LONDON THAMES GATEWAY

Regeneration for East London

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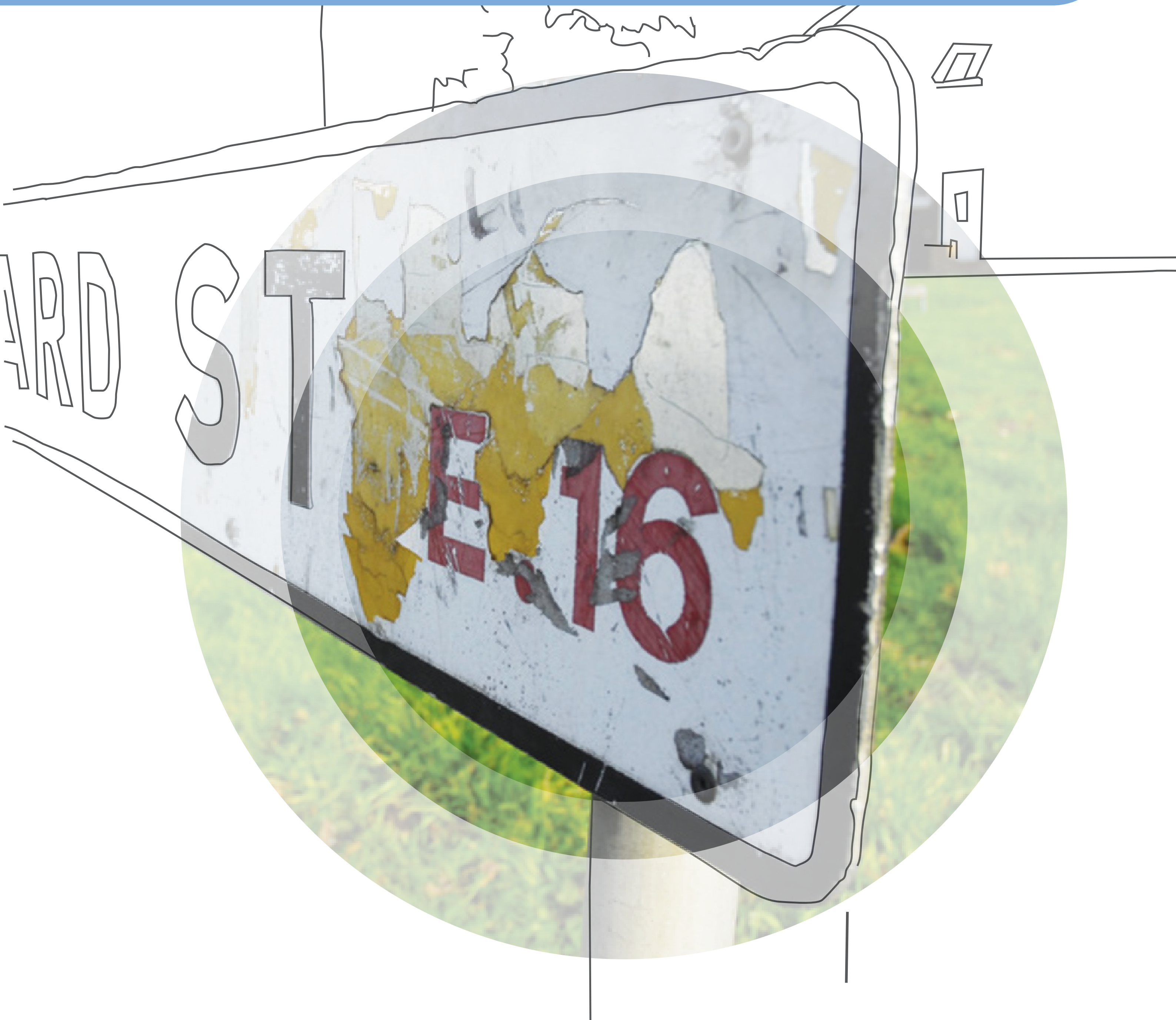
LONDON THAMES GATEWAY DEVELOPMENT CORPORATION

Report and Accounts for the period ended 28th February 2013

London's hotspot: EAST LONDON



London Thames Gateway Development Corporation

Report and Accounts for the period 1st April 2012 to 28th February 2013

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the Local Government Planning & Land Act 1980

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CHAIRMAN'S FOREWORD

Bob Lane OBE
Chairman to 28th February 2013

This is the final Report and Accounts for London Thames Gateway Development Corporation (LTGDC), concluding a brief but very successful existence. LTGDC was established in 2004 initially with a 10 year life-span but this was shortened by the Government in 2010. LTGDC formally closed at the end of February 2013.

The passage of the Localism Act in November 2011 prompted the transfer of LTGDC's assets to the newly formed London Legacy Development Corporation (LLDC) and its assets outside the new development corporation's area to the Greater London Authority (GLA) in April 2012. LTGDC's remaining planning powers were transferred to the Boroughs and the LLDC on 1st October 2012. LTGDC continued to operate for the remainder of the 2012 calendar year in order to implement the Lea River Park CPO. These CPO assets were then transferred to the LLDC in January 2013 with the remaining LTGDC assets being transferred to the GLA at the end of February 2013.

LTGDC had put in place the programmes, partnerships, projects and sites to deliver:

- Over 10,500 new homes
- Over 5,000 more jobs
- Over 225,000 sq. m. commercial floor space
- £54m of direct private sector investment in its projects
- £1.2bn of private sector investment in its 'Big 8' locations
- The creation of nearly 15,000 sq. m. of new education space
- The enhancement of nearly 300 hectares of open space

The realisation of these outputs will now depend on the projects' careful stewardship by the GLA and LLDC. Fortunately some of the key individuals that made this programme a reality are now with those two organisations and are bringing their expertise to bear on the ever challenging environment of regeneration in east London.

The true significance of LTGDC's efforts will be realised in the next few years when the debate about Olympic legacy will be much more focused. Huge progress has been made in areas close to the Olympic Park in Hackney Wick, Bromley by Bow and Sugarhouse Lane and this will play a key role in successfully integrating the Olympic Park to neighbouring areas. Further afield in London Riverside, an unstoppable momentum has been established in the regeneration of Barking and Rainham town centres and there is substantial impetus behind long standing major projects like Barking Riverside and the London Sustainable Industries Park.

In the long haul LTGDC will be seen to have been one of the critical players in the regeneration of east London: a story that commenced with the creation of the London Docklands Development Corporation in 1981 and will continue well into the 21st century. The London Legacy Development Corporation is the third Development Corporation created to tackle the regeneration and growth of east London and more may follow in meeting this complex, demanding and challenging role.

LTGDC has demonstrated that a dedicated resource with the skills experience and expertise of a multi-disciplined team can make a huge impact even in the most difficult circumstances.

I joined the Board halfway through the story and I would like to thank Lorraine Baldry who was Chairman for the first 4 years and all those who have served on the Board and Planning Committee since 2004.

It remains for me to finally thank, our staff, partner agencies, local councils and private sector partners who have contributed considerably to east London's future.

Bob Lane OBE
Chairman to 28th February 2013

This is the final report and accounts for LTGDC as the organisation closed at the end of February 2013.

Transfer of assets /liabilities and the closure of LTGDC

On 1st April 2012 all property, rights and liabilities of LTGDC within the LLDC area were transferred to the newly formed Development Corporation along with two members of staff by way of a Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 1) Transfer Scheme 2012").

On 16th April 2012, following consultation with the relevant London boroughs, an Order came into force which transferred most of LTGDC's remaining property, rights and liabilities to the Greater London Authority along with nine members of staff ("The London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities (Greater London Authority) Order 2012").

LTGDC retained its planning powers in the Lower Lea Valley until the 30th September 2012 whereupon it relinquished the powers and the functions were then carried out by the LLDC (within its geographical area) and by the local London boroughs (in the remaining areas). A Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 2) Transfer Scheme 2012") dated 30th September 2012 enabled the transfer of contracts and two members of staff to the LLDC at this time.

LTGDC implemented the Lea River Park Compulsory Purchase Order at the end of 2012. This resulted in land and various rights of way being secured for the project. These assets were transferred to the LLDC on the 18th January 2013 by way of a Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation Transfer Scheme 2013").

On the 22nd January 2013, following consultation with the relevant London boroughs, an Order came into force transferring LTGDC's remaining property, rights and liabilities to the Greater London Authority ("The London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities (Greater London Authority) (No. 2) Order 2012").

LTGDC's dissolution date was the 28th February 2013.

Going Concern

As a result of the Corporation's dissolution, the financial statements for the period ending 28th February 2013 have not been prepared on a going concern basis (see Accounting Policies note 1).

Personnel

During the financial period to 28th February 2013, LTGDC's headcount reduced from 30 to 0. A total of 11 staff members were transferred under TUPE regulations with the April 2012 transfers to the GLA and LLDC. A further three staff were TUPE'd when the planning powers transferred in October, whilst 15 staff were made compulsorily redundant during the period (4 in June, 1 in July, 6 in September, 1 in October and 3 in February 2013) and one staff member left voluntarily during the period.

The LTGDC Board would like to record their thanks to all members of staff who have worked so hard over this period in potentially demoralising circumstances.

Investment

LTGDC's capital investment for the financial period was limited due to the impact of the project activity being transferred to the GLA / LLDC in April 2012. Capital project expenditure incurred by LTGDC up until the 16th April only totalled £256,000. However, LTGDC also incurred £137,000 implementing the Lea River Park CPO and invested a further £876,000 from S106 Planning Agreements (see note 1) on project activity.

The breakdown of the £256,000 investment is provided in the table opposite.

Total expenditure by Borough is detailed in the table opposite.

Expenditure by Borough	Period ended 28th Feb 2013	% LTGDC to 2013 investment	Previous years to 31st March 2012	% LTGDC to 2012 investment
LB Hackney	-	-	£7.46m	3%
LB Newham	-	-	£65.28m	30%
LB Tower Hamlets	-	-	£25.35m	11%
LB Barking and Dagenham	£0.24m	92%	£92.16m	41%
LB Havering	£0.02m	8%	£32.30m	15%
Total	**£0.26m**	**100%**	**£222.55m**	**100%**

Total expenditure by the LTGDC 8 key project areas is detailed in the table opposite.

Project Areas	Period ended 28th February 2013	Previous years to 31st March 2012
Lower Lea Valley	£0.01m	£97.84m
Canning Town	-	£44.34m
Olympic Arc	-	£29.10m
Bromley by Bow	-	£11.96m
Lea River Park	£0.01m	£8.81m
LTGDC Other	-	£3.63m
London Riverside	£0.25m	£124.71m
Barking Town	£0.14m	£36.09m
London Sustainable Industries Park	£0.10m	£55.75m
Rainham Village	£0.01m	£29.25m
LTGDC Other	-	£3.62m
TOTAL	**£0.26m**	**£222.55m**

LTGDC's investment programme over the years sought to unlock the potential of the Lower Lea Valley and London Riverside – the two areas that made up the LTGDC area. As distinct areas with their own character and potential LTGDC's approach was to recognise and build on their distinctive strengths:

Lower Lea Valley

With nearly four miles of tidal and non-tidal rivers and canals criss-crossing the Lower Lea Valley, water sat at the heart of our approach to its regeneration. Strengthening and adding to the network of waterways and parkland and creating a new urban realm that will be unique to London, with 250 hectares of new and improved public space linking the Lea Valley Regional Park to the Thames was a key aim. Encouraging thriving town centres at Stratford, Canning Town, Bromley by Bow and Hackney Wick with new homes and employment opportunities with access to schools, healthcare, leisure and shopping was our prime concern. Improving connections across and through the Lower Lea Valley with new bridges, improved pathways and roads to ensure movement in and through the area but also to its growth drivers will be the key to placing the Lower Lea Valley on a sustained regeneration footing. With the Olympic Park in the north our aim was to ensure that the benefits of the 2012 London Olympic and Paralympics Games are extended over a wider area and have long term impact.

London Riverside

London Riverside has land to accommodate 20% of London's projected housing growth to 2016. It also contains 223 hectares of brownfield land available for development and employment use and is set to contribute 10% of London's jobs growth. Home to 645 hectares of protected natural habitat in Rainham Marshes it hugs the Thames in the east with over 19 miles of river frontage. London Riverside sits in a strategic location not only to east London but for the whole of the Thames Gateway.

LTGDC's activities aimed to create a thriving, distinctive and integrated region with lively residential neighbourhoods, vibrant town and village centres, and industrial and mixed use quarters combined with attractive green and open spaces. LTGDC's investments were targeted to deliver housing growth in the form of well-designed sustainable homes to meet local and regional needs. At Dagenham, Beam Reach and Ferry Lane LTGDC was investing to create the conditions for new jobs in sustainable technologies, business services, logistics and creative industries.

The future – realising east London's potential

The 2012 London Olympic and Paralympic Games provided a real opportunity to showcase east London's competitive advantages as a growing business and investment location. LTGDC has done much work in raising the profile of east London and it is hoped that our successor bodies will take this work forward and fully exploit the once-in-a-lifetime opportunity afforded by the Games.

The LTGDC planning and development activities of the last 7 years have produced strong foundations for the regeneration of east London. LTGDC hope and expect that our successor bodies, the London Legacy Development Corporation and the Greater London Authority will continue to pursue the projects we have transferred to them with vigour and enthusiasm.

G. Whiteman

Gerard Whiteman
Accounting Officer, 14th May 2013

PLANNING

LTGDC continued to carry out Development Control (planning) activities until the 30th September 2012, when the planning powers returned to the boroughs and the LLDC.

At the start of April 2012, 82 planning applications were on hand and a further nine applications were received up to the end of June. In the final three months to September various applications for approval of details were received but no applications for full planning permission.

The final three months saw a focus of LTGDC's planning activities on ensuring that as many decisions as possible were issued to minimise the number of applications that had to be transferred to the new authorities, including associated S106 agreements.

At the end of September 2012, 29 planning applications were transferred, including one recent full application and fifteen recently submitted approval of details applications.

During LTGDC's lifetime it negotiated and agreed some £116.67 million of S106 contributions under the LTGDC Planning Obligations and Community Benefits Strategy, which is split between £65m for pooled tariff fund and £51.67m ring fenced.

LTGDC received £7,067,000 of S106 monies during its existence, comprising £3,463,000 under the pooled tariff and £3,604,000 ring fenced. Most of these monies have been invested in a range of environmental, affordable housing, education and cultural provisions and also highway infrastructure with the balance transferring to the boroughs/ LLDC. Agreements are in place as to how the money is to be spent with the funds that transferred.

With the final return of LTGDC's planning powers in the Lower Lea Valley (LLV) area – the London Riverside (LR) area planning powers having returned in April 2011 – LTGDC's positive planning approach leaves a legacy of very significant mixed use developments, both permitted and built, and attached S106 infrastructure funding across our area, as the figures above indicate.

Across both areas since October 2005, a total of 22,430 housing units (16,100 in LLV and 6,330 in LR) and employment floor-space equivalent to 18,340 jobs (7,830 in LLV and 10,510 in LR) were permitted.

BACKGROUND INFORMATION

Statutory Background

The LTGDC was established under the provisions of Schedule 26, sections 134 and 135 of the Local Government Planning & Land Act 1980 to bring about the regeneration of the Lower Lea Valley and London Riverside.

LTGDC came into existence on 26th June 2004 as a result of the London Thames Gateway Development Corporation (Area & Constitution) Order, Statutory Instrument 2004 No.1642, and became operational on the appointment of the Chairman and Board Members on 1st November 2004.

The LTGDC was the planning authority for relevant applications under the provision of s.149 of the Local Government, Planning & Land Act 1980 until these powers were revoked at the end of September 2012.

The Government determined in 2010 that LTGDC would be abolished during 12/13 and its functions (Development Control and regeneration activities) devolved to local Government and other London Bodies.

The date for dissolution (abolition) was confirmed as the 28th February 2013.

Aims and Objectives of the Development Corporation

The aim of LTGDC was to promote and deliver sustainable regeneration and growth of the London Thames Gateway within the context of the national policies set out in the Department for Communities & Local Government's Sustainable Communities Plan, the strategies for the wider Thames Gateway sub-region and the Spatial Development Strategy for Greater London ("London Plan")

LTGDC's statutory objectives were to:

- bring land and buildings into effective use
- encourage the development of existing and new industry and commerce
- create an attractive environment
- ensure housing and social facilities are available to encourage people to live and work in the area

In order to pursue these duties the LTGDC had the following powers:

- to acquire, hold, manage, reclaim and dispose of land and other property
- carry out building and other operations
- seek to ensure the provision of water, electricity, gas, sewerage and other services
- generally do anything necessary or expedient to meet this purpose.

LTGDC's regeneration activities were transferred to the GLA and LLDC in April 2012 whilst the planning activities transferred at the end of September 2012.

LTGDC's Operational Area

LTGDC's designated boundary was split into two areas and included land in six boroughs – the Lower Lea Valley (London Boroughs of Hackney, Newham, Tower Hamlets, and Waltham Forest), and London Riverside (London Boroughs of Barking & Dagenham, Havering, and a different part of Newham).

It was a limited life organisation, financed by the Department for Communities & Local Government (DCLG) with a Board of Directors appointed by the Secretary of State.

Format of the Financial Statements

The Financial Statements for the period to 28th February 2013 have been prepared in accordance with the Accounts Direction issued on 15th January 2013 by the Secretary of State, with the consent of HM Treasury and in accordance with paragraph 10(3) of schedule 31 to the Local Government, Planning and Land Act 1980.

As a result of the Corporation's dissolution, the financial statements for the period ending 28th February 2013 have not been prepared on a going concern basis (see Accounting Policies note 1).

Employee Relations

LTGDC was an equal opportunities employer. All applicants were given full and fair consideration and were judged on the merit of their qualifications and experience in relation to the particular requirements of the post.

The LTGDC aimed to promote and maintain good relations with staff through an open management style and with informal and regular consultation at all levels.

The LTGDC incurred 13 days of staff sickness absence from its 10.28 FTEs (see note 4) during the period ending 28th February 2013.

Better Payment Practice Code / Trade Creditors

The LTGDC supported the Better Payment Practice Code and aimed to pay all undisputed invoices within the due date and wherever possible within 5 working days from the receipt of invoice. During the period under report, the Corporation only partially met this 5 working day target. For the 11 months to 28th February 2013, 49% of undisputed invoices were paid within 10 days and 92% within 30 days. The Corporation did not incur any interest charges with respect to late payments against submitted invoices (as defined by the Payment of Commercial Debts (Interest) Act 1988).

Expressed as a number of days, the proportion that is the aggregate amount owed to trade creditors at the end of the period compared with the aggregate amount invoiced by suppliers during the year is 26 days. It was the LTGDC's policy to agree the terms of payment with suppliers when contracts were signed and pay invoices in accordance with the contract.

Open Government and Freedom of Information

As a public body, the LTGDC was committed to the principles of open government, customer service information provision and value for money. LTGDC complied with the Freedom of Information Act 2000.

The LTGDC had an Information Risk Management Policy, which had been developed using guidelines and best practice from the government.

Sustainable Development Policy

The LTGDC's Sustainable Development Strategy and policy set out the environmental, social and economic requirements and standards for developments that the LTGDC was promoting, before they were transferred to the GLA/LLDC.

For development of sites, or where it provided funding, LTGDC required minimum standards in line with those set by the GLA and the Homes and Communities Agency under the Code for Sustainable Homes (residential developments) and BREEAM (non-residential developments), which were higher than the building regulations.

Key Performance Indicators

The LTGDC had agreed with DCLG that its performance would be measured on the outputs delivered as a result of its project activities. The core output measures were:

- housing units
- permanent FTE jobs
- private sector investment
- brownfield land remediated
- commercial floor space
- green or open space created

Output Type	Definition	Calculation Method / Assumptions
Housing Units	**Number of new housing units** includes private sector housing and non grant funded affordable housing. One discrete housing unit (e.g. house, flat) comprises one housing output regardless of size.	• Actuals counted on physical completion of the individual unit or, in the case of flats, on physical completion of the block. The property must be habitable. • If density is unknown at the time of forecasting an average density of 115 units per hectare is assumed with a private/ affordable housing split of 65%/35%
Permanent FTE Jobs	**Number of FTE jobs created** includes permanent (post exists for one year or more), full time or equivalent jobs that arise as a result of LTGDC funding. A full-time job is defined as one that involves working a standard 30 hour week or longer (excluding breaks) and is filled. Part time jobs should be converted to full time equivalent jobs on a pro rata basis with anything over 30 hours treated as full time.	• Actuals counted when permanent, full time or equivalent jobs have been filled for one year. • For forecasting purposes a calculation of future job outputs can be made from floorspace densities set for different types of commercial development. • The unit of measurement is the job and not its occupant, therefore, if more than one person occupies the job within a year it can only be claimed once.
Private Sector Investment	The amount of **Private Sector Investment** in the project from the private sector as a result of the initial LTGDC funding. Includes direct contributions from the private sector plus the gross development value of completed commercial space and housing units.	• Actuals counted on practical completion of the property to which the PSI relates unless the developer provides interim reports of expenditure levels. There must be no double counting where both types are counted. • For forecasting purposes the Gross Development Value can be calculated from the average expected sale value of residential units and commercial space (based on yields)
Brownfield Land remediated	Amount of **land remediated**, where **remediation** is making the land fit for use by removing physical constraints to development or improving the land for a soft end use. This could include dealing with contamination, existing surface and buried structures, stabilisation, levelling, provision of flood defences, and the provision of other significant infrastructure without which the land could not be re-used.	• Actuals counted on practical completion of the works. Where a site is serviced in phases the area is counted when each phase is completed.
Commercial floor space	LTGDC use the following 3 sub groups to categorise **commercial floor space**: **Retail:** In general these are premises which provide 'off-street' goods and services to the public. They include banks, local post offices, restaurants, cafes, corner shops, super stores, launderettes, dry cleaners, photo developers, takeaways and many others. **Office:** Includes purpose-built office buildings, offices over shops, light storage and light industrial activities. Larger banks, building societies and post offices containing substantive office space may be in this class rather than the shop class. **Industrial:** Includes Warehouse and Factory. Industrial ranges from small storage units and depots to very large distribution warehouses. Factory range from small workshops to very large manufacturing units. **Other:** Includes facilities such as Hotels that do not fit into the other commercial space categories and are not being counted as leisure space.	• Actuals counted on practical completion of the building, the space should be ready for occupation. • Retail and Office Space are measured by Net Internal Area (NIA), Industrial Floor space by Gross Internal Area (GIA) • Achievement of LTGDC's standard set out in the Sustainable Development Strategy is desirable and should be included as part of the negotiations, but is not mandatory for the purposes of claiming outputs.
Green or Open space created or enhanced	**Green space** defined as parks and gardens, urban green spaces, green corridors – including river and canal banks, cycleway, and rights of way, amenity green space. **Open space** defined as hard landscaped space for the general amenity of an area including public squares and other shared surfaces. Space is counted as **Enhanced** when it has undergone physical improvements such as resurfacing, new street furniture or lighting, signage, or landscaping or has been made accessible by new or improved access routes.	• Actuals counted as new space created when the green or open space is made accessible to the public. • Counted as enhanced space when physical improvements have been completed to the area or existing space made accessible by new or improved access routes. • Green or Open space cannot be counted as enhanced within 3 years of being created or more than once in a 3 year period.

Many of the outputs will be delivered beyond the life of LTGDC.

For the period ending 28th February 2013 no outputs have been delivered by LTGDC as a result of project activities transferring to the GLA/LLDC.

Overall LTGDC expects that its total project expenditure over the years that LTGDC existed will result in the delivery of the following outputs by 2016:

Output type	Output delivered
New Homes	4,100
New Jobs	2,740
Private Sector Investment	£859 million
Brownfield Land Remediated	27.6 hectares
Commercial Floor Space	127,425 sq m
Green and Open Space created or enhanced	66,490 sq m

Register of Interests

A Register of Interests was maintained by the LTGDC which was open to the public.

Auditors

The Comptroller and Auditor General is the statutorily appointed auditor of the LTGDC under the Government Resources and Accounts Act 2000.

The cost of work performed by the auditors in respect of the statutory audit of the Financial Statements for the period ended 28th February 2013 was £39,000 (2011/12 £32,500).

Disclosure of Information to the Auditors

As of the date of approval of this Annual Report and Accounts,

- so far as the Accounting Officer is aware, there is no relevant audit information (being information required by the auditors in the preparation of their report) of which the Corporation's auditors are unaware; and
- the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the corporation's auditors are aware of such information.

BOARD MEMBERS' COSTS (Audited Information)	Period ended 28th February 2013 £'000	2012 £'000
Salaries	147	169
Pension Costs	3	5
Social Security Costs	11	13
Total Board Costs	**161**	**187**

		Period ended 28th February 2013		2012	
Name	**Position**	**Salary £'000**	**Bonus Payment £'000**	**Salary £'000**	**Bonus Payment £'000**
Board Members – Whose appointments expired 28th February 2013					
Bob Lane	Chairman	40 – 45	-	45 – 50	-
Roger Evans	Board Member	10 – 15	-	10 – 15	-
Imtiaz Farookhi	Board Member	10 – 15	-	10 – 15	-
Stan Hornagold	Board Member	10 – 15	-	10 – 15	-
Conor McAuley	Board Member	10 – 15	-	10 – 15	-
Guy Nicholson	Board Member	10 – 15	-	10 – 15	-
Michael White	Board Member	10 – 15	-	10 – 15	-
Board Members – appointments that expired 31st December 2012					
Kosru Udin	Board Member	5 – 10	-	10 – 15	-
Sheila Drew Smith	Board Member	5 – 10	-	10 – 15	-
Mick McCarthy	Board Member	5 – 10	-	10 – 15	-
Sylvie Pierce	Board Member	5 – 10	-	10 – 15	-

Board Members did not receive any benefit in kind in the financial years 2013 or 2012.

The Chairman had a time commitment of two days per week. Other Board Members had a time commitment of 3 days per month.

Board Members attendance at Board meetings is shown in the Annual Report section.

The previous Chairman and Deputy Chair were entitled to pension benefits through a scheme operated under broadly the same rules as the Local Government Pension Scheme (LGPS). The scheme is unfunded with benefits being paid as they fall due by the LTGDC. The value of the accrued pension benefits payable to the previous Chairman and Deputy Chair as at 28th February 2013 was calculated by the scheme actuary as £92k (see note 5a). The Chairman (above) did not have any pension entitlement.

Staff Costs

Details of the Key Managers (Directors) emoluments for the year were as follows:

		Period ended 28th February					
				2013			2012
Name	**Position**	**Salary £'000**	**Bonus**	**Total**	**Salary £'000**	**Bonus**	**Total**
John Allen	Director of Planning	50 – 55	0 – 5	50 – 55	105 – 110	5 – 10	110 – 115
Peter Andrews	Chief Executive Officer	65 – 70	0	65 – 70	130 – 135	10 – 15	145 – 150
Steve Oakes	Director of Development	0 – 5	0	0 – 5	110 – 115	10 – 15	125 – 130
Gerard Whiteman	Director of Finance	75 – 80	0	75 – 80	80 – 85	0 – 5	80 – 85

The information in the table above is audited.

The 'Salary' above consists of gross salary. It also includes the pay in lieu of notice (PILON) amount which was paid to the Chief Executive. No severance payments (redundancy) are included in the figures above. LTGDC did not pay recruitment or retention amounts or any other allowances.

John Allen's role was made redundant on the 30th September 2012. A gross redundancy payment in the range £105,000 – £110,000 was paid.

Peter Andrews role was made redundant 30th June 2012. A gross redundancy payment in the range £90,000 – £95,000 was paid.

Steve Oakes role was transferred to the GLA on the 16th April 2012. No redundancy payment was made.

Gerard Whiteman's role was made redundant on the 28th February 2013. A gross redundancy payment in the range £55,000 – £60,000 was paid.

LTGDC'S compensation (redundancy) scheme was based on the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. However, LTGDC's redundancy payments were capped at a maximum of one years' gross salary.

Remuneration levels for the Directors were agreed with DCLG at the time of hiring. All changes in remuneration are approved by DCLG. Appointments were on open-ended service contracts which do not contain any pre-determined compensation on termination of office. Senior Management had notice periods of up to six months with other staff on one or three months' notice periods.

The annual performance related bonuses of the Directors listed above (apart from the Director of Finance) were up to 10% of their base salary. Up to 5% was based on personal performance against agreed individual targets as set by the Chief Executive, with a further 5% based on the performance of the LTGDC against the deliverables as contained in the annual Business plan. The Chairman conducted the review of the Corporation's performance against these targets. The Director of Finance was eligible for a discretionary bonus of up to 5% of base salary. All bonus payments are approved by the Chair, the Board and DCLG.

Senior managers did not receive any benefit in kind in the period ending 28th February 2013 or the financial year 2012.

Pension Information – Key Managers (Directors)

Name	Real increase in pension £'000	Real increase in related lump sum £'000	Accrued annual pension 2013 £'000	Total accrued lump sum £'000	2012 CETV £'000	CETV equivalent transfer value at 2013 £'000	Real increase in CETV £'000
John Allen	0 – (2.5)	(2.5) – (5.0)	45 – 50	120 – 125	1,012	1,059	21
Peter Andrews	0 –2.5	0 – 2.5	15 – 20	25 – 30	262	300	25
Steve Oakes	0 – (2.5)	0 – 2.5	5 – 10	0 – 5	76	78	(1)
Gerard Whiteman	0 –2.5	0 – (2.5)	5 – 10	0 – 5	81	94	6

The information in the tables above is audited.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The information in the following table is audited.

	2013 £'000	2012 £'000
Band of Highest Paid Director's Total	145 – 150	145 – 150
Median Total Remuneration	46.6	49.1
Ratio	**3.16**	**3.0**

The banded remuneration of the highest-paid director in London Thames Gateway Development Corporation (LTGDC) in the period ending 28th February 13 was £145,000 to £150,000 (2011/12, £145,000 to £150,000). This was 3.16 times (2011/12, 3.0 times) the median remuneration of the workforce, which was £46,606 (2011/12, £49,139).

In the period ending 28th February 2013, no employees (2011/12, 0) received remuneration in excess of the highest-paid director. Total remuneration of all the staff, excluding the highest paid director ranged from £27,017 to £119,219 (2011/12 £22,000 to £125,000).

The median remuneration calculation is on an annualised salary and FTE basis. It includes all the staff that were employed during the period ending 28th February 2013. Non-consolidated performance related pay varied between the years.

Total remuneration includes salary and non-consolidated performance-related pay. Any benefits-in-kind would have been included in the total remuneration amount but none were made in either of the reporting years. Total remuneration does not include severance pay, employer pension contributions or the cash equivalent transfer value of pensions.

G. Whiteman

Gerard Whiteman
Accounting Officer, 14st May 2013

Statement of Board and Accounting Officer's Responsibilities

Under the Local Government Planning and Land Act 1980, the Accounting Officer for the Department for Communities and Local Government (DCLG) has directed London Thames Gateway Development Corporation to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of London Thames Gateway Development Corporation and Statements of its Comprehensive Net Expenditure, Financial Position, Changes in Taxpayers' Equity and Cash Flows for the financial year.

In preparing the accounts, the Corporation was required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by DCLG, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, if appropriate. (LTGDC's financial statements for the period ending 28th February 2013 have been prepared on a basis other than going concern)

The Accounting Officer of DCLG designated the Finance Director as Accounting Officer of London Thames Gateway Development Corporation for the period 1st July 2012 to 28th February 2013. Prior to this date the Chief Executive had held the position.

The responsibilities of an Accounting Officer include the responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the London Thames Gateway Development Corporation's assets. The responsibilities are set out in London Thames Gateway Development Corporation's Management Statement published by the DCLG.

Statement of Board and Members' Responsibilities

The Chairman and Board Members had overall responsibility for the conduct of the business of LTGDC, both for ensuring that it met the statutory responsibilities and for the quality of its management. This included responsibility for the stewardship of public funds so as to ensure the highest standard of regularity, propriety, and value for money from all financial transactions. Members were responsible, subject only to the directions of the Secretary of State and the advice of the Accounting Officer, for determining the Development Corporation's strategy and for developing its policies and programmes.

The Financial Memorandum to the Development Corporation, together with the internal delegations, set out a number of matters that require specific Board and Departmental approval and authorisation limits. In addition, the Board had agreed a Code of Practice for Board Members based on the Cabinet Office guidance.

The Development Corporation formally appointed a Resources Committee, an Audit and Risk Committee, and a Planning Committee.

Board Composition and Committee Memberships

The Development Corporation was established with a Board of 13 Members. As part of the Government's alterations to the delivery arrangements for regeneration in east London, the LTGDC Board operated for most of the period with 11 members. This reduced to 7 members for the final two months. The Board Chairman, Bob Lane, was an ex officio member of both the Audit and Risk and Resources Committees.

The Board Members provided the Development Corporation with a strong connection with the principal stakeholders within the local communities, and the private and public sectors.

The Audit and Risk Committee of the Board advised the Accounting Officer and the Board on the adequacy of the Corporation's risk management and internal control arrangements. The Audit and Risk Committee met 5 times between 1st April 2012 and 28th February 2013.

The primary function of the Planning Committee was to be the decision maker on all planning applications to be determined by the Development Corporation and applications to be considered by the Mayor or Secretary of State. It considered, and also advised the Board, on strategic planning and planning policy issues and the preparation of planning and regeneration plans and frameworks within the UDC area. It met 4 times between 1st April 2012 and 30th September 2012 when the planning powers were transferred to the Boroughs / LLDC and the Committee was then disbanded.

The Resources Committee of the Board was responsible for approving material and contentious expenditure and advising the LTGDC Board on budgets, management systems, financial policies, and human resource policies. The Resources Committee did not meet during the period ended 28th February 2013 as the tasks were dealt with by the full LTGDC Board.

Board Composition and Committee Memberships during the period ending 28th February 2013

	Audit and Risk	Planning
Board Members		
Bob Lane (Chairman)	✓	-
Roger Evans	✓	-
Imtiaz Farookhi	Chair	-
Stan Hornagold	-	-
Conor McAuley	-	Chair
Guy Nicholson	-	-
Michael White	Deputy Chair	-
Kosru Uddin	-	✓
Sheila Drew Smith	✓	-
Mick McCarthy	-	✓
Sylvie Pierce	-	✓
Non Board Members		
Alan Clark (co-opted) – to Sept 2012	-	✓
Richard Turner (co-opted) – to Sept 2012	-	✓
Malcolm Chumbley (co-opted) – to Sept 2012	-	✓
Neil Deely (co-opted) – to Sept 2012	-	✓
Dru Vesty (co-opted)	-	Deputy Chair
Paul Clarke (co-opted) – to Feb 2013	✓	-

Attendance at meetings

Name	Board	Audit and Risk	Planning
Board Members			
Bob Lane (Chairman)	5:5	5:5	-
Roger Evans	3:5	5:5	-
Imtiaz Farookhi	4:5	5:5	-
Stan Hornagold	5:5	-	-
Conor McAuley	5:5	-	4:4
Guy Nicholson	5:5	-	-
Michael White	5:5	3:5	-
Kosru Uddin	3:4	-	0:4
Sheila Drew Smith	4:4	3:3	-
Mick McCarthy	1:4	-	1:4
Sylvie Pierce	3:4	-	2:4

Note: Further information about the periods of appointment for Board members is contained in the Remuneration Report at Page 9.

The Executive

The Executive was led by Peter Andrews who was the Chief Executive until the end of June 2012. The Executive was responsible for delivering the strategy set by the Board. The Executive did not meet after June 2012.

The Governance Statement outlines how the Accounting Officers have discharged their responsibility to manage and control the organisation's resources until the dissolution of LTGDC. As set out in Managing Public Money, it provides an overview of the dynamics of the organisation and its control structure its stewardship, its vulnerabilities and how successfully the organisation has coped with the challenges it faced.

Accountability Arrangements

The Secretary of State delegated the responsibility to the Accounting Officer for the management of LTGDC. The LTGDC Accounting Officer role was accountable both to the Secretary of State and through the Permanent Secretary at DCLG to Parliament.

Scope of Responsibility

The Accounting Officer of LTGDC was responsible for maintaining a sound system of governance that supported the attainment of agreed aims and objectives. The Accounting Officer also had personal responsibility for safeguarding public funds and LTGDC's assets in accordance with the advice set out by the Treasury in Managing Public Money.

Through the Board and the Accounting Officer, LTGDC worked closely with its sponsor Department, DCLG. This relationship ensured that all parties were kept abreast of issues, statutory requirements, Government policy and overall corporate governance. DCLG established a LTGDC closure Board in November 2012 to oversee the closure process and this comprised DCLG representatives and the Accounting Officer from LTGDC.

LTGDC's Governance Framework

LTGDC's governance framework comprised the system and processes by which LTGDC was directed and controlled. The key elements of the systems and processes that made up LTGDC's governance arrangements are described below.

1. The Board and Committees

A Board was appointed by the Secretary of State in accordance with the Code of Practice for Public Appointments Procedures issued by the Commissioner for Public Appointments. Board Members' initial appointments varied between one and three years, and the level of their emoluments was set by DCLG.

The Board up until the end of December 2012 comprised 11 members. The 11 were made up of 1 member from the London Assembly (AM), 5 members from local authorities (LA) and 5 members from the private sector. This provided LTGDC with a strong connection with the principal stakeholders in the local communities, the private and the public sectors. 4 member's appointments expired at the end of December 2012. The Board then continued to operate until the 28th February 2013 with 7 members.

The Board responsibilities included:

- setting the overall strategic direction of LTGDC to ensure that regeneration was achieved, while having regard to the need to ensure the highest standards of regularity, propriety and value for money in the use of public funds;
- directing LTGDC in the production of the corporate strategy which would make economic and effective use of public funds;
- representing LTGDC in public, promoting its interests and communicating its aims to external stakeholders;
- making full use of any property or commercial experience, special knowledge or other relevant skills of its members in reaching decisions; and
- ensuring that LTGDC's activities conformed to legislative requirements and fulfilling the collective responsibility of the Board for the conduct of LTGDC's business and ensuring that LTGDC achieved maximum value for money from its administrative expenditure.

Board Members were subject to a Code of Practice which was consistent with the Guidance on Code of Practice for Members of Public Bodies published by the Cabinet Office. The Board met 5 times prior to dissolution and had regular meetings with the Chairman to discuss all relevant risks and control issues.

The Board had oversight of all governance issues. This included overseeing all the activities relating to the transfers of assets and liabilities to the GLA and LLDC at various stages throughout the period along with the closure plans of the organisation.

The Board had delegated specific Board business to the following Board Committees:

a. Audit and Risk Committee

The Board upon the recommendation of the Chair of LTGDC, appointed Members to an Audit and Risk Committee that met on a quarterly basis. The Audit and Risk Committee was an advisory committee with no executive authority. The Committee advised the Accounting Officer and the Board on the adequacy of the Corporation's risk management and internal control arrangements. It regularly reviewed the corporate risk register.

b. Resources Committee

The Board upon the recommendation of the Chair of LTGDC also appointed Members to a Resources Committee that met on a regular basis to review progress on delivery, monitor project risks and approve up to £2.5m project expenditure under delegated authority. The Resources committee did not meet during the period. Any Resources items were covered by the full Board in the period ending 28th February 2013.

c. Planning Committee

The Planning Committee's primary function was to be the decision maker on all planning applications to be determined by LTGDC and applications to be considered by the Mayor or Secretary of State. It considered, and also advised the Board, on strategic planning and planning policy issues and the preparation of planning and regeneration plans and frameworks within the Urban Development Corporation (UDC) area. The Committee was disbanded at the end of September 2012 when the planning powers were transferred.

2. Management Statement

The Management Statement (and an associated Financial Memorandum) had been drawn up by DCLG in consultation with LTGDC. The management statement set out the broad framework within which the LTGDC operated, in particular

- LTGDC's overall aims, objectives and targets in support of the sponsor Office's wider strategic aims

- the rules and guidelines relevant to the exercise of the LTGDC's functions, duties and powers
- the conditions under which any public funds were paid to the LTGDC
- how the LTGDC was to be held to account for its performance

LTGDC had a Corporate and Business Plan which set out the strategic and operational objectives both in the longer and short term. The plans were reviewed and approved by LTGDC Board before being approved by the sponsor Department. The actions and milestones in the business plan were monitored and reviewed by the Executive and the Board.

3. Financial Management

A financial memorandum set out in greater detail certain aspects of the financial framework within which LTGDC was required to operate. The terms and conditions set out in the combined Management Statement and Financial Memorandum could have been supplemented by guidelines or directions issued by the Secretary of State in respect of the exercise of any individual functions, powers and duties of the LTGDC. LTGDC had to satisfy the conditions and requirements set out in the combined document, together with such other conditions as the Secretary of State may from time to time impose.

LTGDC applied, conformed and complied with the financial management standards as set out by HM Treasury's 'Managing Public Money'. This included financial, accounting and risk management.

4. System of Internal Control

The system of internal control was a significant part of the Governance Framework. It was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it could, therefore, only provide reasonable and not absolute, assurance of effectiveness.

The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of LTGDC's policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them efficiently, effectively and economically.

The system of internal control accords with Treasury guidance and has been in place in LTGDC throughout the period ended 28th February 2013.

5. Delegation Scheme – Chief Executive

With the exception of the Matters Reserved for Board and Board Committees (as set out in the LTGDC's Standing Orders), the Chief Executive carried all the executive powers of LTGDC. However, on matters of an unusual or sensitive nature, he or she would consult with the Chairman, or where appropriate, the full Board. The Secretary of State had designated the Chief Executive to be the Accounting Officer for LTGDC as well as delegating the responsibility for management of the organisation to him or her. (The Chief Executive departed LTGDC during the final period and the Finance Director was appointed as Accounting Officer from 1st July 2012 until the Report and Accounts were signed).

6. Delegation Scheme – Directors

With the exception of the Matters Reserved for the Board, Directors had executive authority within their sphere of operation as determined by the Chief Executive. However, this authority was limited to matters within existing plans and budgets and did not exceed any delegation limits put in place by the Chief Executive. Directors, in exercising such delegations, were careful not to create policies or precedents which could be applicable to the whole organisation. Policies or precedents which could be applicable to the whole organisation had to be referred to the Chief Executive for a decision.

Directors could not sub-delegate their financial or legal delegations without the written approval of the Chief Executive. Directors managed their staff within the approved policies and guidelines. Staff were recruited, in consultation with the Chief Executive, providing the post in question was within the approved establishment, programme, and budgets and the appointment was made within the approved salary range.

Risk Management

The LTGDC Accounting Officer had ultimate responsibility for the risk management process. The responsibility for this process was on an on-going basis and was included within the terms of reference of the Audit and Risk Committee. LTGDC operated a hierarchy with the reporting of risks within the organisation, with the Board at the top. The Board reviewed LTGDC's risk management strategy and the risk register annually. It also reviewed the top ten risks on a quarterly basis. The risk register was reviewed at the quarterly Audit & Risk Committee meeting with the top risks then being reported up to the Board. The corporate risk register and the programme risk register were reviewed by the Executive Team also on a quarterly basis prior to the Audit and Risk Committee meetings.

The LTGDC Risk Strategy stated that LTGDC supports effective innovation and encourages well managed risk taking. The LTGDC sought where possible to explore and exploit risks which could create or lead to a positive outcome. This was managed in a controlled manner to ensure an appropriate level of risk taking by LTGDC. LTGDC looked to balance the overall portfolio of risks, encompassing both negative and positive risks.

During the period LTGDC's Board and Executive has responded to the changing risk environment in the following ways:

- Management put in place plans to deal with the ultimate closure of the organisation.
- As the planning authority for strategic planning applications, LTGDC could incur costs associated with defending any planning inquiry at legal challenge. Some contingency funding was available from the sponsor Department to assist with covering these costs. LTGDC actively took steps to minimise and mitigate planning inquiry and legal costs where practically possible.

- LTGDC continued to comply with the Government's spending restrictions imposed on all central government organisations. This included managing the spend restrictions on activities such as consultancy, advertising, communications, recruitment and the use of temporary staff.
- During the final months of LTGDC's operations, the Board provided additional oversight and approvals.

The Risk and Control Framework

LTGDC's risk and control framework was well established and was set out in the LTGDC Risk Management Strategy which included:-

- creation of formal risk registers at corporate, programme and project level
- the identification of risks in relation to the achievement of LTGDC's objectives
- an assessment of their relative likelihood and impact
- LTGDC's response to the risks identified, taking into account its level of tolerance to risk and risk appetite
- the review and reporting of risks, ensuring the risk profile is up to date, to gain assurances that the responses are effective and when further action is necessary.

LTGDC had an in-house finance system and the control environment around budget, purchase order and approvals was automated and ensured compliance with internal procedures.

LTGDC had a section on risk management within the organisation's intranet. This included the Risk Management Strategy, HMT Orange guidance and other documents to assist staff.

Information Risk Management

LTGDC had an Information Management Policy, which followed government guidelines on managing information and data.

During the period ending 28th February, the Development Corporation did not incur any incidents of data loss.

LTGDC made a concerted effort that all of the data/information reported to the Board was robust, timely and of the highest quality.

Review of Effectiveness

LTGDC had responsibility for conducting annually, a review of its governance framework including the system of internal control. The review of the effectiveness of the governance framework and system of internal control was informed by the work of the internal auditors, the Executive who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports.

Board performance

For the period ending 28th February the Board agreed to retain the existing Board and Committee structures up until dissolution as these were considered to be functioning effectively. The Board also agreed that no further changes were required to the roles and responsibilities of the Board and Board sub-committees.

Individual LTGDC Board and Committee member's performance were reviewed by the Chairman of LTGDC annually. The Board and Board Committee member's attendance records are provided in page 14 of the Annual Report.

The Board and Chairman, therefore, consider that they and LTGDC complied with the Corporate Governance Code issued by HM Treasury and the Cabinet Office including:

- carrying out their role as per the LTGDC Standing Orders
- the Composition of Board was in line with the requirements set out in the code
- the Board have, through the Audit and Risk Committee, ensured that LTGDC had effective arrangements for governance, risk management and internal control.

LTGDC Performance

LTGDC's key performance measures are detailed within the Management Commentary section of the annual report.

Internal Audit

Internal Audit reviews were carried out during the period to 28th February 2013 on governance issues around closure and Key Financial Controls. These reviews provided recommendations related to the dissolution of the Corporation. The Internal Audit report and opinion for the period ending 28th February 2013 stated that the auditors gave substantial assurance that LTGDC's risk management, control and governance arrangements were established and found to be working effectively with some weaknesses.

The report and opinion also concluded that there were no significant control issues arising that required disclosure in the Governance Statement.

LTGDC ensured that weaknesses were addressed. The Board and Audit and Risk Committee endorsed the internal control system in place and advised the Accounting Officer that no changes were required.

LTGDC regularly reviewed and updated all its risk registers in line with the risk management strategy and took appropriate action, as required.

Significant Control Issues

There are no significant control issues to report on this occasion.

LTGDC had two Accounting Officers during the period ending 28th February 2013. The Chief Executive held the position until his departure at the end of June 2012. The Finance Director was then appointed from the 1st July 2012 until the closure of LTGDC. Reliance has been placed on the Governance Statement signed by the LTGDC Chief Executive shortly before his departure.

G. Whiteman

Gerard Whiteman
Accounting Officer,
14th May 2013

AUDIT CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDIT GENERAL TO THE HOUSES OF PARLIAMENT

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the London Thames Gateway Development Corporation (the Corporation) for the Period ended 28th February 2013 under the Government Resources and Accounts Act 2000. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Board and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Corporation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporation; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Corporation's affairs as at 28th February 2013 and of its net expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions issued thereunder with the consent of the Treasury.

Emphasis of Matter – Going Concern

Without qualifying my opinion, I draw attention to the disclosures made in note 1 to the financial statements which describe the decision to abolish the London Thames Gateway Development Corporation, which has led to the cessation of the Corporation's activities and its dissolution on 28th February 2013. These events mean that the London Thames Gateway Development Corporation is not a going concern and the financial statements have been prepared on a basis other than going concern.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions with the consent of the Treasury and issued under the Local Government, Planning and Land Act 1980; and
- the information given in the sections of the Report entitled, "Accounting Officer Report" and "Management Commentary" for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

16th May 2013

National Audit Office
157-197 Buckingham Palace Road
Victoria, London. SW1W 9SP

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE PERIOD 28TH FEBRUARY 2013

The notes on pages 24 to 48 form an integral part of these Accounts

	Notes	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Expenditure			
Staff costs	4	1,778	2,169
Depreciation and Amortisation	9 &10	164	556
Capital Project Expenditure	6a	1,013	5,063
Book Value of Development Asset sold	6b	-	6,535
Other Expenditure	6c	1,591	10,541
Revenue Project Expenditure	6c	15	-
Total Operating Expenditure		**4,561**	**24,864**
Income			
Operating Income	7	1,486	9,698
Total Income		**1,486**	**9,698**
Net Expenditure		**(3,075)**	**(15,166)**
Capital grant in kind – GLA	6a	29,695	-
Capital grant in kind – LLDC	6a	558	-
Interest payable / (receivable)	7	6	(6)
Net Expenditure on Ordinary Activities before Taxation		**(33,334)**	**(15,160)**
Taxation (receivable) / payable	8	(2)	32
Net Expenditure on Ordinary Activities after Taxation		**(33,332)**	**(15,192)**
Net Expenditure for the period		**(33,332)**	**(15,192)**

Other Comprehensive Net Expenditure

	Notes	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Net gain on revaluation of Land & Buildings	9	-	160
Net loss on revaluation of Development assets		-	(86)
Gain/(loss) arising on staff pension scheme	5b	1,270	(1,468)
Loss arising on Board pension scheme		(1)	(4)
Total Other Comprehensive Net Expenditure		**1,269**	**(1,398)**
Total Comprehensive Expenditure for the year		**(32,063)**	**(16,590)**

All activities above are derived from discontinuing operations for the Corporation.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AT 28TH FEBRUARY 2013

The notes on pages 24 to 48 form an integral part of these Accounts

	Notes	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Non-Current Assets			
Property, Plant and Equipment	9	-	1,939
Intangible Assets	10	-	67
Total Non-Current Assets			**2,006**
Current Assets			
Inventories (Development Assets)	12	-	36,181
Trade and Other Receivables:			
Amounts falling due within one year	13	1,135	333
Cash and cash equivalent	14	-	4,726
Total Current Assets		**1,135**	**41,240**
Total Assets		**1,135**	**43,246**
Current Liabilities			
Trade and Other Payables:			
Amounts payable within one year – Staff Pension	5b	(1,043)	(10,754)
Provisions	16	-	(1,603)
Former Chair's Pension Liability	5a	(92)	-
Total Current Liabilities		**(1,135)**	**(12,357)**
Net Current Assets		**-**	**28,883**
Non-Current Assets plus Net Current Assets		**-**	**30,889**
Non-Current Liabilities			
Provisions	16	-	(672)
Pension Deficit	5b	-	(2,233)
Former Chair's Pension Liability	5a	-	(93)
Total Non-Current Liabilities		**-**	**(2,998)**
Total Assets less Total Liabilities		**-**	**27,891**
Reserves			
Pension Reserve	5b	-	(2,232)
General Grant Reserve	3	-	29,762
Revaluation Reserve	3	-	361
Total Capital Employed		**-**	**27,891**

G. Whiteman

Signed by the Accounting Officer
GERARD WHITEMAN

Date: 14th May 2013

B L Lane

Chairman to 28th February 2013 BOB LANE OBE
On behalf of the Board

Date: 14th May 2013

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28TH FEBRUARY 2013

The notes on pages 24 to 48 form an integral part of these Accounts

	Notes	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Net Cash Outflow from Operating Activities	(i)	(7,505)	(15,146)
Investing Activities			
Proceeds from sale of Development Asset	(iii)	-	6,586
Non – refundable deposit on sale of Development Asset		-	(213)
Capital Expenditure:			
Payments to acquire PPE and Intangible Assets		-	(57)
Payments to acquire Development Assets		(251)	(9,535)
Interest (Paid) / Received		(6)	6
Financing			
Grant- in- Aid and Revenue Grants received from DCLG	(ii)	**3,036**	**4,750**
Capital Grant- in- Aid received from DCLG		-	-
Revenue Grant- in- Aid received from DCLG		3,036	4,750
Decrease in Cash in the period / year	**(iv)**	**(4,726)**	**(13,609)**

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28TH FEBRUARY 2013

The notes on pages 24 to 48 form an integral part of these Accounts

	Notes	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
(i)	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Net deficit after interest	(33,334)	(15,160)
	Adjustments:		
	Interest	6	(6)
	Net expenditure	**(33,328)**	**(15,166)**
	(Increase) / Decrease in trade and other receivables	(802)	1,124
	Decrease in inventories:		
	Write off (Development assets)	251	6,723
	Decrease in Development assets:		
	-Transferred to GLA / LLDC	36,181	-
	Decrease in Non Current assets		
	-Transferred to GLA	1,842	-
	Depreciation and Amortisation charges	164	556
	(Decrease)/ Increase in trade payables	(9,619)	(11,147)
	Less movement in payables:		
	Movement in Development asset accrual	-	1,637
	Movement in Non-current assets accrual	-	19
	Taxation	2	(32)
	(Profit)/Loss on disposal	-	(51)
	Increase / (Decrease) in pension liabilities	79	37
	Increase/(Decrease) in provisions	(2,275)	1,154
	Net cash outflow from operating activities	**(7,505)**	**(15,146)**
(ii)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Grant in aid and revenue grant received from DCLG	3,036	4,750
		3,036	**4,750**
(iii)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Proceeds from sale of Development asset	-	6,586
	Non-refundable deposit on sale of Development asset	-	(213)
	Payments to acquire PPE and Intangible assets	-	(57)
	Payments to acquire Development assets	251	(9,535)
	Interest (Paid) / Received	(6)	6
		245	**(3,213)**
(iv)	**NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENT IN PERIOD / YEAR**		
	Cash at bank and in hand at end of the year	-	4,536
	Cash held by third parties	-	190
	Less: Cash at bank and in hand at beginning of year	(4,726)	(18,335)
	Decrease in cash in the period / year	**(4,726)**	**(13,609)**

REPORT AND ACCOUNTS FOR THE PERIOD ENDED 28TH FEBRUARY 2013

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR PERIOD ENDED 28TH FEBRUARY 2013

The notes on pages 24 to 48 form an integral part of these Accounts

	General Reserve £'000	Revaluation Reserve £'000	Pension Reserve £'000	Total £'000
Changes in Taxpayers' Equity				
Balance brought forward 01 April 2011	**40,380**	**287**	**(724)**	**39,943**
Net Expenditure for the year 31st March 2012	(15,192)	-	-	(15,192)
Grant in aid received towards resource expenditure	4,750	-	-	4,750
Revaluation movement	-	74	-	74
Non- refundable deposit on sale of development asset	(213)	-	-	(213)
Actuarial gain / (loss) in staff pension scheme	-	-	(1,468)	(1,468)
Actuarial gains / (loss) in Board pension scheme	-	-	(4)	(4)
Amounts recognised in income and expenditure transfer to pension reserve	36	-	(36)	-
Total surplus / deficit 31st March 2012	**29,762**	**361**	**(2,232)**	**27,891**
Net Expenditure for the period to 28th February 2013	(33,332)	-	-	(33,332)
Grant in aid received towards resource expenditure	3,036	-	-	3,036
Revaluation Reserve transfer	361	(361)	-	-
Pension Reserve transfer	(1,043)	-	1,043	-
Actuarial gain / (loss) in staff pension scheme	-	-	1,270	1,270
Actuarial gains / (loss) in Board pension scheme	1	-	(1)	-
Amounts recognised in income and expenditure transfer to pension reserve	80	-	(80)	-
Transfer to Receivables from Sponsor (DCLG)	1,135	-	-	1,135
Total surplus/deficit 28th February 2013	**-**	**-**	**-**	**-**

FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Accounting
These financial statements have been prepared in accordance with the 2012/13 Government Financial Reporting Manual (FReM) and the Accounts Direction issued by the Secretary of State with consent of HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the London Thames Gateway Development Corporation (LTGDC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LTGDC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Financial Statements are prepared on an historical cost basis modified for the revaluation of property, as set out in Treasury guidance.

Going Concern
In 2010 the Government announced plans to close the Corporation and to transfer its operations to local government or other London Bodies. To affect this transfer, a variety of Statutory Instruments and Transfer Schemes were implemented. Any property, rights and liabilities remaining vested in the Corporation immediately before the dissolution date of the 28th February 2013 were transferred to the GLA. Rights and liabilities in relation to the pension scheme were absorbed by DCLG at that date.

As a result of the Corporation's abolition on 28th February 2013, the accounts for the period to that date have not been prepared on a going concern basis. However, given that LTGDC's assets were transferred at net book value for continuing use it was not considered necessary to make any adjustments to asset valuations in respect of the non-going concern basis of accounts preparation in the current period.

Transfer of Property, Rights and Liabilities to GLA / LLDC
Absorption accounting has been applied in accordance with HM Treasury requirements, and all assets and liabilities have been transferred at book value to the GLA / LLDC. This includes the assets temporarily retained for the winding up of the Corporation. At the 28th February 2013 these assets were fully depreciated and had nil value.

Standards, amendments and interpretations to IFRS and FReM
LTGDC has considered, in accordance with IAS 8, whether there have been any changes to accounting policies (either voluntary or arising from IFRS and/or the FReM) which have an impact on the current or prior period, or may have an effect on future periods. LTGDC has also reviewed any new or amended standards issued by the IASB but not yet effective, to determine if it needs to make any disclosures in respect of those new IFRS's that are or will be applicable (references to 'new IFRS's' includes new interpretations and any new amendments to IFRS's and Interpretations).

The following changes in accounting policy (as a result of accounting standards and/or FReM changes) have been applied by LTGDC for the first time in the current period:
Business Combinations under Common Control (i.e. outside of IFRS 3 scope) – Transfers have been dealt with as a "transfer by absorption" whereby financial statements are adjusted at carrying value from the date of transfer.

IFRS7 Financial Instruments Disclosures – Increased disclosures required on the transfer of financial assets.

Accounting Standard changes issued but not effective until future periods
- IAS 1 – Presentation of Financial Statements
- IAS 12 – Income Taxes
- IAS 19 – Post Employment benefits
- IFRS 9 – Financial Instruments
- IFRS 10 / 11 / 12 IAS 27 / 28 – Consolidated statements and disclosure of Interests in other entities
- IFRS 13 – Fair Value Measurement
- IAS 16 – Property, Plant and Equipment
- IAS 32 Financial Instruments
- IAS 34 – Interim Financial Reporting

Given the dissolution of LTGDC as at 28th February 2013, these changes will have no impact.

Significant FReM changes expected for 2014
- IAS 17 replacement – leases
- IAS 18 replacement – revenue recognition and liabilities recognition

Given the dissolution of LTGDC as at 28th February 2013, these changes will have no impact.

Grants and Grant in Aid
The LTGDC's activities are funded by way of grants provided by the Department for Communities and Local Government (DCLG), to cover expenditure incurred in meeting the LTGDC's objectives.

Grant in Aid and grant received used to finance activities and expenditure which support the statutory and other objectives of the LTGDC are treated as financing and are credited to the General Reserve, because they are regarded as contributions from a controlling party.

During the period ending 28th February 2013 the LTGDC received only Grant in Aid contributions.

Property, Plant and Equipment
Property, Plant and Equipment comprised furniture, fixtures and fittings, carpets and office equipment. It also included buildings owned or held under long term arrangements which were used by the LTGDC for operational purposes. These are different to Development Assets/Inventories. All assets apart from building/leasehold properties were valued at depreciated historic cost, which was not materially different from depreciated replacement cost. It was the LTGDC's policy to capitalise individual items where related expenditure exceeded £2,500. Individual items below this value were expended to the Statement of Comprehensive Net Expenditure during the period when incurred.

Buildings/leasehold properties were accounted for under the IAS 16 revaluation model. They were subject to an annual valuation and impairment review. Any reductions were charged to the Statement of Comprehensive Net Expenditure, whilst any increases were credited to the Statement of Financial Position i.e. Revaluation Surplus/ Reserve. LTGDC had one leasehold property which transferred to the GLA in April 2012.

Intangible Assets
Intangible assets, consisting of software and software licenses, were valued at amortised historic cost which was not materially different from amortised replacement cost.

Depreciation and Amortisation
Depreciation was provided to write off the cost of Property, Plant and Equipment and Intangible Assets on a straight line basis over their expected useful lives at the following rates:

Property, Plant and Equipment :-
- Computer Equipment and non bespoke software development costs – three years
- Furniture and Fittings – seven years

The asset was depreciated over its useful life. If the useful life was lower than the rates specified above, then the actual life would be used to calculate depreciation. The fixtures and fitting relating to the internal works and fittings at the inward investment centre (which transferred in April 2012) were being depreciated over 4 years.

Intangible Assets:-
- Software, Software Licences and software development costs – normally three years or life of license if over three years.

Inventories – Stock of Development Assets
Development Assets were held for regeneration purposes and shown as inventories, and in line with IAS 2 requirements were valued at the lower of cost or net realisable value (market value). Any resulting financial write downs (historic costs less current cost) of these properties to current cost (open market value) were accounted for annually and separately identified in the Statement of Comprehensive Net Expenditure.

Any surplus on revaluation of these properties to current cost were credited to the Revaluation Surplus/Reserve but only after eliminating any accumulated write-downs that had previously been charged to the Statement of Comprehensive Net Expenditure. The elimination of the accumulated write-down was accounted for by a write-back to the Statement of Comprehensive Net Expenditure.

A valuation to establish current value was conducted at the end of each financial period and additionally during January 2013 at the point of the transfer of the two remaining site assets to the GLA. Valuations were carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. It was the LTGDC's policy to have Development Assets valued externally every two years. No indexation was applied in the intervening year. In times of economic uncertainty, LTGDC would obtain external valuation annually.

FINANCIAL STATEMENTS

Segmental Analysis
Income and Expenditure segmental analysis is split by Project and Operational costs which follows the same format used internally by LTGDC management for management decision making purposes.

Segmental analysis for the Statement of Financial Position items is not practical as most assets and liabilities were held centrally and cannot be split out. However, Development Assets can be split out on a projects area basis and this analysis has been included.

Financial Instruments
The estimated fair values of the financial instruments of the LTGDC approximate to their book value as at 28th February 2013. The following criteria have been used to assess the fair values of the LTGDC's financial instruments:

- Trade and other receivables are based upon discounted cash flows at prevailing interest rates or at their nominal amount less impairment losses if due less than 12 months. The discount rate used in respect of amounts due over 12 months is 3.5%.
- Trade and other Payables are based on their nominal amount.
- Cash and Cash equivalent approximate to their book value due to the short maturity period.

Deferred Taxation
Deferred taxation is provided in full on timing differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

Value Added Tax
The LTGDC was registered for VAT. It had an agreed VAT recovery position and was able to recover some input VAT charged on goods and services received. This partial recovery VAT calculation depended upon the split of expenditure between grants given and the amount spent on acquisition of sites. Full VAT recovery was made on sites that had been "opted to tax" whilst no VAT was recovered on planning activities or spend related to grants.

Pensions
LTGDC staff that were on permanent contracts and staff contracts greater than three months were entitled to join the Local Government Pension Scheme (LGPS) which is administered by the London Pension Fund Authority. Annual actuarial valuations are sought for this scheme and the costs are accounted for in accordance with IAS 19 "Employee Benefits" as disclosed in note 5.

For defined benefit schemes the liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date less the fair value of the scheme assets. The defined benefit obligation is calculated annually by independent actuaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

A qualified independent actuary undertakes the estimation of the present value of LTGDC's obligations under the defined benefit pension scheme using assumptions taken from a range of possible actuarial assumptions. The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Scheme as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation. Details of the pension liability are disclosed in note 5.

Operating Leases
Operating lease rentals payable were accounted for in the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease in accordance with IAS 17 "Leases".

Cash and cash equivalents
Cash and cash equivalents comprised cash at bank held in a current account and on deposit. Funds were held in Sterling and were subject to insignificant risk of changes in value. Any non-Sterling income or contributions were converted into Sterling and therefore were subject to exchange rate fluctuations.

Trade receivables and other current assets
Trade receivables are stated at their nominal value which is the original invoiced amount.

Trade payables and other current liabilities
Trade payables are stated at their nominal value which is the original invoiced amount.

Accruals are stated at their nominal value plus any irrecoverable VAT.

Revenue recognition
Government grants and donations received were treated based on IAS 20, which required recognition of the income in the performance statement unless the conditions of the grant are not met and the income is repayable. If conditions apply to the grant and there is a possibility that the money will need to be repaid, however remote, this will need to be disclosed as a contingent liability.

Rental income is recognised from the point when the rental income is earned – on an accruals basis. Capital receipt income is recognised on legal completion of a site disposal.

Planning Fee income and related Planning expenditure
Large strategic planning applications that were within LTGDC's development area were dealt with by LTGDC up until the end of September 2012 after which they transferred to the local boroughs / LLDC. Planning applications have a statutory planning fee charge (under the relevant legislation) which is payable by the applicant. Planning fees are payable by the applicant at the time of submitting a planning application and exclude VAT.

Local Authorities assisted LTGDC by undertaking the administrative tasks associated with these large planning applications. Local Authorities charged LTGDC for providing this service. Their charges to the LTGDC reflect the amount of planning application fee that was payable by the applicant.

The amount of fee which is recognised as income by LTGDC, is based on a percentage estimate of how far the planning application had progressed within the planning decision stage. This percentage estimate was applied to individual planning fees above five thousand pounds. Any individual amounts below five thousand pounds were recognised in full. The LTGDC planning Department calculate the estimate of how far the planning application had reached.

Any unrecognised income was treated by LTGDC as deferred income and shown in the Statement of Financial Position. Any deferred income would be matched to the related expenditure (in the Statement of Comprehensive Net Expenditure) at a later date, once the planning decision had been determined.

Related planning expenditure relates to the planning work done by the Local Authorities and also includes the VAT charged. The expenditure is recognised by LTGDC (in the Statement of Comprehensive Net Expenditure) on a matching basis to the income recognised.

Planning application fees withdrawn by the applicant are not refunded to them.

Section 106 Planning Agreements
LTGDC as the local planning authority had the power to enter into planning obligation with an owner of land in its area when determining planning applications. This power is set out in S106 of the Town and Country Planning Act 1990 (as amended). LTGDC recognised S106 contributions as income only when the related expenditure was incurred. Until that time any S106 contributions were treated as deferred income and shown in the Statement of Financial Position.

Key accounting judgements
In the process of applying LTGDC's accounting policies, LTGDC's Management have considered the use of significant accounting estimates and judgements where they are required in the period ending 28th February 2013.

Two significant accounting estimates and judgements are included in the financial statements:

- **Pension**

A qualified independent actuary calculated the final cessation value of the defined benefit pension scheme (note 5b) using various actuarial assumptions. This included assumptions on future price inflation, future investment returns, discount rates and demographic / statistical assumptions.

A different qualified independent actuary calculated the value of the by-analogy (unfunded) scheme (note 5a) using similar actuarial assumptions

- **Development Asset valuation**

Development Assets were valued by a qualified independent valuer. Valuations were prepared in accordance with the RICS Valuation – Professional Standards, Global UK edition, March 2012 ("the Red Book"). Properties were valued on the basis of Market Value defined in the Red Book and by the International Valuation Standards Committee (IVSC) as follows;

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

FINANCIAL STATEMENTS

2. ANALYSIS OF NET EXPENDITURE BY SEGMENT

	Period ended 28th February 2013			Year ended 31st March 2012
	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Net Expenditure £'000
Capital Project Expenditure				
Canning Town	-	-	-	57
Olympic Arc	800	(800)	-	1,760
Bromley by Bow	-	-	-	814
Lea River Park	137	(137)	-	213
Barking Town	150	(10)	140	5,071
LSIP	100	-	100	727
Rainham Village	10	-	10	(4,789)
LTG Other	67	(212)	(145)	(36)
Development Staff Time	-	-	-	272
Transfer to Statement of Financial Position – Inventories (Development Assets)	(251)	-	(251)	(7,899)
Grants to GLA	29,695	-	29,695	-
Grants to LLDC	558	-	558	-
VAT Adjustment	-	-	-	5
Total Capital Project Expenditure	**31,266**	**(1,159)**	**30,107**	**(3,805)**
Book Value of Development Asset Sold				
Barking Town	-	-	-	362
Dagenham South	-	-	-	1,050
Rainham Village	-	-	-	5,123
Total Book Value of Development Asset Sold	**-**	**-**	**-**	**6,535**
Administration Expenditure				
Board Costs	161	-	161	187
Other Staff Costs	30	-	30	94
Professional Services	316	(28)	288	413
Promotion and Publicity	58	-	58	69
Other Operating Costs	366	-	366	377
Strategic Support	11	-	11	305
Development Control Support	65	(24)	41	232
Planning Applications	316	(265)	51	83
Estate Management	30	-	30	247
Depreciation and Amortisation	164	-	164	556
Development Assets Written off	251	-	251	6,723
VAT Adjustment	7	-	7	9
Relocation costs	-	-	-	53
Office Dilapidations	-	-	-	96
Total Administration Expenditure	**1,775**	**(317)**	**1,458**	**9,444**
Provisions	(20)	-	(20)	1,154
Staff Costs	1,778	(6)	1,772	2,169
Revenue Project Expenditure	15	-	15	-
Rental Receipts	-	(4)	(4)	(331)
Interest Received / (Paid)	6	-	6	(6)
Taxation	(2)	-	(2)	32
Total	**34,818**	**(1,486)**	**33,332**	**15,192**

Analysis of Cumulative Development Assets by Segment

Project Area	Period ended 28th February 2013 Developmemt Assets £'000	Year ended 31st March 2012 Developmemt Assets £'000
Olympic Arc	-	3,090
Bromley by Bow	-	1,250
Barking Town	-	11,040
Dagenham South	-	16,850
Rainham Village	-	3,951
Total Development Assets	**-**	**36,181**

3. GENERAL GRANT RESERVE

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Opening Balance	29,762	40,380
Grant-in-aid received from DCLG	3,036	4,750
Net Expenditure	(33,332)	(15,192)
Revaluation movement – Development Assets	361	-
Non-refundable deposit on sale of development asset	-	(213)
Net Operating Cost – transfer to Pension reserve	80	36
Pension reserve movement	(1,043)	-
Actuarial gain / (loss) Board pension scheme	1	-
Transfer to Receivables from Sponsor (DCLG)	1,135	-
	-	**29,762**

The General Grant Reserve indicates the amount invested via the sponsor Department (DCLG) into LTGDC and reflects the in-year expenditure utilised by the Development Corporation.

In 2012, the actuarial loss of £4k on Board member pension (see Remuneration Report) is included in the Pension Reserve amount rather than the General Grant Reserve.

REVALUATION RESERVE

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Opening Balance	361	287
Revaluation movement – Development Assets	-	(86)
Revaluation movement – Land & Buildings	-	160
Revaluation movement	(361)	-
	-	**361**

The Revaluation Reserve related to the revaluation of Land & buildings previously owned by LTGDC as part of the annual valuation process (see accounting policy note 1).

PENSION RESERVE – See note 5b

4. STAFF COSTS

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Staff Costs		
Permanent Staff Costs	529	1,919
Permanent Staff Social Security Costs	48	193
Permanent Staff Pension Current Service Costs	80	249
Redundancy Costs*	4	4
Additional Pension Contribution**	801	-
Additional Pension Costs relating to redundancy**	194	-
	1,656	**2,403**
Development Staff Time	-	(272)
	1,656	**2,131**
Additional Pension Costs – (IAS19)	74	36
Agency and Temporary Staff	48	2
Total staff costs	**1,778**	**2,169**

*(A provision of £442,000 was made for staff redundancies in 2012 (see note 16). The actual cost incurred on redundancies in the period ended 28th February 2013 was £446,000).

**(The additional employer pension contribution related to the 9 staff that transferred to the GLA in April 2012 whilst the additional pension cost incurred relating to redundancy reflects the LGPS pension rules for members who are aged over 55 and are made redundant)

Average number of persons employed

The average number of full time equivalent persons employed during the year was as follows:

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Permanent Staff	10.28	33.67
Seconded Staff	0	0
Contract, Agency and temporary staff	0.54	0.03
Total	**10.82**	**33.70**

Details of Board Members' costs and costs of key managers can be found in the Remuneration Report on pages 9 to 11. At 28th February 2013 no employees of LTGDC had received a loan from the LTGDC. The 2012 balance owing on loans (season tickets) was £10,117, for 8 staff members.

Compensation for loss of office

15 members of staff were made redundant during the period to 28th February 2013. There were no early retirements. 1 member of staff's redundancy was accrued in 2011/12. A provision was made in 11/12 for the other 14 staff (see note 16). The costs of the 15 staff are shown below in the 2012 column.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2013	2012	2013	2012	2013	2012
<£10,000	-	4	-	-	-	4
£10,000 – £25,000	-	6	-	-	-	6
£25,001 – £50,000	-	1	-	-	-	1
£50,001 – £75,000	-	2	-	-	-	2
£75,001 – £100,000	-	1	-	-	-	1
£100,001 – £110,000	-	1	-	-	-	1
Total	**-**	**15**	**-**	**-**	**-**	**15**

LTGDC's redundancy scheme is based on the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. Any payments are capped at a maximum of 12 months' salary.

5a. UNFUNDED BY-ANALOGY PENSION SCHEME

Financial Assumptions

The financial assumptions used for the purposes of the IAS 19 calculations as at 28th February 2013 and 31st March 2012 are shown in the table below.

	Period ended 28th February 2013	Year ended 31st March 2012
Discount Rate	4.85%pa	4.85%pa
Rate of increase in salaries	4.25%pa	4.25%pa
Rate of increase in pensions in payment	2.00%pa	2.00%pa
CPI inflation assumption	2.00%pa	2.00%pa

Present Value of scheme liabilities

	Value at 28th February 2013 £'000	Value at 31st March 2012 £'000
Liability in respect of		
Active members	-	-
Deferred Pensioners	-	-
Current Pensioners	92	93
Total present value of scheme liabilities	**92**	**93**

Liabilities are valued on an actuarial basis using the Projected Unit Method.

Unfunded By-Analogy Pension Scheme – continued

Movement in scheme liability

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Scheme liability at the beginning of year	93	88
Movement in the year:		
Current service cost (net of employee contributions)	-	-
Interest costs	4	5
Employee contributions	-	-
Actuarial loss / (gain)	(1)	4
Benefits paid	4	(4)
Past service cost	-	-
Net individual pension transfers-in	-	-
Settlements and curtailments	-	-
Scheme liability at the end of year	**92**	**93**

Expense to be recognised in Statement of Comprehensive Net Expenditure	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Current service cost (net of employee contributions)	-	-
Interest cost	4	5
Past service cost	-	-
Settlements and curtailments	-	-
Total expense / (income)	**4**	**5**

Amounts for the Current and Previous Periods		
Year to 31st March 2009	Actuarial gain of	£13,000
Year to 31st March 2010	Actuarial loss of	£52,000
Year to 31st March 2011	Actuarial gain of	£5,000
Year to 31st March 2012	Actuarial loss of	£4,000
Period to 28th February 2013	Actuarial loss of	£1,000
Total since 1st April 2005	**Actuarial loss of**	**£44,000**

The unfunded by-analogy scheme was also absorbed by DCLG at the point of closure of LTGDC. Pension payments relating to the liability attached to the scheme (£92,000 as at 28th February 2013) have been made by DCLG on a monthly basis since March 2013.

5b. DEFINED BENEFIT PENSION SCHEME

Pension Reserve

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Opening Balance	(2,233)	(729)
Actuarial gain / (loss)	1,270	(1,468)
Income and Expenditure (surplus)/deficit – transfer to Pension Reserve	(80)	(36)
Transfer to current liabilities	1,043	-
Closing Balance	**-**	**(2,233)**

The £80k charge above (for the period ended 28th February 2013) relates to the £74k IAS 19 charge (see note 4) and the net pension interest payable charge of £6k.

LTGDC's employees used to belong to the Local Government Pension Scheme, a defined benefit statutory pension scheme.

The most recent full actuarial valuation of that scheme was undertaken on 31st March 2011, however in order for the LTGDC to ascertain its own actuarial liabilities under the scheme, a valuation for IAS 19 purposes was undertaken as at 28th February 2012.

The following financial information and statistical data has been compiled in accordance with IAS 19 requirements:

Statement of Financial Position

Net Pension Asset / (Liability) as at	28th February 2013 £'000	31st March 2012 £'000
Fair Value of Scheme Assets	4,755	4,341
Present Value of Funded Obligation	(5,798)	(6,574)
Total Value of Liabilities	(1,043)	(2,233)
Net Liability	**(1,043)**	**(2,233)**

The 2012 1k difference between the net liability shown above and that shown in the Statement of Financial Position is the net effect of actuarial loss of £4k (2012) and actuarial gain of £5k (in 2011) on Board Members.

Financial Assumptions

The financial assumptions used for the purposes of the IAS 19 calculations as at 28th February 2013 and 31st March 2012 are shown in the table below.

Assumptions as at	28th February 13 (% p.a)	31st March 12 (% p.a)
RPI increase rate	3.3%	3.3%
CPI Increase rate	2.8%	2.5%
Salary increase rate	4.2%	4.2%
Pension increase rate	2.8%	2.5%
Expected Return on Assets	5.9%	5.9%
Discount rate	3.2%	4.6%

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Defined Benefit Pension Scheme – continued

Expected Return on Assets

For accounting years beginning on or after 1st January 2013 the expected return rate and interest cost are being replaced with a single net interest cost. Therefore there is no requirement to disclose an expected return assumption for the year to 28th February 2014.

The expected returns as at 31st March 2012 were:

Equities 6.3%, Target return funds 4.5%, Alternate assets 5.3% and Cash 3.0%.

Assets in the Scheme

The estimated asset allocations for LTGDC are shown in the table below.

Employer Asset Share – Bid Value as at	28th February 2013 £'000	(% p.a)	31st March 2012 £'000	(% p.a)
Equities	3,423	72%	3,169	73%
Target return portfolio	476	10%	521	12%
Alternative assets	713	15%	608	14%
Cash	143	3%	43	1%
Total	**4,755**	**100%**	**4,341**	**100%**

Defined Benefit Obligation during the period / year to:

	Period to 28th February 2013 £'000	Year to 31st March 2012 £'000
Opening Defined Benefit Obligation	6,574	4,642
Service cost	153	297
Interest cost	217	267
Actuarial losses (gains)	(948)	1,232
Losses (gains) on curtailments	(185)	-
Liabilities extinguished on settlements	(1,630)	-
Settlement on closure	1,830	-
Estimated benefits paid net of transfers in	(262)	-
Past service cost	-	-
Contributions from scheme participants	49	136
Closing Defined Benefit Obligation	**5,798**	**6,574**

Fair Value of Scheme Assets during the period /year

	Period to 28th February 2013 £'000	Year to 31st March 2012 £'000
Opening Fair Value of Scheme Assets	4,341	3,913
Expected return on scheme assets	211	277
Actuarial gains (losses)	322	(236)
Contributions by employer	1,090	251
Contributions by scheme participants	49	136
Estimated benefits paid net of transfers in	(262)	-
Payment of bulk transfer value	(996)	-
Closing Fair Value of Scheme Assets	**4,755**	**4,341**

Fair Value of Scheme Assets during the period /year

	Period to 28th February 2013 £'000	Year to 31st March 2012 £'000
Surplus / (deficit) at beginning of the year	(2,233)	(729)
Current Service Cost	(153)	(297)
Interest Cost	(217)	(267)
Employer contributions	1,090	251
Contributions in respect of Unfunded benefits	-	-
Other income	-	-
Other outgoing (e.g. expenses etc)	-	-
Past service costs	-	-
Impact of settlement and curtailments	(1,011)	-
Expected Return on Assets	211	277
Actuarial gains / (losses)	1,270	(1,468)
Surplus / (deficit) at the end of year	**(1,043)**	**(2,233)**

Amounts for the Current and Previous Periods

	Period to 28th February 2013 (£'000)	Year to 31st March 2012 (£'000)	Year to 31st March 2011 (£'000)	Year to 31st March 2010 (£'000)	Year to 31st March 2009 (£'000)
Defined Benefit Obligation	(5,798)	(6,574)	(4,642)	(4,223)	(2,157)
Scheme assets	4,755	4,341	3,913	2,741	1,921
Surplus (Deficit)	(1,043)	(2,233)	(729)	(1,482)	(236)
Experience adjustments on scheme liabilities	948	(1,232)	(635)	-	-
Percentage of liabilities	16.3%	(18.7%)	(13.7%)	-	-
Experience adjustments on scheme assets	322	(236)	563	461	(634)
Percentage of assets	6.8%	(5.4%)	14.4%	16.8%	(33%)
Cumulative Actuarial Gains and Losses	(886)	(2,156)	(688)	(1,423)	(132)

The cumulative gains and losses in the table above start from 1st April 2005.

The LTGDC defined benefit pension scheme liability of £1,043,000 (as at 28th February 2013 was absorbed by DCLG when LTGDC closed. DCLG paid the outstanding amount (in full and final settlement) to the pension scheme on the 24th April 2013.

6. OPERATING EXPENDITURE

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
6a. Capital Project Expenditure which comprises:		
Capital Grants to Public Bodies	814	4,688
Capital Grants to Private Bodies	62	37
Other Capital project expenditure	137	66
Development staff time	-	272
	1,013	**5,063**
Capital Grants in kind to GLA (note 22)	29,695	-
Capital Grants In kind to LLDC (note 22)	558	-
	31,266	**5,063**
6b. Net Book Value of Asset Sold (See note 2)	**-**	**6,535**
6c. Other Expenditure which comprises		
Board Members' Costs	161	187
Travel, Hospitality and Subsistence	5	30
Board & Staff Training, Conferences	30	88
Accommodation and other rental costs	313	372
IT Expenditure	126	204
Consultancy Fees:		
Strategic Support	11	323
Planning Support	65	99
Legal, Accountancy and Professional Fees	192	272
Publications, Events and Publicity	56	48
External Auditor's Remuneration (Statutory fee)	39	33
Internal Auditors' Remuneration	9	10
Provisions (note 16)	(20)	1,154
Planning Fees (Including VAT)	316	518
Estate Management costs	30	279
Development Assets Write Off (note 12)	251	6,723
Bad debts	-	43
VAT adjustment	7	9
Relocation Costs	-	53
Office Dilapidations	-	96
	1,591	10,541
Depreciation and Amortisation costs (note 9 & 10)	164	556
Staff Salaries (note 4)	1,656	2,131
Additional Pension Costs – IAS19 (note 5b)	74	36
Agency & Temporary Staff (note 4)	48	2
	1,778	2,169
Project revenue costs	15	-
	3,548	**13,266**

Analysis of Capital Grant Project Expenditure (6a)

Public	Project	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
GLA	Asset transfer	29,695	-
LLDC	Asset transfer	558	-
British Waterways	Olympic Arc	-	515
LB of Barking & Dagenham	Barking Town	10	13
LB of Hackney	Olympic Arc	95	259
LB of Havering	Rainham Village	-	209
LB of Newham	Canning Town	-	1,524
LB of Newham	Olympic Arc	643	1,045
LB of Tower Hamlets	Olympic Arc	-	420
Transport for London	Bromley by Bow	-	701
Transport for London	Olympic Arc	-	2
LB of Newham	S106 other	16	-
LB of Tower Hamlets	S106 other	50	-
Total Local Authority		**31,067**	**4,688**

Private Bodies	Project	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Stratford Arts Trust	Olympic Arc	43	-
Children's Discovery Centre	Olympic Arc	-	8
City Screen	Olympic Arc	19	30
Poplar Harca	Bromley by Bow	-	(1)
Total		**62**	**37**

The change in capital grant project expenditure between 2013 and 2012 reflects the asset transfers that occurred in April 2012. Expenditure in the period ended 28th February 2013 has been funded from S106 contributions whilst the other Capital expenditure of £137,000 in the period ended 28th February 2013 relates to the costs involved with implementing the Lea River Park CPO.

7. INTEREST AND OPERATING INCOME

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Rental income	4	331
Contributions	341	-
Planning Application Fees received	265	435
Refunds	-	72
Capital Receipts	-	6,586
S106 Income (project related)	876	2,274
Bank Interest Received	-	6
	1,486	**9,704**

Rental Income is generated from some Development Assets and is receivable under operating leases. The sites were transferred in April to the GLA and LLDC.

Interest and Operating Income – continued

The largest contribution received in the period ended 28th February 2013 was £137,000 from OPTEMS for the Lea River Park CPO activity. The remainder of the £341,000 contributions shown above relates to various recharges.

The following analysis of planning fees for the period ended 28th February 2013 is provided for fees and charges purposes, not for IFRS 8 operating segment purposes.

Area	Amount recognised in period 2013 £'000	Amount b/fwd (from 2012 deferred inc) £'000	Total for the period ended 28th February 2013 Income £'000	Related 2013 Expenditure £'000	Deficit £'000
LB of Newham	102	83	185	211	26
LB of Tower Hamlets	56	24	80	105	25
Total			**265**	**316**	

The responsibility for determining large, strategic planning applications within the LTGDC area rested with the LTGDC until the end of September 2012. Planning Fee income relates to the statutory charge payable by applicants for making these large, strategic planning applications. Fees were payable at the time of making a planning application. Planning Fees are determined by Government legislation which is contained in the Town and Country Planning Regulations 2005. Local Authorities provided a planning service to LTGDC to enable and assist them to determine planning applications and to carry out any other planning functions which had been bestowed upon the LTGDC. Planning Application fees are intended to cover the costs involved in dealing with each type of planning application. (See Accounting Policies (note 1) for LTGDC's recognition of Planning Fee income and expenditure).

Planning fees exclude VAT (as it is a statutory charge). Related planning services provided by the Local Authorities to LTGDC were subject to VAT.

The deficit on planning relates to the amount of VAT charged. All Planning applications have been dealt with under the due processes as laid down in the planning legislation.

8. TAXATION

	Period ended 28th February 2013 £'000	Year ended 31st March 2012 £'000
Current year taxation charges	-	27
Taxation charges relating to prior years	(2)	5
Released to income and expenditure	**(2)**	**32**

Deferred Tax

No deferred tax has been recognised in the period.

No un-provided deferred tax asset has been recognised on the basis that the transfer/cessation of LTGDC's activities mean that the benefit will not be realised.

9. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Furniture & Fittings £'000	Computer Equipment £'000	Total £'000
Cost or Revaluation				
At 1st April 2011	1,120	1,934	160	3,214
Additions	-	38	-	38
Revaluation	160	-	-	160
Disposal	-	(182)	-	(182)
At 31st March 2012	**1,280**	**1,790**	**160**	**3,230**
Additions	-	-	-	-
Revaluation	-	-	-	-
Disposal	-	-	-	-
Transfer	(1,280)	(562)	-	(1,842)
At 28th February 2013	**-**	**1,228**	**160**	**1,388**
Depreciation and Impairment				
At 1st April 2011	-	919	83	1,002
Charge on Disposal	-	(182)	-	(182)
Charge in year	-	429	42	471
Impairment	-	-	-	-
Revaluation	-	-	-	-
At 31st March 2012	**-**	**1,166**	**125**	**1,291**
Charge on Disposal	-	-	-	-
Charge in year	-	62	35	97
At 28th February 2013	**-**	**1,228**	**160**	**1,388**
Net Book Value				
At 31st March 2012	1,280	624	35	1,939
At 28th February 2013	**-**	**-**	**-**	**-**

Land and Buildings related mostly to the Inward Investment Centre. This property was acquired in March 2009 and was transferred to the GLA in April 2012.

A valuation of the property was carried out annually. For 2011/12, this was carried out by an independent external valuer C Trustman Eve MRICS, on behalf of GVA Grimley Ltd. The valuation was subject to some special assumptions. These were that the long leasehold interest would be sold to the freeholder as per the terms provided in the lease and that the freeholder would be responsible for converting the property back to residential use.

The valuation was prepared in accordance with the RICS Valuation – Professional Standards, Global UK edition, March 2012 ("the Red Book").

The Furniture & Fittings transfer relates to the internal works and fittings at the Inward Investment Centre.

All other assets were fully depreciated during the period ending 28th February 2013 resulting in a zero balance.

10. INTANGIBLE ASSETS

Cost	Software & Licenses £'000
At 1st April 2011	588
Additions	-
At 31st March 2012	**588**
Additions	-
At 28th February 2013	**588**
Amortisation	
At 1st April 2011	435
Charge for the year	86
At 31st March 2012	**521**
Charge for the period	67
At 28th February 2013	**588**
Net Book Value	
At 31st March 2012	67
At 31st March 2013	**-**

All the assets were fully depreciated during the period ending 28th February 2013 resulting in a zero balance.

11. FINANCIAL INSTRUMENTS

Under Treasury Guidance, the provisions of IFRS 7 (Disclosure), IAS 32 (Presentation) and 39 (Recognition and Measurement), are deemed to apply to the LTGDC. Under those provisions disclosures are required in respect of the financial instruments (financial assets and financial liabilities) maintained by the LTGDC, the risks associated with them and the LTGDC's approach to that risk.

Except for short term receivables and payables the only financial instrument maintained by the LTGDC was cash held in a current account.

Financial Assets by category

Financial Assets per Statement of Financial Position	Loans and Receivables	
	28th February 2013 £'000	31st March 2012 £'000
Cash at bank and in hand	-	4,726
Trade Receivables	1,135	172
Total	**1,135**	**4,898**

The 2012 figures exclude statutory receivables which related to VAT from HM Revenue and Customs. None of the Financial Assets have been subject to impairment.

At the Statement of Financial Position date the cash balances analysed in note 14 which comprised:

Cash balance held at Office of HM Paymaster General – nil (2011/12 – £1,123,927)
Cash balance held at HSBC – nil (2011/12 – £3,411,930)
Cash held at solicitors – nil (2011/12 – £189,752)

Liquidity Risk

There was no cash in hand. The LTGDC had no borrowings and relied primarily on departmental grants for its cash requirements and all accounts were instant access and therefore it was not exposed to liquidity risks. It also had no material deposits and all material assets and liabilities were denominated in sterling, so it was not exposed to interest rate risk or currency risk.

Financial Instruments – continued

Credit Risk

An analysis of the ageing of the non-impaired trade receivables as at period / year end is shown below.

Trade Receivables	28th February 2013 £'000	31st March 2012 £'000
0 – 30 days	1,135	50
30 days and over	-	122
Total	**1,135**	**172**

Financial Liabilities by category

Financial Assets per Statement of Financial Position	Loans and Receivables	
	28th February 2013 £'000	31st March 2012 £'000
Trade Payables	1,135	1
Accruals	-	7,761
Total	**1,135**	**7,762**

The 2012 figures exclude statutory receivables which related to Tax and Social Security due to HM Revenue and Customs.

LTGDC's 2012 financial assets included bank balances and trade receivables. These represented the LTGDC's maximum exposure to credit risk in relation to financial assets. The credit risk was primarily attributable to any trade receivables.

Management of risks – the majority of LTGDC's trade receivables were from local authorities and other government bodies. LTGDC considered those as stable organisations that were unlikely to default on payments. LTGDC carried out credit checks prior to conducting financial transactions.

Hedging

The LTGDC did not partake in any hedging related transactions.

12. INVENTORIES (DEVELOPMENT ASSETS)

	28th February 2013 £'000	31st March 2012 £'000
Opening balance	36,181	41,625
Additions	251	7,899
Revaluations – write offs	(251)	(6,723)
Revaluations – written down	-	(86)
Sales Receipts	-	(6,586)
Profit on Disposal	-	51
Net Book Value of Asset Sold	-	(6,535)
Transferred to:		
GLA	(31,841)	-
LLDC	(4,340)	-
Closing Balance	**-**	**36,181**

FINANCIAL STATEMENTS

Development Assets write offs happen as a result of the annual valuation (note 1).

In 2012, LTGDC's assets were again subject to a considerable write off. This reflected the prevailing market and economic conditions and the risks associated with regeneration. Write offs were incurred on most of the sites owned by the LTGDC.

LTGDC's Development Assets were transferred to the GLA and LLDC during the period ending 28th February 2013.

13. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	28th February 2013 £'000	31st March 2012 £'000
Amount falling due within one year		
Trade receivables	33	-
Transferred to the GLA at dissolution	(33)	-
Trade receivables – DCLG	1,135	172
VAT	-	-
Prepayments	-	161
Bad Debt reserve	-	-
	1,135	**333**

RECEIVABLES – INTRA-GOVERNMENT BALANCES

	28th February 2013 £'000	31st March 2012 £'000
Trade receivables falling due within one year		
Balances with other central government bodies	1,135	60
Balances with local authorities	-	119
	1,135	**179**
Balances with bodies external to government	**-**	**154**
	1,135	**333**

14. CASH AND CASH EQUIVALENTS

	28th February 2013 £'000	31st March 2012 £'000
The following balances at 31st March were held at:		
Office of HM Paymaster General	-	1,124
HSBC	-	3,412
Cash held at Solicitors	-	190
	-	**4,726**

No cash was held at the dissolution date. Any remaining funds were returned to DCLG as negative grant in aid.

15. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	28th February 2013 £'000	31st March 2012 £'000
Amount falling due within one year		
Trade Payables	1,135	1
Accruals	15	7,761
Accruals transferred to the GLA at dissolution	(15)	-
Deferred income	-	2,876
Other tax and social security costs	-	116
	1,135	**10,754**

PAYABLES – INTRA-GOVERNMENT BALANCES

	28th February 2013 £'000	31st March 2012 £'000
Trade payables due within one year		
Balances with other central government bodies	-	357
Balances with local authorities	-	5,860
Balances with public corporations and trading funds	-	29
	-	**6,246**
Balances with bodies external to government	1,135	4,508
	1,135	**10,754**

16. PROVISIONS

	28th February 2013 £'000	31st March 2012 £'000
Opening balance	2,275	1,121
Provisions utilised in the year:		
CPO Costs	-	(249)
Dilapidations	-	(196)
Deferred tax	-	(5)
Staff redundancy cost	(442)	-
HMRC – VAT reversal	(47)	-
Unwinding of discount:		
Inward investment centre	-	15
In-year Provision:		
Short Term Provision:		
Lea River Park CPO costs	28	-
Project related expenditure	-	700
Road construction (Rainham Village)	-	400
Staff redundancy cost	-	442
HMRC – VAT	-	47
Provisions transferred to the GLA	(1,786)	-
Provision transferred to the LLDC	(28)	-
	-	**2,275**

The balance transferred to the GLA in April 2012 comprises:

- An amount of c£0.7m in relation to the contractual obligation to convert the Inward Investment Centre accommodation, back from non-residential to residential usage at some future date. The Inward Investment Centre was classified by LTGDC as a non-current asset (PPE) and the cost associated with its acquisition is shown in note 9.
- An amount of £0.7m for project related expenditure costs. This is the estimated additional grant amount that could be payable to the grant recipient. The amount was disputed at the time of transfer.
- £0.4m for road construction costs relating to an obligation in a sale contract (sale completed in April 2011) to construct a new road for access to a site at Rainham Village.

The provision relating to the Lea River Park CPO activity was transferred to LLDC in January 2013.

17. CAPITAL COMMITMENTS

LTGDC had no capital commitments as at 28th February 2013.

18. COMMITMENTS UNDER LEASES

As at 28th February 2013, the LTGDC had no annual commitments in respect of operating leases as LTGDC's current office lease expires at the end of March 2013.

In the period ended 28th February 2013 the actual operating lease payment for the rent was £159,000.

LTGDC had no finance leases during the period.

19. STATEMENT OF LOSSES AND SPECIAL PAYMENTS

The LTGDC had no special payments or losses during the year (nil – 2012).

20. CONTINGENT LIABILITIES

LTGDC had no contingent liabilities as at 28th February 2013.

21. CONTINGENT ASSET

LTGDC had no contingent assets as at 28th February 2013.

22. TRANSFERS TO GLA AND LLDC

On 1st April 2012 all property, rights and liabilities of LTGDC within the LLDC area were transferred to the newly formed Development Corporation along with two members of staff by way of a Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 1) Transfer Scheme 2012").

On 16th April 2012, following consultation with the relevant London boroughs, an Order came into force which transferred most of LTGDC's remaining property, rights and liabilities to the Greater London Authority along with nine members of staff ("The London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities (Greater London Authority) Order 2012").

LTGDC retained its planning powers in the Lower Lea Valley until the 30th September 2012 whereupon it relinquished the powers and the functions were then carried out by the LLDC (within its geographical area) and by the local London boroughs (in the remaining areas). A Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation (No. 2) Transfer Scheme 2012") dated 30th September 2012 enabled the transfer of contracts and two members of staff to the LLDC at this time.

LTGDC implemented the Lea River Park Compulsory Purchase Order at the end of 2012. This resulted in land and various rights of way being secured for the project. These assets were transferred to the LLDC on the 18th January 2013 by way of a Transfer Scheme ("The London Legacy Development Corporation and the London Thames Gateway Development Corporation Transfer Scheme 2013").

On the 22nd January 2013, following consultation with the relevant London boroughs, an Order came into force transferring LTGDC's remaining property, rights and liabilities to the Greater London Authority ("The London Thames Gateway Development Corporation (Transfer of Property, Rights and Liabilities (Greater London Authority) (No. 2) Order 2012").

LTGDC's dissolution date was the 28th February 2013.

During the period ending 28th February 2013

Transfer to GLA	Position as at 1st April 2012	April 2012 adjustments	January 2013 Transfer	Total £'000
Non Current Assets				
Land and Buildings	1,280	-	-	1,280
Fixtures and Fittings	562	-	-	562
Current Assets				
Receivables etc	274	352	33	659
Inventories	26,691	-	5,150	31,841
Current Liabilities				
Payables etc	(2,661)	(185)	(15)	(2,861)
Provisions	(1,786)	-	-	(1,786)
Net Position – Grant in Kind				**29,695**

The April 2012 transfer to the GLA occurred on the 16th April. Between the 1st and the 16th April 2012, LTGDC incurred expenditure, paid invoices and received cash relating to the sites that transferred. This activity is shown in the April 2012 adjustments column above. A further transfer to the GLA occurred in January 2013 giving a net transfer position of £29,695,000's worth of assets and liabilities for the period ended 28th February 2013.

Transfer to LLDC	Position as at 1st April 2012	April 2012 adjustments	January 2013 Transfer	Total £'000
Non Current Assets				
Land and Buildings	-	-	-	-
Fixtures and Fittings	-	-	-	-
Current Assets				
Receivables etc	15	8	-	23
Inventories	4,340	-	-	4,340
Current Liabilities				
Payables etc	(3,766)	(11)	-	(3,777)
Provisions		-	(28)	(28)
Net Position – Grant in Kind				**558**

23. EVENTS SINCE THE REPORTING DATE

London Thames Gateway Development Corporation's financial statements are laid before the Houses of Parliament by the Secretary of State of Communities and Local Government. IAS 10 requires London Thames Gateway Development Corporation to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are despatched by London Thames Gateway Development Corporation's management to the Secretary of State of Communities and Local Government.

The authorised date for issue is: 16th May 2013

FINANCIAL STATEMENTS

The LTGDC defined benefit pension scheme liability of £1,043,000 (as at 28th February 2013) was absorbed by DCLG when LTGDC closed. DCLG paid the outstanding amount (in full and final settlement) to the pension scheme on the 24th April 2013.

The unfunded by-analogy scheme was also absorbed by DCLG at the point of closure of LTGDC. Pension payments relating to the liability attached to the scheme have been made by DCLG on a monthly basis since March 2013.

24. RELATED PARTY TRANSACTIONS

The LTGDC was a Non-Departmental Public Body sponsored by the DCLG, which was regarded as a related party, as were the other entities which DCLG sponsors. The Local Government Pension Scheme (LGPS), which is administered by the London Pension Fund Authority was also regarded as a related party. During 2012/13, LTGDC continued to provide some staff assistance to The Institute for Sustainability (IfS). We estimate the staff time spent to be £33,395. The LTGDC also hosted The Institute's IT servers at LTGDC's offices until February 2013.

During the year the following transactions occurred with related parties:

Organisation	Amount Paid by LTGDC	Amount Outstanding to LTGDC	Nature of transactions	Related Party Connection	LTGDC Position
DCLG	8,850	-	Internal Audit Costs	Sponsor Dept	Sponsor Dept
Exports Credits Guarantee Department	330,340	-	Rent , rates and service charge	Landlord	Tenant
Greater London Authority	29,694,775	-	Transfer of assets / liabilities	Roger Evans	Board Member
LB of Tower Hamlets	155,000	-	Planning expenditure, S106 Grant payments	Kosru Uddin	Board Member
LB of Barking & Dagenham	10,006	-	S106 Grant payments	Mick McCarthy	Board Member
LB of Havering	31	-	S106 Grant payments	Michael White Roger Evans	Board Member
LB of Hackney	95,000	-	S106 Grant payments,	Guy Nicholson	Board Member
LB of Newham	870,000	-	Planning expenditure, S106 Grant payments,	Conor McAuley	Board Member
London Pensions Fund Authority	9,972	-	Pension reports	Via sponsor Dept	Pension provider
The Open University	3,160	-	Training costs	Alan Clark	Planning Committee Member
Sanchez Consulting	28,320	-	Hosting of ESEL	Julian Sanchez	ESEL Thames Gateway Transport Partnership
London Legacy Development Corporation (LLDC)	558,320	-	Transfer of assets / liabilities	Neil Deely	Planning Committee Member

There were no transactions in which Board Members and other related parties had a direct or indirect financial interest. No expense was incurred during the year in respect of doubtful debts due from the Board Members and other related parties and none were provided for.

DISCLOSURE OF REGISTERED INTERESTS BY BOARD MEMBERS AND HIGHER PAID EMPLOYEES

The following interests have been properly declared for the period to 28th February 2013:

Board Members

Bob Lane – Chairman
Corby City Academy – Trustee
Homes & Communities Agency – Non Executive Board Member

Conor McAuley – Board Member
London Borough of Newham – Councillor
Royal Docks Management Authority LTD – Board Member
Royal Docks Trust – Member
Stratford Renaissance Partnership – Board Member – Vice Chair

Guy Nicholson – Board Member
6 Host Borough Joint Committee – Committee Member
Arts Council England – London Regional Council Member
Barbican Centre – Board Member
Community Union – Regional Forum Member
CREATE Ltd – Director
Greater London Enterprise – Director
Hackney Empire Ltd – Local Authority nominee to the Board
LGA, Europe & International board – Board Member
LGA, Urban Commission – Board Member
Local Government Association – Elected Member
London Borough of Hackney – Councillor
London European Programmes Management Committee – Committee Member
North London Strategic Alliance – Committee Member
London Stansted Cambridge Consortium – Board Member

Imtiaz Farookhi – Board Member
BBA Ltd – Director
Land Data – Chairman
DGMI Ltd (Dragon Gate) – Strategy Director

Kosru Uddin – Board Member
Department for Work and Pensions – Advisory Team Manager
London Borough of Tower Hamlets – Councillor
Poplar Harca – Board Member

Michael White – Board Member
Barking, Havering and Redbridge NHS Trust – Non-Executive Director
IDeA – Member Lead of London RIEP
London Borough of Havering – Elected Leader of Council
London Councils – Executive Member
East & South East London Transport Partnership – Chair
iESE Ltd. – Member

Mick McCarthy – Board Member
BT Group – Employee
London Borough of Barking & Dagenham – Councillor

Roger Evans – Board Member
European Committee of the Regions – Member
Greater London Authority (GLA) – Assembly Member
London Borough of Havering – Councillor

FINANCIAL STATEMENTS

Sheila Drew Smith – Board Member
Action for Bow (Charity) – Chair
Bar Standards Board's appointments panel – Member
National Approved Lettings Scheme – Chair
Network Rail Members Selection Panel – Member
Standards in Public Life (Cabinet Office) – Member

Stan Hornagold – Board Member
Marstan BDB Limited Liability Partnership – Non-Executive Chairman on consultancy basis
Marstan Group – Director
Provelio Limited – Non Executive Director
Construction Industry Council – Vice Chairman

Sylvie Pierce – Board Member
Earth Regeneration Ltd – Director
London Remade Ltd – Executive Director
Mossbourne Community Academy – Chair of Governors and trustee
Shoreditch Trust – Trustee
16 Hoxton Square Ltd – Director
Bath City Council Urban Regeneration Panel – Member
NHS (Inner / Outer North West London Commissioning cluster)

Co-opted Members

Richard Turner – Planning Committee Member (Co-opted)
DHL UK Foundation – Trustee
FTA Pension Fund – Trustee
Road Safety Foundation – Trustee

Neil Deely – Planning Committee Member (Co-opted)
Design Council – Built Environment Expert Panel
Metropolitan Workshop LLP – Director
Newham Design Review Panel – Member
Urban Design for London (TFL) – Design Advisor
LLDC Quality Review Panel – Member

Malcolm Chumbley – Planning Committee Member (Co-opted)
Cluttons LLP – Equity Partner

Dru Vesty – Planning Committee Member (Co-opted)
City of London Magistrates court – Justice of the Peace
Estea Ltd – Owner Director
Homes & Communities Agency – Board Member until end of September 2012
Olympic Delivery Authority – Independent Planning Committee Member until end of September 2012

Alan Clark – Planning Committee Member (Co-opted)
East Midlands Councils – City Council Appointee
Local Government Improvement & Development – Peer Member
MOZES ESCO, Meadows, Nottingham – City Council Appointee
Nottingham City Council – Councillor, member of Executive Board, Development Control Committee, Joint Committee on Planning & Transport, Pensions Committee, Joint Planning advisory Group
Nottingham Development Enterprise – City Council Appointee
Nottingham Regeneration Limited – City Council Appointee
Open University – Associate Lecturer

Employees

Peter Andrews
Cliff House Estates Limited – Director

REPORT AND ACCOUNTS FOR THE PERIOD ENDED 28TH FEBRUARY 2013

LONDON DEVELOPMENT CORPORATION ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT WITH THE CONSENT OF THE TREASURY, IN ACCORDANCE WITH PARAGRAPH 10(3) OF SCHEDULE 31 TO THE LOCAL GOVERNMENT, PLANNING AND LAND ACT 1980

1. The accounts of London Thames Gateway Development Corporation (hereafter in this accounts direction referred to as "the Corporation") shall give a true and fair view of the income and expenditure and cash flows for the period and the state of affairs at the period end. The end of the period will also represent the dissolution date of the corporation. Subject to this requirement, the accounts for the period ending 28/02/2013 shall be prepared in accordance with:-

   (a) the accounting and disclosure requirements given in the Government Financial Reporting Manual issued by the Treasury ("the FReM") as amended or augmented from time to time, and subject to Schedule 1 of this direction;

   (b) any other relevant guidance that the Treasury may issue from time to time;

   (c) any other specific disclosure requirements of the Secretary of State;

   insofar as these requirements are appropriate to the Corporation and are in force for the year for which the accounts are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the accounts.

2. Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards and also gives any exceptions to standard Treasury requirements.

3. This direction shall be reproduced as an appendix to the accounts.

4. This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for Communities and Local Government

David Morris – An officer in the Department for Communities and Local Government

Date 15th January 2013

FINANCIAL STATEMENTS

Schedule 1: additional disclosure requirements

The following information shall be disclosed in the annual accounts, as a minimum, and in addition to the information required to be disclosed by paragraph 1 of this direction.

(a) an analysis of grants from:

- (i) government departments
- (ii) European Community funds
- (iii) other sources identified as to each source;

(b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;

(c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income

(d) details of employees, other than board members, showing:-

- (i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to the Corporation, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)
- (ii) the total amount of loans to employees
- (iii) employee costs during the year, showing separately:-
  - (1) wages and salaries
  - (2) early retirement costs
  - (3) social security costs
  - (4) contributions to pension schemes
  - (5) payments for unfunded pensions
  - (6) other pension costs
  - (7) amounts recoverable for employees on secondment or loan to other organisations

(The above analysis shall be given separately for the following categories:

- I employed directly by the Corporation
- II on secondment or loan to the Corporation
- III agency or temporary staff
- IV employee costs that have been capitalised);

(e) in the note on receivable, prepayments and payments on account shall each be identified separately;

(f) a statement of debts written off and movements in provisions for bad and doubtful debts;

(g) a statement of losses and special payments during the year, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £250,000, with separate disclosure and particulars of any individual amounts in excess of £250,000. Disclosure shall also be made of any loss or special payment of £250,000 and below if it is considered material in the context of the Corporation's operations.

*(h) particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the year end (other than those arising from a contract of service or of employment with the Corporation), between the Corporation and a party that, at any time during the year, was a related party. For this purpose, notwithstanding anything in the accounting standard, the following assumptions shall be made:

- (i) transactions and balances of £5,000 and below are not material
- (ii) parties related to board members and key managers are as notified to the Corporation by each individual board member or key manager

(iii) the following are related parties:

(1) subsidiary and associate companies of the Corporation
(2) pensions funds for the benefit of employees of the Corporation or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds)
(3) board members and key managers of the Corporation
(4) members of the close family of board members and key managers
(5) companies in which a board member or a key manager is a director
(6) partnerships and joint ventures in which a board member or a key manager is a partner or venturer
(7) trusts, friendly societies and industrial and provident societies in which a board member or a key manager is a trustee or committee member
(8) companies, and subsidiaries of companies, in which a board member or a key manager has a controlling interest
(9) settlements in which a board member or a key manager is a settlor or beneficiary
(10) companies, and subsidiaries of companies, in which a member of the close family of a board member or of a key manager has a controlling interest
(11) partnerships and joint ventures in which a member of the close family of a board member or of a key manager is a partner or venturer
(12) settlements in which a member of the close family of a board member or of a key manager is a settlor or beneficiary
(13) the Department for Communities and Local Government, as the sponsor department for the Corporation.

For the purposes of this sub-paragraph:

(i) A key manager means a member of the Corporation's management board.

(ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, "spouse" includes personal partners, and "relatives" means brothers, sisters, ancestors, lineal descendants and adopted children.

(iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at Corporation meetings of the company.

* Note to paragraph (h) of Schedule 1: under the Data Protection Act 1998 individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.

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