

**DRAFT UNAUDITED FINAL ACCOUNTS 2023/24**

Presented by the Head of Finance

**SUMMARY**

This report details the draft unaudited Statement of Accounts for 2023/24 and summarises the headlines from those financial statements. The Accounts will be subject to external audit, the dates of which are subject to confirmation.

Actual operational spending on all Authority facilities and services was reported to Executive Committee in May 2024 (Papers E/853/24 and E/854/24) with all variations then fully explained.

Further adjustments relating to expenditure not yet capitalised and farm produce valuation were also reported within the Revenue Outturn report.

The result is an end of year position on the income and expenditure account of a £1.97million surplus against the General Fund reserve, along with £3.273million capital expenditure. Additionally, there was net expenditure of £0.325million charged to earmarked reserves.

**RECOMMENDATIONS**

- Members Note:
- (1) the draft Statement of Accounts for 2023/24; and
  - (2) that any changes recommended by the Auditor at the conclusion of any Audit will be incorporated into the revised Financial Statements, for approval by Audit Committee.

**BACKGROUND**

- 1 The Accounts and Audit Regulations 2015, as amended in June 2022 state that Financial Statements should be approved and published by 30 September.
- 2 In addition to publication of the audited accounts, the Authority is required to make available the draft unaudited accounts for public inspection for a period of 30 working days which should include the first 10 working days of June. The Authority published the notice on 31 May, with the period for the exercise of public rights covering the period 3 June 2024 to 12 July 2024 inclusive.

## AUDIT PLANNING

- 3 Due to significant delays in approval of accounts across the local government sector, the Department for Levelling Up, Housing and Communities (DLUHC) announced a range of proposals in July 2023 to attempt to address the backlog of local audits in England.

The Government have engaged with both the local government sector, and the Financial Reporting Council (FRC) since the Summer. DLUHC published a report in November 2023 on its findings from its inquiry to clear this backlog.

On 8 February, DLUHC launched consultations on the proposals for clearing the audit backlog.

The first phase of this involved a reset involving clearing the backlog of historical audit opinions up to and including financial year 2022/23 by 30 September 2024. The consultation ran for the period 8 February 2024 to 7 March 2024. At production of this report, the result of the consultation period has not yet been announced.

One of the recommendation within the consultation was to amend the dates for approval of accounts, from the current 30 September to one of 31 May 2025 for the financial year 2023/24. There then follows a gradual pulling in of approval dates up until 2027/28, after which the deadline reverts again to 30 September.

- 4 The external auditor, Ernst & Young (EY) have indicated that subject to the conclusion and recommendations of the consultation, their current intention is to present an indicative audit planning report at the Audit Committee in September 2024, with the audit fieldwork taking place at the end of the calendar year.

## GENERAL FUND SERVICE SPENDING

- 5 The provisional actual expenditure for each service and venue has been reported to Executive Committee in the Revenue Outturn report in May (Paper E/853/24). Spending on our venues and services generated £0.23million, with a further £1.82million received in respect of VAT refund from HMRC.

Further adjustments were subsequently required in respect of capital expenditure relating to Rammey Marsh that was held within revenue pending a possible future capital receipt, adjustment to valuation of Holyfieldhall Farm produce, and a small overspend on s106 projects that was not covered by grants received.

	£000s
<b>Revenue Outturn</b>	<b>£2,052</b>
Land Disposal Costs Left in Revenue	-52
Stock Adjustments (Farm Produce)	-29
S106 expenditure not covered by Income	-1
<b>Common Fund movement in Financial Accounts</b>	<b>1,970</b>

The unallocated General Fund has increased from £3.021million to £4.991million as a result of this surplus.

**CAPITAL SPENDING AND FINANCING**

- 6 Gross capital expenditure totalled £3.273million, which excluded expenditure charged against earmarked revenue reserves, such as the Asset Maintenance Fund. The net outturn is fully explained in the Provisional Capital Outturn reported to Executive Committee in May 2024 (Paper E/854/24).

Of this £1.64million related to the Lee Valley Ice Centre redevelopment.

- 7 Capital expenditure has been financed as follows.

	£000s
External Debt	£1,641
Capital Receipts	£1,363
Capital Grants Applied	£198
Revenue Financing	£71
<b>TOTAL</b>	<b>£3,273</b>

- 8 With the Lee Valley Ice Centre being handed over from Buckingham Group Contracting Ltd in May 2023, the accounting treatment for the venue changed from being an Asset Under Construction (AUC) to an Operation Asset. At that point, we applied the approved £5.425million of capital receipts from the disposal of Mile & Langley Nursery, £0.6million of capital grant from London Borough of Waltham Forest, along with the £0.6million of revenue, towards financing of the asset. This reduced the amount of debt down to £22.788million. Appendix B to this report includes more detail on movements.

**RESERVES**

- 9 Total usable reserves at 31 March 2024 was £16.774million, of which £4.991million was unallocated General Fund and £9.964million usable capital receipts. Net internal borrowing – the total of the Capital Financing Requirement (CFR) and external borrowing totalled £7.446million.

The value of net liabilities – money that we held either awaiting payment to suppliers, deposits, or receipts held in advance of service delivery was £5.836million. Total cash held at year end amounted to £15,164million.

A summary is shown below, with more detail around movement within these reserves and balances is shown in Appendix B to this report.

	<b>2023/24</b>
	<b>£000s</b>
<b>Usable Reserves</b>	
General Fund	(4,991)
Insurance Fund	(458)
Repairs & Renewals Funds	(1,241)
<b>Sub Total Revenue Reserves</b>	<b>(6,690)</b>
<b>Capital and Asset Based Reserves</b>	
Asset Maintenance Reserve	(120)
Usable Capital Receipts	(9,964)
<b>Sub Total Capital Reserves</b>	<b>(10,084)</b>
<b>Total Usable Reserves</b>	<b>(16,774)</b>
<b>Capital Financing &amp; Borrowing</b>	
Capital Financing Requirement	32,446
External Borrowing	(25,000)
<b>Net Internal Borrowing</b>	<b>7,446</b>
<b>Creditors/Debtors - General Liabilities</b>	<b>(5,836)</b>
<b>Net Closing Cash Balance</b>	<b>(15,164)</b>

## ANNUAL GOVERNANCE STATEMENT 2023/24

- 10 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 6(1)(b) of the Accounts and Audit Regulations 2015 in ensuring that there is a sound system of internal control and that this Committee approves the Annual Governance Statement for future approval by the Executive Committee.
- 11 Members need to ensure that a sound system of internal control is maintained and an annual review of the effectiveness of the system of internal control is conducted to provide sufficient, relevant and reliable assurance to enable them to authorise the signing of the Authority's Annual Governance Statement and for it to be published with the Financial Statements.
- 12 Assurance derived through the monitoring of processes, including risk management, provides evidence which allows the Authority to form conclusions on the efficiency and effectiveness of operations. The scope of internal control spans the whole range of the Authority's activities and includes those controls designed to ensure:
- the Authority's policies are put into practice;
  - the organisation's values are met;
  - laws and regulations are complied with;
  - required processes are adhered to;

- financial statements and published information is accurate and reliable; and
- human, financial and other resources are managed efficiently and effectively.

13 The Annual Governance Statement for 2023/24 is set out in a separate report on this agenda (Paper AUD/147/24) for approval by Members.

#### **ENVIRONMENTAL IMPLICATIONS**

14 There are no environmental implications arising directly from the recommendations in this report.

#### **EQUALITY IMPLICATIONS**

15 There are no equality implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

16 These are dealt within the body of the report.

#### **HUMAN RESOURCE IMPLICATIONS**

17 There are no human resource implications arising directly from the recommendations in this report.

#### **LEGAL IMPLICATIONS**

18 There are no legal implications arising directly from the recommendations in this report.

#### **RISK MANAGEMENT IMPLICATIONS**

19 These will be summarised within the Annual Governance and Narrative Statements, and included within the Statement of Accounts.

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#### **PREVIOUS COMMITTEE REPORTS**

Executive	E/853/24	Q4 Revenue Budget Monitoring 2023/24	23 May 2024
Executive	E/854/24	Q4 Capital Budget Monitoring 2023/24	23 May 2024
Audit	AUD/141/24	Accounting Policies & Accounts Closedown Timetable 2023/24	29 February 2024

#### **APPENDICES ATTACHED**

Appendix A	Statement of Accounts 2023/24
Appendix B	Summary of Financial Movements 2023/24

**ABBREVIATIONS**

<b>DLUHC</b>	<b>Department for Levelling Up, Housing and Communities</b>
<b>FRC</b>	<b>Financial Reporting Council</b>
<b>EY</b>	<b>Ernst &amp; Young</b>
<b>VFM</b>	<b>Value for Money</b>

**Lee Valley Regional Park Authority**

**Statement  
of  
Accounts**

**For the year ended 31 March 2024**

**DRAFT  
Unaudited**

# Lee Valley Regional Park Authority

## Statement of Accounts 2024

For the year ended 31 March 2024

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## Narrative Report

The Lee Valley Regional Park Authority (LVRPA) is an award winning and leading leisure organisation. It has a statutory duty under the Lee Valley Regional Park Act (1966) to develop the 10,000 acre Park as a regional destination - a destination that attracts over 8 million visitors a year. The Authority's vision is that the LVRPA should be "A World Class Leisure Destination".

Over recent years the Authority has undertaken significant work to attract external funding to support the development of the Regional Park; and it is committed to continue to reduce its reliance on the levy. The levy is a charge on council tax payers in London, Essex and Hertfordshire - which for 2023/24 equated to 92p per person per year based on the mid-2022 population statistics. The maximum levy is determined by a formula set out in "The Levying Bodies (General) Regulations 1992" - adjusted annually to account for inflation.

These accounts for 2023/24 provide information about costs and income from our services and our assets and liabilities at the year end. The report sets out a summary of significant matters and the main financial performance of the Authority during 2023/24; its ongoing liabilities; future capital investment and the underlying economic climate that influences future performance.

In delivering its statutory objectives the Authority uses non-financial (as well as financial) Key Performance Indicators (KPIs) to measure in year performance with other Performance Indicators (PIs) underpinning the KPIs. These KPIs were reviewed in line with the business plan and revised KPIs were reported on from 2023/24. The table below summarises performance against these KPIs, and comparison against 2022/23 where this data was collected:

Key Performance Indicator	2023/24	2022/23	Explanation
Levy Contribution	34.1%	35.3%	Percentage charged of the maximum chargeable
Customer Satisfaction	87%	86%	Customer satisfaction Rating
Stakeholder Perception	74%	74%	Stakeholder satisfaction
Usage	6.5m	6.8m	Number of visits to Authority managed parklands and venues

The usage figures above represent visits to parklands and venues managed by the Authority. In addition, in 2023/24 there were 1.8 million visits to Lee Valley venues managed by Greenwich Leisure Limited (GLL) through the Leisure Services Contract (LSC). This is up from 1.4 million visits in 2022/23, which reflects the opening of Lee Valley Ice Centre in June 2023.

The Authority's financial strategy is embodied in its Strategic Business Plan. 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. A new Business Plan to cover the period from 2024-2027 approved in October 2023. This plan sets out service objectives and business priorities for the coming period and is underpinned by the Medium Term Financial Plan (MTFP).

There are four key themes within the Business Plan which will drive our activity over the next three years:

- Our Environment Policy
- Continuous investment in the park's infrastructure across sport, leisure and open space
- Optimising the impact of the Authority's 4,500 acre estate
- Securing funding streams through emerging Biodiversity Net Gain opportunities and other nature conservation opportunities

The statutory power to increase the levy (which for 2023/24 was 34.1% levied of the maximum chargeable), the Medium Term Financial Plan, the ongoing risk management and internal control framework, annual, weekly and daily evaluation of the Authority's cash flow ensure the LVRPA is, and remains, a going concern. Senior Management have, and will continue to regularly assess that the Authority is a going concern and this will be subject to the external auditor testing under ISA 570 requirements.

The following paragraphs set out the most significant matters in the accounts, such as the Authority's overall financial position.

### Expenditure compared to budget

The 2023/24 budget was set in January 2023. The original budget was set with a deficit/use of reserves of £0.456m, which included a contingency against increased cost and income reduction of £0.6m. Actual net spending on facilities and services was a £1.970m surplus, which included a £1.81m refund from HMRC relating to our non-business VAT claim.

### Budget compared to actual

2023/24	Budget £'000s	Actual £'000s
Net operating expenditure	12,492	11,934
Other operational income	0	(1,818)
Levy on local authorities	(10,647)	(10,647)
Net general fund deficit/(surplus)	1,845	(531)
Total financing costs	(1,389)	(1,439)
Movement in unallocated reserve	456	(1,970)

### Capital Investment

Capital investment totalled £3.2m, of which £1.6m related to the redevelopment of the Lee Valley Ice Centre. This was financed by receipts (£0.8m), revenue contributions and grants (£0.6m) with the remainder (£1.8m) as a debt funded from external borrowing.

At the end of the year the Authority had unallocated general reserves of £5.0m, and earmarked revenue reserves of £1.8m, and capital reserves of £9.9m.

### London Olympics 2012

In July 2005, London was awarded the 2012 Olympic Games. Under the Olympic arrangements entered into with the Authority, some of the Authority's land and assets were used and developed. The Olympic Games were held during the summer of 2012 and the Authority retains some contingent liabilities.

#### Velopark

The Authority continues to retain 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 paid £3.5m during 2012/13 as its contribution to the construction of the Velopark. The contingent liabilities are shown in note 37.

#### Other Olympic Agreements

##### Third Supplemental Agreement

This agreement was completed on the 7<sup>th</sup> February 2013 following receipt of both Secretary of State and Sport England consents. The agreement covers arrangements for utilities and individual agreements for substation leases and high voltage cables are still being finalised. All substation leases have been completed together with one of the easements. There is one easement still outstanding which will be finalised as soon as the final documents are agreed. This is an on-going matter and is outside the Authority's control as the contact is awaited from the utility company. This will have no impact on the accounts.

##### Lee Valley White Water Centre

This asset was transferred to the Authority on 17 December 2010 and the depreciated replacement cost is valued at £22m. 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 originally with the East of England Development Agency (EEDA). Since the closure of the EEDA, the benefits of this funding agreement rest with the Department for Business, Innovation and Skills. The Authority enhanced this facility further in 2013/14 by investing £6.4m with contributions from the British Canoe Union (£0.8m), Sport England (£0.8m) and a reinstatement contribution from LOCOG (£0.7m). The Authority entered into a variation of its lottery funding agreement with Sport England to cover the additional amount of funding which increased the total contingent liability.

The land and building valuation of this asset has been included in the statements. The contingent liabilities are shown in note 37.

#### **Parklands In Queen Elizabeth Olympic Park**

The Authority has agreed that two separate plots of land in the North of the Park will be leased back to the LLDC at a peppercorn rent (£1) for twenty-five years and at £20,000 per annum for forty years respectively, and will place an obligation on the LLDC in relation to the parklands lease to carry out grounds maintenance of the parklands which has been estimated by the LLDC to be up to £25,000 per annum. The area of land which has been leased for the forty-year period at £20,000 per annum has been independently valued at £320,000 and this lease was completed in 2013. The lease of the land in the North Parklands for the 25-year period was completed in February 2018.

#### **Lee Valley Ice Centre Redevelopment**

The redevelopment of the Lee Valley Ice Centre into a new twin-pad ice rink was given full planning consent on 20 November 2020. The procurement exercise for construction of the venue commenced in May 2020, and after full evaluation and clarification, Members agreed the award of the contract with Buckingham Group Contracting Ltd in April 2021 (A/4301/21). The construction process agreed was for a single stage, not continuity of ice, to commence in July 2021 and complete late in 2022. This was identified as the cheapest option, offered less overall risk, and saved at least 12 months on the build programme. Members also agreed that, subject to the provisions in the Local Government Act 2003, the Authority would seek to borrow up to £30m to fund the construction programme.

The venue closed to the public on 27 June 2021, with further club and coaches' use permitted up to 18 July 2021. From this period, the strip out of the building was due to commence, and the site was formally handed over to BGCL on 16 August 2021. Construction continued throughout 2021 and 2022, with practical completion and handover of site from constructor to landlord occurring on 10 May 2023. The venue opened to the public on 17 June 2023 under the management of GLL, with a number of snagging items and defects to be remedied. BGCL entered into administration on 4 September 2023 with Rob Parker, Jon Roden and Kevin Coates of Grant Thornton UK LLP being appointed as Joint Administrators. Members approved the recommendations within Paper E/820/23 to make a claim for the outstanding liquidated damages owed to the Authority, terminate the contract with BGCL and, following the termination, where possible to require BGCL's sub-contractors to remedy defects under collateral warranties and to employ third parties to undertake any remaining outstanding snagging and defect works.

#### **Pension Scheme**

The Authority is a member of the Local Government Pension Scheme, administered by the Local Pensions Partnership (for 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. The full triennial valuation of the scheme was completed in October 2022 – this showed the Authority had a surplus of £9.0m (117.0% funded) compared to a deficit at the last triennial valuation of £0.55m (98.6% funded).

#### **Management of the Venues under the Leisure Service Agreement**

In February 2015 (paper A/4201/15) Members approved entering into the Leisure Services Contract (the Contract) commencing on 1 April 2015 between the Lee Valley Regional Park Authority and the Lee Valley Leisure Trust Limited trading as Vibrant Partnerships (the Trust). The contract was for a five year period to establish a "sound" operational profile before going through a full market testing exercise. All decisions relating to this process were made by the full Authority.

The Authority completed a procurement process for the re-let of the six sports venues from 1 April 2020, but following a legal challenge made to that process, the Authority took the decision (Paper A/4278/20) to bring the sporting venues under its direct management on the expiry of the contract on 31 March 2020. In October 2019 the Authority had already decided (Paper A/4273/19) to bring back the eight smaller (non-sporting Leisure Service Contract (LSC)) venues back under its direct management on the expiry of the contract with the Trust as these fitted with the new business priorities and generated a positive financial return for the Authority.

Initially this was anticipated that this arrangement would be for a period of six-months, but due to the Covid-19 pandemic, Authority members agreed an extension until 31 March 2022. The Authority entered into a 10 year Leisure Services Contract with GLL for the management for the six sports venues from 1 April 2022.

The LSC saw the Authority making a management fee payment to GLL for the first two years of the contract, until the new Ice Centre achieved full operation from April 2024, from when GLL started paying the Authority. In addition, the two parties agreed a price and consumption utility risk share agreement for the first two years, which will now continue from year three. Both parties will conduct a benchmarking exercise based on the consumption for 2023/24, and forecasts for 2024/25, incorporating planned investment efficiencies, which will form the basis for the future year's agreement, subject to annual updates.

### Land and Property Strategy

The Land & Property Review Working Group was established at the Executive Committee meeting on 17 December 2015 to consider and develop a proposed Corporate Land and Property Strategy for consideration and approval by full Authority. The terms of reference for the Land & Property Review Working Group were approved as follows:

- To review the land and property portfolio in support of delivery of the Authority's statutory remit and overall objectives
- To review adopted land acquisition policies
- Develop a land and property acquisition/disposal strategy within the parameters of the Lee Valley Regional Park Act 1966 (the Park Act)

The aim of the Working Group is to review the Authority's approach to acquisition and disposal and to consider a fresh approach with the development of a Corporate Land and Property Strategy. In addition to the above it is an opportunity to look at sites which are not delivering benefit for the Regional Park. The disposal of properties may also reduce revenue costs as maintenance obligations for some areas of land would be reduced. Conversely acquisition of land may increase revenue costs for the maintenance and management of the land.

The Authority has generally adopted a cautious approach for any disposals based on prevailing Counsel's opinion at the time and independent advice prior to any disposal of land. More recent advice has explored a more flexible approach, in particular, to disposal where land is no longer required for the purposes of any of the Authority's functions. This has the potential for raising capital for enabling development and/or opportunity for enhancement of existing open space and/or opening of currently closed land within the Regional Park. At the appropriate time each area of land is brought forward for a decision by the Executive Committee and/or Authority and is reflected in the balance sheet accordingly.

### Borrowing and Capital Funding

The Authority has the facility to borrow funds for capital expenditure from the Public Works Loan Board (PWLB) and other local authorities, and has utilised these institutions for funding of the Ice Centre Development.

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 fixed assets less provisions set aside for loan repayment

	2022/23 Actual	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
LVRPA CFR	£37.8m	£32.4m	£33.0m	£31.8m	£30.8m	£29.9m

Any new borrowing in the future must be self-funded, for example via efficiency savings, leveraging in external funding, new income streams or through the levy. With the redevelopment of the Lee Valley Ice Centre, the Authority have needed to arrange external borrowing, albeit as short-term loans during the construction stage. The remaining capital expenditure has been funded from the Authority's accumulated cash balances. At the balance sheet date of 31 March 2024, the Authority had short-term external borrowing of £25m.

### 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 set its annual budget in the context of the business priorities that were appropriate at the time. 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 upon them.

The Authority set its budget and levy for 2024/25 in January 2024 (Paper A/4346/24 Authority Meeting 18 January 2024) in response to the continued high energy prices, and the compounding effect of high inflation, which whilst having reduced to

4.0%, had been as high as 11.1% during the prior year. These all had an impact on our expenditure over the prior year, and with forecast only for a slow reduction in inflation over the coming year, meant that we were looking at a deficit on our budget of around £0.3m. Whilst we had increased fees and charges for the coming year, as well as expecting increased investment returns on cash balances held, we recognised that as well as costs increasing, we need to review the operational structure at our marinas to ensure they were operating safely and efficiently.

We also recognised that the Utility Risk Share – where the Authority take the price risk, and GLL the consumption risk - we have in respect of the LSC would need to continue beyond the first two years, as long term forecasts on energy costs are now not possible. This means that rather than the full risk (and expected lower prices) would have passed to GLL from Year 3, they now sit with both parties, and that the Authority will be liable for higher costs than initially envisaged at the commencement of the LSC.

Furthermore, the Authority continues to invest in our venues and open spaces, which along with the redevelopment of the twin-pad Ice Centre, which opened in June 2023, has or will see, investment into all the other sporting venues with replacement of lighting systems, as well as upgrades to sporting facilities. Open spaces have a major investment programme too, which currently includes works at Middlesex Filter Beds, footpath improvements at St Pauls Field, and major renovation and desilting works at East India Dock Basin, which will require external funding assistance to fully deliver.

With this all in mind, Members agreed to increase the Levy by 3% for the financial year 2024/25 to enable us to deliver a balanced budget. The use of reserves to fund a gap was not thought best practice, and that we should maintain a minimum general reserve balance of £3m, with a recommended level at, or above £4m to allow for any short term annual fluctuations that may materialise.

The Authority is continuing a robust plan of income generation and major development projects across the Park to deliver its remit and reduce the reliance on the levy. A new Business Plan for 2024-2027 approved in autumn 2023. This sets out our aspirations for the Park in the coming years, and how we will manage this significant asset for the benefit of all, be that local, regional, national or international.

#### **Revenue Reserves**

The Authority's current Reserves Policy states that the Authority should maintain a minimum general reserve balance of £3m, with a recommended level at, or above £4m to allow for any short term annual fluctuations that may materialise. This was approved at the Annual Budget and levy setting meeting of the full Authority on 18 January 2024. The individual usable reserves are explained below:

#### **General Fund**

The unallocated general fund reserves currently stand at £5.0m. The total of all revenue reserves, including any earmarked reserves, such as for repairs renewals, or self-insurance, currently stands at £6.8m.

#### **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.

#### **Capital Receipts Reserve**

There is a balance of £9.9m on this reserve initially due to the sale of the option land at Olympic Park but more recently through sale of land at Mile and Langley Nursery. The Authority's policy of fully financing capital expenditure when it is incurred, except in specific agreed circumstances (eg redevelopment of the Ice Centre) means that without direct revenue contributions, capital reserves will decrease in line with expenditure. The going concern statement (note 39) sets out the forecast reserves balances for the next three years, and forecasts a reduction in usable capital reserves to £6.9m by the end of 2024/24 financial year.

#### **Governance**

The Annual Governance Statement (AGS) highlights the major risks and uncertainties the Authority faces in the years ahead and recognising the impact of the London 2012 Olympics legacy on the Authority as it continues to establish the legacy facilities within its normal business operating environment and more recently the significant impact of the economic environment, high interest rates, and the associated cost of living crisis, on the business operations of the Authority and therefore a major source of its financial income. The AGS sets out the risks and opportunities the Authority faces in managing its obligations for the Park, built venues, infrastructure and open spaces and considers the impact of the ongoing poor economic climate and demonstrates the Authority's response to the pressure on the public purse.

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

CIPFA's recommended accounting practice complies, with International Financial Reporting Standards (IFRS) subject to appropriate agreed variations for Local Authorities.

The accounts consist of:

- the Comprehensive Income and Expenditure Statement: This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices;
- the Balance Sheet: The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority;
- the Movement in Reserves Statement: This statement shows the movement in the year on the different reserves held by the Authority;
- a Cash Flow Statement: This shows the total cash we received and how we used it; and
- a Statement of Accounting Policies: These describe the main principles used to prepare the accounts.

To assist general readers of these accounts, we have explained some of the main technical terms in notes to the accounts and in a glossary.

The unaudited accounts were issued on 31 May 2024.

## **STATEMENT OF RESPONSIBILITIES**

### **The Authority's responsibilities**

The Authority must

- arrange for the proper administration of its financial affairs and ensure that one of its officers is responsible for administering those affairs – that officer is currently the Section 151 Officer;
- must manage its affairs to secure economic, efficient and effective use of resources and safeguarding its assets; and
- approve the Statement of Accounts.

### **The Section 151 Officers responsibilities**

The Section 151 Officer 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 that the accounts present a true and fair view of the financial position at the accounting date and income and expenditure for the year ended 31 March 2024.

In preparing this statement of accounts, the Section 151 Officer:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were responsible and prudent; and
- Complied with The Code.

The Section 151 Officer 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 a true and fair view of the financial position of the Authority as at 31 March 2024 and the income and expenditure for the 2023/24 financial year.

Kevin Bartle  
Section 151 Officer  
31 May 2024

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## **ANNUAL GOVERNANCE STATEMENT 2023/24**

### **Scope of responsibility**

The Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, 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, as described in the Narrative Report included with the final accounts, 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 for Good Governance in Local Government. This statement explains how the Authority has complied with the Code and also meets the requirements of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement.

### **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 2024 and up to the date of approval of the statement of accounts.

### **The governance environment**

The Lee Valley Regional Park Authority (LVRPA) is an award winning and leading leisure organisation. It has a statutory duty under the Lee Valley Regional Park Act (1966) to develop the 10,000 acre Park as a regional destination. Our Business Plan 2024-2027, approved in October 2023 (Paper A/4345/23) sets out our Vision, Mission, and Values, and sets out our strategic business objectives and targets.

These are then translated into more specific aims and objectives in the service improvement plans which are prepared annually and, where objectives are complex, included as part of the corporate risk register as part of the risk management framework. The achievement of these objectives is monitored by the Senior Management Team, and the Executive, Audit and Scrutiny committees.

The Authority does not have directly elected Members but Members appointed to the Authority by local councils. Members are responsible for setting policies and priorities and for the efficient and effective use of resources. 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. The Authority has an approved Conflict of Interests/Loyalties Protocol which sits as an Appendix to Standing Orders. 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 ongoing training.

The Authority is not required to have a formal constitution but has adopted a traditional local authority style committee model. 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 and Financial Regulations provide for

some 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. The Authority is also able to hold its decision making meetings in person and remotely (both fully remote and hybrid).

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 AUD/126/22) 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. Risk Management is led on at Director level and matters of risk for the Authority are reported directly to the Audit Committee who receive reports on risk management at each meeting 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 delivering continuous improvement in its services is set out in the annual service plan and driven by the Business Priorities. Actions for improvement are drawn from a variety of sources including internal audit; the Authority's own service reviews, health and safety audits, and external inspections such as those undertaken by Quest and Green Flag. An annual assessment of performance, detailing future performance targets, is set out in the Scrutiny Scorecard Reports agreed three times a year by the Scrutiny Committee.

Section 151 responsibilities are carried out through a Service Level Agreement with the London Borough of Enfield (LBE) in conjunction with the Head of Finance role in the Authority. The Executive Director of Resources (LBE) 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, bribery & corruption reporting officer. Policies relating to whistle blowing anti-fraud, bribery & corruption were approved by the full Authority in October 2023 (Paper A/4342/23). This is supported by Authority wide awareness training for all staff and elected Members. The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Authority has a performance management regime through which quality of service is measured through corporate performance indicators which in turn are reported through the Scrutiny Scorecard. This is monitored by the Senior Management Team and scrutinised three times a year 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, recommendations from the Annual Internal Auditor's report, comments and recommendations made by the external auditors and other reviews by independent 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 Chief Executive Officer and Corporate Director, but in order to ensure independence has direct access to the, Monitoring Officer, the Chair of Audit Committee and the Audit Committee itself.

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 2023/24, which was presented to the Audit Committee on 20 June 2024 (Paper AUD/149/24), sets out the assurance provided on the Authority's internal control systems and provides detail on the specific audits that were conducted over the past year.

The current Risk Management Strategy was approved by the Audit Committee on 23 June 2022 (Paper AUD/126/22). The Strategic Risk Register has undergone regular review and monitoring this year by the Audit Committee and any changes to the risk register are reported on to the Executive Committee to ensure they are also aware of any new risks that are added or any other amendments that are made.

The Audit Committee also ensure a robust management framework for Health & Safety is maintained. The Authority appointed Right Directions Limited as their new Health and Safety service provider for a seven year contract, commencing in October 2022. The new contract is for a full and comprehensive service including proactive and reactive support, delivery of training, event support and audits with improvement recommendations. Authority operated sites achieved an 75% approval rating during the year, which although a reduction from the previous year's score, was the first full year of audits by the new provider and the fall was expected due to the more forensic audit approach now adopted. Health and Safety matters were reported separately to the Audit Committee in the Annual Health & Safety report to the Audit Committee on 20 June 2024 (Paper AUD/148/24).

Senior Managers continue to review the processes and controls they have in place to allow them to achieve their service objectives. Reporting on financial and 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 the Health & Safety contractor;
- The work of Corporate Risk Management;
- Performance Management Information; and
- The External Auditors in their Annual Audit Results report.

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

#### **Significant Governance Issues**

The Authority received significant assets as a result of the London 2012 Olympics. The London Legacy Development Corporation completed the legacy transformation works at the Lee Valley VeloPark, and Lee Valley Hockey & Tennis between April 2013 and May 2014. These assets were transferred to the Authority and are recognised in the accounts. These additional asset transfers are valued in excess of £120m, and with that comes a responsibility to manage and operate these as economically and efficiently as possible and in line with the Lottery Funding Agreements with Sport England that the Authority has entered into.

The external audit of the Authority's final accounts for 2020/21 was only completed in October 2023. There was a delay in commencing the audit due to External Auditor capacity issues, an issue which has been felt across the public sector following the Covid-19 pandemic. During the audit process an issue was identified with historic asset valuations, which has required significant recalculation. This work delayed the production of the 2021/22 accounts and subsequently those of 2022/23. However, there was a consultation process led by DLUHC into resolving the delays to local government audits which concluded in March 2024. The outcome is yet to be announced, but it is likely that all outstanding audits up to 2022/23 will need to be completed by 30 September 2024 and this will result in certain disclaimers, or qualifications of public sector accounts, which may have a detrimental reputational impact throughout the sector.

The Authority's existing governance structure was put in place in 2009. It was reviewed in July 2010 and 2015 to ensure management and decision making processes remained robust, relevant and fit for purpose. Members continue to review the committee structures on an annual basis at the AGM – the most recent review in July 2023 (Paper A/4337/23) although this will be reviewed again shortly at the next AGM in July 2024. In support of the Full Authority there are Executive, Audit, Scrutiny and Regeneration and Planning committees covering all areas of the Regional Park. Relevant Member working groups are established annually and cover Park wide strategic initiatives as well as specific major projects and initiatives.

Members agreed to the establishment of an Independent Remuneration Panel (IRP) to carry out a review of the remuneration of the roles of Chairman and Vice Chairman at full Authority in July 2022 (Paper A/4320/22). The IRP was established met on 21 July 2023 to carry out their review and provide a recommendation on the level of remuneration for the Chairman and Vice Chairman. This was reported to Authority in October 2023 (A/4343/23) and approved by Members.

Accounting policies, estimates and assumptions are reviewed each year by the Head of Finance and approved by the Audit Committee (Paper AUD/141/24), to ensure they are relevant and up-to-date and that they accord with best practice.

The Authority set its budget and levy for 2023/24 in January 2023 (Paper A/4329/23 Authority Meeting 19 January 2023), in response to the energy price increases, and general inflation that was 11% at the time and continued to rise. Forecasts were that we would see increased costs against the base budget of £2.6m, mainly from an additional £1.6m energy costs, additional costs relating to our external borrowing requirements, as well as implications arising from the delayed opening of the redeveloped Ice Centre from October 2022 to June 2023. Our general reserves were already below the approved minimum level, sitting at £2.9m, and so without further mitigation we would see ourselves with little room to support ourselves. Cash reserves were £10.8m at 31 March 2023, due in the main from a capital receipt of £7.7m received in January 2023, but this was subsequently all earmarked to offset our borrowing requirement and part-finance or capital programme.

Officers were able to identify £1.9m of savings relating to the 2023/24 financial year, from a combination of additional income, service efficiencies, and short-term reduction in contributions to other earmarked reserves, of which neither of the latter would be sustainable in the long term. Factoring in the need for contingency against further energy price rises, and impacts on income, still left us with a shortfall of £1.3m. Authority members took the very difficult decision to significantly increase the levy for 2023/24 by 9%, giving us a further £0.9m, but still meaning a potential reduction in our general reserves of £0.5m.

We have been fortunate in receiving a refund of overpaid VAT which relates to a recently agreed challenge from Local Authorities in England and Wales, as well as separate cases relating to Scotland and Northern Ireland, with regards to exemption of sporting income, and non-distortion in favour of the LAs. For us, this relates to historic VAT paid when the sports venues were in Authority operation and covers the period 2010-2015 and from 2020-2022.

Along with the VAT refund, we have achieved an overall net revenue surplus of £2.0m in 2023/24, which has allowed our unallocated general fund to increase to £5.0m, rather than the budgeted reduction to £2.5m.

Furthermore, the Authority continues to invest in our venues and open spaces, which along with the redevelopment of the twin-pad Ice Centre, which opened in July 2023, has or will see, investment into all the other sporting venues with replacement of lighting systems, as well as upgrades to sporting facilities. Open spaces have a major investment programme too, which currently includes works at Middlesex Filter Beds, footpath improvements at St Pauls Field, and major renovation and desilting works at East India Dock Basin, which will require external funding assistance to fully deliver.

The Authority sets the annual budget in the context of the business priorities. 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 upon them. Officers and Members are committed to providing on-going savings and efficiencies to achieve economy and efficiency through the best use of public funds whilst delivering its own core objectives set out in the draft medium term business plan and statutory role. Consideration of the levy in future years will be subject to inflation, business risks and other economic factors prevailing at the time.

The Authority's approved medium term business priorities ensure it continues to meet existing and new corporate objectives that are emerging and this has fed into the medium term financial planning of the Authority. Having established the operational model for its 6 sporting venues, the Authority will, as part of the new business plan priorities, continue a rolling review of service areas including its in-house operational venues with the aim of determining the most cost efficient and effective delivery mechanisms.

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.

Shaun Dawson  
Chief Executive  
June 2024

Paul Osborn  
Chairman  
June 2024

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEE VALLEY REGIONAL PARK AUTHORITY**

The independent auditor's report will be included within the Statement of Accounts at the conclusion of the audit.

LEE VALLEY PARK

MOVEMENT IN RESERVES STATEMENT

	Note	General Fund £000s	Capital Receipts £000s	Capital Grants Unapplied £000s	Total Usable Reserves £000s	Unusable Reserves £000s	Total Reserves £000s
Balance as at 31 March 2023		(5,121)	(16,544)	0	(21,665)	(208,379)	(230,044)
<b>Movement in Reserves 2023/24</b>							
(Surplus) / deficit on provision of services		(21)	-	-	(21)	-	(21)
Other comprehensive income & expenditure		-	-	-	0	(4,011)	(4,011)
<b>Total comprehensive income and expenditure</b>		<b>(21)</b>	<b>0</b>	<b>0</b>	<b>(21)</b>	<b>(4,011)</b>	<b>(4,032)</b>
Adjustments between accounting basis and funding basis under regulations	4	(1,625)	6,581	(1)	4,955	(4,956)	(1)
<b>Increase/decrease in 2023/24</b>		<b>(1,646)</b>	<b>6,581</b>	<b>(1)</b>	<b>4,934</b>	<b>(8,967)</b>	<b>(4,033)</b>
<b>Balance carried forward</b>		<b>(6,767)</b>	<b>(9,963)</b>	<b>(1)</b>	<b>(16,731)</b>	<b>(217,346)</b>	<b>(234,077)</b>

	Note	General Fund £000s	Capital Receipts £000s	Capital Grants Unapplied £000s	Total Usable Reserves £000s	Unusable Reserves £000s	Total Reserves £000s
Balance as at 31 March 2022		(5,780)	(11,605)	0	(17,385)	(179,171)	(196,556)
<b>Movement in Reserves 2022/23</b>							
(Surplus) / deficit on provision of services		1,823	-	-	1,823	-	1,823
Other comprehensive income & expenditure		-	-	-	0	(35,312)	(35,312)
<b>Total comprehensive income and expenditure</b>		<b>1,823</b>	<b>0</b>	<b>0</b>	<b>1,823</b>	<b>(35,312)</b>	<b>(33,489)</b>
Adjustments between accounting basis and funding basis under regulations	4	(1,164)	(4,939)	0	(6,103)	6,104	1
<b>Increase/decrease in 2022/23</b>		<b>659</b>	<b>(4,939)</b>	<b>0</b>	<b>(4,280)</b>	<b>(29,208)</b>	<b>(33,488)</b>
<b>Balance carried forward</b>		<b>(5,121)</b>	<b>(16,544)</b>	<b>0</b>	<b>(21,665)</b>	<b>(208,379)</b>	<b>(230,044)</b>

LEE VALLEY PARK  
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

	2023/24		2022/23			
	Expenditure £000s	Income £000s	Net Total £000s	Expenditure £000s	Income £000s	Net Total £000s
	Note					
Chief Executive	1,009	(238)	771	1,508	(1,242)	666
Corporate Services	3,088	(2,759)	349	3,410	(935)	2,475
Financial Services	2,292	(55)	2,237	1,956	(86)	1,870
Parklands and Open Spaces	9,484	(6,582)	3,102	9,489	(5,818)	3,671
Leisure Venues Management	5,542	0	5,542	7,932	(3)	7,929
<b>Cost of services</b>	<b>21,415</b>	<b>(9,414)</b>	<b>12,001</b>	<b>24,855</b>	<b>(8,064)</b>	<b>16,811</b>
Other operating income and expenditure	6	(42)	(23)	19	(4,951)	(4,912)
Financing and investment income and expenditure	7	(4,526)	(492)	2,453	(2,519)	(66)
Non-specific grant income	8	0	(11,565)	0	(9,812)	(9,812)
<b>(Surplus) / deficit on provision of services</b>	<b>19</b>	<b>(19)</b>	<b>(19)</b>			<b>1,821</b>
(Surplus)/deficit on revaluation of plant, property and equipment assets	9	0	0			1,242
Remeasurement of the net defined benefit liability/asset	29		(4,011)			(36,554)
<b>Other comprehensive income and expenditure</b>			<b>(4,011)</b>			<b>(36,312)</b>
<b>Total comprehensive income and expenditure</b>			<b>(4,030)</b>			<b>(36,491)</b>

LEE VALLEY PARK  
BALANCE SHEET

	Note	2023/24 £000s	2022/23 £000s
<b>Property, plant and equipment</b>			
Land and buildings	9	200,881	173,362
Vehicles, plant, furniture and equipment	9	476	547
Infrastructure	9	1,568	1,735
Community assets	9	35,031	34,878
Assets under construction	9	0	27,747
Investment properties	9	6,136	6,137
Biological assets	9	149	327
<b>Total non current assets</b>		<b>244,341</b>	<b>244,733</b>
<b>Long term debtors</b>			
		<b>872</b>	<b>874</b>
<b>Long term assets</b>			
		<b>872</b>	<b>874</b>
<b>Short term investments</b>			
	35	<b>10,350</b>	<b>7,019</b>
<b>Inventories</b>			
	12	<b>288</b>	<b>308</b>
<b>Short term debtors</b>			
	13	<b>2,197</b>	<b>3,296</b>
<b>Payments in advance</b>			
		<b>319</b>	<b>217</b>
<b>Cash and cash equivalents</b>			
	14	<b>4,860</b>	<b>3,816</b>
<b>Current assets</b>		<b>18,014</b>	<b>14,656</b>
<b>Short term creditors</b>			
	15	<b>(7,650)</b>	<b>(4,287)</b>
<b>Receipts in advance</b>			
		<b>(649)</b>	<b>(635)</b>
<b>Short Term Borrowing</b>			
	36	<b>(20,000)</b>	<b>(20,000)</b>
<b>Current liabilities</b>		<b>(28,299)</b>	<b>(24,922)</b>
<b>Long term borrowing</b>			
	36	<b>(5,000)</b>	<b>(5,000)</b>
<b>Net pension liability</b>			
	29	<b>4,191</b>	<b>183</b>
<b>Revenue grants received in advance</b>			
	23	<b>(44)</b>	<b>(78)</b>
<b>Capital grants received in advance</b>			
	23	<b>0</b>	<b>(400)</b>
<b>Long term liabilities</b>		<b>(20,853)</b>	<b>(25,295)</b>
<b>NET ASSETS</b>		<b>234,075</b>	<b>230,046</b>
<b>Usable reserves</b>			
General fund	5	<b>(6,766)</b>	<b>(5,121)</b>
Capital receipts reserve	5	<b>(9,963)</b>	<b>(16,544)</b>
Capital grants unapplied	5	<b>(1)</b>	<b>0</b>
<b>Total usable reserves</b>		<b>(16,730)</b>	<b>(21,665)</b>
<b>Unusable reserves</b>			
Revaluation reserve	17	<b>(30,132)</b>	<b>(30,720)</b>
Pensions reserve	17	<b>(4,191)</b>	<b>(183)</b>
Capital adjustment account	17	<b>(182,635)</b>	<b>(177,050)</b>
Deferred capital receipts	17	<b>(872)</b>	<b>(874)</b>
Short-term accumulating compensated absences account	17	<b>484</b>	<b>447</b>
<b>Total unusable reserves</b>		<b>(217,346)</b>	<b>(208,380)</b>
<b>TOTAL RESERVES</b>		<b>(234,075)</b>	<b>(230,046)</b>

These draft statements were authorised for issue by the Section 151 officer on 31 May 2024.



LEE VALLEY PARK  
CASHFLOW STATEMENT

		2023/24	2022/23
	Note	£000s	£000s
<b>Net surplus / (deficit) on the provision of services</b>		<b>21</b>	<b>(1,423)</b>
<b>Adjust net surplus or deficit on the provision of services for investing and financing activities</b>			
Proceeds from the sale of non-current assets	4	(21)	(4,931)
Proceeds from the sale of biological assets	4	(21)	0
<b>Adjust net surplus or deficit on the provision of services for non-cash movements</b>			
Depreciation/impairment of property, plant and equipment	9	3,460	3,508
Revaluation of non-current assets	9	0	571
Changes in the fair value of investment properties	9	0	28
Changes in the fair value of biological assets	9	40	(67)
Capital grants credited on recognition	8	(799)	(25)
Pension fund adjustments	29	3	2,800
(increase)/decrease in long term debtors		2	2
(increase)/decrease in stock	12	20	(40)
(increase)/decrease in debtors	11	1,099	(522)
(increase)/decrease in payments in advance		(102)	45
Increase/(decrease) in receipts in advance		14	266
Increase/(decrease) in creditors	15	3,362	(3,158)
<b>Net cash flows from operating activities</b>		<b>6,958</b>	<b>(3,385)</b>
<b>Investing activities</b>			
Purchase of non current assets	9	(3,246)	(17,122)
Purchase of biological assets	9	(27)	0
Proceeds from the sale of non-current assets	4	207	7,556
Repayment/(purchase) of long and short-term investments	25	(3,332)	(2,019)
<b>Net cash outflow from investing activities</b>		<b>(6,398)</b>	<b>(11,585)</b>
<b>Financing activities</b>			
Receipts of short- and long-term borrowing	16	0	15,000
Revenue grants received	23	85	97
Capital grants received	23	399	225
<b>Net cash outflow from financing activities</b>		<b>484</b>	<b>322</b>
<b>Net increase or decrease in cash and cash equivalents</b>		<b>1,044</b>	<b>372</b>
Cash and cash equivalents at the beginning of the reporting period	14	3,816	3,444
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>4,860</b>	<b>3,816</b>
<b>Cash and cash equivalents at the end of the reporting period</b>			
Cash and cash equivalents	14	4,860	3,816
Bank overdraft	14	0	0
<b>Cash and cash equivalents</b>		<b>4,860</b>	<b>3,816</b>

## **NOTE 1**

### **STATEMENT OF ACCOUNTING POLICIES**

#### **General Principles**

The Statement of Accounts summarises the Authority's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These require the Statement of Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain assets.

#### **Heritage Assets**

Heritage assets are assets held and maintained principally for their contribution to knowledge and culture and are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Provided that they meet this definition, heritage assets can include historic buildings, civic regalia, museum collections and works of art.

There is no carrying amount of assets on the Balance Sheet that will be reclassified as heritage assets. The Authority has a number of assets that were considered to fall under the definition of heritage assets that following review will continue to be classified as detailed below:

- Rye House Gatehouse, (Operational Asset)
- Monastic walls at Abbey gardens (Community Asset)
- The Old Mill at Broxbourne Meadows (Community Asset)

#### **Accruals of expenditure and income**

- Figures shown in the financial statements are based on the accruals concept, i.e. 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.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### **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 and have an insignificant risk of changing value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

#### **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.

### **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.

### **Employee benefits**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (eg cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority.

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 appropriate service or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination 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.

### **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 pension liability is analysed into the following components:

#### **Service cost**

- 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 – net interest on the net defined benefit liability (asset), ie net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement

#### **Remeasurements**

- the return on plan assets – the annual investment return on the fund assets attributable to the Authority, excluding amounts included in net interest on the net defined liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
- 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 as other comprehensive income and expenditure

#### **Contributions**

- 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.

#### **Events after the balance sheet date**

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

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

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

#### **Exceptional Items**

Where material income or expenditure transactions have occurred during the financial year their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

#### **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.

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

#### **Financial Instruments**

**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.

The Authority has a mix of short-term borrowing, amounts that are repayable with 12 months of the balance sheet date, and longer term borrowing, amounts payable over 12 months, and this will mean that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

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** are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI) [separate accounting policy is required where an authority holds financial instruments at fair value through other comprehensive income].

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost.

**Financial assets measured at amortised cost** are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Authority,

this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

#### **Government grants and other contributions**

Under International Financial Reporting Standards, 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.

#### **Inventories**

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

#### **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 fair value.

Properties are not depreciated but are re-valued 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.

#### **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.

#### **a. The Authority as Lessee**

##### **Finance Lease**

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the authority at the end of the lease period).

The Authority is not required to raise the levy to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

### **Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (eg if there is a rent-free period at the commencement of the lease).

### **b. The Authority as Lessor**

#### **Finance Leases**

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve. The written-off value of disposals is not a charge against the levy, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund in the Balance in the Movement in Reserves Statement.

#### **Operating Leases**

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not

match the pattern of payments (eg there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

#### **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.

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is re-valued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

#### **Property, plant and equipment**

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. The Authority generally applies a de-minimus level of £20,000 for the purposes of capital expenditure. In the case where the individual value of an item, e.g. computer is below the de-minimus level, but the aggregate value of similar items purchased in the year exceed the de-minimus level the expenditure may be treated as capital expenditure.

#### **Recognition**

All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment (PPE) is capitalised on the accruals basis in the accounts, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. 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 re-valued every five years, but adjustments to the valuations are made in the interm 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.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority capitalises borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (ie it will not lead to a variation in the cashflows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account.

Where gains are credited to the Comprehensive Income and Expenditure Statement, they are re-reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- all other assets – fair value, determined as the amount that would be paid for the asset in its existing use

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. The Authority has assets that are identified as specialised. These include:

- Rye House Gatehouse – a listed ancient monument, constructed in 1443, which the Authority uses as a museum.
- Lee Valley Velodrome – the London 2012 Olympic Velodrome
- Lee Valley White Water Centre - the London 2012 Olympic White Water Centre
- Lee Valley Athletics Centre - the pre-Olympic elite athletes indoor/outdoor training centre.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value.

Assets included in the Balance Sheet at fair value are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

### **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service lines in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **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 has been no requirement to apply these changes retrospectively and instead components are 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. Assets lives will generally fall between the ranges stated, although there may be specific assets where the anticipated useful life will fall outside these ranges.

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

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

### **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 its levy 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 (Minimum Revenue Provision or loans fund principal), by way of an adjusting transaction within the Capital Adjustment Account and in the Movement in Reserves Statement for the difference between the two.

#### **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 Property, Plant and Equipment 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.

#### **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.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

#### **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.

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, as well as other unusable reserves such as employee benefits, that are kept to manage the accounting processes.

#### **Earmarked revenue reserves**

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

The Authority also has a capital fund, financed from contributions from the general fund, which can be used to finance future capital expenditure.

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.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to be reflected in the Surplus or Deficit on the Provision of Services in the comprehensive Income and expenditure statement. The reserve is then transferred back into the General Fund balance so that there is no net charge to taxpayers.

#### **Value added tax**

The figures in the statements are net of VAT.

#### **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.

#### **Biological Assets**

Under IAS41 Agriculture, living animals or plants are classified as biological assets, and agricultural produce is the harvested product of the entity's biological asset. A biological asset, or an item of agricultural produce, is classified as an asset when it is both controlled by, and future economic benefit will flow to, an entity, and that its fair value can be measured reliably.

The Authority operates a working dairy farm, with its dairy cattle classified as biological assets, and the milk produced as agricultural produce.

The Authority uses an independent specialist agricultural stock valuer to establish the values its biological assets at the balance sheet date using the fair value method as an active market exists and a value can be reliably measured. Changes in the fair value 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.

#### **Group Accounts**

The Statement of Recommended Practice requires local authorities to consider all their interests in subsidiaries, associated companies and joint ventures and to prepare a full set of group financial statements where they have material interests, thereby providing a complete picture of the Authority's control over other entities.

The Authority has determined that it has no interests in subsidiaries, associates or joint ventures of a material nature, and is not required to prepare group accounts.

NOTE 02  
EXPENDITURE AND FUNDING STATEMENT

	2023/24		2022/23		
	Net Expenditure Chargeable to General Fund £000s	Adjustments between Funding and Accounting Basis £000s	Net Expenditure in the Comprehensive Income & Expenditure Statement £000s	Adjustments between Funding and Accounting Basis £000s	Net Expenditure in the Comprehensive Income & Expenditure Statement £000s
<b>Services</b>					
Chief Executive	784	(12)	772	96	666
Corporate Services	174	175	949	920	2,476
Financial Services	2,278	(41)	2,237	145	1,870
Parklands & Open Spaces	2,671	431	3,102	1,089	3,671
Leisure Venues Management	2,575	2,967	5,542	9,623	7,929
<b>Net Cost of Services</b>	<b>8,482</b>	<b>3,520</b>	<b>12,002</b>	<b>5,873</b>	<b>16,612</b>
Other Income and Expenditure	(10,126)	(1,895)	(12,021)	(4,708)	(14,789)
<b>(Surplus)/deficit on provision of services</b>	<b>(1,644)</b>	<b>1,625</b>	<b>(19)</b>	<b>1,165</b>	<b>1,823</b>

**NOTE 02**

**EXPENDITURE AND FUNDING STATEMENT**

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Adjustments of Capital Purposes	Net Change for the Pensions Adjustment	Other Differences	Total Adjustments
2023/24	£000s	£000s	£000s	£000s
Chief Executive	0	(18)	5	(13)
Corporate Services	190	(28)	13	175
Financial Services	47	(96)	8	(41)
Parklands & Open Spaces	540	(119)	10	431
Leisure Venues Management	2,684	283	0	2,967
<b>Net Cost of Services</b>	<b>3,461</b>	<b>22</b>	<b>36</b>	<b>3,519</b>
Other Income and Expenditure	(1,877)	(18)	0	(1,895)
<b>Surplus or Deficit</b>	<b>1,584</b>	<b>4</b>	<b>36</b>	<b>1,624</b>

RESTATED 2022/23	Adjustments of Capital Purposes	Net Change for the Pensions Adjustment	Other Differences	Total Adjustments
	£000s	£000s	£000s	£000s
Chief Executive	0	92	5	97
Corporate Services	771	147	2	920
Financial Services	59	76	10	145
Parklands & Open Spaces	505	590	(6)	1,089
Leisure Venues Management	2,746	1,021	(144)	3,623
<b>Net Cost of Services</b>	<b>4,081</b>	<b>1,926</b>	<b>(133)</b>	<b>5,874</b>
Other Income and Expenditure	(5,583)	875	0	(4,708)
<b>Surplus or Deficit</b>	<b>(1,502)</b>	<b>2,801</b>	<b>(133)</b>	<b>1,166</b>

**ADJUSTMENTS FOR CAPITAL PURPOSES**

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

**Financing and investment income and expenditure** – the statutory charges for capital financing ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

**Taxation and non-specific grant income and expenditure** – The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

**NET CHANGE FOR THE PENSIONS ADJUSTMENTS**

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

**For services** this represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.

**For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

**OTHER DIFFERENCES**

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

**For services** this represents the removal of compensated absences accrual for holiday pay

**NOTE 08**

**HERITAGE ASSETS**

The 2011/12 CIPFA Code of Practice on Local Authority Accounting introduced a requirement to disclose Heritage Assets separately. Heritage assets are assets that are held and maintained principally for their contribution to knowledge and culture and are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Provided that they meet this definition, heritage assets can include historic buildings, civic regalia, museum collections and works of art.

There is no carrying amount of assets on the Balance Sheet that is classified as heritage assets. The Authority has a number of assets that were considered to fall under the definition of heritage assets that following review will continue to be classified as detailed below:

- Rye House Gatehouse, (Operational Asset)
- Monastic walls at Abbey gardens (Community Asset)
- The Old Mill at Broxbourne Meadows (Community Asset)

**NOTE 04**

**ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

2023/24	General Fund £000s	Capital Receipts £000s	Capital Grants Unapplied £000s	Total Usable Reserves £000s
<b>Adjustments Involving the Capital adjustment account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income and expenditure statement:</b>				
Charges for depreciation and impairment of non current assets	(3,460)	-	-	(3,460)
Revaluation gains of property, plant and equipment	0	-	-	0
Revaluation losses of property, plant and equipment	0	-	-	0
Movements in the fair value of investment properties	0	-	-	0
Movements in the fair value of biological assets	(40)	-	-	(40)
Capital grants and contributions recognised	799	-	-	799
<b>Insertion of items not debited or credited to the Comprehensive Income and expenditure statement:</b>				
Statutory provision for the financing of capital investment	430	-	-	430
Capital expenditure charged against the General fund/Earmarked Reserves	646	-	-	646
<b>Adjustment involving capital receipts reserve</b>				
Transfer of non-current asset sale proceeds from revenue to				
Capital Receipts Reserve	42	(207)	-	(165)
Capital expenditure financed from Usable Capital Receipts	-	6,788	-	6,788
<b>Adjustments involving the Pensions reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and expenditure statement				
Employer's pensions contributions and direct payments to pensioners payable in the year	(742)	-	-	(742)
	739	-	-	739
<b>Adjustment involving deferred capital receipts</b>				
Principal received in respect of long term debtors (finance leases)	(2)	-	-	(2)
<b>Adjustment involving the Short-term compensated absences account</b>				
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				
	(37)	-	-	(37)
	<b>(1,625)</b>	<b>6,581</b>	<b>0</b>	<b>4,956</b>



## NOTE 04

## ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2022/23	RESTATED			
	General Fund £000s	Capital Receipts £000s	Capital Grants Unapplied £000s	Total Usable Reserves £000s
<b>Adjustments involving the Capital adjustment account</b>				
<b>Reversal of items debited or credited to the Comprehensive Income and expenditure statement:</b>				
Charges for deprecation and impairment of non current assets	(3,508)			(3,508)
Revaluation gains of property, plant and equipment	626		-	626
Revaluation losses of property, plant and equipment	(1,198)			(1,198)
Movements in the fair value of investment properties	(28)		-	(28)
Movements in the fair value of biological assets	68		-	68
Capital grants and contributions recognised	25		-	25
<b>Insertion of items not debited or credited to the Comprehensive Income and expenditure statement:</b>				
Statutory provision for the financing of capital investment	448		-	448
Capital expenditure charged against the General fund/Earmarked Reserves	140		-	140
<b>Adjustment involving capital receipts reserve</b>				
<b>Transfer of non-current asset sale proceeds from revenue to</b>				
Capital Receipts Reserve	4,931	(7,556)	-	(2,625)
Capital expenditure financed from Usable Capital Receipts	-	2,616	-	2,616
<b>Adjustments involving the Pensions reserve:</b>				
<b>Reversal of items relating to retirement benefits debited or credited to the</b>				
Comprehensive Income and expenditure statement	(3,582)	-	-	(3,582)
Employer's pensions contributions and direct payments to pensioners payable in the year	782	-	-	782
<b>Adjustment involving deferred capital receipts</b>				
Principal received in respect of long term debtors (finance leases)	(2)	-	-	(2)
<b>Adjustment involving the Short-term compensated absences account</b>				
<b>Amount by which officer remuneration charged to the Comprehensive</b>				
Income and expenditure statement on an accruals basis is different				
from remuneration chargeable in the year in accordance with				
statutory requirements	134	-	-	134
	(1,164)	(4,940)	0	(6,104)

NOTE 05  
USABLE RESERVES

	Balance at 01/04/2022 £000s	Transfers Out 2022/23 £000s	Transfers In 2022/23 £000s	Balance at 01/04/2023 £000s	Transfers Out 2023/24 £000s	Transfers In 2023/24 £000s	Balance at 31/03/2024 £000s
Usable reserves							
General fund	(3,109)	88	0	(3,021)	0	(1,970)	(4,991)
Earmarked Reserves							
Renewals Fund	(675)	181	(54)	(548)	295	(214)	(467)
Repairs Fund	(1,377)	1,212	(750)	(915)	1,017	(750)	(648)
Insurance Fund	(450)	5	0	(445)	8	(21)	(458)
Common Areas Sinking Fund	(129)	0	(2)	(131)	0	(5)	(136)
Biodiversity Projects Fund	(40)	83	(104)	(61)	45	(50)	(66)
Capital fund	0	140	(140)	0	0	0	0
	(5,780)	1,709	(1,050)	(5,121)	1,365	(3,010)	(6,766)
Capital receipts reserve	(11,605)	2,616	(7,556)	(16,545)	6,788	(207)	(9,964)
Capital grants unapplied	0	0	0	0	0	(1)	(1)
<b>Total Usable reserves</b>	<b>(17,385)</b>	<b>4,325</b>	<b>(8,606)</b>	<b>(21,666)</b>	<b>8,153</b>	<b>(3,218)</b>	<b>(16,731)</b>

- 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 insurance policies.
- iv. This reserve has been set up to meet potential costs of undertaking work on the shared Picketts Lock Site.
- v. This reserve is used to meet costs relating to Biodiversity works throughout the park
- vi. This reserve held to improve the facilities of the Authority

**NOTE 06****OTHER OPERATING EXPENDITURE**

		2023/24	2022/23
	Note	£000s	£000s
(Gain)/loss on disposal of non-current asset		(21)	(4,931)
(Gain)/loss on disposal of biological assets		(21)	0
Pension administration expenses	29	19	19
<b>Total other operating expenditure</b>		<b>(23)</b>	<b>(4,912)</b>

**NOTE 07****FINANCING AND INVESTMENT**

		2023/24	2022/23
	Note	£000s	£000s
Interest payable and similar charges	11	1,023	6
Net interest on the net defined pension benefit liability/(asset)	29	(37)	856
Interest receivable on finance leases (lessor)	29	(115)	(115)
Investment interest	11	(675)	(107)
Changes in the fair value of investment properties	9	0	28
Changes in the fair value of biological assets	9	40	(68)
Rental received on investment properties	10	(668)	(665)
<b>Total Financing and Investment</b>		<b>(432)</b>	<b>(65)</b>

**NOTE 08****NON SPECIFIC GRANT INCOME**

		2023/24	2022/23
	Note	£000s	£000s
Levies on local authorities	32	(10,647)	(9,768)
Revenue grants and contributions	25	(120)	(19)
Capital grants and contributions	28	(798)	(25)
Capital grants and contributions unapplied	5	(1)	0
<b>Total Non Specific Grant Income</b>		<b>(11,566)</b>	<b>(9,812)</b>

NOTE 09  
NON CURRENT ASSETS

	Land and Buildings £000s	Vehicles, plant and equipment £000s	Infrastructure Assets £000s	Community Assets £000s	Assets Under Construction £000s	Assets held for disposal £000s	Total excluding Investment prop £000s	Investment Properties £000s	Total 2023/24 £000s
<b>Cost or Valuation</b>									
At 01 April 2023	174,396	3,724	3,172	34,878	27,747	0	243,917	6,136	250,053
Additions	3,093	0	0	152	0	0	3,245	0	3,245
Revaluation									
- recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0	0
- recognised in the provision of services	0	0	0	0	0	0	0	0	0
Derecognition									
- disposal	0	0	0	0	0	0	0	0	0
- asset redevelopment	0	0	0	0	0	0	0	0	0
Other movements	27,747	0	0	0	(27,747)	0	0	0	0
<b>At 31 March 2024</b>	<b>205,236</b>	<b>3,724</b>	<b>3,172</b>	<b>35,030</b>	<b>0</b>	<b>0</b>	<b>247,162</b>	<b>6,136</b>	<b>253,298</b>
<b>Accumulated Depreciation and Impairment</b>									
At 01 April 2023	(1,034)	(3,177)	(1,437)	0	0	0	(5,648)	0	(5,648)
Depreciation charge	(3,321)	(71)	(66)	0	0	0	(3,460)	0	(3,460)
Depreciation written out									
- to the Revaluation Reserve	0	0	0	0	0	0	0	0	0
- to the provision of services	0	0	0	0	0	0	0	0	0
Derecognition									
- disposal	0	0	0	0	0	0	0	0	0
- asset redevelopment	0	0	0	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>(4,355)</b>	<b>(3,248)</b>	<b>(1,503)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(9,106)</b>	<b>0</b>	<b>(9,106)</b>
<b>Net Book Value</b>									
At 31 March 2024	200,881	476	1,667	35,030	0	0	238,054	6,136	244,190
At 31 March 2023	173,362	547	1,735	34,878	27,747	0	238,269	6,136	244,405

NOTE 09  
NON CURRENT ASSETS

	Land and Buildings £000s	Vehicles, plant and equipment £000s	Infrastructure Assets £000s	Community Assets £000s	Assets Under Construction £000s	Assets held for disposal £000s	Total excluding investment prop £000s	Investment Properties £000s	Total 2022/23 £000s
<b>Cost or Valuation</b>									
At 01 April 2022	179,665	5,724	3,172	34,478	13,406	0	234,445	6,164	240,609
Additions	2,381	0	0	401	14,341	0	17,123	0	17,123
Revaluation									
- recognised in the Revaluation Reserve	(3,822)	0	0	0	0	0	(3,822)	0	(3,822)
- recognised in the provision of services	(1,208)	0	0	0	0	0	(1,208)	(28)	(1,231)
Derecognition									
- disposal	(2,625)	0	0	0	0	0	(2,625)	0	(2,625)
- asset redevelopment	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0	0	0
<b>At 31 March 2023</b>	<b>174,386</b>	<b>3,724</b>	<b>3,172</b>	<b>34,879</b>	<b>27,747</b>	<b>0</b>	<b>249,918</b>	<b>6,136</b>	<b>259,054</b>
<b>Accumulated Depreciation and Impairment</b>									
At 01 April 2022	(894)	(3,092)	(1,365)	0	0	0	(5,351)	0	(5,351)
Depreciation charge	(3,351)	(85)	(72)	0	0	0	(3,508)	0	(3,508)
Depreciation written out									
- to the Revaluation Reserve	2,580	0	0	0	0	0	2,580	0	2,580
- to the provision of services	632	0	0	0	0	0	632	0	632
Impairment									
- recognised in the Revaluation Reserve	0	0	0	0	0	0	0	0	0
- recognised in the provision of services	0	0	0	0	0	0	0	0	0
Derecognition									
- disposal	0	0	0	0	0	0	0	0	0
- asset redevelopment	0	0	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0	0	0
<b>At 31 March 2023</b>	<b>(1,053)</b>	<b>(3,177)</b>	<b>(1,437)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(5,667)</b>	<b>0</b>	<b>(5,667)</b>
<b>Net Book Value</b>									
At 31 March 2023	173,363	547	1,735	34,879	27,747	0	239,271	6,136	244,407
At 31 March 2022	178,771	632	1,807	34,478	13,406	0	229,094	6,164	235,258

**NOTE 09****BIOLOGICAL ASSETS**

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>		
Dairy Cattle	326	258
Additions	27	0
Disposals	(164)	0
Movement in fair value	(40)	68
<b>Balance at 31 March</b>	<b>149</b>	<b>326</b>

**CAPITAL COMMITMENTS**

At 31 March 2023, the Authority had one major capital commitment outstanding for the redevelopment of the Lee Valley Ice Centre. The total construction contract value was £25.5m, with an overall budget included Project Management, monitoring and contingency of £30m. At year end, total project spend was £27.7m

**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**

	2023/24	2022/23
	£000s	£000s
Rental Income from Investment property	(668)	(665)
Direct operating expenses arising from investment property	0	0
<b>Net gain</b>	<b>(668)</b>	<b>(665)</b>

**NOTE 11****FINANCIAL INSTRUMENTS****Categories of Financial Instruments**

The following categories of financial instrument are carried in the Balance Sheet.

**Financial Assets**

	Investments		Debtors	
	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s
<b>Current Assets</b>				
Amortised Cost	15,210	10,835	3,069	4,170
<b>Total Financial Assets</b>	<b>15,210</b>	<b>10,835</b>	<b>3,069</b>	<b>4,170</b>

**Financial Liabilities**

	Borrowing		Creditors	
	2023/24	2022/23	2023/24	2022/23
	£000s	£000s	£000s	£000s
<b>Current Liabilities</b>				
Amortised Cost	(25,000)	(25,000)	(7,650)	(4,288)
<b>Total Financial Liabilities</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(7,650)</b>	<b>(4,288)</b>

**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.

	Surplus / deficit on the provision of services	
	2023/24	2022/23
	£000s	£000s
<b>Interest Revenue</b>		
Financial assets measured at amortised cost	(673)	(107)
<b>Interest Expense</b>	<b>1,023</b>	<b>6</b>

**NOTE 12**  
**INVENTORIES**

	2023/24	2022/23
	£000s	£000s
<b>Agriculture produce</b>		
Opening balance	148	123
Net movement	(29)	24
Closing balance	<u>119</u>	<u>147</u>
<b>Other stock</b>		
Opening balance	161	145
Net movement	9	15
Closing balance	<u>170</u>	<u>160</u>
<b>Total</b>		
Opening balance	309	268
Net movement	(20)	39
Closing balance	<u>289</u>	<u>307</u>



**NOTE 13****DEBTORS**

	2023/24	2022/23
	£000s	£000s
Central government bodies	462	1,821
Other local authorities	0	200
All other bodies	1,735	1,275
<b>Total debtors</b>	<b>2,197</b>	<b>3,296</b>

**NOTE 14****CASH AND CASH EQUIVALENTS**

	2023/24	2022/23
	£000s	£000s
Cash held by Authority	4	4
Bank current accounts	85	55
Short-term deposits with banks	4,771	3,757
<b>Total cash and cash equivalents</b>	<b>4,860</b>	<b>8,816</b>

	2023/24	2022/23
	£000s	£000s
<b>BANK OVERDRAFTS</b>		
Bank current accounts overdrafts	0	0

**NOTE 15****CREDITORS**

	2023/24	2022/23
	£000s	£000s
Central government bodies	141	(231)
Other local authorities	55	(325)
All other bodies	(7,846)	(3,731)
<b>Total creditors</b>	<b>(7,650)</b>	<b>(4,287)</b>

**NOTE 16****PROVISIONS**

There are no provisions recognised in the accounts

**NOTE 17**

**UNUSABLE RESERVES**

	2023/24	2022/23
	£000s	£000s
<b>Unusable Reserves</b>		
Revaluation Reserve	(30,132)	(30,720)
Capital adjustment account	(182,635)	(177,050)
Pensions reserve	(4,191)	(183)
Short-term compensated absences account	484	447
Deferred capital receipts	(872)	(874)
<b>Total unusable reserves</b>	<b>(217,346)</b>	<b>(208,380)</b>

**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.

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	<b>(30,720)</b>	<b>(35,288)</b>
Upward revaluation of assets	0	(763)
Downwards revaluation of assets	0	2,005
Surplus or deficit on revaluation of non-current assets not posted to the (surplus) or deficit on the provision of services	<b>(30,720)</b>	<b>(33,996)</b>
Difference between fair value depreciation and historic cost depreciation	588	651
<b>Amount written off to the capital adjustment account</b>	<b>588</b>	<b>3,276</b>
<b>Balance at 31 March</b>	<b>(30,132)</b>	<b>(30,720)</b>

**Other amounts written off the the capital adjustment account**

This represents the cumulative correction of the difference between fair value and historic cost depreciation previously not transferred to the capital adjustment account

**NOTE 17**

**UNUSABLE RESERVES**

**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.

	2023/24	RESTATED 2022/23
	£000s	£000s
<b>Balance at 1 April</b>	<b>(177,851)</b>	<b>(177,210)</b>
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	3,460	3,508
- Revaluation gains/losses on Property, plant and equipment	0	571
- 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	164	2,625
	<u>3,624</u>	<u>6,704</u>
Adjusting amounts written out of the revaluation reserve	(588)	(3,276)
<b>Net written out amount of the cost of non current assets consumed in year</b>	<b>3,036</b>	<b>3,428</b>
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	(798)	(25)
- Application of grants from Capital Receipts Unapplied Account	0	0
- Use of capital receipts to finance new capital expenditure	(6,788)	(2,616)
- Use of capital fund to finance new capital expenditure	0	(140)
- Statutory provision for the financing of capital investment charged against the General fund	(430)	(448)
- Capital expenditure charged against the General fund	(646)	0
	<u>(8,662)</u>	<u>(3,229)</u>
Movements in the fair value of investment properties debited or credited to the Comprehensive Income and expenditure statement	0	28
Movements in the fair value of Biological Assets debited or credited to the Comprehensive Income and expenditure statement	40	(68)
<b>Balance at 31 March</b>	<b><u>(182,837)</u></b>	<b><u>(177,051)</u></b>

**NOTE 17**

**UNUSABLE RESERVES**

**Pensions 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.

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	<b>(183)</b>	<b>33,571</b>
Actuarial (gains) or losses on pensions assets and liabilities	(4,011)	(36,554)
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	742	3,582
Employer's pensions contributions and direct payments to pensioners payable in the year	(739)	(782)
<b>Balance at 31 March</b>	<b>(4,191)</b>	<b>(183)</b>

**Short-term compensated absences account**

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

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	<b>447</b>	<b>581</b>
Settlement or cancellation of accrual made at the end of the preceding year	(447)	(581)
Amounts accrued at the end of the current year	484	447
<b>Balance at 31 March</b>	<b>484</b>	<b>447</b>

**NOTE 17****UNUSABLE RESERVES****Deferred Capital Receipts**

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts.

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	<b>(573)</b>	<b>(575)</b>
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal on the Comprehensive Income and Expenditure Statement	2	2
<b>Balance at 31 March</b>	<b>(571)</b>	<b>(573)</b>

**NOTE 18**

**CASHFLOW OPERATING ACTIVITIES**

The cash flows from operating activities includes the following items

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000s</b>	<b>£000s</b>
Interest paid	1,023	6
Interest received	(675)	(107)

## NOTE 19

## EXPENDITURE AND INCOME ANALYSED BY NATURE

The authority's expenditure and income is analysed as follows

	2023/24	2022/23
	£000s	£000s
<b>Expenditure</b>		
Employee expenses	6,966	8,078
Other services expenses	11,200	12,538
Support service recharges	0	0
Depreciation	3,460	3,508
Revaluation and impairment	0	571
Interest payments	812	6
Pension interest and administration costs	3,050	2,534
Change in fair value of investment properties	0	0
Change in fair value of biological assets	40	(68)
Gain or loss on non-current assets	0	0
Contribution to Capital	0	0
<b>Total expenditure</b>	<b>25,528</b>	<b>27,167</b>
<b>Income</b>		
Fees, charges and other income	(10,082)	(8,845)
Interest & investment income	(791)	(223)
Return on Pension Assets	(3,068)	(1,659)
Levies on local authorities	(10,647)	(9,768)
Change in fair value of investment properties	0	28
Change in fair value of biological assets	0	0
Gain or loss on non-current assets	(42)	(4,931)
Capital grants and contributions	(918)	53
<b>Total income</b>	<b>(25,548)</b>	<b>(25,345)</b>
<b>(Surplus) / deficit on provision of services</b>	<b>(20)</b>	<b>1,822</b>

**NOTE 20****STAFF REMUNERATION**

	Year	Salary £000s	Expenses, fees and allowances £000s	Pension contribution £000s	Total £000s
<b>Senior Officers receiving over £150,000</b>					
Chief Executive Officer (CEO) - S Dawson	2023/24	170	1	0	171
	2022/23	164	1	0	165
<b>Senior Officers receiving between £50,000 and £150,000</b>					
Deputy Chief Executive	2023/24	146	1	20	167
	2022/23	140	1	22	163
Corporate Director	2023/24	114	0	15	129
	2022/23	104	1	16	121
Corporate Director	2023/24	106	1	15	122
	2022/23	99	1	15	115

Post titles are as at 31 March, or at date the employee left the Authority.

Expense allowances typically include a car allowance.



**NOTE 20****STAFF REMUNERATION****REMUNERATION BANDING**

The Authority's employees receiving more than £50,000 remuneration for the year, excluding employer's pension contributions and severance payments, were paid the following amounts.

Remuneration Bands *	2023/24	2022/23
	No. of Staff	No. of Staff
£50,000 - 54,999	5	6
£55,000 - 59,999	3	1
£65,000 - 69,999	0	1
£70,000 - 74,999	0	5
£75,000 - 79,999	7	2
£80,000 - 84,999	0	1
£85,000 - 89,999	4	1
£100,000 - 104,999	0	2
£105,000 - 109,999	1	0
£110,000 - 114,999	1	0
£140,000 - 144,999	0	1
£145,000 - 149,999	1	0
£165,000 - 166,999	0	1
£175,000 - 179,999	1	0

\* Remuneration Bands with no staff in have been excluded.

**NOTE 21****MEMBERS ALLOWANCES**

The Authority paid the following amounts to members of the Authority during the year.

	2023/24	2022/23
	£000s	£000s
Allowances	11	6

**NOTE 22****TERMINATION BENEFITS**

There were no contracts terminated but the Authority during 2023/24. In the previous year there were also none.

0

**NOTE 23****GRANT INCOME**

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24.

	2023/24	2022/23
	£000s	£000s
<b>Credited to Services</b>		
Improvement of open areas of the Authority	120	19

**Capital Grants Received**

	2023/24	2022/23
	£000s	£000s
<b>Grants Receipts in Advance (Capital Grants)</b>		
Improvement of open areas of the Authority	0	0
Other grants	799	25
	<u>799</u>	<u>25</u>

**REVENUE GRANTS RECEIVED IN ADVANCE**

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	(78)	0
Revenue Grants received in year	(85)	(97)
Grants credited to Comprehensive Income and Expenditure Account that have been used to fund revenue expenditure	120	19
<b>Balance at 31 March</b>	<u>(43)</u>	<u>(78)</u>

**CAPITAL GRANTS RECEIVED IN ADVANCE**

	2023/24	2022/23
	£000s	£000s
<b>Balance at 1 April</b>	(400)	(200)
Capital Grants received in year	(399)	(225)
Grants credited to Comprehensive Income and Expenditure Account that have been used to fund capital expenditure	798	25
Transfer to Capital Grants Unapplied	1	0
<b>Balance at 31 March</b>	<u>0</u>	<u>(400)</u>

**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. Significant transactions in 2023/24 were as follows:

	2023/24	2022/23
	£000s	£000s
<b>Income</b>		
<b>Levies receivable</b>		
As per note 32 for analysis levy	(10,647)	(9,768)
<hr/>		
<b>Payments</b>		
<b>Expenditure Included in Comprehensive Income and Expenditure Statement</b>		
Greenwich Leisure Limited	2,353	3,243

Greenwich Leisure Limited (GLL) are a related party for 2023/24, as operators of our five major venues via the Leisure Services Contract (LSC). There is a contract management fee payable between the two parties.

In addition, for the first two years of the LSC, a utilities risk share agreement is in place whereby the consumption risk sits with GLL and the price risk with the Authority.

The total amount paid, or accrued, within the 2023/24 accounts for these payments is £2.252m

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

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

The pension scheme administered by the London Pensions Fund Authority (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 March 2024 in respect of related party transactions. The Authority has prepared this disclosure in accordance with IAS 24 and how it applies to the public sector.

## NOTE 25

## CAPITAL EXPENDITURE AND CAPITAL FINANCING

	2023/24	2022/23
	£000s	£000s
<b>Opening capital financing requirement</b>	<b>37,837</b>	<b>23,946</b>
<b>Capital investment</b>		
Property, plant and equipment	3,246	17,122
Investment properties	0	0
Biological Assets	27	0
<b>Sources of finance</b>		
Capital receipts	(6,788)	(2,616)
Capital Fund	0	(140)
Government grants and other contributions	(798)	(25)
Grants Unapplied	0	0
Finance Leases	(2)	(2)
Direct revenue contributions	(646)	0
Minimum revenue provision	(430)	(448)
<b>Closing capital financing requirement</b>	<b>32,446</b>	<b>37,837</b>
<b>Explanation of movements in year</b>		
Increase/(decrease) in underlying need to borrowing unsupported by government financial assistance.	(5,391)	13,891
<b>Change in capital financing requirement</b>	<b>(5,391)</b>	<b>13,891</b>

**NOTE 26****LEASES****AUTHORITY AS A LESSEE****Operating leases**

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:

	2023/24	2022/23
	£000s	£000s
Not later than 1 year	14	14
Later than one year and not later than five years	54	54
Later than five years	24	37
	<u>92</u>	<u>105</u>

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:

	2023/24	2022/23
	£000s	£000s
Not later than 1 year	11	11
Later than one year and not later than five years	42	42
Later than five years	21	32
	<u>74</u>	<u>85</u>

The expenditure charged to the Parklands and Open Spaces Services line in the Comprehensive Income and Expenditure Statement during the year in relation to this lease was

	2023/24	2022/23
	£000s	£000s
Minimum lease payments	14	14
Sub lease payments receivable	(11)	(11)
	<u>3</u>	<u>3</u>

**NOTE 26****LEASES****AUTHORITY AS A LESSOR****Operating leases**

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

	2023/24	2022/23
	£000s	£000s
Not later than one year	291	291
Later than 1 year and not later than 5 years	1,166	1,166
Later than 5 years	19,596	19,887
	<b>21,053</b>	<b>21,344</b>

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 2023/24 £481k contingent rents were receivable by the Authority (2022/23: £465k).

**Finance leases**

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:

	2023/24	2022/23
	£000s	£000s
Finance lease debtor as at 31 March	872	874
Unearned finance income	8,781	8,896
Gross investment in lease as at 31 March	<b>9,653</b>	<b>9,770</b>

**Gross investment in lease**

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

	2023/24	2022/23
	£000s	£000s
Not later than one year	117	117
Later than 1 year and not later than 5 years	470	470
Later than 5 years	9,066	9,183
	<b>9,653</b>	<b>9,770</b>

**NOTE 27****IMPAIRMENT OF NON CURRENT ASSETS**

	2023/24	2022/23
	£000s	£000s
Impairment as a result of movement in Market Value, charged to the Comprehensive Income and Expenditure Statement		
Picketts Lock Golf Course	0	255
Lee Valley White Water Centre	0	865

**NOTE 28****EXTERNAL AUDIT COSTS**

	2023/24	2022/23
	£000s	£000s
Scale fees payable to the Ernst and Young for external audit services carried out by the appointed auditor	66	22

**NOTE 29**

**DISCLOSURE OF NET PENSION 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 at 31 March 2022 for members receiving funded benefits, and as at 31 March 2022 for any members receiving unfunded benefits.

	Number	Salaries/ Pensions £000s	Average Age
Actives	245	6,347	45
Deferred pensioners	482	928	49
Pensioners	252	1,882	71
Unfunded pensioners	38	67	81

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 asset (ie the amount by which the pensions liabilities exceed its assets) of £4.1m 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 2022.

**Demographic/Statistical assumptions**

The following set of demographic assumptions have been used, and are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2022, except for the CMI projection model. The post retirement mortality tables have been constructed based on Club Vita analysis. These base tables are then projected using the CMI\_2022 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. and a 2022 weighting of 25%

Life expectancy from age 65 years		31/03/2024	31/03/2023
Retiring today	Males	21.9	22.1
	Females	24.2	24.4
Retiring in 20 years	Males	22.2	22.4
	Females	25.4	25.6



**NOTE 29**

**DISCLOSURE OF NET PENSION ASSETS AND LIABILITIES**

**Financial assumptions**

The financial assumptions used for the purposes of the IAS19 calculations are as follows:

Assumptions as at:	31 March 2024	31 March 2023	31 March 2022
	% per year	Real %	% per year
Discount rate	4.90%	4.80%	2.60%
Pension Increases (CPI)	2.90%	2.85%	3.20%
RPI Inflation	3.20%	3.20%	3.50%
Salary Increases	3.90%	3.85%	4.20%

These assumptions are set with reference to market conditions at 31 March 2024.

**Balance sheet disclosure as at 31 March 2024**

	31/03/2024	31/03/2023	31/03/2022
	£000s	£000s	£000s
Present value of defined benefit obligation	64,751	63,434	96,728
Fair value of scheme assets	(69,525)	(64,247)	(64,051)
	<u>(4,774)</u>	<u>(813)</u>	<u>32,677</u>
Present value of unfunded obligation	583	630	894
Unrecognised past service cost	0	0	0
<b>Net liability in Balance Sheet</b>	<u><b>(4,191)</b></u>	<u><b>(183)</b></u>	<u><b>33,571</b></u>

The movement in the net pension liability for the year to 31 March 2024 is as follows:

	31/03/2024	31/03/2023
	£000s	£000s
Surplus/(deficit) at start of year	<u>(183)</u>	<u>33,571</u>
Current service cost	760	2,707
Employer contributions (regular)	(672)	(715)
Contributions for unfunded benefits	(67)	(67)
Past service costs	0	0
Interest cost	3,031	2,515
Interest income	(3,068)	(1,659)
Remeasurements	(4,011)	(36,554)
Administration expenses	19	19
<b>Surplus/(deficit) at end of year</b>	<u><b>(4,191)</b></u>	<u><b>(183)</b></u>

**NOTE 29**

**DISCLOSURE OF NET PENSION ASSETS AND LIABILITIES**

**Remeasurements in Other Comprehensive Expenditure and Income**

	31/03/2024	31/03/2023
	£000s	£000s
Return on plan assets in excess of interest	2,900	(820)
Other actuarial gains/(losses) on assets	0	(142)
Change in financial assumptions	586	41,788
Changes in demographic assumptions	757	2,582
Experience gain/(loss) on defined benefit obligation	(232)	(6,854)
Changes in effect of asset ceiling	-	-
<b>Remeasurements</b>	<b>4,011</b>	<b>36,554</b>

**Profit & Loss Account Costs for the Year to 31 March 2024**

	31/03/2024	31/03/2023
	£000s	£000s
Service cost	760	2,707
Net interest on the defined liability (asset)	(37)	856
Administration expenses	19	19
<b>Total</b>	<b>742</b>	<b>3,582</b>
<b>Actual return on Scheme assets</b>	<b>5,968</b>	<b>839</b>

**Reconciliation of the present value of the defined benefit obligation**

	31/03/2024	31/03/2023
	£000s	£000s
<b>Opening defined benefit obligation</b>	<b>64,064</b>	<b>97,822</b>
Current Service Cost	760	2,707
Interest cost	3,031	2,515
Change in financial assumptions	(586)	(41,788)
Changes in demographic assumptions	(757)	(2,582)
Experience (gain)/loss on defined benefit obligation	232	6,854
Estimated benefits paid	(2,324)	(2,147)
Past service costs	0	0
Contributions by employees	981	950
Unfunded pension payments	(67)	(67)
<b>Closing defined benefit obligation</b>	<b>65,334</b>	<b>64,064</b>

## NOTE 29

## DISCLOSURE OF NET PENSION ASSETS AND LIABILITIES

## Reconciliation of fair value of employer assets

	31/03/2024	31/03/2023
	£000s	£000s
Opening fair value of employer assets	64,247	64,031
Interest income on assets	3,068	1,659
Return on assets, excluding interest	(900)	(820)
Other actuarial gains/(losses)	0	(142)
Administration expenses	(19)	(19)
Contributions by employer including unfunded	739	782
Contributions by employees	981	950
Estimated benefits paid plus unfunded	(2,391)	(2,214)
Closing fair value of employer assets	65,725	64,247

## The estimated asset allocation as at 31 March 2024 is as follows

	31/03/2024		31/03/2023	
	£000s	%	£000s	%
Equities	42,095	60.5%	37,781	55.5%
Target Return Portfolio	11,994	17.3%	11,946	23.0%
Alternative Assets	-	-	-	-
Infrastructure	7,987	11.5%	8,129	8.5%
Property	6,360	9.1%	6,309	8.8%
Cash	1,089	1.6%	82	4.2%
Total	69,525	100.0%	64,247	100.0%

NOTE 29

DISCLOSURE OF NET PENSION ASSETS AND LIABILITIES

Sensitivity analysis

	31/03/2024	Increase in assumption	Increase in assumption	Decrease in assumption	Decrease in assumption
	£000s	£000s	£000s	£000s	£000s
<b>Adjustment to discount rate (increase/decrease by 0.1%)</b>		+0.5%	+0.1%	-0.1%	-0.5%
Present Value of Total Obligation	65,334	60,373	64,289	66,406	70,996
Projected Service Cost	711	563	679	744	886
<b>Adjustment to long term salary increase (increase/decrease by 0.1%)</b>		+0.5%	+0.1%	-0.1%	-0.5%
Present Value of Total Obligation	65,334	65,677	65,401	65,267	65,005
Projected Service Cost	711	714	711	710	708
<b>Adjustment to pension increases and deferred revaluation (increase/decrease by 0.1%)</b>		+0.5%	+0.1%	-0.1%	-0.5%
Present Value of Total Obligation	65,334	70,741	66,359	64,335	60,589
Projected Service Cost	711	891	744	679	559
<b>Adjustment to mortality age rating assumption (increase/decrease by 1 year)</b>			+1 year	-1 year	
Present Value of Total Obligation	65,334		67,746	63,016	
Projected Service Cost	711		743	680	

Projected pension expense for the year to 31 March 2025

	31/03/2025
	£000s
Service cost	711
Net interest on the defined liability/(asset)	(223)
Administration expenses	21
<b>Total</b>	<b>509</b>
Employer contributions	665

**NOTE 30**

**NATURE AND 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 31st March 2024 was £22,500.

At 31st March 2024 amounts owed by customers stood at £939,000, (£853,000 31st March 2023). 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 £939,000 outstanding is analysed by age as follows.

**Aged debtor profile**

	2023/24	2022/23
	£000s	£000s
Less Than 30 Days	107	70
31 to 60 Days	129	124
61 to 90 Days	12	62
91+ Days	691	596
	<b>939</b>	<b>852</b>

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.

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.

**NOTE 30****NATURE AND RISKS OF FINANCIAL INSTRUMENTS**

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 2023.

**Credit rating of institutions holding investments**

	Long Term Credit Rating	Sum Invested as at 31/03/24 £000s	Sum Invested as at 31/03/23 £000s
<b>FITCH rating agency</b>			
Upper Medium Grade	A	4,771	3,757
Lower Medium Grade	BBB+/BBB	6,196	4,019
Highly Speculative	B	0	0
Not Rated		4,155	3,000
<b>Total invested</b>		<b>15,122</b>	<b>10,776</b>

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

**Default rate and non collection rate**

	Amount at Nominal Value 31/03/2024 £000s	Historical experience of defaults 31/03/2024 £000s	Amount at Nominal Value 31/03/2023 £000s	Historical experience of defaults 31/03/2023 £000s
Deposits with banks and financial institutions at nominal value	15,122	0	10,776	0

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

## NOTE 30

### NATURE AND RISKS OF FINANCIAL INSTRUMENTS

#### 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 local authorities and 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.

	2023/24	2022/23
	£000s	£000s
Less than 1 year	25,000	20,000
Between 1 and 2 years	0	5,000
Between 2 and 5 years	0	0
More than 5 years	0	0
	<u>25,000</u>	<u>25,000</u>

#### 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 Movement in Reserves. 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 budgeted 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 budgeted income / expenditure levels. The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

**NOTE 31**

**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.

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## NOTE 32

## ANALYSIS OF LEVY

	2023/24	2022/23
	£000s	£000s
Corporation of London	23	20
<b>Inner London boroughs</b>		
Camden	235	213
Greenwich	218	198
Hackney	196	175
Hammer-smith and Fulham	213	195
Islington	208	190
Kensington and Chelsea	248	230
Lambeth	286	263
Lewisham	226	210
Southwark	277	254
Tower Hamlets	287	256
Wandsworth	358	327
Westminster	345	320
<b>Outer London boroughs</b>		
Barking and Dagenham	135	123
Barnet	389	357
Bexley	211	194
Brent	257	234
Bromley	341	315
Croydon	349	323
Ealing	309	281
Enfield	246	228
Haringey	203	188
Harrow	226	210
Havering	229	211
Hillingdon	263	246
Hounslow	227	205
Kingston Upon Thames	164	150
Merton	197	179
Newham	218	194
Redbridge	230	215
Richmond Upon Thames	227	210
Sutton	188	174
Waltham Forest	204	186
<b>Hertfordshire and Essex authorities</b>		
Hertfordshire	1,180	1,085
Essex	1,400	1,289
Thurrock	133	122
<b>Total levies on local authorities</b>	<b>10,646</b>	<b>9,770</b>

**NOTE 33**

**NON-CURRENT ASSET VALUATIONS**

The Authority carries out a five year rolling programme of asset valuations that ensures all property, plant and equipment required to be measured at current value is revalued at least every five years. In addition to the partial valuations carried out each year, the major assets (Lee Valley Velopark, Lee Valley Hockey and Tennis Centre, Lee Valley White Water Centre, and Lee Valley Athletics Centre) are revalued on an annual basis.

The Authority undertook a full asset valuation in 2023/24, with an effective date of 31 March 2023. This exercise was undertaken by an external consultant, Montagu Evans, Chartered Surveyors. Valuations were made in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. As at publication of draft accounts, we were still confirming asset valuations, and as a result, revaluations are not yet accounted for within the draft accounts. This will be included once finalised.

In years when the full revaluation is not conducted, the Authority values its major sporting venues (Lee Valley Velopark, Lee Valley White Water Centre, Lee Valley Hockey & Tennis Centre, Lee Valley Athletics Centre, and Lee Valley Ice Centre), which account for around 70% of the asset base value, along with 20% of the other revaluable assets. This ensures that the carrying value is not materially misstated at any year end.

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 with 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 re-valued in the five year rolling programme.

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**NOTE 34**

**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:

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

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.

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**NOTE 25****INVESTMENTS**

	2023/24	2022/23
Short term investments	£000s	£000s
Maturing within 7 days	4,087	2,008
Maturing between 7 days and 3 months	6,263	5,011
Maturing between 3 months and 1 year	0	0
	<u>10,350</u>	<u>7,019</u>

**NOTE 36****BORROWING**

Long term borrowing	2023/24	2022/23
	£000s	£000s
<b>Analysis of loan by type</b>		
Public Works Loan Board	5,000	5,000
Other Local Authorities	20,000	20,000
<b>TOTAL BORROWING</b>	<b>25,000</b>	<b>25,000</b>

Analysis of loan by maturity	2023/24	2022/23
	£s	£s
<b>Short-term borrowing</b>		
Loans Maturity Within 1 Year	25,000	20,000
<b>Long-term borrowing</b>		
Between 1 and 2 years	0	5,000
Between 2 and 5 years	0	0
Between 5 and 10 years	0	0
More Than 10 years	0	0
	<b>0</b>	<b>5,000</b>
<b>TOTAL BORROWING</b>	<b>25,000</b>	<b>25,000</b>

**NOTE 37****CONTINGENT ASSETS AND LIABILITIES**

In respect of the Lee Valley White Water Centre, the Authority has a contingent liability of £0.9m 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).

There is also a contingent liability of £5.25m for the Velopark in relation to the joint lottery funding agreement between the Authority, Sport England and the Olympic Development Authority. In addition the Authority also has a contingent liability of £2m in relation to a funding agreement with the London Marathon Trust.

**NOTE 38****EVENTS AFTER THE BALANCE SHEET DATE**

There were no events after the balance sheet date that affect the accounts for 2023/24.

## **NOTE 39**

### **Management Risk Assessment Re Going Concern**

#### **Introduction**

The Authority, like most public sector organisations, continues to face a very challenging time, with high inflation, huge rises in energy prices, and a general cost of living crisis, all coming off the back of the Covid-19 pandemic and the Russian invasion of Ukraine, which both have had a significant impact on the local and global economy.

We are continuing our recovery from the impact on our cash resources caused by the widespread enforced closure of Park sites and venues, as well as building on the relationship with GLL who manage our major sporting venues.

One of the underlying risks facing the LVRPA over the next twelve to eighteen months is to ensure that as an entity we continue as a going concern. It is for management to assess this risk and ensure robust financial and action plans are in place now, and going forward, that meet the current and future possible needs to ensure our continued recovery as well as building resilience for the future.

Whilst we do have the statutory power enshrined in the Park Act on raising the levy, and if required, a supplementary levy, and currently only do so to a third of what we legally could, it is not sufficient that we only rely on this power as if the Authority is in financial trouble the chances are that most of the contributing councils are also in equally dire financial circumstances. Equally the external political pressure will be to maintain or minimise increases in such levy demands if as expected similar circumstances rematerialize.

#### **Basis of preparation**

The concept of a going concern assumes that the Authority's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code (Code of Practice on Local Authority Accounting in the United Kingdom 2023/24) in respect of going concern reporting requirements reflect the economic and statutory environment in which this Authority operates. These provisions confirm that, as the Authority cannot be created or dissolved without statutory prescription, it must prepare financial statements on a going concern basis of accounting.

The Authority carries out functions essential to the local/regional community and is a revenue-raising body (with limits on revenue-raising powers set out in the Park Act 1966 and Levying Regulations 1992, arising only at the discretion of central government). If this Authority were in financial difficulty, the prospects are thus that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year. As a result of this, it would not therefore be appropriate for this Authority's financial statements to be provided on anything other than a going concern basis. Accounts drawn up under the Code therefore assume that services will continue to operate for the foreseeable future.

## Going Concern Analysis

### Revenue and Levy Budget

The Authority set its budget and levy for 2024/25 in January 2024 (Paper A/4346/24 Authority Meeting 18 January 2024) in response to the continued high energy prices, and the compounding effect of high inflation, which whilst having reduced to 4.0%, had been as high as 11.1% during the prior year. These all had an impact on our expenditure over the prior year, and with forecast only for a slow reduction in inflation over the coming year, meant that we were looking at a deficit on our budget of around £0.3m. Whilst we had increased fees and charges for the coming year, as well as expecting increased investment returns on cash balances held, we recognised that as well as costs increasing, we need to review the operational structure at our marinas to ensure they were operating safely and efficiently.

We also recognised that the Utility Risk Share – where the Authority take the price risk, and GLL the consumption risk - we have in respect of the LSC would need to continue beyond the first two years, as long term forecasts on energy costs are now not possible. This means that rather than the full risk (and expected lower prices) would have passed to GLL from Year 3, they now sit with both parties, and that the Authority will be liable for higher costs than initially envisaged at the commencement of the LSC.

Furthermore, the Authority continues to invest in our venues and open spaces, which along with the redevelopment of the twin-pad Ice Centre, which opened in June 2023, has or will see, investment into all the other sporting venues with replacement of lighting systems, as well as upgrades to sporting facilities. Open spaces have a major investment programme too, which currently includes works at Middlesex Filter Beds, footpath improvements at St Pauls Field, and major renovation and desilting works at East India Dock Basin, which will require external funding assistance to fully deliver.

With this all in mind, Members agreed to increase the Levy by 3% for the financial year 2024/25 to enable us to deliver a balanced budget. The use of reserves to fund a gap was not thought best practice, and that we should maintain a minimum general reserve balance of £3m, with a recommended level at, or above £4m to allow for any short term annual fluctuations that may materialise.

Our Medium Term Financial Forecast continues to be revised to factor in changes in forecasts, estimates, and profiling of works. In addition, we have been fortunate in receiving a refund of overpaid VAT which relates to a recently agreed challenge from Local Authorities in England and Wales, as well as separate cases relating to Scotland and Northern Ireland, with regards to exemption of sporting income, and non-distortion in favour of the LAs. For us, this relates to historic VAT paid when the sports venues were in Authority operation and covers the period 2010-2015 and from 2020-2022. With the main sports venues now run under the LSC, there will be minimal ongoing revenue benefit to us under our current operating model. Members approved allocating these funds to the general fund when they met in January 2024.

As a result of the 2023/24 surplus of £1.97m, the unallocated general fund balance has increased to £5.0m. As a result, and to reflect the need to carry £0.16m of the underspend forward to 2024/25, the MTFP has been updated and forecasts are for this to reduce to £4.8m at the end of 2024/25, and holding that level throughout the MTFP period. However, whilst cash reserves were strong at £15.2m at 31 March 2024, this is artificially high due to levels of creditors outstanding at year end, along with slippages within the capital programme. These are all expected to resolve over the next financial year, and cash levels falling to around £5.8m at March 2025, due to the need to self-finance our capital programme, before slowly recovering in future years.

Below is an analysis of our forecast usable reserves, and expected cash balances at the end of each year, based on current approved budgets and capital projects, and covers the Medium Term Financial Forecast period to 2026/27. This has been updated to reflect the 2023/24 outturn, and forecasts for the years ahead.

	Closing Balance Forecasts			
	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Usable Reserves</b>				
General Fund	(4,991)	(5,015)	(5,144)	(5,288)
Insurance Fund	(458)	(438)	(418)	(398)
Repairs & Renewals Funds	(1,241)	(1,089)	(1,091)	(1,093)
<b>Sub Total Revenue Reserves</b>	<b>(6,690)</b>	<b>(6,542)</b>	<b>(6,653)</b>	<b>(6,779)</b>
<b>Capital and Asset Based Reserves</b>				
Asset Maintenance Reserve	(120)	(70)	(30)	(590)
Usable Capital Receipts	(9,964)	(6,865)	(6,865)	(6,865)
<b>Sub Total Capital Reserves</b>	<b>(10,084)</b>	<b>(6,935)</b>	<b>(6,895)</b>	<b>(7,455)</b>
<b>Total Usable Reserves</b>	<b>(16,774)</b>	<b>(13,477)</b>	<b>(13,548)</b>	<b>(14,234)</b>
<b>Capital Financing &amp; Borrowing</b>				
Capital Financing Requirement	32,446	32,999	31,792	30,803
External Borrowing	(25,000)	(23,300)	(22,500)	(21,900)
<b>Net Internal Borrowing</b>	<b>7,446</b>	<b>9,699</b>	<b>9,292</b>	<b>8,903</b>
<b>Creditors/Debtors - General Liabilities</b>	<b>(5,836)</b>	<b>(2,136)</b>	<b>(1,736)</b>	<b>(1,636)</b>
<b>Net Closing Cash Balance</b>	<b>(15,164)</b>	<b>(5,914)</b>	<b>(5,992)</b>	<b>(6,967)</b>

#### Leisure Services Contract

The Leisure Services Contract with GLL commenced in April 2022, for an Initial 10 year period. Whilst this should give us some certainty over operation and cash in- and out-flow relating to the sports venues, we are currently renegotiating the utilities provision within the contract, to allow for risk sharing (Authority on price, and GLL on consumption) for the whole contract duration, rather than the current two years. The MTFP factors this in, and we currently anticipate a change to the annual management fee payable between the parties of up to £1.2m flowing to GLL.

#### Revenue Outturn

Outturn is reported to Members on a quarterly basis. The full year outturn for 2023/24 was reported in May 2024 as £2.05m, which included the £1.82m VAT refund. The original budget for 2023/24 was set with a deficit/use of reserves of £0.456m, which included a contingency against increased cost and income reduction of £0.6m, so the outturn is a significant improvement upon this. Venues have been delivering at, or near to, expected income levels as well as looking for savings and efficiencies. We have seen, and will continue to see, increases in borrowing costs as a result of high interest levels, but this has been offset by significantly higher investment income. We are aware, however, that as our cash reserves fall, the investment return will reduce. Borrowing is currently done only on short-term basis, with loans of up to two years only. This does require regular refinancing, although Members have approved this approach rather than tying us long term (up to 40 years) to high charges, and in turn, charges against the annual levy.

This is supported by robust weekly and monthly financial monitoring and expenditure controls on purchase ordering that are already in place.



## **Capital Investment**

The Authority base budget is built around utilising £1.45m of the levy to assist in capital and asset related works (Major Repairs £1.25m and revenue contribution to projects £0.2m) – Capital Expenditure can be funded directly from borrowing and alleviate pressure on cash reserves and contributions albeit that borrowing will incur capital charges, and the need to be ultimately funded from revenue, that directly impact on the levy. However, with high interest rates this is not something we are currently considering, outside of the Ice Centre Investment. The Authority set its prudential indicators in January 2024 which fed into the Medium Term Financial Plan and budget and levy plans for the future. The Authority currently has external borrowing of £25m, and is expecting to continue to carry this, reducing annually in line with statutory requirements for the lifetime of the Ice Centre. In addition, the Authority will seek to maximise land sale receipts where land has approved designation of not required for park purposes.

## **Buckingham Constructing Group Limited**

The Authority entered into a contract with Buckingham Group Constructing Ltd (BGCL) in August 2021 for the construction of a new twin-pad ice rink, with a total project cost of £30m. The old venue closed to the public on 27 June 2021, and was formally handed over to BGCL on 16 August 2021. Construction continued throughout 2021 and 2022, with practical completion and handover of site from BGCL to the Authority and lease by the Authority to Greenwich Leisure Limited, the operator, both occurring on 10 May 2023, with the new venue reopening to the public on 17 June 2023.

There existed a number of snagging issues and defects that BGCL along with its sub-contractors were working on remedying. However, BGCL formally filed for administration on 17 August 2023 due to escalating contract losses on other contracts, and on 4 September 2023 Grant Thornton were formally appointed Administrator.

Authority officers met with the Project Managers, Wrenbridge, and their legal advisers, Forsters, in early September to discuss the next steps, including the outstanding works, the financial position with regards to BGCL and how we can offset cost we will now incur against the retention held by the Authority - as is the case with large contracts, we have retained a proportion of fees due as retention. However, as the original budget includes a significant sum as contingency (£2m) we are confident that, even with additional project management and delivery costs, we will not exceed the original budget.

Snagging works on site have since continued, although none of the outstanding works were operationally critical and are now expected to be completed over the next year.

As at May 2024, there had been no further communication from the Administrator.

## **Conclusion**

The Authority continues to build, rebuild, and create resilience for the future, by investing in our land and asset portfolio. The operational outturn for 2023/24, the Medium Term Forecast to 31 March 2026, and the reserves and cash position demonstrate that the Authority will continue to operate as a healthy going concern throughout 2024/25 and beyond. We have developed an updated business plan to cover the period 2024-2027 which sets out our aspirations for the Park in the coming years, and how we will manage this significant asset for the benefit of all, be that local, regional, national or international.

## **NOTE 40**

### **Critical Judgements in applying accounting policies**

In applying the accounting policies set out in note 1, the Authority has to make judgements about complex transactions, or those involving uncertainty about future events.

The critical judgements made in the Statement of Accounts are:

#### **Group accounts**

The Statement of Recommended Practice requires local authorities to consider all their interests in subsidiaries, associated companies and joint ventures and to prepare a full set of group financial statements where they have material interests, thereby providing a complete picture of the authority's control over other entities.

A management contract for the leisure facilities was awarded to Greenwich Leisure Limited (GLL), and commenced on 1 April 2022. The Authority, other than what is included within the contract, does not have direct power to influence operations and activities of GLL.

Therefore, the Authority has determined that it has no interests in subsidiaries, associates or joint ventures of a material nature, and is not required to prepare group accounts.

## **NOTE 41**

### **Assumptions made about the future and other major sources of estimation uncertainty**

The Statement of Accounts contained estimated figures that are based on assumptions made by the Authority about the future of that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that actual outcomes could differ from those estimates.

The items in the Authority's balance sheet at 31 March 2024 for which there is significant risk of material adjustment in the forthcoming financial year are as follows:

#### **Pensions liability**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.

The net pension liability can vary considerable year on year, due to the complex ways in which the assumptions interact. For example, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £3.9million.

A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.

#### **Property, plant and equipment**

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The life of our assets vary considerable, due to the mature and age of particular assets; land and buildings vary between 5 and 60 years, with vehicles, plant and machinery between 5 and 15.

If the useful life of assets is reduced, then depreciation will increase and the net carrying amount of the assets falls.

We carry out a full review of our assets on a five yearly basis, although year on year we review a percentage of our assets for possible change in value and/or useful life.

Under its Land & Property strategy the Authority has taken decisions to declare certain parts of its land portfolio as surplus to the Park's requirements. Where an asset has formally been approved as surplus by the full Authority it has been classified as a non-current asset held for sale.

## NOTE 42

### Accounting standards that have been issued but have not yet been adopted

The Code of Practice requires local authorities to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

As per CIPFA Bulletin 17 - Closure of the 2023/24 Financial Statements

The following standards have been issued, that relate to future accounting periods.

The standards introduced by the 2024/25 Code where disclosures are required in the 2023/24 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

- a) IFRS 16 Leases issued in January 2016 (but only for those local authorities that have not decided to voluntarily implement IFRS 16 in the 2023/24 year).
- b) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020. The amendments:
  - specify that an entity's right to defer settlement must exist at the end of the reporting period
  - clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement
  - clarify how lending conditions affect classification, and
  - clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.
- c) Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions.
- d) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants.
- e) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover. The amendments introduced:
  - a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, and
  - targeted disclosure requirements for affected entities.
- f) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The IASB developed the new requirements to provide users of financial statements with information to enable them to:
  - assess how supplier finance arrangements affect an entity's liabilities and cash flows, and
  - understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Item a) will only be applicable to local authorities that have not voluntarily implemented IFRS 16 in 2023/24. It is likely that though they provide clarifications, items b), c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. There will be limited application of items e) and f).

## **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 them, 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 disposed 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 or 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.

## SUMMARY OF FINANCIAL MOVEMENTS 2023/24

	USABLE RESERVES			CAPITAL FINANCING REQUIREMENT				Total Usable Reserves £000s	Pre-2007 £000s	Post-2007 £000s	Ice Centre £000s	Construct. £000s	LT Debtons £000s	Total CFR £000s	External Borrowing £000s	Revenue & Capital Grants RIA £000s	Cashflow & General Liabilities £000s	TOTAL CASH £000s
	General Fund £000s	Asset Maint £000s	Earmarked Reserves £000s	Capital Receipts £000s	Pre-2007 £000s	Post-2007 £000s	Ice Centre £000s											
Opening Balance 1 April 2023	(3,021)	(329)	(1,771)	(16,544)	9,216	0	0	27,747	874	37,837	(25,000)	(478)	(1,490)	(10,796)				
Net Operational Expenditure	8,392																	8,392
Earmarked Reserves Contributions	945	(750)	(195)															0
Capital Contributions	646																	0
Minimum Revenue Provision	430				(430)	(71)	(575)											0
Levies	(10,647)																	(10,647)
Revenue Outturn	(234)																	
VAT Refund	(1,818)																	(1,818)
Land Disposal Costs Left In Revenue	52																	52
Farm Stock Valuation Adjustment	29																	29
S106 Expenditure	1																	1
Earmarked Reserves Expenditure		959	311															1,270
Movement in Capital																		0
Capital Expenditure																		3,272
Capital Receipts				(207)		1,631	27,747											3,272
Capital Grants																		0
Capital Financing																		0
Deferred Receipts (Leases)																		0
Movement in Net Liabilities																		2
																		(4,348)
<b>SUB IN YEAR MOVEMENT TOTAL</b>	<b>(1,970)</b>	<b>209</b>	<b>116</b>	<b>6,580</b>	<b>(430)</b>	<b>0</b>	<b>22,788</b>	<b>(27,747)</b>	<b>(3)</b>	<b>(5,391)</b>	<b>0</b>	<b>434</b>	<b>(4,346)</b>	<b>(4,368)</b>				
Closing Balance 31 March 2024	(4,991)	(120)	(1,655)	(9,964)	8,786	0	22,788	0	872	37,446	(25,000)	(44)	(5,836)	(15,164)				

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