VAT.

22. Borrowing
The Authority has a number of loans from the Public Works Loans Board (PWLB) to support the capital programme. These are repayable over several years and subject to not taking any new loans it is envisaged that these will be repaid by March 2016.

23. Earmarked reserves
The Authority maintains renewal and repairs funds to replace equipment and for major repairs to buildings or structures that we cannot fund in one year from service revenue budgets.

An insurance fund is maintained to self-insure certain risks. An example is storm damage to trees. The fund is also typically used to pay insurance policy excesses for claims against us by third parties. The services are charged with the any excess or claim and we adjust the fund balance by a transfer to or from the general fund.

24. Provision for bad & doubtful debts
All amounts outstanding on the sales ledger are reviewed to establish the likelihood of their recovery. Where debt is proving to be difficult to recover we create a provision for it. If that debt is then paid the provision is reversed, should the debt ultimately prove irrecoverable it will be written off against the provision.

25. Changes in accounting policies

The following policies have been changed in the current year:-

1	First Time Adoption of the Code of Practice 2010 Based on International Financial Reporting Standards	New
2	Accounting policies not yet adopted	New
3	Accruals of expenditure and income	Amended
4	Cash and cash equivalents	New
5	Contingent assets	Amended
6	Contingent liabilities	Amended
7	Employee benefits	New
8	Events after the balance sheet date	Existing
9	Exceptional items and prior period adjustments	New
10	Financial instruments	Amended
11	Government grants and other contributions	Amended
12	Inventories and long term contracts	Existing
13	Investment properties	Existing
14	Leases	Existing
15	Non-current assets held for sale	New
16	Property, plant and equipment	Amended
17	Overheads	Existing
18	Provisions	Existing
19	Reserves	Existing
20	Revenue expenditure funded from capital under statute	New
21	Value added tax	Existing
22	Borrowing	Existing
23	Earmarked reserves	Existing
24	Provision for bad & doubtful debts	Existing
25	Changes in accounting policies	Existing

Note 2 Transition to IFRS

The statement of accounts for 2010/11 is the first to be prepared on an IFRS basis. Adoption of the IFRS-based code has resulted in the restatement of various balances and transactions, with the result that some amounts presented in the financial statements are different from the equivalent figures presented in the statement of accounts for 2009/10.

The following tables explain the material differences between the amounts presented in the 2009/10 financial statements and the equivalent amounts presented in the 2010/11 financial statements.

Short-term accumulating compensated absences

Short-term accumulating compensated absences refers to benefits that employees receive as part of their contract of employment, entitlement to which is built up as they provide services to the Authority. The most significant benefit covered by this heading is holiday pay.

Employees build up an entitlement to paid holidays as they work. Under the code, the cost of providing holidays and similar benefits is required to be recognised when employees render service that increases their entitlement to future compensated absences. As a result, the Authority is required to accrue for any annual leave earned but not taken at 31 March each year. Under the previous accounting arrangements, no such accrual was required.

The Government has issued regulations that mean local authorities are only required to fund holiday pay and similar benefits when they are used, rather than when employees earn the benefits. Amounts are transferred to the accumulated absences account until the benefits are used.

Accruing for short-term accumulating compensated absences has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
Opening 1 April 2009 Balance sheet		
Current creditors	(1,902)	(25)
Accumulated absences account	0	(25)
31 March 2010 Balance sheet		
Current creditors	(1,956)	(25)
Accumulated absences account	0	(25)
2009/10 Comprehensive income and expenditure statement		
- no material adjustments following transition to IFRS made.		
Cost of Services (Net):		
Cultural, environmental and planning	7,013	25

Leases

The Authority has four leases, where the accounting treatment has changed following the introduction of the Code, relating to Three Mills, Picketts Lock Cinema, Picketts Lock Restaurant, and the Rye House Stadium. The lease term is 99, 125, 125, and 50 years respectively. The leases were previously classified as operating leases, but under the code, the buildings element of the lease has been classified as a finance lease.

As a consequence of classifying the buildings element of the lease as a finance lease, the financial statements have been amended as follows:

- The Authority has de-recognised an asset (the building) and recognised a finance lease debtor.
- The operating lease income in the comprehensive income and expenditure account has been reduced by the amount that relates to the buildings element of the lease payments.

- The interest element of the lease payment in respect of the buildings element is credited to the financing and investment income and expenditure line in the surplus or deficit on the provision of services.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
Opening 1 April 2009 Balance sheet		
Investment properties	5,529	(1,828)
Current debtors (finance lease debtor)	0	1
Other long-term debtors (finance lease debtor)	0	883
Revaluation reserve	9,564	(8)
Capital adjustment account	56,677	(1,820)
Deferred capital receipts	0	884
31 March 2010 Balance sheet		
Investment properties	5,609	(1,828)
Current debtors (finance lease debtor)	0	1
Other long-term debtors (finance lease debtor)	0	883
Revaluation reserve	9,812	(8)
Capital adjustment account	56,468	(1,820)
Deferred capital receipts	0	884
2009/10 Comprehensive income and expenditure statement:		
Cultural, environmental, regulatory & planning services	7,013	140
Financing and investment income and expenditure	656	(604)

The net change to cultural and related services consists of the removal of the operating lease income for the capital element of the lease (reduction of £32,000) and the reclassification of the interest element of the operating lease income to financing and investment income (reduction of £56,000).

The net decrease in the surplus or deficit on the provision of services is removed by the transfer of the capital element of the operating lease repayments of £32,000 from the deferred capital receipts reserve, as per statutory guidance. This transfer is shown in the movement in reserves statement.

Government grants

Under the code, grants and contributions for capital schemes are recognised as income when they become receivable. Previously, grants were held in a grants deferred account and recognised as income over the life of the assets which they were used to fund.

As a consequence of adopting the accounting policy required by the code, the financial statements have been amended as follows:

- The balance on the government/other grants deferred account at 31 March 2009 has been transferred to the capital adjustment account in the opening 1 April 2009 balance sheet when conditions have been met and expenditure has been incurred at 31 March 2009. Following the change in accounting policy, a portion has been recognised in the capital grants unapplied account, when conditions has been met but expenditure not yet incurred as at 31 March 2009.

- Portions of government grants deferred were previously recognised as income in 2009/10; these have been removed from the comprehensive income and expenditure statement in the comparative figures.

- There were grants received in 2009/10 where conditions have been met but no expenditure has been incurred as at 31 March 2010. Following the change in accounting policy, the grant has been recognised in full, and transferred to the capital grants unapplied account within the reserves section of the balance sheet.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
Opening 1 April 2009 Balance sheet		
Government grants deferred account	(17,046)	17,046
Capital grants unapplied (liabilities)	(257)	257
Capital grants received in advance (liabilities)	0	(17,046)
Capital grants unapplied (reserves)	0	(257)
31 March 2010 Balance sheet		
Government grants deferred account	(17,162)	17,162
Capital grants unapplied (liabilities)	(279)	279
Capital grants received in advance (liabilities)	0	(17,162)
Capital grants unapplied (reserves)	0	(279)
2009/10 Comprehensive income and expenditure statement:		
Cultural, environmental, regulatory & planning services	7,013	(348)

Cash and cash equivalents

The Code requires local authorities to disclose cash and cash equivalents on the face of the balance sheet. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Reclassifying items to cash equivalents following IAS 7 is a change of accounting policy that will require authorities to restate their opening balances in respect of cash and cash equivalents.

As a consequence of adopting the accounting policy required by the code, a portion of the balance on the temporary investments account as at 31 March 2009 and 31 March 2010 which meets the definition of a cash equivalent has been reclassified to cash and cash equivalents.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
Opening 1 April 2009 Balance sheet		
Investments	9,913	(1,323)
Cash and cash equivalents	21	1,323
31 March 2010 Balance sheet		
Investments	11,716	(2,023)
Cash and cash equivalents	18	(2,023)

Investment properties
Under the Code, gains or losses arising from a change in the fair value of investment properties should be recognised in surplus or deficit on the provisions of services. This is a change in accounting policy that requires local authorities to restate their opening balances appropriately.

As a consequence of adopting the accounting policy required by the code, the financial statements have been amended as follows:

- Any balances on the revaluation reserve in respect of investment properties as at 1 April 2009 has been transferred to the capital adjustment account.
- Any movements in value of investment properties in 2009/10 has been transferred to the CI&E, and subsequently reversed out in the movement in reserves statement to the capital adjustment account.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
Opening 1 April 2009 Balance sheet		
Revaluation reserve	(9,564)	(215)
Capital adjustment account	(56,677)	215
31 March 2010 Balance Sheet		
Revaluation reserve	(9,812)	31
Capital adjustment account	(56,468)	(31)
2009/10 Comprehensive income and expenditure statement		
Financing and investment income and expenditure	656	(31)

The Code also requires the rental income and direct expenditure on investment properties to be disclosed as part of financing and investment income & expenditure in the comprehensive income and expenditure statement. Previously, they were disclosed as part of net cost of services.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
2009/10 Comprehensive income and expenditure statement		
Cost of services (net):		
Cultural, environmental, regulatory & planning services	7,013	432
Financing and investment income and expenditure	656	(432)

Property, plant and equipment

Under the Code, a revaluation gain shall be used to reverse a previous revaluation decrease recognised in the surplus or deficit on the provision of services on the same asset. Thus, where previously the Authority had recognised gains in the revaluation reserve on an asset with revaluation losses previously recognised in the surplus or deficit on the provision of services, an adjustment for the amount is required between the revaluation reserve and the comprehensive income and expenditure statement. subsequently, this is reversed out of the general fund in the movement in reserves statement to the capital adjustment account.

This is a change in accounting policy that requires local authorities to restate their opening balances appropriately. This only affects the balance sheet as at 31 March 2010 and the 2009/10 comprehensive income and expenditure statement, as no such transactions occurred in the financial year ended 31 March 2009.

This has resulted in the following changes being made to the 2009/10 financial statements:

	2009/10 Statement £'000	Adjustments Made £'000
31 March 2010 Balance sheet		
Revaluation reserve	(9,812)	60
Capital adjustment account	(56,468)	(60)
2009/10 Comprehensive income and expenditure statement		
Cost of services (net):		
Cultural, environmental, regulatory & planning services	7,013	(60)

Note 3 Events after the balance sheet date

There are no events after the balance sheet date which require to be reported.

Note 4 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Movements between accounting basis and funding basis	Usable Reserves 2010/11					Usable Reserves 2009/10				
	General fund £'000	Earmarked £'000	Capital Receipts £'000	Capital fund £'000	Total Usuable reserves £'000	General fund £'000	Earmarked £'000	Capital Receipts £'000	Capital fund £'000	Total Usuable reserves £'000
Adjustments involving the Capital adjustment account:										
Reversal of items debited or credited to the Comprehensive income and expenditure statement:										
Charges for depreciation and impairment of non current assets	900				900	662				662
Revaluation losses on Property, plant and equipment	1,221				1,221	1,582				1,582
Movements in the market value of Investment properties					0	(31)				(31)
Capital grants and contributions applied					0	(348)				(348)
Amounts of non current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive income and expenditure statement						(1)				(1)
Insertion of items not debited or credited to the Comprehensive income and expenditure statement:										
Statutory provision for the financing of capital investment	(411)				(411)	(440)				(440)
Capital expenditure charged against the General fund	(1,444)				(1,444)	(1,444)				(1,444)
Write off donated asset	660				660					0
Adjustments involving the Capital receipts reserve:										
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and expenditure statement										
Transfer of fund balance to Capital adjustment account										
Adjustments involving the Pensions reserve:										
Reversal of items relating to retirement benefits debited or credited to the Comprehensive income and expenditure statement (see Note 29)	2,019				2,019	1,122				1,122
Reduction in liability in respect of change from CRI to RPI	(4,057)				(4,057)					
Employer's pensions contributions and direct payments to pensioners payable in the year	(954)				(954)	(872)				(872)
Adjustments involving the Deferred capital receipts reserve:										
Capital element of lease payments allowed to be retained in the General Fund					0	0			0	0
Adjustment involving the Short-term compensated 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	62				62				(25)	(25)
Prior year adjustment	(25)				(25)				25	25
Reversal of creditor					0					
Total Adjustments	**(2,029)**	**0**	**0**	**0**	**(2,029)**	**230**	**0**	**0**	**0**	**230**

Movements between accounting basis and funding basis	Unusable Reserves 2010/11					Unusable Reserves 2009/10				
	Revaluation reserve £'000	Pensions reserve £'000	Capital adjustment account £'000	Short-term compensated absences £'000	Total Unusable reserves £'000	Revaluation reserve £'000	Pensions reserve £'000	Capital adjustment account £'000	Short-term compensated absences £'000	Total 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 and impairment of non current assets			(900)		(900)			(662)		(662)
Revaluation losses on Property, plant and equipment			(1,221)		(1,221)			(1,582)		(1,582)
Movements in the market value of Investment properties					0			31		31
Capital grants and contributions applied			(209)		(209)			209		209
Amounts of non current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive income and expenditure statement								1		1
Insertion of items not debited or credited to the Comprehensive income and expenditure statement:										
Statutory provision for the financing of capital investment			411		411			440		440
Capital expenditure charged against the General fund			1,444		1,444			1,444		1,444
Write off donated asset			(660)		(660)			0		0
Adjustments involving the Capital receipts reserve:										
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and expenditure statement										
Transfer of fund balance to Capital adjustment account										
Adjustments involving the Pensions reserve:										
Reversal of items relating to retirement benefits debited or credited to the Comprehensive income and expenditure statement (see Note 29)		(2,019)			(2,019)	0	(1,122)		0	(1,122)
Reduction in liability in respect of change from CRI to RPI		4,057			4,057					
Employer's pensions contributions and direct payments to pensioners payable in the year		954			954	0	872		0	872
Adjustments involving the Deferred capital receipts reserve:										
Capital element of lease payments allowed to be retained in the General Fund			(209)		(209)	0			0	0
Adjustment involving the Short-term compensated 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				(62)	(62)				(25)	(25)
Prior year adjustment									25	25
Reversal of creditor				25	25					
Total Adjustments	**0**	**2,992**	**(1,344)**	**(37)**	**1,611**	**0**	**(250)**	**(119)**	**0**	**(369)**

Note 5 Transfers to/from earmarked reserves

The Authority keeps a number of reserves in the balance sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans. The following movements on reserves took place during the year.

Movement on reserves	Note	B/fwd 1st April 2010 £'000	(Gains) / Losses for the year £'000	C/fwd 31 March 2011 £'000
Renewals fund	i	(848)	(25)	(873)
Repairs fund	ii	(7,682)	(551)	(8,233)
Insurance fund	iii	(565)	13	(552)
Common area fund	iv	(114)	(1)	(115)
Earmarked revenue reserves		**(9,209)**	**(564)**	**(9,773)**
Capital fund	v	(5,006)	(395)	(5,401)
Total General fund earmarked reserves		**(14,215)**	**(959)**	**(15,174)**

i This reserve has been used to meet the costs of eventual replacement equipment within the park.

ii This reserve has been used to meet the costs of repairing equipment within the park.

iii This reserve is used to meet the costs of meeting excess and claims not covered by the policy.

iv This reserve has been set up to meet potential costs of undertaking work on the shared Picketts Lock Site.

v This reserve held to improve the facilities of the authority and no incorporates the Facilities Improvement Fund, that was previously held separately.

Usable reserves	B/fwd 1st April 2010 £'000	(Gains) / Losses for the Year £'000	C/fwd 31 March 2011 £'000
Usable reserves			
Earmarked reserves (above)	(14,215)	(959)	(15,174)
Capital receipts reserve	(497)	497	0
Capital grants unapplied	(279)	0	(279)
General fund	(6,608)	(644)	(7,252)
Total Usable reserves	**(21,599)**	**(1,106)**	**(22,705)**

Note 6 Other operating expenditure

	2010/11 £'000	2009/10 £'000
Gains/losses on the disposal of non current assets	0	(1)
Total	**0**	**(1)**

Note 7 Financing and investment income & expenditure

	Note	2010/11 £'000	2009/10 £'000
Interest payable and similar charges	11	137	134
Pension - interest on obligation less expected return on assets	29	688	637
Interest receivable on finance leases (lessor)	26	(241)	(116)
Investment interest	11	(83)	(114)
Changes in the fair value of investment properties	9	(409)	(31)
Rental received on investment properties	10	(342)	(433)
Write back of insurance surplus		25	0
Total		**(225)**	**77**

Note 8 Taxation and non-specific grant income

	2010/11 £'000	2009/10 £'000
Levies on local authorities	(12,234)	(12,234)
Capital grants and contributions	0	0
Total	**(12,234)**	**(12,234)**

Note 9 Non-current assets

2010/11	Land and buildings £'000	Vehicles plant and equipment £'000	Infrastructure assets £'000	Community assets £'000	Total excluding Investment properties £'000	Investment properties £'000	Total 2010/11 £'000
Net book value at 31/03/10	53,482	1,338	2,050	32,746	89,616	3,781	**93,397**
Revaluation	0	0	0	0	0	0	**0**
Impairment	0	0	0	0	0	0	**0**
Adjustment	0	0	0	0	0	0	0
Accumulated Depreciation	(783)	(407)	(133)	0	(1,323)	0	**(1,323)**
Net book value at 01/04/10	**52,699**	**931**	**1,917**	**32,746**	**88,293**	**3,781**	**92,074**
Additions	7,166	325	8	231	7,730	514	**8,244**
Disposals	0	0	0	0	0	0	**0**
Deletions	(1,569)	0	0	0	(1,569)	0	**(1,569)**
De-recognised	0	0	0	0	0	(12)	**(12)**
Depreciation	(674)	(163)	(63)	0	(900)	0	**(900)**
Donated Assets	16,018	4,857	0	0	20,875	0	**20,875**
Adjustment	(192)	(3)	0	35	(160)	(78)	**(238)**
Revaluation	1,618	0	0	0	1,618	409	**2,027**
Impairment	(1,221)	0	0	0	(1,221)	0	**(1,221)**
Net book value at 31/03/11	**73,845**	**5,947**	**1,862**	**33,012**	**114,666**	**4,614**	**119,280**

2009/10	Land and buildings £'000	Vehicles plant and equipment £'000	Infrastructure assets £'000	Community assets £'000	Total excluding Investment properties £'000	Investment properties £'000	Total 2009/10 £'000
Net book value at 31/03/09	53,999	1,166	2,049	32,197	89,411	3,701	93,112
Revaluation	0	0	0	0	0	0	**0**
Impairment	0	0	0	0	0	0	**0**
Adjustment	0	0	0	0	0	0	**0**
Accumulated Depreciation	(391)	(202)	(67)	0	(660)	0	**(660)**
Net book value at 01/04/09	**53,608**	**964**	**1,982**	**32,197**	**88,751**	**3,701**	**92,452**
Transfers	0	0	0	0	0	0	**0**
Additions	953	166	2	549	1,670	0	**1,670**
Disposals	(3)	0	0	0	(3)	0	**(3)**
Deletions	38	6	(1)	0	43	0	**43**
Depreciation	(392)	(205)	(66)	0	(663)	0	**(663)**
Donated Assets	0	0	0	0	0	0	**0**
Revaluation	137	0	0	0	137	80	**217**
Impairment	(1,642)	0	0	0	(1,642)	0	**(1,642)**
Net book value at 31/03/10	**52,699**	**931**	**1,917**	**32,746**	**88,293**	**3,781**	**92,074**

Capital commitments

Scheme		Commitment £'000s	Period
Myddelton House	Work on the large glass house at Myddelton House	400	2011/12

Note 10 Investment properties

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the comprehensive income and expenditure statement .

Rental income and expenses for investment properties	**2010/11**	**2009/10**
	£'000	**£'000**
Rental income from investment property	362	433
Direct operating expenses arising from investment property	20	0
Net gain (as per note 7)	**342**	**433**

There are restrictions on the Authority's ability to realise the value inherent in its investment property or on the Authority's right to the remittance of income and the proceeds of disposal. The Authority is required to obtain approval from the Secretary of State prior to disposal of investment properties.

The Authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

The following table summarises the movement in the fair value of investment properties over the year:

Movement in fair value of investment properties	**2010/11**	**2009/10**
	£'000	**£'000**
Balance at start of the year	3,781	3,701
Additions	514	0
Disposals	0	0
Net gains/losses from fair value adjustments	409	80
Adjustments	(78)	0
De-recognised finance leases previously operating leases	(12)	0
Balance at end of the year	**4,614**	**3,781**

Note 11 Financial instruments

Categories of financial instruments

The following catgories of financial instruments are carried in the balance sheet.

	Long-term		Current	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
	£'000	£'000	£'000	£'000
Investments				
Loans and receivables	1,500	0	10,340	11,734
Available-for-sale	0	0	0	0
Unquoted equity investment at cost	0	0	0	0
Financial assets at fair value through profit & loss	0	0	0	0
Total investments	**1,500**	**0**	**10,340**	**11,734**
Debtors				
Loans and receivables	0	0	0	0
Financial assets carried at contract amounts	883	883	1,081	2,410
Total debtors	**883**	**883**	**1,081**	**2,410**
Borrowings				
Financial liabilities at amortised cost	708	734	380	901
Financial liabilities at fair value through profit and loss	0	0	0	0
Total borrowings	**708**	**734**	**380**	**901**
Other Long Term Liabilities				
PFI and finance lease liabilities	0	0		
Total other long term liabilities	**0**	**0**		
Creditors				
Financial liabilities at amortised cost	0	0	0	0
Financial liabilities carried at contract amount	0	0	8,062	1,981
Total creditors	**0**	**0**	**8,062**	**1,981**

Gains and losses in relation to financial instruments

The gains and losses recognised in the income and expenditure account and statement of total recognised gains and losses in relation to financial instruments are made up as follows.

Financial instruments gains/losses	2010/11			2009/10		
	Liabilities measured at amortised cost £'000	Loans & receivables £'000	Total £'000	Liabilities measured at amortised cost £'000	Loans & receivables £'000	Total £'000
Interest payable and similar charges - see Note 7	137		137	134		134
Interest & investment income		(83)	(83)		(114)	(114)
	137	**(83)**	**54**	**134**	**(114)**	**20**

Fair value of assets and liabilities carried at amortised cost

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions.

Figures have been calculated by reference to the 'premature repayment' sets of rates in force on 31 March 2011, for 2010/11 and 31 March 2010, for 2009/10 where an instrument will mature in the next 12 months, its carrying amount is assumed to approximate to fair value.

For market debt fixed rate debt will need to be assessed on the basis of a present value for the future cash flows due under an instrument, discounted at the rate available currently in relation to the same loan from a comparable lender. Fair value is disclosed at 31 March of each year.

Financial liabilities

	2010/11		2009/10	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial liabilities	735	967	1261	1581
Long-term creditors	0	0	0	0

The fair value is higher than the carrying amount because the Authority's portfolio of loans are fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans.

Financial assets

	2010/11		2009/10	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Loans and receivables	11840	11840	11734	11734
Long-term debtors	883	883	883	883

The fair value is the same as the carrying amount as this is a reasonable approximation of fair value for financial instruments such as short term trade receivables and payables.

Note 12 Inventories

Inventories	Agricultural including livestock		Other stock including work in progress		Total	
	2010/11 £'000	2009/10 £'000	2010/11 £'000	2009/10 £'000	2010/11 £'000	2009/10 £'000
Opening balance	245	253	113	100	358	353
Net movement	22	(8)	(12)	13	10	5
Closing balance	**267**	**245**	**101**	**113**	**368**	**358**

Note 13 Debtors

Short term debtors	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
Central government bodies	371	1,903	266
Other local authorities	38	7	32
NHS bodies	3	0	0
Olympic Games and associated bodies*	0	62	9
Bodies external to general government (ie all other bodies)	669	438	176
Total	**1,081**	**2,410**	**483**

* Olympic Games and associated bodies comprise: Olympic Development Agency, London Organising Committee for the Olympic Games, London Development Agency, Olympic Park Legacy Company, East of England Development Agency, Sport England & London Marathon Trust.

Note 14 Cash and cash equivalents

Cash and cash equivalents	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
Bank current accounts	22	18	21
Short-term deposits with banks	3,860	2,023	1,323
Total cash and cash equivalents	**3,882**	**2,041**	**1,344**

Note 15 Creditors

Short term creditors	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
Central government bodies	217	133	166
Other local authorities	23	48	211
Olympic Games and associated bodies*	5,454	0	0
Bodies external to general government (ie all other bodies)	2,368	1,800	1,550
Total	**8,062**	**1,981**	**1,927**

* Olympic Games and associated bodies comprise: Olympic Development Agency, London Organising Committee for the Olympic Games, London Development Agency, Olympic Park Legacy Company, East of England Development Agency, Sport England & London Marathon Trust.

Note 16 Provisions

None required.

Note 17 Unusable reserves

	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
Revaluation reserve	(10,010)	(9,498)	(9,341)
Pensions reserve	10,021	17,998	8,049
Capital adjustment account	(54,264)	(54,954)	(55,073)
Short-term compensated absences account	62	25	25
Total unusable reserves	**(54,191)**	**(46,429)**	**(56,340)**

Revaluation reserve
The revaluation reserve contains the gains made by the Authority arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the capital adjustment account.

Revaluation reserve	2010/11 £'000	2009/10 £'000	2008/09 £'000
Balance at 1 April	(9,498)	(9,341)	(910)
Upward revaluation of assets	(273)	(123)	(8,828)
Surplus or deficit on revaluation of non-current assets not posted to the (surplus) or deficit on the provision of services	(9,771)	(123)	(8,828)
IFRS adjustment	(239)	(34)	397
Balance at 31 March	**(10,010)**	**(9,498)**	**(9,341)**

Capital adjustment account
The capital adjustment account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement 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 (with reconciling postings from the revaluation reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The account also contains revaluation gains accumulated on property, plant and equipment before 1

April 2007, the date that the revaluation reserve was created to hold such gains.

Note 4 provides details of the source of all the transactions posted to the account, apart from those involving the revaluation reserve.

Capital adjustment account	2010/11 £'000	2009/10 £'000	2008/09 £'000
Balance at 1 April	(54,954)	(55,073)	(51,652)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive income and expenditure statement:			
- Charges for depreciation and impairment of non current assets	(900)	(661)	(1,719)
- Revaluation losses on Property, plant and equipment	(2,148)	(1,345)	(4,312)
- Amounts of non current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive income and expenditure statement	0	1	0
Net written out amount of the cost of non current assets consumed in year	(3,048)	(2,005)	(6,031)
Capital financing applied in the year:			
- Capital grants and contributions credited to the Comprehensive income and expenditure statement that have been applied to capital financing	1,974	209	571
- Statutory provision for the financing of capital investment charged against the General fund	411	440	495
- Capital expenditure charged against the General fund	1,444	1,444	1,544
	3,829	2,093	2,610
Movements in the market value of Investment properties debited or credited to the Comprehensive income and expenditure statement	409	31	0
Capital receipts utilised	(500)	0	0
Balance at 31 March	**(54,264)**	**(54,954)**	**(55,073)**

Pension reserve

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 Authority 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 Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority 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.

Pension reserve	2010/11 £'000	2009/10 £'000	2010/11 £'000
Balance at 1 April	17,998	8,049	3,765
Actuarial (gains) or losses on pensions assets and liabilities	(9,042)	9,699	4,172
Reversal of items relating to retirement benefits debited or credited to the (Surplus) or deficit on the provision of services in the Comprehensive income and expenditure statement	2,019	1,122	944
Employer's pensions contributions and direct payments to pensioners payable in the year	(954)	(872)	(832)
Balance at 31 March	**10,021**	**17,998**	**8,049**

Short-term accumulating compensated absences

The short term compensated 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.

Short term compensated absences account	2010/11 £'000	2009/10 £'000	2008/09 £'000
Balance at 1 April	**25**	**25**	**0**
Settlement or cancellation of accrual made at the end of the preceding year	(25)	(25)	0
Amounts accrued at the end of the current year	62	25	25
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	0	0	0
Balance at 31 March	**62**	**25**	**25**

Note 18 Cash flow statement operating activities

As per paragraph H36 of the 2010/11 CIPFA guidance note, interest received and paid is included in operating activities. Thus no adjustment needed to reverse it out from the net surplus on the provision of services.

The cash flows for operating activities include the following items:

Interest payable and receivable	2010/11 £'000	2009/10 £'000
Interest paid	(137)	(134)
Interest received	83	170

Note 19 Reconciliation between management & financial reports

Directorate income & expenditure 2010/11	Central support services £'000	Property and regeneration £'000	Parklands and venues £'000	Total £'000
Fees, charges & other income	0	409	5,955	6,364
Government grants	0	0	1,085	1,085
Total income	**0**	**409**	**7,040**	**7,449**
Employee expenses	1,654	451	5,902	8,007
Other service expenses	826	174	6,801	7,801
Support service charges	0	0	0	0
Total expenditure	**2,480**	**625**	**12,703**	**15,808**
Net expenditure	**2,480**	**216**	**5,663**	**8,359**

Directorate income & expenditure 2009/10 Comparative figures	Central Support Services £'000	Property and Regeneration £'000	Parklands and Venues £'000	Total £'000
Fees, charges & other income	0	901	4,841	5,742
Government grants	0	0	0	0
Total income	**0**	**901**	**4,841**	**5,742**
Employee expenses	1,530	543	5,628	7,701
Other service expenses	654	160	6,564	7,378
Support service charges				0
Total expenditure	**2,184**	**703**	**12,192**	**15,079**
Net expenditure	**2,184**	**(198)**	**7,351**	**9,337**

Reconciliation of directorate income & expenditure to cost of services in the comprehensive income & expenditure statement

This reconciliation shows how the figures in the analysis of directorate income & expenditure relate to the amounts included in the comprehensive income and expenditure statement (CI&E).

Directorate analysis shown in comprehensive income and expenditure account	2010/11 £'000	2009/10 £'000
Net expenditure in the directorate analysis	8,359	9,337
Net expenditure of services & support not included in the analysis		
Amounts in the CI&E statement not reported to management in the analysis	(470)	0
Amounts included in the analysis not included in the CI&E statement		
Cost of service in CI&E statement	8,829	9,337

Reconciliation to subjective analysis

This reconciliation shows how surplus of deficit on the provision of services included in the CI&E statement.

2010/11 Subjective Analysis	Directorate Analysis £'000	Services & Support Services not in Analysis £'000	Amount not reported to management for decision making £'000	Amounts not included in CI&E £'000	Allocation of recharges £'000	Cost of Services £'000	Corporate amounts £'000	Total £'000
Fees, changes & other service income	6,364		4,057		5,800			16,221
Surplus or deficit on associates & joint ventures								0
Interest & investment income	322							322
Levy							12,234	12,234
Government grants & contributions								0
								0
Total income	**6,686**	**0**	**4,057**	**0**	**5,800**	**0**	**12,234**	**28,777**
Employee expenses	8,008							8,008
Other services expenses	7,801							7,801
Support service recharges					5,800			5,800
Depreciation, amortisation & impairment			3,375					3,375
Interest payments	163							163
Precepts & levies								0
Payment to housing capital receipts pool								0
Gain or loss on disposal of non-current assets								0
	15,972	**0**	**3,375**	**0**	**5,800**	**0**	**0**	**25,147**
Surplus or deficit on the provision of services	**9,286**	**0**	**(682)**	**0**	**0**	**0**	**(12,234)**	**(3,630)**

2009/10 Comparative figures	Directorate Analysis £'000	Services & Support Services not in Analysis £'000	Amount not reported to management for decision making £'000	Amounts not included in CI&E £'000	Allocation of recharges £'000	Cost of Services £'000	Corporate amounts £'000	Total £'000
Fees, changes & other service income	5,742		1,979		6,785			14,506
Surplus or deficit on associates & joint ventures								0
Interest & investment income	114							114
Income from council tax								0
Government grants & contributions				194			12,334	12,528
Total income	**5,856**	**0**	**1,979**	**194**	**6,785**	**0**	**12,334**	**27,148**
Employee expenses	7,701							7,701
Other services expenses	7,403							7,403
Support service recharges					6,785			6,785
Depreciation, amortisation & impairment			2,305					2,305
Interest payments	134							134
Precepts & levies								0
Payment to housing capital receipts pool								0
Gain or loss on disposal of non-current assets	(1)							(1)
	15,237	**0**	**2,305**	**0**	**6,785**	**0**	**0**	**24,327**
Surplus or deficit on the povision of services	**9,381**	**0**	**326**	**(194)**	**0**	**0**	**(12,334)**	**(2,821)**

Note 20 Members' allowances

During 2010/11 the Authority paid £12,939 (2009/10 £10,358) in Members' allowances and expenses.

Note 21 Staff remuneration

The remuneration paid to the Authority's senior employees is as follows:

Position	Salary fees and allowances £	**Bonuses £	***Expenses allowances £	Comp'n for loss of office £	Pension contribution £	Total inc pension 2010/11 £	Total inc pension 2009/10 £
Officers receiving over £150,000							
Chief Executive Officer (CEO) - S Dawson	152,450	0	2,913		25,885	**181,248**	184,487
Officers receiving between £50,000 and £150,000							
Corporate Director of Parkland & Venues/ Deputy CEO	119,670	0	2,816		20,942	**143,428**	143,161
Corporate Director of Resources & Business Development	107,490	0	2,261		18,811	**128,562**	128,782
Director of Regeneration and Property				46,753	55,363	**102,116**	119,440
Assistant Director of Resources & Business Development	79,723	0	2,697		13,689	**96,109**	92,126
Assistant Director of Parkland & Venues *	79,029	0	2,675		13,830	**95,534**	100,324
Assistant Director of Parkland & Venues (Operations) *	69,506	0	2,246		12,163	**83,915**	83,796
Assistant Director of Legal & Property *	73,203	0	2,757		12,811	**88,771**	88,863
Head of Business Development	60,376	0	3,068		10,566	**74,009**	10,218
Head of Communications	73,157	0	1,456		12,466	**87,079**	83,475
Head of Environmental Design	67,146	0	2,141		11,751	**81,038**	79,189
Head of Performance & Information	55,824	0	2,107		9,769	**67,701**	66,416
Head of Construction Projects	62,149	0	1,943		10,753	**74,845**	72,303
Head of Planning and Regeneration	70,719	0	2,665		12,376	**85,760**	85,961
	1,070,442	**0**	**31,745**	**46,753**	**241,174**	**1,390,114**	1,338,541

* Individuals' current job titles & remuneration with prior year's remuneration for previous roles

** Bonuses are not paid by LVRPA

*** Expense allowances typically include a car allowance, healthcare and reimbursement for travel and subsistence expenses.

All the Authority's employees receiving more than £50,000 remuneration for the year, excluding employer's pension contributions, were paid the following amounts:

Remuneration Bands *	2010/11 No. of Staff	2009/10 No. of Staff
£50,000 - 54,999	1	0
£55,000 - 59,999	1	1
£60,000 - 64,999	2	1
£65,000 - 69,999	2	1
£70,000 - 74,999	3	3
£75,000 - 79,999	0	2
£80,000 - 84,999	2	0
£85,000 - 89,999	0	1
£100,000 - 104,999	0	1
£105,000 - 109,999	1	1
£120,000 - 124,999	1	1
£155,000 - 159,999	1	1

*Remuneration bands with no staff in have been excluded.

Note 22 External audit costs

External audit costs	2010/11 £'000	2009/10 £'000
Fees payable to the Audit Commission for external audit services carried out by the appointed auditor	44	42

Note 23 Grant income

The Authority has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver.

Capital grants receipts in advance	2010/11 £'000	2009/10 £'000
Capital grants		
Improvement of open areas of the Authority	302	291
Other grants	1,672	34
	1,974	**325**

There were no grants credited to the Comprehensive Income and Expenditure Statement in 2010/11 and 2009/10.

The Authority has received the following donated asset the full details of which are given in the summary of significant matters (page 3 to 6), it has yet to be recognised as income as it has conditions attached that will require the monies or property to be returned to the giver. The balance at the year-end is as follows:

Donated assets account	2010/11 £'000	2009/10 £'000
Lee Valley White Water Centre	20,875	0
Total	**20,875**	**0**

Note 24 Related parties

Related parties are organisations or individuals that, as a result of their relationship with us, may exert, or be seen as exerting, influence over our business. Material transactions in 2010/11 were as follows:

Income	2010/11 £'000	2009/10 £'000
Levies receivable		
As per note 33 for analysis of levy	12,234	12,234
Capital grants receivable over £10,000		
Agregate Levy Sustainability Fund (ASLF), Natural England	0	99
Clayton Hill - environmental & conservation works to Clayton Hill Nazing		
Transport for London - Leyton Marsh - Additional cycle paths	0	10
Olympic Development Agency	58	111
London Development Agency	563	225
Olympic Property Legacy Company	200	0
London Marathon Trust - resurfacing grant Atheletics track	193	0

Income in the year from the four remaining Olympic Games & associated bodies, namely London Organising Committee for the Olympic Games, Sport England, Government Olympic Executive & the East of England Development Agency, did not exceed £1,000 in total. all figures are inclusive of VAT.

Payments	2010/11 £'000	2009/10 £'000
Olympic Development Agency - contributions to LV White Water Centre	3,466	**174**
London Development Agency	4	**0**

No payments were made in the year to the remaining Olympic Games & associated bodies, namely Olympic Property Legacy Company, London Marathon Trust, London Organising Committee for the Olympic Games, Sport England, Government Olympic Executive and the East of England Development Agency. All figures are inclusive of VAT.

Members and senior officers are required to complete a declaration of related-party transactions detailing any relationship they have.

Where there are transactions with borough and county councils (for example road sweeping and planning applications) these are conducted at arm's length.

The pension fund is administered by LPFA is also a related party as it affects the authority and its officers directly. Disclosures about the pension fund are made in Note 29.

This disclosure note has been prepared on the basis of specific declarations obtained in May 2011, in respect of related-party transactions. The Authority has prepared this disclosure in accordance with its current interpretation and understanding of IAS 24 and how it applies to the public sector, utilising current advice and guidance.

Note 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.

Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

Capital financing	2010/11 £'000	2009/10 £'000
Opening capital financing requirement	10,991	10,446
Capital investment		
Property, plant and equipment	7,730	1,670
Investment properties	514	0
Intangible assets	0	0
Sources of finance		
Capital receipts	0	0
Government grants and other contributions	(1,668)	(325)
Sums set aside from revenue:		
Direct revenue contributions	(1,241)	(360)
Increase in capital creditors	(5,454)	0
MRP/loans fund principal	(411)	(440)
Closing capital financing requirement	10,461	10,991
Explanation of movements in year		
Increase in underlying need to borrowing (supported by government financial assistance)	(350)	0
Increase in underlying need to borrowing (unsupported by government financial assistance)	(180)	545
Assets acquired under finance leases		
Assets acquired under PFI/PPP contracts		
Change in capital financing requirement	(530)	545

Calculation of minimum revenue provision	2010/11 £'000	2009/10 £'000
Prior year closing balances		
Non current assets	92,074	92,452
Long term assets	883	883
Revaluation reserve	(9,498)	(9,341)
Capital adjustment account	(54,954)	(55,073)
Capital grants received in advance	(18,044)	(17,930)
Capital financing requirement as at 31 March	**10,461**	**10,991**
MRP calculation (in accordance with regulation 28)		
4% of capital financing requirement	411	440
Minimum revenue provision	**411**	**440**

Capital financing requirement	2010/11 £'000	2009/10 £'000
Capital financing requirement	10,461	10,991
Minimum revenue provision	**411**	**440**
Provision for depreciation	(900)	(661)
Impairment due to consumption of economic benefit	(1,221)	(1,642)
Deferred grants written back this year	202	209
Minimum revenue provision	411	440
Reconciling amount for provisions for loan repayment	(1,508)	(1,654)

Note 26 Leases

Authority as a lessee - operating
The Authority has one significant operating lease relating to the land for the King George Reservoir.

The future minimum lease payments due under non-cancellable leases in future years are:

	2010/11 £'000	2009/10 £'000
Not later than 1 year	10	10
Later than one year and not later than five years	40	40
Later than five years	50	60
	100	**110**

This land acquired under the operating lease is sub-let, and the future minimum sub lease payments expected to be received by the Authority in future years are:

	2010/11 £'000	2009/10 £'000
Not later than 1 year	11	11
Later than one year and not later than five years	42	42
Later than five years	157	168
	210	**221**

The expenditure charged to the cultural, environmental, and planning services line in the comprehensive income and expenditure statement during the year in relation to this lease was:

	2010/11 £'000	2009/10 £'000
Minimum lease payments	10	10
Sub lease payments receivable	(11)	(11)
	(1)	**(1)**

Authority as a lessor - operating
The Authority has a number of properties that have tenants who pay commercial rent. These are treated as operating leases, based on an assessment against the code.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2010/11 £'000	2009/10 £'000
Not later than one year	119	119
Later than 1 year and not later than 5 years	477	477
Later than 5 years	7,490	7,609
	8,086	**8,205**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2010/11 £23 contingent rents were receivable by the Authority (2009/10: £23k).

The Authority recognises that in substance an operating lease exists between itself and the London Organising Committee of the Olympic Games (LOCOG) for the period of the Olympic Games separately for the use of the White Water Centre and also the Velopark.

As no material value can be attached to these arrangements they are regarded by the Authority as a unique and one-off short term arrangement and so no accounting entries have been made in respect of these matters.

Finance leases

The Authority has four leases, where the accounting treatment has changed following the introduction of the Code, relating to Three Mills, Picketts Lock Cinema, Picketts Lock Restaurant, and the Rye House Stadium. The lease term is 99, 125, 125, and 50 years respectively. The leases were previously classified as operating leases, but under the code, the buildings element of the lease has been classified as a finance lease.

The Authority has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Authority in future years whilst the debtor remains outstanding.

The gross investment is made up of the following amounts:

	2010/11 £'000	2009/10 £'000
Finance lease debtor as at 31 March 2011	927	1,043
Unearned finance income	10,195	10,195
Gross investment in lease as at 31 March 2011	**11,122**	**11,238**

The gross investment in the lease and the minimum lease payments will be received over the following periods:

Gross investment in lease	2010/11 £'000	2009/10 £'000
Not later than one year	116	116
Later than 1 year and not later than 5 years	465	465
Later than 5 years	10,541	10,657
	11,122	**11,238**

Note 27 Impairment losses

The following assets have been impaired in the last financial year as a result of either obsolescence, deterioration or movements in Market Value.

Asset	**Net loss per asset £'000**
Land & Buildings	
Myddelton House	23
Myddelton House Gardens	651
Marshgate Cottage	147
Riverside (Former Lee Valley Leisure Pool Site)	400
	1,221

Note 28 Termination benefits

The authority terminated the contract of a Director in 2010/11, incurring liabilities of £102,116 (£Nil in 2009/10). Of this total, £46,753 is payable to the Director of Regeneration and Property, in the form of compensation for loss of office and enhanced pension benefits of £55,363, as disclosed in Note 21.

Note 29 Disclosure of net pensions asset/liability

Disclosure of net pensions assets and liabilities
The Authority participates in the Local Government Pension Scheme, administered by London Pensions Fund Authority. This is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund which are calculated to balance the pension liabilities with investment assets.

As part of the terms and conditions of employment of our officers and other employees, we offer retirement benefits. Although these benefits will not actually be payable until employees retire, we must disclose our commitment to make the payments at the time that employees earn their future entitlement.

The table below summarises the membership data as per the triennial actuarial valuation as at 31 March 2010.

Member data summary	Number	Salaries/ Pensions £'000	Average Age
Actives	154	4,781	42
Deferred pensioners	247	458	44
Pensioners	195	957	70

The Authority recognises the cost of retirement benefits in the net cost of services when the benefits are earned by employees, rather than when they are eventually paid. However, the charge we are required to make against local taxpayers is based on the cash payable in the year, so the real cost of retirement benefits is removed from the income and expenditure statement after net operating expenditure.

The net liability (ie the amount by which the pensions liabilities exceed its assets) of £10.021m affects the Authority's net worth as recorded in the balance sheet. However, statutory arrangements for funding the deficit mean that the Authority's financial position remains healthy. 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.

Liabilities have been assessed on an actuarial basis using the projected unit method. This estimates pensions that will be payable in future years depending on assumptions about factors such as mortality rates and salary levels. The scheme liabilities have been assessed by Barnett Waddingham , an independent firm of actuaries, their estimates for the fund being based on the latest full valuation of the scheme as at 31 March 2010. The next full valuation is due in the financial year 2013/14.

Assumptions as at:	31/03/2011 % per year	31/03/2010 % per year	31/03/2009 % per year
RPI increases	3.5%	3.9%	3.1%
CPI increases	2.7%	n/a	n/a
Salary increases	4.5%	5.4%	4.6%
Pension increases	2.7%	3.9%	3.1%
Discount rate	5.5%	5.5%	6.9%

These assumptions are set with reference to market conditions at 31 March 2011.

In the UK budget statement on 22 June 2010 the Chancellor announced that with effect from 1 April 2011 public service pensions would be up-rated in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI).

This has the effect of reducing the LVRPA's liabilities in the Local Government Pension Scheme Fund by £4.057 million and has been recognised as a past service gain in accordance with guidance set down in UITF Abstract 48, since the change is considered to be a change in benefit entitlement. There is no impact upon the General Fund.

International Accounting Standard (IAS) 19 requires that the expected return on assets is set by the employer having taken actuarial advice. Our actuaries have advised the following returns for the year to 31 March 2011.

	Expected Return at		
	31/03/2011	31/03/2010	31/03/2009
Assets class	% p.a.	% p.a.	% p.a.
Equities	7.4%	7.5%	7.0%
Target return portfolio	4.5%	4.5%	5.5%
Alternative assets	6.4%	6.5%	6.0%
Cash	3.0%	3.0%	4.0%
Other bonds	5.5%	5.5%	n/a
Total	**6.7%**	**6.8%**	**6.4%**

Reconciliation of fair value of employer assets

Reconciliation of fair value of employer assets	31/03/2011 £'000	31/03/2010 £'000
Opening fair value of employer assets	24,881	18,774
Expected return on scheme assets	1,726	1,219
Contributions by members	320	308
Contributions by employer (including unfunded)	954	869
Assets acquired in a business combination	0	0
Actuarial gains/(losses)	407	4,338
Receipt/(payment) of bulk transfer value	0	0
Benefits paid (net of transfers in & inc unfunded)	(1,036)	(627)
Closing fair value of employer assets	27,252	24,881

The movement in the net pension liability for the year to 31 March 2011 is as follows:

Movement in pension liability	31/03/2011 £'000	31/03/2010 £'000
Surplus/(deficit) at start of year	(17,998)	(8,049)
Current service cost	(1,265)	(486)
Employer contributions (regular)	875	793
Employer contributions (special payment)	0	0
Contributions for unfunded benefits	79	79
Past service costs	4,057	0
Impact of settlements and curtailments	(66)	0
Net return on assets	(688)	(637)
Actuarial gains/(losses)	4,985	(9,698)
Surplus/(deficit) at end of year	(10,021)	(17,998)

Comparative figures for previous years are as follows:

Prior year comparatives	31/03/2011 £'000	31/03/2010 £'000	31/03/2009 £'000	31/03/2008 £'000	31/03/2007 £'000
Fair value of scheme assets	27,252	24,887	18,774	23,849	24,759
Present value of defined benefit obligation	(37,273)	(42,885)	(26,823)	(27,614)	(29,588)
Surplus / (Deficit)	(10,021)	(17,998)	(8,049)	(3,765)	(4,829)
Experience gains / (losses) on assets	407	4,340	(6,739)	(2,465)	219
Exp. gains / (losses) as a % of scheme assets	1.5%	17.4%	(35.9%)	(10.3%)	0.9%
Experience gains / (losses) on liabilities	2,652	153	46	(124)	(42)
Exp. gains / (losses) as a % of scheme liabilities	7.12%	0.36%	0.17%	(0.45%)	(0.14%)
Cumulative actuarial gain	(9,711)	(14,697)	(4,998)	(826)	(1,892)

Recognised actuarial gain	31/03/2011 £'000	31/03/2010 £'000
Actual return less expected return on pension-scheme assets	82	4,338
Experience gains and (losses) arising on the scheme liabilities	2,977	153
Changes in financial assumptions underlying the present value of the scheme liabilities	1,926	(14,189)
Actuarial gain/(loss) in pension plan	4,985	(9,698)
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	0	0
Actuarial gain/(loss) recognised in statement	4,985	(9,698)

Balance sheet disclosure as at 31 March 2011

Net pension liability as at	**31/03/2011 £'000**	**31/03/2010 £'000**	**31/03/2009 £'000**
Present value of funded obligation	36,231	41,787	25,778
Fair value of scheme assets (bid value)	27,252	24,881	18,774
Net Liability	**8,979**	**16,906**	**7,004**
Present value of unfunded obligation	1,042	1,092	1,045
Unrecognised past service cost	0	0	0
Net liability in Balance sheet	**10,021**	**17,998**	**8,049**

Profit and loss account costs for the Year to 31 March 2011

The amounts recognised in the profit & loss statement are:	**Year to 31/03/2011 £'000**	**Year to 31/03/2010 £'000**
Current service cost	1,265	483
Interest on obligation	2,414	1,856
Expected return on Scheme assets	(1,726)	(1,219)
Past service cost	(4,057)	0
Losses (Gains) on curtailments & settlements	66	0
Total	(2,038)	1,120
Actual return on Scheme assets	1,807	5,558

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	**Year to 31/03/2011 £'000**	**Year to 31/03/2010 £'000**
Opening defined benefit obligation	42,879	26,823
Service cost	1,265	483
Interest cost	2,414	1,856
Actuarial losses (gains)	(4,578)	14,036
Losses (gains) on curtailments	66	0
Estimated bebefits paid (net of transfers in)	(957)	(548)
Past service cost	(4,057)	0
Contributions by scheme participants	320	308
Unfunded pension payments	(79)	(79)
Closing defined benefit obligation	37,273	42,879

Note 30 Nature & risks of financial instruments

Risks arising from financial instruments

The Authority's activities expose it to a variety of financial risks:

- credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

Credit risk

The Authority carries out certain functions for which charges are levied and invoices have to be raised. Facilities should secure payment for provision of services before the date of the event. Where ongoing agreements are in place payment is collected at the beginning of the contract or by monthly instalments by direct debit. As a result of this Authority has a proportionally small accounts receivable ledger for an organisation its size. The Authority's policy is to set aside a provision for bad debts in order to minimise the effect of default by customers and the provision made for debts as at 31 March 2011 was £3,400.

At 31 March 2011 amounts owed by customers stood at £230,000, (£185,000 31 March 2010). In this context a customer is any person or organisation for whom an invoice is raised in the Authority's main accounts receivable ledger. Ranging from small value invoices to individuals to multi-million pound invoices for contracted works. The Authority's standard terms are for payment within 30 days, and payment up front for hire of facilities. The £230,000 outstanding is analysed by age as follows.

Aged debtor profile	2010/11 £'000	2009/10 £'000
Less Than 30 Days	78	113
31 to 60 Days	10	11
61 to 90 Days	8	10
91+ Days	134	119
Unallocated Credits	0	(68)
	230	185

Generally no provision is made for debts less than 12 months old except where there are concerns about specific debts. Debts over 12 months old will usually be the subject of litigation or agreed payment plans and the decision on whether to provide for them, and for how much, will depend upon individual circumstances which include an assessment of current credit status, outstanding county court judgements and the progress of litigation. The Authority's biggest debtor is Picketts Lock Bowls Club owed £87,465 of the total outstanding, this has been passed to legal to recover.

Additional credit risk arises from deposits with banks and financial institutions and the Authority's general policy objective is to invest its surplus funds prudently. The Authority's investment priorities are:

- security of the invested capital
- liquidity of the invested capital
- an optimum yield which is commensurate with security and liquidity

The Authority sets limits on principal amounts invested and the duration of those investments, dependant on the financial standing of institutions and applied sector and country limits in line with their financial strength.

The Authority's treasury management policy states that deposits can be made with banks and the top 7 listed building societies. Full details can be found in the Authority's treasury management policy.

The operation of some building societies does not require them to have a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Authority uses such building societies that have a minimum asset size of £10,000 million, but restrict these types of investments.

The CLG's guidance on investments, revised during 2009/10, reiterated security and liquidity as the primary objectives of a prudent investment policy. Although the guidance becomes operative on 1st April 2010, its principal recommendations run parallel to the credit risk management requirements in the revised treasury management code. In the revised guidance, specified investments are those made with a body or scheme of "high credit quality". Both the guidance and the revised treasury management code emphasise that counterparty credit criteria should not rely on credit ratings alone but should include a wider range of indicators. The revised code requires that ratings assigned by all three rating agencies – Fitch, Moody's and Standard & Poor's – be taken into account and the lowest rating be used.

After the particularly torrid economic recession and a severe downturn in growth that extended into early 2009, there were some signs of a 'recovery'. In order to stimulate growth, the Bank of England maintained the bank rate at 0.5% throughout the year and also took extreme measures to revive the economy through its quantitative easing (QE) programme. The increased supply of money in the system due to QE did not however translate into an increase in the movement of money in the system as banks were, and still are, unwilling to lend.

Therefore during another year of economic uncertainty and the continued reluctance of 'bank to bank' lending, managing counterparty risk continued to be the Authority's overwhelming investment priority.

The following analysis summarises the authority's potential maximum exposure to credit risk as at 31 March 2011.

Credit rating of institutions holding investments

Credit rating of institutions holding investments	**Long Term Credit Rating**	**Principal Sum Invested as at 31-Mar-11 £'000**	**Principal Sum Invested as at 31-Mar-10 £'000**
FITCH rating agency - banks	AA	3,214	4,186
FITCH rating agency - banks	AA-	5,360	2,023
		8,574	6,209
Moody's rating agency building societies	BAA3	0	2,282
Moody's rating agency building societies	AA3	3,244	3,225
		3,244	5,507
Total invested		**11,818**	**11,716**

The following analysis summaries the authority's potential maximum exposure to credit risk based on experience of default and non-collection over the last five financial years.

	at Nominal Value 31 Mar 2011 £'000	**experience of defaults 31 Mar 2011 £'000**	**at Nominal Value 31 Mar 2010 £'000**	**experience of defaults 31 Mar 2010 £'000**
Deposits with banks and financial institutions at nominal value	11,818	0	11,716	0

The authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Liquidity risk
The Authority ensures it has adequate though not excessive cash resources, borrowing arrangements, overdraft and standby facilities to enable it, at all times, to have the level of funds available which are necessary for the achievement of its business / service objectives.

The Authority has access to the following to assist with liquidity:

- An overdraft facility of £50,000 overnight with our bankers – NatWest Bank.
- A Special Interest bearing account with Natwest
- A Call account with Santander PLC from which monies can be ‘called back’

As the Authority has access to borrowings from the public works loan board, there is not thought to be a significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The maturity analysis of financial liabilities at nominal value is as follows.

	2010/11 £'000	2009/10 £'000
Less than 1 year	27	527
Between 1 and 2 years	27	27
Between 2 and 5 years	681	81
More than 5 years	0	627
	735	1,262

Market risk
The Authority seeks to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek protection from the effects of such fluctuations.

The Authority is exposed to significant risk in terms of its exposures to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest rate expense charge to the income and expenditure account would rise
- Borrowings at fixed rate – the fair value of the liabilities borrowings would fall
- Investments at variable rate – the interest income credited to the income and expenditure account would rise
- Investments at fixed rates – the fair value of the assets would fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the income and expenditure or STRGL. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the income and expenditure account and affect the general fund balance pound for pound.

Price risk
The Authority manages its exposure to fluctuations in prices so as to minimise any detrimental impact on its budged income / expenditure levels. The Authority does not invest in instruments such as equity shares as part of its treasury function and thus has no exposure to loss arising from movements in price.

Foreign exchange risk

The Authority manages its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budged income / expenditure levels. The Authority has no financial assets or liabilities denominated in foreign currencies and thus have no exposure to loss arising from movements in exchange rates.

Note 31 Publicity expenditure

	2010/11 £'000	2009/10 £'000
Recruitment advertising	23	65
Other advertising	146	230
	169	295

Note 32 Internal insurance

We manage insurable risk externally, through commercial insurance, and from our own resources. services contribute to the insurance fund to cover agreed liabilities, such as storm damage to trees, and certain uninsured losses, particularly insurance-claim excesses. The surplus or deficit shown is the difference between total contributions from services, and claims made or provided for in the year. Surpluses are normally re-invested in (and deficits made good from) the insurance fund.

Note 33 Analysis of levy

	2010/11 £'000	2009/10 £'000
Corporation of London	18	18
Inner London boroughs		
Camden	291	289
Greenwich	239	241
Hackney	225	221
Hammersmith and Fulham	241	245
Islington	263	259
Kensington and Chelsea	304	304
Lambeth	316	316
Lewisham	267	267
Southwark	294	291
Tower Hamlets	257	247
Wandsworth	381	376
Westminster	395	397
Outer London boroughs		
Barking and Dagenham	158	158
Barnet	419	420
Bexley	254	256
Brent	294	293
Bromley	405	407
Croydon	386	387
Ealing	357	359
Enfield	335	336
Haringey	260	261
Harrow	264	264
Havering	272	273
Hillingdon	299	297
Hounslow	263	262
Kingston Upon Thames	189	188
Merton	227	225
Newham	228	230
Redbridge	276	274
Richmond Upon Thames	271	271
Sutton	225	226
Waltham Forest	230	233
Hertfordshire and Essex authorities		
Hertfordshire	1,360	1,365
Essex	1,614	1,619
Thurrock	157	159
Total levies on local authorities	12,234	12,234

Note 34 Local Government Act 1972

No expenditure fell under 137 of the Local Government Act 1972, which allows an authority to incur expenditure that it believes is in the area's best interests but is not otherwise authorised by law.

Note 35 Local Authorities (Goods and Services) Act 1970

No work was done for other local authorities or public bodies under the local authorities (goods and services) Act 1970.

Note 36 Non-current asset valuations

Following a full valuation at the end of 2008/09 and a partial valuation in 2009/10 a further partial valuation was commissioned in 2010/11, this targeted properties whose values could have changed due to economic or policy changes. This exercise was undertaken by Montagu Evans, Chartered Surveyors, as part of a five year rolling programme. Valuation were made in accordance with the statements of asset valuation practice and guidance notes of The Royal Institution of Chartered Surveyors as at 31 March 2011.

The following table summarises when the authority's non-current assets, excluding vehicles plant and equipment, infrastructure and community assets will be valued as part of the five year rolling programme. Those assets which when valued in future will be include values of components may include an equipment component.

The valuations comply with the reporting requirements to show, where appropriate the separate value of land and the separate value of buildings for those prescribed categories of non-current assets together the value of components of those specified non-current assets on the next occasion when one of the following events occurs with each of the specified non-current assets:- acquisition, significant additional spend or change to the economic life of the asset or the next time it is to be revalued in the five year rolling programme.

Rolling valuation cycle	**at 2010/11 valuations**				
	2009/10	**20010/11**	**2011/12**	**2012/13**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Property - not Community or Investment	19,549	40,147	11,041	7,968	78,702
Investment properties	541	3,254	819	0	4,614
Total Valuation	20,090	43,401	11,860	7,968	83,316

Total land and buildings as per note 9 and balance sheet	73,845
Add engineering plant @ LVWWC included in vehicles, plant and equipment as per note 9	4,857
Total Property - not community assets or investment property	78,702
Investment property as per note 9 and balance sheet	4,614
Grand Total	**83,316**

Note 37 Information on assets held

Lee Valley Park was established in 1967 to help meet the leisure needs of the people of London, Hertfordshire and Essex. It stretches along 23 miles of the River Lea from east London to Ware in Hertfordshire. It was created to regenerate 4000 hectares of land and water for a wide range of sporting, leisure and nature conservation activities.

A breakdown of our significant fixed assets, excluding investment properties, is given below:

Leisure/sports centres	Lee Valley Ice Centre, Leyton
	Lee Valley Athletics Centre
	Lee Valley White Water Centre
Golf courses	Lee Valley Par 3 Golf Course, Leyton
	18 - hole golf course at Lee Valley Leisure Complex
Riding centre	Lee Valley Riding Centre, Leyton
Farms	Holyfieldhall Farm, Waltham Abbey
	Hayes Hill Farm, Waltham Abbey
Boatyards	Lee Valley Marina, Springfield, Clapton
	Lee Valley Marina, Stanstead Abbotts
Campsites/caravan parks	Lee Valley Campsite, Sewardstone
	Lee Valley Caravan Park, Dobbs Weir
Sports ground	Myddelton House sports ground
Heritage sites	Three Mills Centre
	Myddelton House Gardens, Enfield
	Rye House Gatehouse, Hoddesdon
	Lee Valley Waterworks Centre
	Gunpowder Park, Waltham Abbey
	Abbey Gardens, Waltham Abbey
The Park and its open spaces	Spitalbrook, Broxbourne
(Community assets)	Essex & Middlesex Filter Beds, Leyton
	Tottenham Marshes
	Waltham and Cheshunt Marshes
	Fishers Green, Waltham Abbey
	Cathagena Estate, Broxbourne
	Wharf Road, Wormley

We also directly own over 1,400 hectares of the land and water resources which make up a total of about 4,000 hectares of the Lee Valley from Ware in Hertfordshire to the Thames at East India Dock.

Note 38 Investments

The Authority's investments consist of:

Long term investments	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
NatWest enhanced fixed rate bond - Issue 15	1,500	0	0
	1,500	**0**	**0**

Bond matures on 13 August 2012 - interest rate 2.58% gross per annum, AER 2.83%

Short term investments	31-Mar-11 £'000	31-Mar-10 £'000	01-Apr-09 £'000
Maturing within 7 days	3,214	4,185	3,167
Maturing between 7 days and 3 months	3,244	0	3,175
Maturing between 3 months and 1 year	0	5,508	2,248
	6,458	**9,693**	**8,590**

Note 39 Borrowing

Long term borrowing

Long term borrowing	2010/11 £'000	2009/10 £'000	2008/9 £'000
Analysis of loan by type			
Public Works Loan Board	708	733	1,261
	708	733	1,261
Analysis of loan by maturity			
Between 1 and 2 years	27	27	527
Between 2 and 5 years	681	81	81
Between 5 and 10 years	0	626	653
More than 10 years	0	0	0
	708	734	1,261

Short term borrowing

Short term borrowing	2010/11 £'000	2009/10 £'000	2008/9 £'000
Analysis of loan by type			
Public Works Loan Board	27	527	27
	27	527	27

Analysis of loan by maturity

Loan maturity schedule	2010/11	2009/10	2008/09
	£'000	£'000	£'000
Short-term borrowing			
Loans Maturity Within 1 Year	27	527	27
Long-term borrowing			
Between 1 and 2 years	27	27	527
Between 2 and 5 years	681	81	81
Between 5 and 10 years	0	626	653
More Than 10 years	0	0	0
	708	734	1,261
Total Loans	735	1,261	1,288
Amount applied to loan repayment	527	27	527
LOAN MOVEMENT SUMMARY			
Total loans outstanding 01 April	1,261	1,288	1,816
New loans taken out	0	0	0
Loans repaid	527	27	527
Total loans outstanding 31 March	734	1,261	1,289

Note 40 Contingent assets and liabilities

There is evidence of contaminated land in some areas of the Park. At this stage the level of contamination and the associated costs of any remedial action cannot be quantified, some work has commenced in particular on reviewing existing studies carried out on areas of land in the Park and a fuller investigation will be undertaken to establish as far as practically possible the extent of this problem and then seek to identify any possible contingent liability.

In respect of the Lee Valley White Water Centre, the Authority has a contingent liability of £900,000 in relation to its lottery funding agreement with Sport England and £4m in relation to its funding agreement with East of England Development Agency (EEDA).

In addition, the Authority has a contingent liability of £5.25m on in respect of the Velopark in relation to the lottery funding agreement between the Authority, Sport England and the ODA. The Authority also has a contingent liability of £2m in relation to a funding agreement with the London Marathon Trust. It is anticipated that the LVRPA will receive the Velopark back after the Olympic Games by no later than 2015.

Note 41 Cultural, environmental, regulatory and planning services

Segmental analysis	Gross Income 2010/11 £'000	Gross Expenditure 2010/11 £'000	Net expenditure 2010/11 £'000	Net expenditure 2009/10 £'000
Culture and heritage				
Arts development and support				
Arts development	0	0	0	8
Heritage				
Rye House Gatehouse	0	12	12	19
Three Mills	(1)	28	27	34
Total culture and heritage	(1)	40	39	61
Recreation and sport				
Leisure and environment management	(808)	2,407	1,599	1,528
London Olympics 2012	0	149	149	132
Sports development and community recreation				
Sports development	0	102	102	98
Sports and recreation facilities				
Lee Valley Leisure Centre	(684)	1,021	337	117
Lee valley Ice Centre	(1,075)	1,606	531	726
Lee Valley Leisure Pool	(42)	490	448	416
Lee Valley Cycle Circuit	0	8	8	(87)
Lee Valley Riding Centre	(617)	982	365	303
Lee Valley Waterworks Centre	(143)	354	211	223
Lee Valley Leisure Centre Common Areas	(162)	82	(80)	19
Lee Valley White Water Centre	(39)	1,389	1,350	22
Lee Valley Athletics Centre	(420)	1,296	876	1,488
Total recreation and sport	(3,990)	9,886	5,896	4,985

Segmental analysis	Gross Income 2010/11 £'000	Gross Expenditure 2010/11 £'000	Net expenditure 2010/11 £'000	Net expenditure 2009/10 £'000
Open spaces				
Park services management	0	0	0	0
Countryside recreation and management				
Fisheries management	(127)	190	63	21
Lee Valley Marina Springfield	(436)	531	95	61
Lee Valley Marina Stanstead Abbotts	(379)	442	63	81
King George Reservoir South	(11)	9	(2)	2
Lee Valley Boat Centre	(25)	23	(2)	7
Lee Valley Farm Holyfieldhall	(482)	651	169	159
Lee Valley Farm Hayes Hill	(313)	513	200	191
Broxbourne Riverside Chalets	0	6	6	4
Lee Valley Campsite	(567)	574	7	25
Lee Valley Caravan Park	0	42	42	40
Youth and Schools	(34)	226	192	182
Myddelton House Gardens	(10)	1,016	1,006	215
East India Dock and Bow Creek	(1)	59	58	61
Countryside areas	(207)	2,028	1,821	1,348
Gunpowder Park	(132)	227	95	182
Abbey Gardens	(3)	159	156	135
Biodiversity Action Plan	0	126	126	127
Total open spaces	(2,727)	6,822	4,095	2,841
Tourism				
Tourism policy, marketing and development				
Corporate marketing	0	28	28	27
Visitor services				
Lee Valley Information Centre	0	63	63	62
Total tourism	0	91	91	89
Planning policy				
Planning	(800)	910	110	98
Total planning policy	(800)	910	110	98

Segmental analysis	Gross Income 2010/11 £'000	Gross Expenditure 2010/11 £'000	Net expenditure 2010/11 £'000	Net expenditure 2009/10 £'000
Housing services				
Authority accommodation	(135)	131	(4)	12
Total housing services	(135)	131	(4)	12
Service management and support-services				
Chief Executive	(1,011)	1,011	0	0
Resources and Business Development	(2,509)	2,482	(27)	(963)
Human Resources	(212)	226	14	31
Performance Management	(327)	327	0	0
Myddelton House HQ Services	(345)	345	0	0
Total support-services	(4,404)	4,391	(13)	(932)
Total cultural, environmental, regulatory & planning services	(12,057)	22,271	10,214	7,154

Note 42 Corporate and democratic core & non-distributed costs

Corporate and democratic core & non distributed costs	Gross Income 2010/11 £'000	Gross Expenditure 2010/11 £'000	Net expenditure 2010/11 £'000	Net expenditure 2009/10 £'000
Corporate and democratic core				
Corporate management	0	1,396	1,396	1,201
Democratic representation and management	0	1,148	1,148	983
Total corporate and democratic core	0	2,544	2,544	2,184
Non-distributed costs				
Non-distributed costs	(4,057)	128	(3,929)	(1)
Total non-distributed costs	(4,057)	128	(3,929)	(1)

Note 43 Support service recharges

The net cost of services includes recharges from service management and support services. These costs are re-allocated to the front line-services, corporate management and democratic management based on several criteria as shown below.

Service	Criteria
Chief Executive	Floor Space (m^2)
PR and Communications	Floor Space (m^2)
Finance	Employees (no)
Legal	Employees (no)
IT	Terminals (no)
Property	Floor Space (m^2)
Myddleton House	Floor Space (m^2)
Parklands and Venues Manangement	Floor Space (m^2)

Glossary of financial terms and abbreviations

Accounting policies
Those principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:
i. recognising;
ii. selecting measurement bases for; and
iii. presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised; the basis on which it is to be measured; and where in the income and expenditure account or balance sheet it is to be presented.

Actuarial gains and losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:
i. events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
ii. the actuarial assumptions have changed.

Capital expenditure
Expenditure on the acquisition of a non-current (IFRS term – SORP term fixed) asset or expenditure which adds to and not merely maintains the value of an existing non-current asset.

Class of long term assets
The classes of long term assets required to be included in the accounting statements are:

- Property, plant and equipment, expected to be used in more than one period;
- Investment property;
- Intangible assets;
- Long term investment;
- Investment in associates and joint ventures; and
- Surplus assets, held for disposal.

Further analysis of any of these items should be given if it is necessary to ensure fair presentation.
Operational assets Non-operational assets:

Community assets
Assets that the Authority intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historical buildings.

Consistency
The principle that the accounting treatment of like items within an accounting period, and from one period to the next is the same.

Contingent Asset
A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the local authority's control.

Contingent Liability
A contingent liability is either:
i. a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control; or
ii. a present obligation arising from past events where it is not probable that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

Corporate and democratic core
The corporate and democratic core comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single-purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Current service cost (pensions)
The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Curtailment
For a defined benefit pension scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

i. termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business; and
ii. termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Revenue expenditure funded from capital under statute
Expenditure which may properly be capitalised, but which does not result in, or remain matched with, assets controlled by the Authority. For instance, capital grants given to external bodies, or loans awarded for capital purchases.

Defined benefit scheme
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).

Depreciation
The measure of the cost or re-valued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes the wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, the passage of time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.

Discretionary benefits
Retirement benefits which the employer has no legal, contractual or constructive obligation to award and are awarded under the authority's discretionary powers, such as the local government (discretionary payments) regulations 1996.

Estimation techniques
The methods adopted by an entity to arrive at estimated monetary amounts, corresponding to the measurement bases selected, for assets, liabilities, gains, losses and changes to reserves. Estimation techniques implement the measurement aspects of accounting policies. An accounting policy will specify the basis on which an item is to be measured; where there is uncertainty over the monetary amount corresponding to that basis, the amount will be arrived at by using an estimation technique. Estimation techniques include, for example;

i. methods of depreciation, such as straight-line and reducing balance, applied in the context of a particular measurement basis, used to estimate the proportion of the economic benefits of a tangible fixed asset consumed in a period; or
ii. different methods used to estimate the proportion of debts that will not be recovered, particularly where such methods consider a population as whole rather than individual balances.

Events after the balance sheet date
Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the statement of accounts is authorised for issue.

Exceptional items
Material items which derive from events or transactions that fall within the ordinary activities of the Authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

Expected rate of return on pensions assets
For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Extraordinary items
Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items nor do they include prior period items merely because they relate to a prior period.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another.

Finance lease
A finance lease is one that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. It should be presumed that such a transfer of risks and rewards occurs if at the inception of a lease the present value of the minimum lease payments including any initial payment, amounts to substantially all (normally 90 per cent or more) of the fair value of the leased asset. The present value should be calculated by using the interest rate implicit in the lease. However, where the present value of the minimum lease payments does not amount to 90 per cent or more of the fair value of the leased asset, it should not be automatically assumed that the lease is not a finance lease. FRS 5 requires that the substance of the transaction be reflected and therefore the lease may still need to be classified as a finance lease.

Notwithstanding the fact that the lease meets the definition above, the presumption that an asset should be classified as a finance lease may in exceptional circumstances be rebutted if it can be clearly demonstrated that the lease in question does not transfer substantially all the risks and rewards of ownership (other than legal title) to the lessee.

IAS 19 (under SORP FRS17)
IAS 19 is the UK accounting standard relating to pensions accounting. It requires that an organisation should account for retirement benefits when it is committed to give then, even if the actual giving will be many years into the future. IAS 19, the code standard covers a wider range of benefits than FRS17, the SORP standard, as it includes not only short term benefits but post employment, e.g. pensions, other long term employee benefits and termination benefits. It requires all short term benefits to be accounted for as they are earned. IAS 19 also distinguishes between accumulating and non accumulating benefits.

Going concern
The concept that the Authority will remain in operational existence for the foreseeable future, in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government grants
Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Impairment
A reduction in the value of a fixed asset below its carrying amount on the balance sheet.

Infrastructure assets
These are assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy, for example highways and footpaths

Interest cost (pensions)
For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investment properties
Interest in land and/or buildings:
i. in respect of which construction work and development have been completed; and
ii. which is held for its investment potential, with any rental income being negotiated at arm's length.

Investments (non-pensions fund)
A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the Authority. Investments should be so classified only where an intention to hold the investment for the long-term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment. Investments, other than those in relation to the pensions fund, that do not meet the above criteria should be classified as current assets.

Liquid resources
Current asset investments that are readily disposal by the Authority without disrupting its business and are either readily convertible to known amounts of cash at or close to the carrying amount, or traded in an active market.

Net book value
The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net current replacement cost
The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net realisable value
The open market value of the asset in its existing use (or market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-operational assets
Non-current assets held by the Authority but not used or consumed in the delivery of services or for the service or strategic objectives of the Authority. There are three categories of non-operational assets; investment properties; assets that are surplus to requirements and assets under construction. It should be noted that the incidence of rental income does not necessarily mean that the asset is an investment property; it should be deemed an investment property only if the asset is held solely for investment purposes and does not support the service or strategic objectives of the authority and the rental income is negotiated at arms length.

Operating leases
A lease other than a finance lease.

Operational assets
Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility or for the service or strategic objectives of the authority.

Past service cost
For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Prior period adjustments
Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. A fundamental error is one that is of such significance as to destroy the validity of the financial statements. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Related parties
Two or more parties are related parties when at any time during the financial period:
i. one party has direct or indirect control of the other party; or
ii. the parties are subject to common control from the same source; or
iii. one party has influence over the financial and operational policies of the other party to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
iv. the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Examples of related parties of an authority include:
i. central government;
ii. local authorities and other bodies' precepting or levying demands on the council tax;
iii. its subsidiary and associated companies;
iv. its joint ventures and joint venture partners;
v. its members;
vi. its chief officers; and
vii. its Pension Fund.

Examples of related parties of a pension fund include its:
i. administering authority and its related parties;
ii. scheduled bodies and their related parties; and
iii. trustees and advisers.

These lists are not intended to be comprehensive.
For individuals identified as related parties, the following are also presumed to be related parties:
i. members of the close family, or the same household, and
ii. partnerships, companies, trusts or other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

Related party transactions
A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Examples of related party transactions include:
i. the purchase, sale, lease, rental or hire of assets between related parties;
ii. the provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund;
iii. the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
iv. the provision of services to a related party, including the provision of pension fund administration services;
v. transactions with individuals who are related parties of an authority or a pension fund, except that applicable to other members of the community or the pension fund, such as council tax, rents and payments of benefits.

This list is not intended to be comprehensive.
The materiality of related party transactions should be judged not only in terms of their significance to the authority, but also in relation to its related party.

Remuneration
All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Residual Value
The net realisable value of an asset at the end of its useful life. Residual values are based on prices prevailing at the date of the acquisition (or revaluation) of the asset and do not take account of expected future price changes.

Retirement benefits
All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either

i. an employer's decision to terminate an employee's employment before the normal retirement date or
ii. an employee's decision to accept voluntary redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme liabilities
The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflects the benefits that the employer is committed to provide for service up to the valuation date.

Settlement
An irrevocable action that relieves the employer (or the defined benefit scheme) of the primary responsibilities for a pension obligation and eliminates significant risks relating to the obligation and the assets used to effect the settlement. Settlements include:

i. a lump-sum cash payment to scheme members in exchange for their rights to receive specified pension benefits;
ii. the purchase of an irrevocable annuity contract sufficient to cover vested benefits; and
iii. the transfer of scheme assets and liabilities relating to a group of employees leaving the scheme.

Stocks
The amount of unused or unconsumed stocks held in expectation of future use. When use will not arise until a later period, it is appropriate to carry forward the amount to be matched to the use or consumption when it arises. Stocks comprise the following categories:

i. goods or other assets purchased for resale;
ii. consumable stores;
iii. raw materials and components purchased for incorporation into products for sale;
iv. products and services in intermediate stages of completion;
v. long-term contract balances; and
vi. finished goods.

Tangible non-current assets
Tangible assets that yield benefits to the Authority and the services it provides for a period of more than one year.

Useful life
The period over which the Authority will derive benefits from the use of a non-current asset.