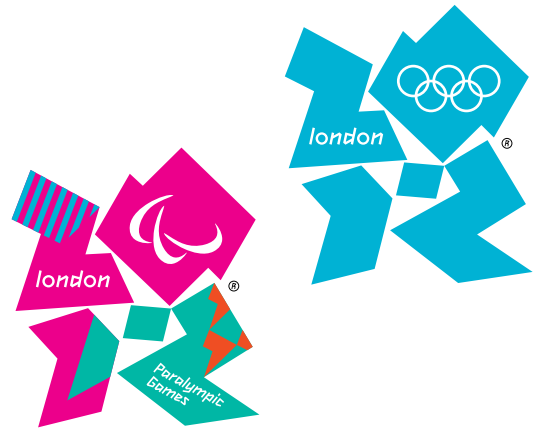


Leaving a legacy





Olympic Delivery Authority
Annual Report and Accounts 2013–14

Presented to Parliament pursuant to paragraphs 24(3) and
32 (4) of Schedule 1 of the London Olympic Games and Paralympic
Games Act 2006

Ordered by the House of Commons to be printed 16 July 2014
HC 389

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This publication is available at www.gov.uk/oda

Print ISBN 9781474105033

Web ISBN 9781474105040

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

ID 22051401 07/14

Printed on paper containing 75% recycled fibre content minimum

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Chairman's foreword



We have been building a new neighbourhood, with all the vital infrastructure and supporting facilities required for the thousands of residents making East Village their home during 2013 and 2014.

This has been a demanding year for the Olympic Delivery Authority, striving to complete its critical final tasks and so leave behind a further long-term legacy from London 2012.

Just as the London Legacy Development Corporation (LLDC) has been working hard to adapt the venues and facilities that the ODA was responsible for building, and to open them to the public, so the ODA itself has been engaged in the huge job of transforming 2,818 apartments and townhouses used as athletes' temporary accommodation into homes for Londoners, and other families and individuals attracted to living in the exciting new East Village development.

The first residents moved into the Village in November 2013, following the completion of the first of 11 residential areas, or 'plots'. We have been delighted by their reaction so far to the quality of the new homes, being marketed by the legacy owners, Get Living London and Triathlon Homes.

The East Village contractors, led by development manager Lend Lease, have been fitting new kitchens in each and every home in the space used to accommodate extra beds during the Games, with temporary partitions removed to create bigger rooms. Painting and decorating, plumbing and electrical work has taken place in every home.

But the work has not just been indoors, or within the residential blocks. We have been building a new neighbourhood, with all the vital infrastructure and supporting facilities required for the thousands of residents making East Village their home during 2013 and 2014. This has included parklands and green spaces, the Chobham Academy, which welcomed its first students last September, and the Sir Ludwig Guttmann Health and Wellbeing Centre, which is providing GP and pharmacy services and community facilities for the benefit of East Village and the wider local community.

With Queen Elizabeth Olympic Park re-opening in April, we were pleased to be able to fully open at the same time 25 acres of new green space for both residents and visitors to enjoy, including play areas, gardens, and wetlands. Thousands of people have had a chance to see, some for the first time, how the whole area has been transformed for generations to come to use and enjoy – walking, relaxing, seeing the sights, or having a picnic, as well as playing and watching sport in four world-class venues.

Outside London, Lee Valley White Water Centre has become a real magnet for fans of canoeing, kayaking and rafting, and temporary facilities for London 2012 have found a new life, like one of the Olympic Park swimming pools that is now being used by adults and children alike at Bridlington in the East Riding of Yorkshire.

The ODA has worked with so many partners and stakeholders whose contribution we recognise: including government, national and local, and the many contractors and their employees, whose creativity and hard work helped turn ideas into reality.

I remain hugely proud of the work carried out during the last eight years by our employees past and present, as well as staff seconded to the organisation or hired on a temporary basis. Their skills and experience are now being utilised on some of the biggest projects in Britain, and by some of our most prestigious public and private sector bodies, including HS2, Crossrail, the Crown Estate, government departments, charities and sports' governing bodies, as well as in new start-up businesses. Lastly, as we prepare to close down, I must thank all the staff who have stayed to complete the ODA's vital work after London 2012, and all my colleagues who have served on the board of the ODA since 2006. They can all be proud of what they have delivered.

A handwritten signature in black ink, appearing to read 'John Armitt'. The signature is written in a cursive, slightly slanted style.

Sir John Armitt
Chairman
Olympic Delivery Authority

Chief Operating Officer's report



This has been a unique challenge, with so many different strands of work running in parallel, and within an extraordinarily short period of time for such a huge programme of work.

The ODA's key focus in the year has been on the transformation of East Village. Temporary accommodation for Olympic and Paralympic competitors has been transformed into new homes for thousands of Londoners, all benefitting from the London 2012 legacy. This has been a unique challenge, with so many different strands of work running in parallel, and within an extraordinarily short period of time for such a huge programme of work.

As the ODA worked with Lend Lease and its contractors to turn the athletes' accommodation into new homes, the number of workers on site reached a peak of more than 2,400, further demonstration of how London 2012 has provided valuable job opportunities in difficult economic times. More than 15,000 rooms were adapted for legacy use, new flooring equivalent in size to 40 football fields was fitted, and eight km of kerbing installed on the new road network in East Village.

Every apartment and townhouse had one purpose during London 2012, and then had to be adapted for a quite different, long-term use once the athletes had left, before new occupants could move in and the sale to East Village's legacy owners be completed. The 'retrofit' project has taken longer than was originally anticipated. This was due to the scale of the work being undertaken, and the time needed to complete a complex certification and handover process, designed to ensure that each and every home was of the highest, consistent quality. All the time, our commitment has been to excellence and giving the tenants and homeowners in East Village the same standards that the ODA achieved in building the Olympic Park and its world-class venues. The transformation of the 2,818 apartments and townhouses has been a demanding project and we are grateful to all the residents, and future residents, of East Village for their patience.

The final plots are finished and being handed over now. The extended programme has cost more. However, the forecast cost of London 2012 remains firmly within the Public Sector Funding Package, thanks to almost £1.2 billion in savings secured by the ODA since 2006.

It is to the credit of everyone involved, given the pressure to complete the properties in East Village, that we have been able to maintain the ODA's proud health and safety record, and, to date, three million hours have been worked without a reportable incident on the East Village retrofit.

Our final tasks will be to complete the sale of the ODA's remaining interest in East Village and begin the countdown to ODA closure later this year. We are working hard to conclude construction, property and commercial contracts, fulfil planning obligations that benefit the whole community, transfer our responsibilities for utility concessions to LLDC, and comply with the statutory steps required for a clean, ordered and accountable dissolution.

Just as the ODA has always been committed to being a good employer in attaching the highest importance to the safety of the construction workforce, so we have been determined to prepare our own staff well as they search for new employment, and embark on new careers, or begin new businesses of their own. Along with the venues, infrastructure, and homes in Queen Elizabeth Olympic Park, East Village and Olympic and Paralympic venues outside London, they will be outstanding ambassadors for the work undertaken by the ODA since it was established in 2006.

A handwritten signature in black ink, appearing to read 'Gerry Murphy'.

Gerry Murphy
Chief Operating Officer
Olympic Delivery Authority

Funding available to the ODA

The budget for the Games, announced in March 2007 by the Minister for the Olympics, was £9,325 million, within which the total funding available to the ODA was £8,099 million.

Fig. 1.1 Budgeted Public Sector Funding Package (PSFP)

		£m	£m
ODA	ODA base costs including VAT	6,127	
	Programme contingency	968	
	ODA Baseline Budget		7,095
	Funders' contingency		1,004
	Total funding available to ODA		8,099
Non ODA	Elite and community sports, additional support for Paralympic Games, Look of London	388	
	Security	838	
	Total non-ODA		1,226
	Total public sector funding package		9,325

The original baseline budget for the ODA of £7,095 million, approved by the Olympic Board¹ comprised £6,127 million for the delivery of the individual projects and programmes that made up the ODA overall programme and £968 million of programme contingency for risks that might arise from the management of a complex integrated programme of projects. In addition, a funders' contingency of £1,004 million was held by Government to cover unforeseen exogenous risk to the overall delivery of the ODA programme, bringing the total funding available to the ODA in March 2007 to £8,099 million.

In 2010, the June budget and the comprehensive spending review that followed reduced the PSFP for the Games by £27 million, to £9,298 million, and reallocated funding across the London 2012 programme. The funding available exclusively to the ODA was reduced to £7,321 million which was in line with the Anticipated Final Cost (AFC) of the ODA programme at that time, reflecting its advanced status and the progress made by the ODA in delivering savings against its original baseline budget.

In June 2011, the ODA returned £333 million to Government in respect of post-Games transformation works to the Park now to be delivered by the London Legacy Development Corporation (LLDC). This was to enable LLDC to align these works with its own development plans for the Park, to create efficiencies and streamline the post-Games handover to the bodies ultimately responsible for managing the Olympic venues and Park long term. Included in the funding settlement associated with the transfer were all the post-Games contingencies associated with the transformation of the Park on the understanding that the risk for delivery of these works sits with LLDC.

Further subsequent returns in funding were made by the ODA as a result of the transfer of scope to LLDC and the London Organising Committee of the Olympic and Paralympic Games (LOCOG) and as a result of reduced contingency requirements or savings achieved through efficient delivery of scope and effective commercial close-out.

¹ From 2005–2012, the Olympic Board, established to provide oversight, strategic coordination and monitoring of the entire 2012 Games project, comprised the Minister for the Olympic and Paralympic Games, the Mayor of London, the British Olympic Association Chairman and the London 2012 Organising Committee Chair.

The Anticipated Final Cost for the ODA programme, as at March 2014, incorporating the changes above and reflecting further savings delivered by the ODA, offset by cost increases, is £6,780 million.

Sources of funding

The ODA is primarily funded by central Government comprising contributions from the Department for Culture, Media and Sport (DCMS), Communities and Local Government (CLG) and the Department for Transport (DfT), the National Lottery and the Mayor of London.

Fig. 2 Sources of funding

	March 2007	March 2014
	£m	£m
Central Government	5,226	4,378
National Lottery	1,800	1,704
London (GLA and LDA)	1,022	658
Sport England	51	40
Total funding available to the ODA	8,099	6,780

ODA Anticipated Final Cost (AFC)

The AFC of the ODA's programme takes into account cost pressures and saving opportunities, plus estimates of future contingency requirements. At the end of March 2014 the ODA's AFC is £6,780 million, well within the original funding set aside for the ODA in the PSFP in March 2007, of £8,099 million.

To date the ODA has delivered cumulative savings of £1,178 million since the original baseline budget was established in 2007, including £42 million in the last year. The savings derive primarily from value engineering changes, procurement, lower inflation, efficient delivery and commercial close-out of contracts, together with VAT savings, and have been offset against cost pressures as they have arisen. In particular, they have been used to help fund East Village from the public purse, originally planned to be funded substantially by private investment and ensuring that the programme overall is delivered within budget.

Within the total AFC, the ODA is holding unreleased contingency against cost pressures and issues that may arise during the final delivery of the remaining programme, commercial close out and dissolution of the organisation.

Progress to date²

To 31 March 2014 the ODA has spent £6,899 million. Expenditure is net of income relating to the sale of the Village to Triathlon Homes LLP and QDD AVUK, the latter being recognised as residential plots are completed and certified.

The ODA's net spend to date and net spend to go through to dissolution is set out below:

Fig.3.1 Total spend to go against the ODA AFC³

	Actual to March 2014	Spend to go	AFC as at March 2014
	£m	£m	£m
Site preparation and infrastructure	1,827	1	1,828
Venues	1,100	0	1,100
Transport	816	0	816
Other Park-wide projects	839	24	863
IBC/MPC	296	0	296
East Village	1,313	(162)	1,151
Programme delivery, taxation and interest	708	18	726
Total	6,899	(119)	6,780

In 2014–15, income is forecast to exceed expenditure on the East Village project. The ODA's activities in 2013–14 have concentrated on the retrofit of East Village and progress towards dissolution of the organisation involving the closure of a number of property transactions, commercial contracts and work to transfer utility concessions to LLDC.

² Prior to the establishment of the ODA by the 2006 Act, a number of Games and regeneration activities had to be undertaken. These were carried out by a separate division of the London Development Agency known as the Interim Olympic Delivery Authority (iODA). In February 2007, the assets and liabilities of the iODA were transferred to the ODA at nil cost and revalued in the ODA's accounts, and contracts being undertaken by the iODA were novated to the ODA. In reporting progress against AFC, the activities and costs of the iODA are included in those of the ODA.

³ Contingencies are reflected against the related projects.

East Village (Olympic and Paralympic Village)

In 2009, the ODA entered into a pre-sale agreement with Triathlon Homes LLP, an approved provider of social housing, to deliver £268 million of development funding to the project in exchange for 999 year leases on 1,379 homes, comprising the affordable housing element of the Village as required by the Stratford City Section 106 (s106) agreement. In legacy there are four tenure types; social for rent, intermediate for rent, shared ownership and shared equity.

The delivery of East Village is through the Stratford Village Development Partnership (SVDP) which is wholly owned by the ODA. In August 2011, the ODA established a holding company, SVDP Ltd, to simplify the sale transaction and contracts were exchanged for the sale of SVDP Ltd to QDD Athletes Village UK Ltd (QDD AVUK), a joint venture between Delancey and Qatari Diar, now trading under the Get Living London brand. The deal, worth £557 million with further potential profit share, will complete during 2014–15 and is conditional on the successful delivery by the ODA of the post-Games East Village retrofit. In the interim period, SVDP Ltd remains under the control of the ODA, and will continue to be consolidated into its group accounts to the date of sale.

Under the contract for sale, QDD AVUK can call for SVDP to let or sell residential units and this activity is being managed by Get Living London on behalf of SVDP, enabling occupation of private rental units in advance of sale.

The East Village site also incorporates a multi-service health centre that has been part-funded by the local primary care trust, NHS Newham, and which was completed by the ODA during the year and now provides primary healthcare facilities and will shortly provide a multi-use community facility. An academy, primarily grant-funded by the Department for Education was handed over to Chobham Academy Trust during the year after completion by the ODA and opened as a school for 3–18 year olds in September 2013.

During the year, Triathlon Homes LLP signed a Deed of Adherence to the Stratford City s106 Agreement dated 30 March 2012, bringing the Agreement into effect and providing certainty around planning requirements for the existing and future developments at East Village.

One of the conditions of the s106 Agreement required SVDP to establish a Community Development Trust, a community led not for profit organisation, together with an endowment fund of £1 million plus indexation and the provision of multi-use facilities on East Village for the purpose of providing 'village hall' type facilities for the benefit of the residents and workers of the East Village and surrounding area. Accordingly, during the year, the ODA worked with Triathlon Homes LLP and Get Living London to establish East Village Trust, an independent company limited by guarantee with charitable status. SVDP is in the process of transferring funds to the Trust and procuring a lease for the multi-use space in the Sir Ludwig Guttman Health and Wellbeing Centre. All pre-occupation s106 and planning requirements in relation to East Village have now been met.

The broad scope of work delivered by the ODA as part of the East Village Retrofit has incorporated the removal of all temporary Games-time features, fitting of new kitchens and completion of the public realm, health centre and academy. The ODA aimed to achieve practical completion, handover and occupation of East Village on a staged basis through the year, culminating in completion of the sale and purchase agreement in 2014. Significant progress was made in the year in achieving handovers, with nine out of the 13 developments (including the Academy and Health Centre) at East Village successfully completed. Due to the complexity of the development and the unique challenge of building 2,818 homes to house 23,000 athletes and officials during Games and retrofit them after Games for occupation and sale in such a short space of time, and the need to ensure the quality of the homes for the long term, the work to complete residential units was ongoing at March 2014 and sale completion is likely to take place over the summer.

Residents began moving into East Village in November 2013 and a new community is now thriving with increasing occupation, roads and bridges adopted and open to the public, as are the parks and wetlands, and the academy and health centre in operation. Seven residential plots were certified by 31 March 2014 comprising 1,625 units, allowing the ODA to recognise £247 million of income. In addition by 31 March 2014 the conditions for sale were achieved in respect of the majority of the development plots, which saw a further £70 million recognised as income. The four remaining residential plots have completed since 31 March 2014.

East Village Management Limited (EVML), previously Stratford Village Management Company, is a company limited by guarantee. Its purpose is to provide estate management services to East Village, which commenced during the year on the successful handover of developments. It comprises members whose voting rights are determined by the ownership of East Village. The ODA has a 51% interest in EVML and Triathlon Homes LLP has 49%. Following the completion of the sale of SVDP Ltd to QDD AVUK, QDD AVUK will take over the ODA's interest.

ODA exit and dissolution

In line with the ODA's exit planning, the organisation continued to contract during the year as activities completed and staff left. CLM, the ODA's Delivery Partner, supporting the delivery programme for the venues and infrastructure for the Games, had substantially demobilised by 31 March 2013, with the exception of a small number of secondees who provided assistance on the commercial close-out process on a short-term basis in early 2013–14.

The ODA's commercial close-out process has continued during the year. As at 31 March 2014 some £6,344 million of contracts had been closed out. The transaction activities associated with the sale of the ODA's remaining interest in East Village to QDD AVUK will mean that final commercial close-out will not be achieved until later in 2014, consistent with the ODA's dissolution timetable.

Over the course of its programme, the ODA successfully delivered the utility networks required for Games and legacy and during the year concluded the adoption by the relevant utility companies of the water, gas and electricity utility infrastructure networks. In addition, the ODA has extended the district heating contract with Cofely to ensure that residents at East Village and all future residential developments in Queen Elizabeth Olympic Park and Stratford, receive a directly metered heat service from Cofely that is similar to those of the electricity and gas sector, including the ability for residents to have recourse to the Energy Ombudsman in the event of a complaint, a first for a district heating scheme. The responsibility for oversight of the Cofely concession, provided by the ODA for the last four years, transferred to LLDC in June 2014.

The ODA has during the year closed out all remaining Games-related property transactions, both on and off the Park, including the Agreement with LDA for cost sharing arrangements in respect of land purchased for the Games under Compulsory Purchase Order.

An exit steering group chaired by DCMS and attended by funders and legacy bodies provided external oversight of the ODA's dissolution programme and will continue to do so until complete. Dissolution of the ODA is anticipated for late 2014.



Sir John Armit CBE FEng FICE

became Chairman of the Olympic Delivery Authority on 1 September 2007.

Sir John was Chief Executive of Network Rail from 2002 to 2007 and Chief Executive of Railtrack plc from 2001. He has extensive experience in the construction and transport sectors.

Sir John is Chairman of National Express Group and of City and Guilds. He is also Deputy Chairman of the Berkeley Group and a member of the Board of Transport for London. Since November 2012 he has been a member of the Airports Commission.

He was formerly Chairman of the Engineering and Physical Sciences Research Council, and is a Fellow of the Royal Academy of Engineering and the Institution of Civil Engineers.

Sir John was awarded the CBE in 1996 for his contribution to the rail industry and received a Knighthood in the New Year Honours List 2012 for services to engineering and construction.



Sir Roy McNulty CBE is Chairman of Gatwick Airport Ltd, Chairman of Norbrook Holdings Ltd, and is a non-executive director of Monarch Holdings Ltd. He chaired Advantage West Midlands from 2009 to 2012 and was also Chairman of ilcx urc, the regeneration company for Derry-Londonderry until early 2012, and of the Rail Value for Money Study sponsored by the Department for Transport and the Office of Rail Regulation.

He has previously held roles as Chairman of the Civil Aviation Authority (2001 to 2009), Chairman of National Air Traffic Services (1999 to 2001), Chief Executive and Chairman of Short Brothers plc, Chairman of the Department of Trade and Industry Aviation Committee (1995 to 1998) and President of the Society of British Aerospace Companies from 1993 to 1994.



Lorraine Baldry OBE is Chairman of London & Continental Railways Ltd, Schrodgers Real Estate Investment Trust, Inventa Partners Ltd. and of Tri-Air Developments Ltd. She is also a Governor at the University of the Arts London and a director of Circle Holdings plc.

Lorraine has more than 30 years' experience in a wide range of industries including financial services, IT and property and has held senior executive positions in some of the UK's leading companies in these sectors.

She has held roles as Chairman of the London Thames Gateway Development Corporation, Chief Executive of Chesterton International plc, and Senior Advisor at Morgan Stanley Investment Banking Division.



Neale Coleman CBE is the advisor on the Olympic and Paralympic legacy for London Mayor Boris Johnson. Neale has led work on the Olympic and Paralympic Games in the Greater London Authority (GLA) since 2000.

He was a Board Member of the bid company, London 2012; co-chaired the Olympic Delivery Group, which had responsibility for leading preparations for the Games prior to the creation of the ODA, has been a Board Member of the ODA since its creation and led the 2012 team in the GLA, which had responsibility for legacy and Games delivery, and for the 2012 City Operations programme. He is currently Deputy Chairman of the London Legacy Development Corporation.



David Fison is Chief Executive of Osborne, a family-owned construction business.

He has more than 35 years' experience working in the construction sector. He was Chief Executive Officer of Skanska UK plc, the UK arm of one of the world's leading construction services groups, from 2002 until 2008.

He spent 10 years at Skanska, managing multi-discipline businesses involving very large construction projects and support service operations. David previously held senior management positions at construction firm Balfour Beatty.

David is a director of the UK Contractors Group, the primary trade association for contractors operating in the United Kingdom.



Christopher Garnett OBE is a director of Anglian Water Services Ltd. He is a member of the National Railway Museum Advisory Board, and a trustee of the Windsor Leadership Trust.

He has previously held roles as Chairman of GNER (2004 to 2006), Chief Executive of GNER, Chairman of the Association of Train Operating Companies (2001 to 2003), Vice President of Sea Containers Limited (1996 to 2004), and a Board Member of Transport for London.



David Taylor CBE is one of the country's leading exponents of urban regeneration and he has worked extensively in the public, private and voluntary sectors.

He is Chairman of BL Canada Quays Ltd, a joint venture with British Land plc currently developing 900 new homes and mixed-use space in Southwark.

David is the former Chief Executive Officer of English Partnerships and special adviser to Lord Prescott. Prior to that, he had responsibility for development at AMEC plc.

David chairs Rockpools People and Performance Ltd, Energy 10 Ltd, and Allied Lighting Ltd, and is Deputy Chairman of Preston North End FC.





East Village & Queen Elizabeth Olympic Park

East Village





QUEEN ELIZABETH OLYMPIC PARK

- | | |
|-----------------------|----------------------------------------|
| 1 STADIUM | 9 COPPER BOX ARENA |
| 2 ARCELORMITTAL ORBIT | 10 WETLANDS |
| 3 SOUTH LAWN | 11 TIMBER LODGE |
| 4 PODIUM | 12 TUMBLING BAY PLAYGROUND |
| 5 AQUATICS CENTRE | 13 LEE VALLEY VELOPARK |
| 6 FOUNTAIN | 14 LEE VALLEY HOCKEY AND TENNIS CENTRE |
| 7 OUTDOOR ROOMS | 15 MULTI-STOREY CARPARK |
| 8 CARPENTERS LOCK | |



QueenElizabethOlympicPark.co.uk

WALKING DISTANCES



FACILITIES

- | | |
|---------------------|-----------------------------------|
| Information Point | Childrens Playground |
| Toilets | Parking |
| ATM | Blue Badge Parking |
| Eating and Drinking | Accessible Toilets |
| | Changing Places Accessible Toilet |

TRAVEL KEY

- | | |
|-----------------------------|----------|
| London Underground | Walkways |
| London Overground | Roads |
| DLR Docklands Light Railway | |
| National Rail Services | |
| London Buses (388, 339) | |

East Village – transformation



East Village has really come to life and is a terrific new community for London. The scale of our task has been enormous and every apartment and townhouse has been individually checked to ensure that they are of consistent high quality.

Mike Cornelius, Director of Village and Commercial

Following the end of the Olympic and Paralympic Games, the ODA had to transform the Olympic Village from temporary accommodation for athletes into East Village, a brand new London neighbourhood complete with 2,818 homes, a school, health centre, a new road network, parks, open spaces and a wetlands area. Our work to finish and hand over the East Village homes to the legacy owners, Get Living London and Triathlon Homes, is being completed this summer, with thousands of people already living in this exciting new neighbourhood.

The work to transform East Village involved installing kitchens in all 2,818 apartments and townhouses, removing temporary partitions used to create extra bedrooms for athletes, installing new carpet and timber flooring, painting and decorating, and plumbing and electrical work in every home.

The new Chobham Academy, an all-ages school which will eventually have 2,000 students enrolled, opened in autumn 2013, as well as the Sir Ludwig Guttmann Health and Wellbeing Centre that serves residents of East Village and the wider local community.

We have completed 25 acres of new parks and open space within East Village that are now open for both residents and visitors to enjoy. This includes Victory Park, Mirabelle Gardens and a large wetland area that links to the Queen Elizabeth Olympic Park wetland bowl.

The ODA also finished a programme of infrastructure work, including the installation of bus stops, hundreds of benches, 276 bike storage units and the completion and adoption of a brand new road network.



25 hectares

of new parks and open space

Due to the scale of the project and scope of work to be completed, East Village has been handed over on a phased basis once entire plots (of up to around 300 homes) are complete. Residents have been able to start moving in as soon as the first plot was completed in November 2013, while work continued on other parts of the site.

The task of transforming the former Olympic Village has been enormous, a reflection of both the scale and complexity of the project. Each home was individually checked before being signed off and handed over, a process that was complex and time-consuming but critically important in ensuring top-quality new homes.

We are proud of what has been achieved at East Village, with the new residents benefiting from high-quality homes complemented by world-class community facilities and public areas.

The site has been extremely busy since the end of the Paralympic Games. There were more than 2,400 workers on site at the peak of the work, including plumbers, electricians, fitters and joiners, landscapers, dry liners, carpenters

and decorators. They worked more than 5.5 million hours since November 2012, with almost a quarter of the workforce coming from the local community. Health and Safety remained our top priority, with exemplary standards being maintained at East Village.

Our development manager, Lend Lease, established a National Skills Academy for Construction during the transformation programme, enabling the workforce to receive training in new skills. More than 1,000 NVQ qualifications were achieved by the workforce, skills that they will take with them into new jobs.

East Village was again awarded a gold award in the Considerate Constructors Scheme, which was set up to improve the image of the construction industry, engage with the community, support and develop the workforce, and better protect the environment. This is the fifth gold award the site has received, a great achievement which demonstrates commitment to best practice.

2,818

new kitchens have been installed, one in every East Village home



East Village – a brand-new neighbourhood

1,379

new affordable homes

From the outset, the ODA planned East Village for long-term use and this is one of the strongest legacies of the Olympic and Paralympic Games, with 2,818 new homes for London – including 1,000 three and four bedroom family homes. In the years leading up to the Games, we worked hard to secure the future of East Village, with long-term owners, well before the athletes arrived.

Get Living London and Triathlon Homes have invested in East Village and will become the owners of the homes in East Village following completion of the transformation works. There are already thousands of people living in this exciting new neighbourhood and the 2,818 properties will eventually be home to as many as 9,000 people.

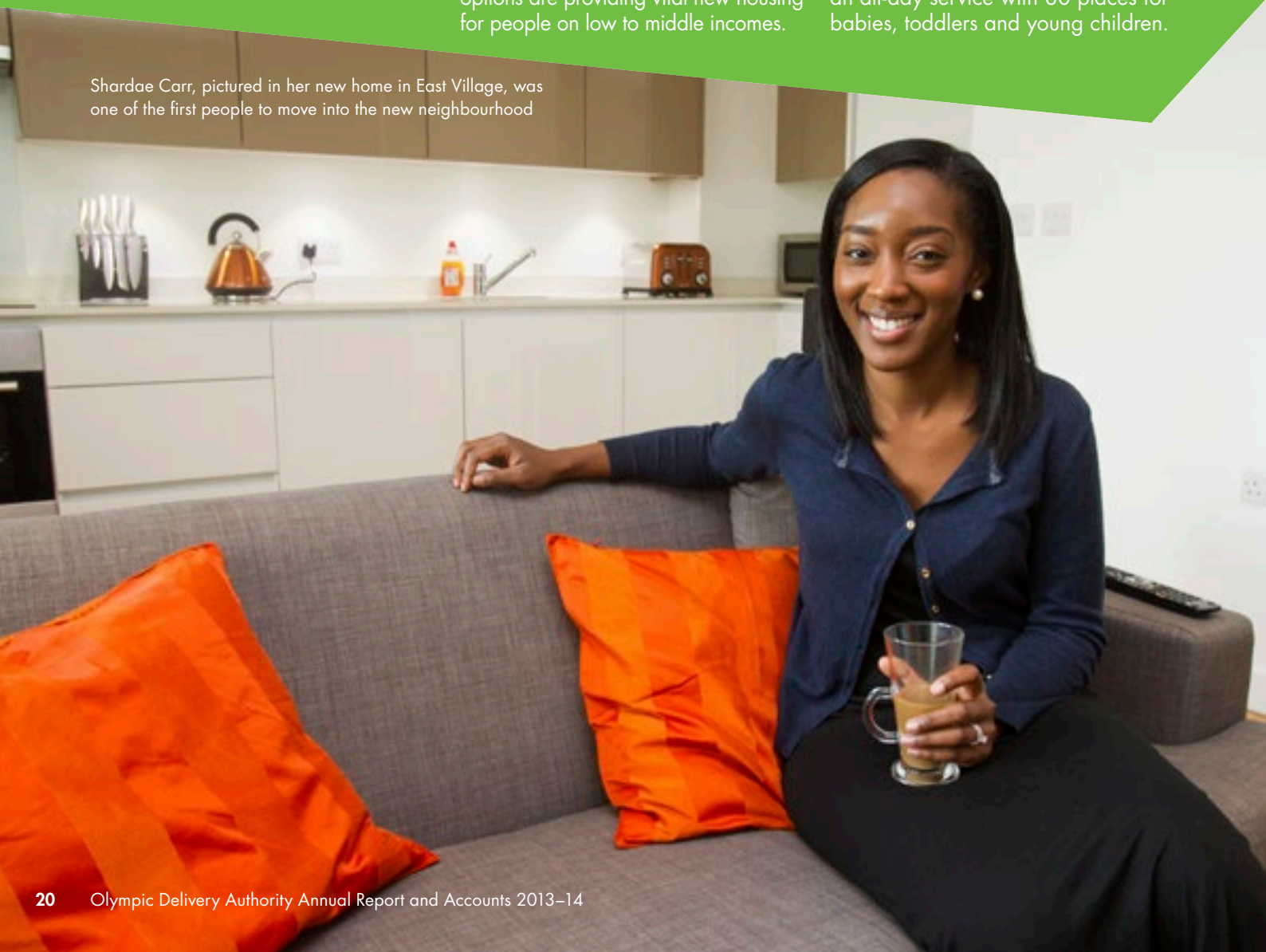
There are 1,379 affordable homes in East Village to be leased and managed by Triathlon Homes. Homes are available for purchase on a shared ownership basis, and as social and intermediate rented homes. These affordable housing options are providing vital new housing for people on low to middle incomes.

There are 1,439 homes available for private rent through Get Living London, which is offering a new model of renting in London, with no additional fees, flexible tenancy agreements of up to three years, free high-speed broadband and homes furnished at no extra cost.

Living at East Village gives residents access to the brand-new Sir Ludwig Guttmann Health and Wellbeing Centre offering GP services, a pharmacy and a range of other medical facilities, together with new community facilities.

Young residents of East Village are among students at Chobham Academy, which opened in September 2013. Further Village residents are joining the school on a phased basis as East Village becomes fully occupied. The Academy specialises in English and the performing arts and has state-of-the-art facilities, including a performance theatre, art studios and top-class sports facilities. The adjoining Little Bears nursery offers an all-day service with 80 places for babies, toddlers and young children.

Shardae Carr, pictured in her new home in East Village, was one of the first people to move into the new neighbourhood





The Sir Ludwig Guttman Health and Wellbeing Centre (left) and Chobham Academy (right), located in East Village for residents and the surrounding community.

2,000

students will attend Chobham Academy

East Village has unrivalled transport connections, access to the adjacent Queen Elizabeth Olympic Park and Westfield Stratford City, as well as 30 retail units within East Village, the first opening this summer and providing services on the doorstep of the new community.

Each residential area or 'plot' at East Village has been designed by a different architect to ensure a variety of styles and approaches. Every home has an outdoor space and plots all have private communal terraces or roof gardens for their residents.

The 25 acres of parks and open spaces within East Village have been delivered to the same excellent standards we achieved in Queen Elizabeth Olympic Park. They are well-designed, high-quality public spaces. There are tree-lined paths, four children's play areas, art features, places to relax, a community orchard planted with apple, pear and plum trees, five types of flowering lawns and 2,400 semi-mature trees.

The 2.5 hectare Waterglades wetlands area includes lawns, paths and picnic areas, offering residents a place to enjoy a relaxing walk and get close to nature. It also offers a direct link from East Village to Queen Elizabeth Olympic Park and its own parklands and world-class sporting venues. The Waterglades, with the adjoining wet woodlands in Queen Elizabeth Olympic Park, forms one of the largest man-made areas of this rare habitat in the UK.

As well as providing extensive recreational space, the open spaces at East Village have been planned to provide wide-ranging environmental benefits, with water reused for landscaping and toilet flushing and 150 ecology installations throughout East Village including bird, bat and bee boxes.

In February 2014, East Village was recognised as the 'Best New Place to Live' at the London Planning Awards.

East Village in pictures

East Village is fast becoming a thriving new community with 2,818 homes, beautiful parklands and play areas, a wetland area, health centre, and all-ages academy.





Photos: Get Living London

London's legacy

London 2012 was about a lot more than one summer of sport. The venues were designed to produce long-term benefits for the city and country.

Queen Elizabeth Olympic Park is now open, with world-class venues for international competitors and community users alike, stunning parklands in which to walk, play or picnic, and providing thousands of new jobs.

The London Legacy Development Corporation is responsible for the new-look Park, and Lee Valley Regional Park Authority for two venues, as well as Lee Valley White Water Centre north of London.



Olympic medallist Tom Daley was back at the London Aquatics Centre in April 2014 for the FINA/NVC Diving World Series, as well as making the venue his new training base. The award-winning swimming and diving centre had 17,500 seats for the Olympics and Paralympics but its two huge wings have now been removed, leaving a compact and sustainable sports facility for elite and community use, with a capacity of 2,500. Attracting 65,000 users in its first month after opening to the public in March 2014, the centre features two 50m pools, a diving pool and dry diving zone, a state-of-the-art gym and crèche.

Photo: Georgie Kerr



The Copper Box Arena, home to handball, modern pentathlon and goalball during London 2012, opened to the public exactly a year after the Opening Ceremony of the Olympic Games. Now it is one of London's most versatile indoor arenas, with retractable seating for up to 7,500 spectators and hosting sports including badminton, gymnastics and volleyball for community and competition use. The venue is home to local clubs like the London Lions, the capital's only professional basketball team, world-class boxing promoted by Frank Warren, exercise classes and an 80-station gym.



Lee Valley VeloPark opened in April 2014, bringing together for the first time the four cycling sports in one facility. The 6,000 seat velodrome graced by Hoy, Trott and Storey during London 2012 and a BMX track re-modelled for all abilities have been joined by a one mile floodlit road circuit and five miles of mountain biking trails. As well as programmes for people new to cycling, schools, clubs and community groups, the VeloPark will be hosting the UCI Track Cycling World Championships in 2016, just one of the many international events coming to the Park.



The new Lee Valley Hockey and Tennis Centre is the latest London 2012 venue to open for public use in June 2014, with four indoor and six outdoor tennis courts and two of the best hockey pitches in the country, perfect for community, club and elite use. During London 2012 Eton Manor staged wheelchair tennis as well as providing training pools for Olympic and Paralympic competitors. The centre will be hosting the NEC Wheelchair Tennis Masters, in London for the first time in November, and, in hockey, the European Championships in 2015 and the women's World Cup three years later.

Photo: Members of the Crostyx Hockey Club from Woodford Wells in Essex try out one of the new hockey pitches.



Lee Valley White Water Centre, at Broxbourne in Hertfordshire, was the only new London 2012 venue to open to the public before the Olympic Games, when it hosted canoe slalom events. Since April 2011 the centre's canoeing, kayaking and rafting courses have been used by more than 200,000 participants, whether the world's best or newcomers enjoying an introduction to kayaking in team 'hot dog' sessions (pictured). New facilities for 2014 included more changing rooms, an expanded café and a new pavilion. In 2015 the centre will stage the ICF Canoe Slalom World Championships.



BT and its new TV sports channels, with Jake Humphrey, Michael Owen and David James fronting their football coverage, was the first business to move into the London 2012 media centres, now being developed as the Here East creative and digital cluster. This will also include a new postgraduate facility for Loughborough University, a home for Hackney Community College's pioneering digital apprenticeship scheme and a data centre for Infinity SDC, with the new tenants moving in from 2015. Over 20,000 jobs will be created on Queen Elizabeth Olympic Park by 2019. Photo: BT Sport



Olympic medallist and former world record holder Jo Jackson passes on swimming tips to youngsters at a pool in which Olympic and Paralympic competitors prepared for competition in 2012. It was transported to Bridlington in the East Riding of Yorkshire, letting local people keep swimming until late 2015 while a new leisure centre is built. The nine Olympic Park training pools were dismantled and are being relocated across the country. The same is happening to two buildings from the Royal Artillery Barracks shooting and archery venue, set to be used in Dorset and Devon.

Our final tasks

It is anticipated that the ODA will be dissolved later this year, following the completion of the sale of East Village to its long-term legacy owners. The process for the dissolution of the organisation was laid down in the London Olympic Games and Paralympic Games Act 2006, including the need for parliamentary approval. Our staff numbers have reduced significantly following the successful London Games, and continued to decrease during the 2013–2014 financial year. A small core team, with only two directors, has been retained to manage our work on East Village, close out our remaining commercial contracts, prepare for dissolution, and provide essential support services.

Business contracts

The ODA has continued its commercial close-out programme, with more than £6.3 billion of contracts settled by the end of 2013–2014, including all construction and infrastructure contracts relating to the ODA's work on Queen Elizabeth Olympic Park over the course of the ODA's programme. Remarkably this was achieved without any litigation or formal contract disputes. We are working hard to close out further contractual arrangements by the time of the ODA's dissolution, with a commercial team co-located at East Village to work with Lend Lease on contracts relating to East Village transformation works.

The closing out of a commercial contract confirms that we have fulfilled our obligations and liabilities as client and employer, and that all payments have been finalised in full and final settlement. This provides finality, certainty and assurance before we close the project. Closing out so many contracts in such a short space of time is unusual for any major construction project, but our work has also been driven by the need at all times to ensure value for money for the public funding that made London 2012 and its long-term benefits a reality.

The British Olympic Association's Supplier Recognition Scheme, set up in 2013, remains a big hit with

contractors of the ODA and the London Organising Committee of the Olympic and Paralympic Games (LOCOG). By April 2014, 787 companies had received licences, giving them greater freedom to publicise their involvement. Almost two-thirds of businesses surveyed in October 2013 said that being able to talk about their role in London 2012 had already helped them win new contracts, or would in the future.

Leaving a legacy

The Learning Legacy website created by the ODA to pass on the skills and knowledge acquired since 2005 provides a wealth of information for future generations and projects, in business, the public sector and education, and at home and abroad. This is now the responsibility of the Cabinet Office's Major Projects Authority.

The ODA has continued to respond to domestic and international requests for advice and information. In July 2013, we hosted a visit to East Village by organisers of the Sochi Formula 1 Grand Prix, being staged for the first time in Russia during the 2014 season. In October, we facilitated a visit by a group of Japanese companies that may be bidding for work on the 2020 Olympic Games in Tokyo. In January 2014, we took part in a video conference with the City of Buenos Aires to answer their questions about planning and delivery of athletes' accommodation, and our experience of converting this for residential housing. The Argentine capital is hosting the IOC Youth Olympic Games in 2018. And in March, our Chief Operating Officer went to Northern Ireland to brief members of the Association for Project Management about the lessons we had learned during our work on London 2012 and its legacy.

The ODA has continued its commitment to transparency and answering Freedom of Information requests made by members of the public.



Simon Hamilton (Minister for Finance and Personnel Northern Ireland Executive), Gordon Alexander, and Gerry Murphy (ODA), Des Armstrong (Director, Central Procurement Directorate, Northern Ireland Civil Service), Mike Browne (Director, Masters Programme in Construction Business & Project Management, University of Ulster), at the APM Northern Ireland event.

Awards

We are proud that our work, and that of our contractors and partners has been acknowledged by a variety of awards, including on the international stage.

The success of the ODA's work on the London 2012 construction project has continued to be recognised through a number of awards during the last year. We are proud that our work, and that of our contractors and partners has been acknowledged, including on the international stage.

East Village has been a big winner, with accolades including the Mayor's Award for Planning Excellence at the London Planning Awards, the second year running that an ODA project has picked up this prestigious award. Get Living London and Triathlon Homes also picked up a number of other awards for East Village including 'development of the year' at the RESI Awards 2014.

Among other awards in the last year, the London 2012 Velodrome received the 2013 Outstanding Structure Award from the International Association for Bridge and Structural Engineering (IABSE). It is one of the highest distinctions awarded by IABSE and recognises the most remarkable, innovative, creative, or otherwise stimulating structures around the world. And the International Association for Sports and Leisure Facilities (IAKS) Architectural Awards, held in conjunction with the International

Olympic Committee and the International Paralympic Committee, saw the Olympic Stadium receive a silver award, as well as bronze awards to the Copper Box and Lee Valley White Water Centre. Tom Jones from the stadium architects Populous collected the stadium award on behalf of his company and the ODA from IPC President Sir Philip Craven, IOC member Dr. Ching-Kuo Wu and IAKS President Dr. Stephan Holthoff-Pförtner. These awards are the only international architecture competition for sports and leisure facilities with almost 100 entrants from 30 countries.

ODA Chairman Sir John Armit was made a Distinguished Fellow of Reading University, reflecting the work of individuals who have achieved exceptional national or international distinction in their chosen field.

Sir John said: "It is an honour to receive the award from the University. It reflects the work that the UK engineering and construction industries made to the successful delivery of the London 2012 Olympic and Paralympic Games."



ODA Chairman Sir John Armit receiving his award from Sir John Madejski, Chancellor of Reading University



Tom Jones from Populous (far right) at the IAKS Awards with Sir Philip Craven, Ching-Kuo Wu and Dr Stephan Holthoff-Pförtner

2008

Remediation Innovation Awards:
Best use of a combination of
techniques

2009

RTPI National Awards 2009:
Today's Leaders' Award

RTPI National Awards 2009:
Equality and Diversity Awards

Association for Project
Management: Project of the Year –
Power Lines Underground (PLUG)
Underground (PLUG)

Noise Abatement Society: John
Connell Awards

Edie: Sustainable Construction
Award Landscape Institute: Urban
Design/ Master Planning Category

Constructing Excellence National
Awards: Legacy Award –
Sustainability

Regeneration and Renewal Awards
2009: Environmentally sustainable
regeneration scheme of the year

Procurement Leaders Awards: Best
Procurement Team

National Mentoring Consortium
Award – New Employer of the Year
(Ethnicity Scheme)

National Mentoring Consortium
Award – New Employer of the Year
(Disability Scheme)

Human Capital Awards –
Excellence in the Public Sector

Employers Forum on Disability
Standard – Bronze Standard

2010

Opportunity Now: Innovation
Award

ICE London Civil Engineering
Awards: Greatest Contribution to
London Award: London 2012
Olympic Park Enabling Projects

First Women Awards: Business of
the Year

PPMA Awards: HR Awards

British Construction Industry
Awards: Major Project category –
Enabling Works

Breakthrough UK Independent
Living Awards: Accessible Public
Transport

Structural Steel Design Awards:
Structural Steel Design Awards
2010 – Aquatics

Women of the Future Awards
2010: Women of the Future
Corporate Award

Building Public Trust Awards:
'Excellence' in Reporting in the
Public Sector

Institution of Civil Engineers:
Edmund Hambly Medal – Enabling
Works

Public Sector People Managers'
Association – Wellbeing Award

Women in Science and
Engineering – Partnership Award

Noise Abatement Society: John
Connell 2010 innovation award
(with Hackney, Newham, Waltham
Forest and Tower Hamlets Councils)

2011

ICE London Civil Engineering
Awards: Building Award –
Velodrome

Faculty of Occupational Medicine:
Wilf Howe Award

Building Magazine:
– Personality of the Year (then
ODA Chief Executive David
Higgins)
– Client of the Year
– Integrated Supply Chain of
the Year

Business Commitment to the
Environment (BCE): The Sir Peter
Parker Award

RIBA: London Awards (shortlisted
for Stirling Prize) – Velodrome

Chartered Institute for Purchasing
and Supply: – Best Public
Procurement – Overall Winner

Constructing Excellence:
– Project of the Year
– Health and Safety Award

RoSPA Occupational Health
Award: The Astor Trophy

The British Safety Council: Sword
of Honour

Prime Minister's Better Public
Building Award: Velodrome

Awards for Environmental
Excellence: Sustainable
Construction

Building Awards: Integrated
Supply Chain of the Year

Regeneration and Renewal –
Strategic planning

RTPI Planning Awards – Judges
Special Award

SHP/IOSH Health and Safety in
Construction Award

SHP/IOSH Judges Special Award
for Health and Safety Achievement

Secured by Design: Recognition
award

CEEQUAL Outstanding
Achievement Awards:
– Project management
– Land use
– Landscape

2012

RoSPA Diamond Jubilee Award for an outstanding achievement in Health and Safety during Her Majesty The Queen's reign

Payroll Giving Gold Award 2012

RESI Deal of the Year: Delancey and Qatari Diar's acquisition of the Olympic and Paralympic Village

Architects Journal: Client of the Year award

RIBA: London Awards (shortlisted for Stirling Prize) – Olympic Stadium

First Women Awards: First Women Business of the Year Special Award 2012

British Construction Industry Awards 2012: NCE 40th Anniversary award – impact on society

Association for Project Management Awards 2012:
– Programme of the Year
– BNFL Special Recognition
– Lifetime Achievement (ODA Chairman Sir John Armit)

RIBA: Client of the year (with LOCOG)

Landscape Institute Awards:
– President's Award
– Peter Youngman Award

House of Commons Public Accounts Committee: Special award for outstanding service delivery and value for money

2013

London First awards: Lasting Olympic benefit

HR Distinction Awards 2013: HR Director of the Year (ODA HR Director Wendy Cartwright)

London Planning Awards: Mayor's Award for Planning Excellence

Rail Business Awards 2012: Special Judges Award (Hugh Sumner/ODA Transport)

CIM Marketing Excellence Awards 2012: Marketing Team of the Year – Get Ahead of the Games (M&C Saatchi/ODA/TfL)

ICE London Civil Engineering: Award for the Greatest Contribution to London – The Olympic Route Network (with TfL)

The London Transport Awards:
– Outstanding Contribution to Transport across London (ODA Transport Director Hugh Sumner)
– London 2012 transport team

CEEQUAL Outstanding Achievement Awards:
– Outstanding Contribution to Improving Sustainability in Civil Engineering
– Landscape

RIBA: London Awards (longlisted for Stirling Prize) – Olympic Park Masterplan, Energy Centre

International Association for Sports and Leisure Facilities Architectural Awards:
– Silver Award (Olympic Stadium)
– Bronze Award (Lee Valley White Water Centre)
– Bronze Award (Copper Box)

International Association for Bridge and Structural Engineering (IABSE) 2013 Outstanding Structure Award: Velodrome

British Construction Industry Awards 2013: Judges' Special Award (London 2012 Olympic Park Project)

2013 PR Week Awards: Marketing Communications for Business Award (Travel Demand Management programme, ODA/TfL/M&C Saatchi)

2014

London Planning Awards:
– Award for Planning Excellence (East Village)
– Best New Place to Live (East Village)

Civic Trust Awards 2014:
– East Village masterplan
– Chobham Academy

Hassib J Sabbagh Engineering Construction Excellence Award for Green Constructions: London 2012 Olympic Park (ODA/LOCOG/CLM)

Considerate Constructors Scheme National Site Awards 2014: Gold Award (East Village site team)

RESI Awards 2014: Development of the Year (East Village)

RIBA London Awards: London Aquatics Centre, Sir Ludwig Guttmann Health and Wellbeing Centre

Health and Safety – a model project

3 million

hours worked without a reportable incident on the East Village retrofit

Health and safety has been at the heart of the ODA's work to construct the Olympic Park and Village from day one.

The London 2012 construction project has been the safest project of this scale on record in the UK and has attracted global interest across the industry and across the world because of the high standards set – and met. These stand comparison with the average across all UK workplaces – not just the construction industry.

Our strong safety record has continued as we worked to transform East Village after the Games. We were determined to stay focused and maintain our excellent record during the final phase of work. The accident rate has remained well below industry averages – with a period of three million hours worked without a reportable incident. On the Olympic Village site both before and after the Games there were no life-changing injuries, no worker was unable to return to work after an accident or work-related ill health and there were very few lost-time injuries.

We had no work-related fatalities on our construction sites – when average statistics would have suggested three deaths should be expected on a project of this scale.

Leadership and engagement of the workforce remained the critical factors in achieving this success. We continued with campaigns to reinforce health and safety messages and the workforce responded by taking health and safety seriously. The focus on health and safety has also been reflected in the appointment of new suppliers, for example those responsible for maintaining completed blocks of East Village homes. We want to ensure that the positive ethos we have achieved at East Village continues with those responsible for the site in legacy.

How we did it

At the start of our activity in 2006 we published the 'Health and Safety Standard' that set out how we would build the new venues and infrastructure safely and without risk to health.

We aimed to raise the bar in health and safety within the construction sector, and have been committed to eliminating preventable illnesses, injuries, business losses and environmental harm.

The Health and Safety Standard outlined how the ODA would procure designs, appoint contractors and build the new venues and infrastructure safely. It was a constant reminder to contractors of their responsibility to always aim for best practice.



Leadership was key to achieving this and to building an excellent health and safety culture. ODA directors and the Delivery Partner, CLM, established the Safety, Health and Environment Leadership Team (SHELT), which created the link between health, safety and environment performance targets and each main contractor. A senior representative of each project joined SHELT, which provided strong leadership and had a direct impact on the site workforce. Although the leadership of SHELT changed as the work programme changed, the practice and principle remained with the ODA, Lend Lease and their supply chain through to 2014 at East Village.

Village site. Over the course of the project, Park Health undertook 90,000 assessments or treatments of site workers to actively prevent ill-health.

With no fatalities and 35 periods of a million hours worked without a reportable injury, the ODA has achieved new standards of excellence for the construction industry, and has been recognised externally for its exemplary record, including a special Diamond Jubilee award from the Royal Society for the Prevention of Accidents to honour a project with an outstanding health and safety record during the reign of Her Majesty The Queen.

Part of the ODA's ambition, even before the London 2012 Games began, has been to ensure that a legacy is passed on from our work. Our Learning Legacy website showcases health and safety so that others can learn from our work. We have worked closely with the Health and Safety Executive and the Institution of Occupational Safety and Health which act as Learning Legacy ambassadors for the project and have helped to spread the message of high health and safety standards even further.

We hope that the best practice we have achieved will be carried forward in other large construction projects.

The ODA also worked with suppliers and their workforce to embed this culture and give the highest priority to health and safety issues. We encouraged workers to take pride in the standards being set, and rewarded them and recognised best practice with regular awards to individuals and teams.

As well as focusing on preventing harm, we have been committed to enhancing the well-being of all involved in the project and established Park Health, the Olympic Park's on-site medical service, and Village Health, the equivalent at the



work – related fatalities on the London 2012 construction project



ODA's Director of Village and Commercial, Mike Cornelius, addresses workers as part of Health, Safety and Environment Week at East Village in February.

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Strategic Report

Statutory background

The Olympic Delivery Authority (ODA) was established under Section 3 of the London Olympic Games and Paralympic Games Act 2006 (the Act) as a body corporate and commenced business on 1 April 2006.

It is an executive arm's length body, sponsored by the Department for Culture, Media and Sport (DCMS).

During the year ministerial responsibility was held by the Rt. Hon Maria Miller MP, the Secretary of State for Culture, Media and Sport, who was succeeded by the Rt. Hon Sajid Javid MP on 9 April 2014. The Minister for Sport, with responsibility for the Olympics, was the Rt. Hon Hugh Robertson MP, succeeded by Helen Grant MP on 7 October 2013.

Principal activities

Under Section 4(1) of the Act the ODA may take any action that it thinks necessary or expedient for the purpose of making arrangements in preparation for or in connection with the use or management, before during or after the Games, of premises and other facilities acquired, constructed or adapted in preparation for the Games.

The ODA controls a limited partnership and a number of limited companies established to facilitate the development and management of East Village (formerly the Olympic and Paralympic Village). Details of the partnership and companies are given in Note 23. East Village Management Limited (EVML), in which the ODA indirectly holds a majority interest, commenced operations in the year, providing estate management services for the East Village and its residents, funded by contributions from the ODA and service charges.

The ODA has completed its work on the Olympic Park, and is preparing to dissolve in 2014–15, once the work on East Village is complete, and its interests in the East Village disposed of.

Presentation of the Accounts

The Accounts for the year to 31 March 2014 have been prepared in accordance with the Direction on the Annual Accounts issued by the Secretary of State with the consent of HM Treasury in accordance with paragraph 18(2)(e) of Schedule 1 to the Act. Details of the Direction can be found on page 81. The Accounts are prepared in accordance with the Financial Reporting Manual issued by HM Treasury which incorporates International Financial Reporting Standards.

Details of the principal Accounting Policies, including the basis of consolidation, are provided in Note 1 to the Accounts.

Land and property ownerships – freehold land interests

The ODA holds the freehold of land to the east of the Olympic Park. Legal title to the land is held by Stratford Village Property Holdings 1 Ltd and Stratford Village Property Holdings 2 Ltd on behalf of the Stratford Village Development Partnership (SVDP) (full details of the ODA's corporate structure are set out in Note 23 to the accounts). Some of the land has been used for the construction of East Village, some surplus land has been identified for transfer to Network Rail during the course of 2014–15, and the remainder is held for future development.

The ODA owns or has owned the freehold of a number of small parcels of land that were acquired to facilitate the completion of construction works. These parcels of land have nil value and do not form part of the Olympic Park or East Village. Land at Great Eastern Road has been transferred to London and Continental Railways Ltd (LCR) and the balance of the holding will be transferred to them during 2014–15. Air rights at Angel Lane will be transferred to Network Rail Infrastructure Ltd in 2014. The ODA owns land at Henrietta Street and Alma Street which was acquired to facilitate the construction of new bridges. Some of the land has been transferred to LCR, and the ODA is seeking to transfer the remaining surplus land to the London Borough of Newham. The ODA owns land at Warton Road which has been the subject of highway improvements. Some of the surplus land not required for adoption by the highway authority will be transferred to adjacent landowners.

Other leasehold land and property ownerships

The ODA leased its offices at One Churchill Place, Canary Wharf from Barclays Bank plc. The lease expired in June 2014. In May 2014 the ODA entered into a lease for offices at 25 Canada Square, Canary Wharf, expiring after one year with a break at 31 December 2014.

The ODA held the lease on land adjacent to the M11 motorway in Chigwell, Essex which is used for a logistics centre. The lease was surrendered to the landlord in November 2013.

The ODA holds air rights leases from HS1 Ltd and deeds of grant from Network Rail Infrastructure Ltd to allow the retention of bridges across railway lines around the Olympic Park and East Village. These bridges will be adopted by the London Borough of Newham in 2014–15; the ODA will also seek to transfer the related property rights to the Borough.

The ODA holds the lease on a footbridge crossing the railway at Temple Mills Lane which will be adopted by the London Borough of Newham in 2014–15; the ODA will also seek to transfer the property rights to the Borough.

Leasehold interests held by the ODA are of a short-term, operational nature. Rental payments under the leases have been charged to the Statement of Comprehensive Net Expenditure.

SVDP

In August 2011, contracts were exchanged for the sale of SVDP's parent company, SVDP Ltd, to QDD Athletes Village UK Ltd (QDD AVUK), a joint venture between Delancey and Qatari Diar. Under the terms of the contract, sale completion is expected when the work to convert the accommodation used by 23,000 athletes and officials during the Olympic and Paralympic Games into homes for Londoners is complete during 2014–15. QDD AVUK will pay £1 for the share capital of SVDP Ltd and put funds into SVDP to enable it to repay grant funding to the ODA of £557,500,000. On exchange of contracts QDD AVUK paid ODA a security amount of £55,750,000 which is repayable upon completion of the sale. Information about the security amount is disclosed in Note 12: Financial instruments. SVDP Ltd and its subsidiaries continue to be consolidated into the ODA's group accounts, subject to adjustments to align with the ODA's accounting policies.

Delivery Partner

The ODA appointed CLM Delivery Partner Ltd (CLM) as its Delivery Partner in September 2006 to support the ODA in project managing the delivery programme for the venues and infrastructure for the Games. CLM is a consortium of CH2M Hill, Laing O'Rourke Ltd and Mace Limited, providing the ODA with world class project and programme management expertise with experience of previous Olympic and Paralympic Games. CLM enabled the ODA to quickly resource to meet its challenging operational and delivery targets and effectively manage and integrate the delivery of the programme of works.

Demobilisation of CLM had substantially completed by 31 March 2013 with a limited resource retained through early 2013–14 to support commercial close-out activities. Amounts paid to CLM (invoiced and accrued) are disclosed in Note 20: Related party transactions.

Section 106 (s106)

In March 2012 the s106 agreement relating to the 2005 Stratford City planning permission was modified to take account of the change in the planning permission on the development plots and the changes in land ownership following a 2010 agreement with LCR. Under this agreement, £1,308,000 was transferred into a bank account controlled by the ODA (but to which it has no recourse) for the benefit of the community development trust on East Village, which was incorporated during 2013–14 as the East Village Trust. The account is not consolidated into the ODA's Financial Statements and the balance was transferred to the East Village Trust in May 2014.

During 2013–14 Triathlon Homes LLP entered into a Deed of Adherence to the March 2012 s106, and all parties signed the required Deed of Variation, meaning that the relating planning permissions for future legacy development of the Village was secured, maximising benefits in terms of housing delivery and returns to the public purse.

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Strategic Report continued

Financial performance

The Group Statement of Comprehensive Net Expenditure shows a deficit for the year of £45,677,000 (2012–13: £2,774,704,000). The deficit arises due to:

- the accounting treatment of Grant-in-Aid which is taken directly to reserves and as a consequence expenditure funded by Grant-in-Aid is not matched by income in the Statement of Comprehensive Net Expenditure
- as Grant-in-Aid is recognised on a cash basis in the financial statements it does not cover accrued expenditure which increases the deficit taken to the General Reserve

The ODA has an ongoing financial reliance on DCMS to fund its operations. The ODA received its final tranche of funding from the Olympic Lottery Distributor (OLD) in 2012–13, which ceased its activities on 31 March 2013. As explained in Note 1 on page 65, some OLD grant has been deferred to support the on-going ODA programme. The final tranche of GLA funding due to the ODA was paid in March 2014. Future GLA payments in respect of Olympic funding will be paid to DCMS. The ODA has made enquiries of DCMS and is confident that sufficient financial resources will be secured to enable the ODA to meet its financial and operational objectives until dissolution. Details of grant income received in the year are given in Note 5 to the Accounts.

Expenditure during the year, which is shown in Note 2, relates to the retrofit of the East Village, management of the ODA and residual activity to close out the work of the ODA

The aggregate investment of public money to-date is set out in the table below.

	ODA 2006–13 £'000	ODA 2013–14 £'000	Total £'000
Other projects	5,373,253	8,985	5,382,238
East Village	1,359,235	238,612	1,597,847
Sub-total programme	6,732,488	247,597	6,980,085
Programme management	703,798	10,163	713,961
Total	7,436,286	257,760	7,694,046

The ODA expenditure in the period 2006-13 includes expenditure incurred by the interim Olympic Delivery Authority in the period 6 July 2005 to 31 March 2006. ODA expenditure in 2013–14 excludes Village cost of sales released on recognition of the sale to Triathlon Homes LLP and QDD AVUK of £371,708,000 (2012–13: £212,490,000), write down of the associated assets of £102,200,000 (2012–13: nil) and depreciation of £356,000 (2012–13: £1,335,296,000).

At the year end the Group Statement of Financial Position shows net assets of £ 387,143,000 (2012–13: £285,220,000).

Non-current assets

In anticipation of dissolution during 2014–15, the ODA's remaining non-current assets, comprising low value items of computer equipment and software were written down to nil value as at 31 March 2014 (31 March 2013: £356,000).

Cash balances

Cash balances, which are disclosed in Note 14, are held on interest earning deposit at the ODA's bankers, Lloyds Bank plc or with the Government Banking Service (GBS). Deposits held with the GBS do not earn interest but are used to reduce the overall level of government borrowing. The ODA does not have the authority to invest in other financial instruments.

Inventory

Inventory comprises the residential East Village units, associated public realm and development land that have been agreed to be sold to QDD AVUK but which, as of 31 March 2014, have not been certified as complete.

Amounts payable and receivable

The amounts payable and receivable at 31 March 2014 have reduced compared with 31 March 2013, reflecting the reduced level of activity as ODA approaches the conclusion of its work.

Sustainability

Greenhouse gas emissions		2013–14			2012–13		
		Energy consumption	Carbon emissions tCO ₂	Cost £'000	Energy consumption	Carbon emissions tCO ₂	Cost £'000
Scope 1 (direct)	No gas consumption or vehicles owned by ODA	–	–	–	–	–	–
Scope 2 (indirect)	Electricity						
	Carbon reduction commitment	–	–	–	2,936.6 Mwh	1,609	249
	Heating supplied via CCHP district heating network – heat	–	–	–	3,897.4 Mwh	–	164
	Cooling supplied via CCHP district cooling network	–	–	–	245.2 Mwh	–	12
	East Village electricity	5,763.48 Mwh	2,432	630	3,964.0 Mwh	2,144	336
	East Village heat	13,009.17 Mwh	2,464	623	12,200.4 Mwh	–	577
Total scope 2		18,772.65 Mwh	4,896	1,253	23,243.6 Mwh	3,753	1,357
Scope 3	Mileage	–	–	–	85,300 miles	33	34
	Taxis (low emission government cars)	–	–	–	–	–	–
	Flights	–	–	–	–	6	10
Total scope 3		–	–	–	85,300 miles	39	44
Total greenhouse gas emissions		18,772.65 Mwh	4,896	1,253	–	3,792	1,401

Resources		2013–14		2012–13	
		Quantity	Cost £'000	Quantity	Cost £'000
Water	No target on construction water. Over 40% of water supplied during construction non-potable. Low flow water fitting used in site accommodation. 40% design target for water reduction in Olympic Park buildings achieved.	45,011 m3 potable water	–	4,630 m3 potable water	9
Waste	Overall programme target to reuse, recycle or recover 90% of construction and demolition waste, actual achieved 98%		–		–

Creditor payment policy and practice

The ODA has signed up to the Better Payment Practice Code, and is committed to adhering to the Late Payment of Commercial Debts (Interest) Act 1998, by paying all invoices not in dispute within agreed contractual terms or within 30 days of the presentation of a valid invoice. Prime contractors employed under NEC3 contracts are paid within 18 days. An analysis of payment performance during the 2013–14 financial year showed that 93 per cent (2012–13: 82 per cent) of undisputed invoices were paid in accordance with the code.

Health and Safety

The ODA has ensured that health and safety continues to be treated as a priority issue during the completion of the retrofit of the East Village, and commencement of occupations. The ODA has worked in partnership with contractors and suppliers to ensure that the established exemplary health and safety record has been maintained through the year.

Work in East Village has been closely specified and supervised, but the primary drivers for high standards have remained visible leadership and the close engagement of the workforce. Works are also closely monitored by assurance staff, to confirm compliance with the ODA Safety, Health and Environment Standard. The resulting supply chain efforts have been commended in various ways, for example the Considerate Constructors Scheme which independently evaluates performance has recently awarded the Village its 5th Gold medal in six years.

Accounting Officer's Statements

Strategic Report continued

The accident rate remained well below industry averages – approaching a period of three million hours worked without a reportable incident. The ODA has continued to look after the health and well-being of its own staff and the construction workforce, through regular monitoring and effective control of the working environment, and occupational health schemes for staff and operatives. The focus on health and safety has also been reflected in the appointments of new suppliers, primarily appointed by EVML, responsible for facilities management of completed blocks.

The health and safety programme is overseen by the Audit Committee of the Board, and the ODA will remain focused on a safe and healthy completion of its works to leave a Health and Safety legacy as a part of the overall legacy from the 2012 Games.

Employee relations

The ODA values diversity and strives to provide equality of opportunity in employment. ODA job vacancies are advertised and all job applicants are given full and fair consideration and are judged on the merit of their skills, experience and qualifications in relation to the specific requirements of posts within the ODA. As the ODA continues to reduce in scale, it is offering outplacement support to employees whose roles within the organisation have come to an end.

Employees of the ODA are provided with opportunities to participate actively in the affairs, policy development and performance of the organisation. Employees are invited to attend regular briefings on the work of the ODA.

Equalities

The ODA continues to be a progressive employer, valuing diversity; as the organisation has contracted in scale, representation of women has remained constant and the ODA remains committed to ensuring that female employees are employed across the hierarchical spectrum. The table below sets out the breakdown of staff by gender as at 31 March 2014:

Grade	Male	Female	Total
Directors	1	1	2
Heads of Function	8	1	9
Others	15	24	39
Total	24	26	50

The ODA gives full and fair consideration to all applications for employment from disabled people, having regard to their aptitudes and abilities, and seeking ways to make reasonable adjustments where appointments of disabled people are made. Should any employee become disabled whilst working for the ODA, arrangements for retraining and support will be made wherever possible with a view to enabling continued employment.

Going Concern

The ODA's accounts have been prepared on a going concern basis. Although it is anticipated that the ODA will be dissolved during 2014–15, after the completion of the sale of SVDP Ltd to QDD AVUK, this is subject to affirmation by Parliament of a statutory instrument. Furthermore, the ODA's sponsor department has confirmed that the ODA will be fully funded to the point of dissolution.

Review of activities

A full description of the ODA's activities is given on pages 18 to 33.



Chief Operating Officer and Accounting Officer
Olympic Delivery Authority
3 July 2014

Accounting Officer's Statements

Directors' Report

ODA Board membership

The ODA's Board currently comprises seven members, appointed until dissolution of the ODA by the Secretary of State for Culture, Olympics, Media and Sport. The members of the ODA's Board are listed on pages 11 to 13.

The members of the ODA Board are required to follow the principles established by the Nolan Committee in the conduct of public bodies. The ODA maintains a Register of Interests to identify any potential conflicts of interests that is open to the public. This is available on the ODA's website and by application to the Board Secretariat.

Committees of the Board

Audit Committee

The Audit Committee is a sub-committee of the ODA Board that meets at least four times a year. The Committee oversees the development, implementation and maintenance of the overall risk management framework and its risk strategy and policies to ensure they are in line with corporate governance and reviews the developmental and commercial strategies; it ensures that the ODA's financial statements comply with all relevant statutory and administrative requirements; it ensures that the ODA meets the highest standards of propriety and accountability for the use of public funds ; it reviews and challenges financial plans and the use of resources; and reviews the ODA's Safety, Health and Environment Standards and their implementation. The Committee members are:

Sir Roy McNulty	Chair
Lorraine Baldry	
Neale Coleman	
David Fison	
Christopher Garnett	

Remuneration Committee

The Remuneration Committee is a sub-committee of the ODA Board that meets at least twice a year to review the remuneration arrangements of the ODA staff including pensions and performance related pay. The Committee members are:

Sir Roy McNulty	Chair
Sir John Armit	
Lorraine Baldry	
Christopher Garnett	

Village sub-Committee

The Village sub-Committee is a sub-Committee of the ODA Board that meets in each month when the Board does not meet. Its prime function is to assist the ODA in discharging its duty for oversight of all aspects of the Village programme and sales to QDD AVUK and Triathlon Homes LLP. The sub-Committee members are:

Sir John Armit	Chair
David Fison	
David Taylor	

Senior Management Team

Gerry Murphy was appointed as Chief Operating Officer on 1 April 2013 by the Secretary of State. She was also designated as Accounting Officer and is responsible to the ODA Board for the general exercise of the ODA Board's functions.

Mike Cornelius was appointed as Director of Village and Commercial on 1 April 2013, responsible for the delivery of the retrofit of the Village and handover to purchasers.

The senior management team assisted the Chief Operating Officer and Director of Village and Commercial in the discharge of their responsibilities. The senior management team included the heads of commercial, communications, finance, human resources, legal, programme and risk assurance and property, and met fortnightly during the year.

Pensions

Employees can elect to join the ODA's group stakeholder pension plan which is described in Note 3 to the Accounts.

Accounting Officer's Statements

Directors' Report continued

Open Government and Freedom of Information

The ODA is committed to fostering a culture of openness, transparency and accountability. It is also committed to comply with its obligations under the Freedom of Information Act 2000.

Losses and special payments

Losses and special payments are disclosed in Note 21 to the Accounts.

Gifts and hospitality

All the ODA's staff are required to register all gifts and offers of hospitality regardless of their value. This information is recorded on the gifts and hospitality register, maintained by the ODA Legal team. The register is published quarterly on the ODA's website.

Protected personal data

The ODA had no protected personal data incidents during 2013–14 or in prior years and has made no reports to the Information Commissioner's office.

Sickness

The average number of days per employee lost through sickness during the year was 6.7 (2012–13: 2.6). The increase is attributable to the reduction in the staff complement and to one member of staff's exceptional sick leave.

Financial Instruments

The ODA has implemented IAS 32 Financial Instruments: Presentation, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures. Details of the ODA's accounting policy on financial instruments are contained in Note 1 and the value of financial instruments held at the statement of financial position date is disclosed in Note 12. Other than primary financial instruments such as trade debtors and creditors that are managed in the normal course of business, the only financial instrument held by the ODA is a security payment from QDD AVUK, refundable upon completion of the sale of SVDP Ltd.

Auditors

The Comptroller and Auditor General is the statutory appointed auditor.

So far as the Accounting Officer is aware, there is no relevant audit information of which the ODA's auditors are unaware, and she has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the ODA's auditors are aware of that information.

Events after the reporting period

There were no reportable events after the reporting period.

Accounting Officer's Statements

Remuneration Report

Constitution of the Remuneration Committee

The constitution of the Remuneration Committee is set out on page 41.

The Committee has four main functions:

- to advise the ODA Board and the Chief Operating Officer as requested on general matters regarding remuneration of employees;
- to consider any matters relating to the ODA's pension arrangements that may require the attention of the ODA Board;
- to consider recommendations and proposals from the Chief Operating Officer regarding pay, performance related pay and any other matters regarding remuneration; and
- to determine the former Chief Executive's performance related pay.

Remuneration Policy

The Remuneration Committee has regard, within the constraints of Public Sector Pay Policy, to the need to recruit high calibre employees to ensure that the Olympic Programme can be delivered on schedule and that the remaining interests and obligations of the ODA can be managed appropriately through to dissolution.

The ODA operates a discretionary non-pensionable performance-related pay scheme which is designed to incentivise employees and is based on the achievement of the ODA's objectives, as measured through a rigorous performance management framework. The performance management framework assesses the performance of individuals during each financial year.

ODA Board members receive an annual fee for serving on the ODA Board. Committee members are paid a daily rate according to the time that they have spent on Committee duties.

Service contracts

The Secretary of State for Culture, Media and Sport appoints ODA Board members and sets the level of their remuneration. Their appointments require three months' notice of termination.

In lieu of the Chief Executive and Finance Director posts the ODA has appointed, with effect from 1 April 2013, a Chief Operating Officer with responsibility for the general management and control of the ODA and its employees and for delivery of the ODA's exit programme; and a Director of Village and Commercial to oversee the East Village retrofit programme and close-out of contracts.

Accounting Officer's Statements

Remuneration Report continued

Remuneration (audited information)

ODA Board members

		2013-14 £'000	2012-13 £'000
Sir John Armitt ¹	Chairman	71	161
Sir Roy McNulty	Deputy Chairman	29	29
Lorraine Baldry		10	15
Neale Coleman		10	10
David Fison		10	10
Christopher Garnett		10	22
David Taylor		10	16

¹ From 1 October 2012 Sir John Armitt reduced his commitment to the ODA from three and a half days to one day per week and his remuneration was adjusted accordingly to £71,430 per annum.

ODA Board members receive no benefits in kind or pension entitlements. ODA Board members received reimbursement of travel and subsistence expenses amounting to £2,000 (2012-13: £12,000) in the financial year.

Single Total Figure of Remuneration

		Salary £'000	Performance related pay £'000	Employer's pension contributions £'000	Total 2013–14 £'000	Total 2012–13 £'000
Directors serving all year						
Gerry Murphy	Chief Operating Officer ¹	190	39	24	253	191
Mike Cornelius	Director of Village and Commercial ²	190	39	24	253	191
Directors leaving during the year						
Ralph Luck	Director of Property (to 14 April 2013)	15	0	1	16	300
Former directors						
Dennis Hone	Chief Executive (to 31 March 2013)				–	422
Wendy Cartwright	Director of Human Resources (to 31 March 2013)				–	177
Vivienne Ramsey	Director of Planning (to 30 September 2012)				–	92
Hugh Sumner	Director of Transport (to 31 January 2013)				–	247
Simon Wright	Director of Venues and Infrastructure (to 30 November 2012)				–	204

¹ In 2012–13 Gerry Murphy served as the Director of Finance.

² In 2012–13 Mike Cornelius served as the Director of Commercial and Legal.

Both remaining directors are members of the ODA's group stakeholder pension plan. The Chief Operating Officer and the Director of Village and Commercial were the ODA's highest paid employees in 2013–14. Median remuneration for 2013–14 was £67,101 (2012–13: £59,875). The ratio of the highest paid employee to the median was 3.4:1 (2012–13: 6.7:1); the year-on-year change in the ratio was driven mainly by the elimination of the post of Chief Executive. For the purpose of this calculation, remuneration has been defined as salary, benefits (excluding employer pension contributions) and performance related payments.

The former Chief Executive was entitled to receive statutory redundancy and a terminal bonus equivalent to 60% of his salary but no other exit payments. The Remuneration Committee decided to award a terminal bonus of 49% of his salary, to pay 50% of the bonus in July 2013 and to defer 50% of the bonus until such time as the overall programme out-turn can be fully assessed, following completion of the sale of East Village.

Directors received no taxable benefits in 2013–14 (2012–13: nil).

Payments to third parties

There were no payments to third parties for the services of senior managers.

Pensions

Employees can elect to join the ODA group stakeholder pension plan which is administered by Fidelity Ltd. Details of the scheme are given in Note 3.

Accounting Officer's Statements

Statement of Accounting Officer's Responsibilities

Under Schedule 1 of the London Olympic Games and Paralympic Games Act 2006, the ODA is required to prepare, for each financial year, a statement of accounts in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the ODA's state of affairs and of its Comprehensive Net Expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer, is required to comply with the requirements of the Government Financial Reporting Manual (the FReM) and in particular to:

- observe the Accounts Direction (at Appendix 1) issued by the Secretary of State, 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 FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for the Department for Culture, Media and Sport designated the Chief Operating Officer as Accounting Officer for the period reported upon. The responsibilities of an Accounting Officer, including 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 ODA's assets, are set out in 'Managing Public Money' issued by HM Treasury.

Accounting Officer's Statements

Governance Statement

Scope of Responsibility

As Accounting Officer for the Olympic Delivery Authority (the 'ODA'), I have responsibility for maintaining a governance structure and internal control framework that:

- supports the achievement of the ODA's policies, aims and objectives;
- safeguards the public funds and ODA assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing Public Money'; and
- ensures compliance with the 'Management Statement' and the 'Financial Memorandum', including specific accountability arrangements with the Department for Culture, Media and Sport, and the Greater London Authority.

This Statement is given in respect of the Olympic Delivery Authority and its subsidiaries. The ODA Board and Audit Committee exercise oversight of the actions of these wholly owned subsidiaries.

Corporate Governance

The ODA is guided by the principles set out in "Corporate governance in central government departments: Code of good practice 2011". These principles relate to:

- Accountability;
- Role, composition and effectiveness of the Board; and
- Risk management.

The ODA has complied with the principles set out in the Code of good practice 2011 although, given its particular role and the particular statutory provisions governing its activities, the ODA has implemented the principles in ways which differ in detail from the Code, but are appropriate for the tasks given to the Authority.

The Board and Governance

The ODA Board is responsible for ensuring the effectiveness of the governance and internal control framework, and is assisted in this regard by the work of the Audit Committee which, in turn, draws on the work of Risk & Audit. Risk & Audit reports to the Chief Operating Officer and in addition has unfettered access to the Chair of the Audit Committee.

The Board is comprised of members who have the appropriate balance of skills, experience, independence and knowledge of the ODA to enable them to discharge their duties and responsibilities effectively. The members are also able to commit sufficient time to the ODA to enable them to discharge their duties effectively, through to the wind-down of the organisation and fulfilment of ODA responsibilities.

The Board is instrumental in the development of strategy and receives regular reports from management to satisfy itself that the strategy is being promulgated effectively. Additionally, the Board agrees the annual business plan and monitors the achievement of this. The Board ensures the ODA retains sufficiently talented people to enable it to achieve its challenging work programme.

The Board is supplied in a timely manner with sufficient information in a form and of a quality appropriate to enable it to discharge its duties. The Board has made enquires of management and is satisfied that all data presented to it is of sufficient quality to permit informed decision making. The Chairman meets annually with the individual Board members to review the effectiveness of the Board.

Accounting Officer's Statements

Governance Statement continued

During the 2013–14 financial year there were five meetings of the Board. Details of the attendance at these board meetings are set out below.

Member	Meetings attended
Sir John Armitt (Chair)	5
Sir Roy McNulty	5
Lorraine Baldry	5
Neale Coleman	4
Christopher Garnett	5
David Fison	5
David Taylor	1

The Board has established an Audit Committee which ensures the ongoing integrity of the ODA governance arrangements. The Audit Committee approves the annual work programme of Risk & Audit, and reviews this at regular intervals throughout the year to ensure it continues to reflect the key risks and issues facing the ODA. Risk & Audit reports to the Audit Committee on the progress of the work programme and submits reports on the areas reviewed. The Audit Committee receives details of the top risks facing the ODA at each meeting.

As a result of considering the reports produced and the management response to such reports, the Audit Committee is able to satisfy itself as to the ongoing appropriateness and effectiveness of the governance and internal control framework. The Audit Committee Chair keeps the ODA Board regularly apprised of key issues arising from its work and provides a report annually to the ODA Board on the work of the Audit Committee. The Audit Committee is responsible for reviewing the annual report and accounts.

The Audit Committee is chaired by the ODA Deputy Chairman and its membership is comprised of non-executive directors with skills commensurate to the demands of the ODA's work programme. During the 2013–14 financial year there were five meetings of the Audit Committee and details of the attendance at these meetings is set out below:

Member	Meetings attended
Sir Roy McNulty	5
Lorraine Baldry	5
Neale Coleman	5
Christopher Garnett	5
David Fison	5

Since September 2012, the Audit Committee subsumed the functions of the Finance and Safety, Health and Environment committees, with focus of both on:

- Finance: challenge financial plans, review the use of resources (in particular, the ODA's running costs and the utilisation of the Delivery Partner) to ensure that value for money is achieved;
- Safety, Health and Environment: reviewing the suitability and implementation of the ODA's Safety, Health and Environmental Management Standard and associated policies.

The papers received by the Board and Audit Committee pertain to matters integral to the overall performance of the ODA and enable the members of these bodies to discharge their responsibilities.

The Internal Control Framework

The internal control framework is designed to manage risk to an appropriate level and not to eliminate absolutely all risk of failure to achieve policies, aims and objectives. The framework therefore only provides appropriate and not absolute assurance of effectiveness.

The internal control framework is based on an ongoing risk management process which is designed to:

- identify and prioritise the risks to the achievement of ODA aims, objectives and policies;
- evaluate the likelihood of those risks being realised, and the impact should they be realised; and
- manage risks efficiently, effectively and economically.

The year to 31 March 2014 was the ODA's eighth year of operation, during which the focus has been on retrofit and handover of East Village; commercial close-out of contracts; and preparation for the wind-down of the organisation. The ODA has kept its processes and procedures under regular review during the year, making refinements and enhancements as appropriate.

The internal control framework has been in place in the ODA for the full year ended 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Risk Management Governance Framework

The ODA attaches considerable importance to the management of risk and has established a framework which has been embedded into the overall system of internal control and which facilitates the effective management and reporting of risk.

The ODA has a Risk Policy that identifies clearly how risk is managed through three lines of defence. The three lines of defence comprise:

- First Line: line management is responsible for delivery of the ODA's programme objectives and managing the risk arising in its day to day activities in accordance with the processes set out in the ODA's 'Risk Management Framework'.
- Second Line: the Programme Assurance Office (PAO) is responsible for the effective oversight and challenge of risk management, reporting on effectiveness to the Senior Management Team (SMT) and the ODA Board.
- Third Line: the Risk & Audit Department is responsible for delivering an internal audit work programme to provide assurance to the Audit Committee and executive on the effectiveness of implementation of the system of internal control and Risk Management Framework .

The three lines of defence are recognised and overseen by the ODA Board, Audit Committee and Senior Management Team. These are further supported by key operating committees:

- Commercial Board – oversight of the ODA's contractual arrangements
- Programme Change Board – responsible for considering change requests and for ensuring the effective management of such changes
- Remuneration Committee – responsible for setting the remuneration levels and incentive structure of executive management
- The Village sub-Committee – recognising the significance of the Athletes' Village Retrofit, the ODA Board established the Village Sub-committee, which has the prime function of assisting the Board in discharging its duty for oversight of all aspects of the Village programme and sale to QDD AVUK and Triathlon Homes LLP.

The Risk Policy is owned by the ODA Board, and overseen on a day to day basis in 2013–14 by the ODA's Programme Assurance Office. It outlines the objectives, governance and high level roles and responsibilities for risk management. Beneath this, the Risk Management Framework sets out the high-level processes, references the detailed procedures followed and outlines the risk escalation strategy and categorisation, and the risk recording and reporting processes.

The SMT reviews the risk profile of the ODA and additionally has the twin aims of:

- promoting sound risk management practice across the ODA's operations, as an integral part of strategic and operational decision making, planning and implementation; and
- reviewing and challenging the effectiveness of the ODA's approach to risk governance, particularly identification, prioritisation and mitigation of strategic and key programme risks, and their upward reporting to executive management.

Accounting Officer's Statements

Governance Statement continued

Internal audit reports received by the Audit Committee during 2013 -14

The Audit Committee received the following reports from the Risk and Audit function in the year:

- East Village quality assurance process review report
- East Village retrofit and disposal review report
- Financial controls and segregation of duties review report
- East Village schedule review report
- East Village programme anticipated final cost review report
- Exit review report

No material threats to or departures from the Internal Control Framework were identified in the course of these reviews.

Key Risks and Issues as at 31 March 2014

The ODA has identified the following key risks and issues as at 31 March 2014:

- failure to retain corporate memory and appropriately skilled personnel with the capability to fulfil all responsibilities;
- failure to ensure the ongoing effectiveness of corporate governance and internal controls;
- failure to deliver the retrofit works and contracted sales amounts on time in respect of the East Village;
- failure to manage efficiently the commercial close out of contracts; and
- failure to manage the exit strategy of the organisation.

Information Security

My responsibility for the Governance Statement includes the management of risks associated with information security. ODA has maintained information management policies and processes throughout the year consistent with its remaining scope of activities and has formally adopted government standards as outlined by the Cabinet Office's Security Policy Framework (SPF). Systems and processes to support this policy are embedded into operations across the organisation and programme. ODA continues to work with its delivery partners, key contractors and key government experts to cascade these policies down through the supply chain.

In previous years an annual audit of information security was carried out by Risk & Audit to provide assurance as to compliance with the stated standards. With the Games successfully delivered and the consequent reduction in the ODA's risk profile and size of the organisation, the ODA considered formal audit of compliance with stated standards unnecessary, however the ODA continues to follow the appropriate policies. I am able to report that no information security incidents have occurred that required reporting to the Information Commissioner during this year.

Fraud

The ODA continues to be alert to the ever present risk of fraud across its activities and has established and maintained a comprehensive anti-fraud framework which includes fraud awareness as a key preventative control. The ODA has experienced a low incidence of fraud that has in turn resulted in a comparatively small level of loss throughout its existence. This experience has continued throughout the year 2013–14. The ODA's policy is to review all allegations of fraud fully with a particular emphasis on the continuing effectiveness of relevant controls.

Review of Effectiveness of the Internal Control Framework

As Accounting Officer, I have responsibility for reviewing the effectiveness of the internal control framework. My review of the effectiveness of the internal control framework has additionally been informed by the work of:

- the Executive Directors and Senior Management Team within the ODA who have responsibility for the development and maintenance of the internal control framework;
- Risk & Audit;
- other internal assurance processes, including the work of the Programme Assurance Office;
- the Board and Audit Committee;
- comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the internal control framework by the Board and the Audit Committee, and plans to address weaknesses and ensure continuous improvement of systems are in place.

Risk & Audit provides an independent, objective and systematic evaluation of risk management, control and governance within the ODA. Risk & Audit examines the adequacy, efficiency and effectiveness of systems, people and processes to identify potential risks and areas for improvement.

Risk & Audit provides findings and recommendations for each audit/review, including benchmarking controls and performance against leading practice, with the aim of improving processes and practices within the ODA. All action items arising from audits/reviews have an agreed management response and implementation date. Implementation is monitored by Risk & Audit, and reported on an exception basis to the Audit Committee.

Significant internal control issues

There were no significant internal control issues to report in the year ended 31 March 2014.

Overview of Performance

Since its inception the ODA has recognised the benefits which arise from establishing and maintaining a disciplined approach to programme and risk management. The systems which were initially established, and which are kept under regular review to ensure their ongoing effectiveness and appropriateness, have been integral to the successful achievement of the ODA's objectives.

The ODA Board, Audit Committee and SMT have not only endorsed the approach to risk management but have wholeheartedly encouraged its application across the ODA's work programme. There has been a strong "tone from the top" and, through the work of Risk & Audit, the governing bodies of the ODA have received an independent and objective assessment of the integrity of the risk and internal control framework.

Achievement of ODA objectives in 2014-15

The Audit Committee receives regular updates on the progress of, and risks to, the achievement of the ODA's objectives.

To ensure the achievement of these objectives, the Risk & Audit department highlighted the following areas for attention in 2014-15, when the ODA should:

- ensure the effective management of the key risks noted above;
- ensure due rigour continues to be applied in the commercial close out of major contracts in line with the Commercial Close Out Policy;
- manage the exit strategy and retain appropriately skilled personnel with the capability to fulfil all responsibilities;
- maintain management of the Village estate and retrofit works in order to achieve targeted sales receipts;
- work with stakeholders to ensure appropriate alignment in the delivery of key Olympic commitments;
- remain vigilant to ever-present security and fraud risks;
- continue to apply discipline to programme and project management;
- ensure that its operational responsibilities are appropriately controlled at all times; and
- ensure the continuation and effectiveness of decision making.

Conclusion

The ODA attaches considerable importance to the establishment of a sound corporate governance framework and has allied this to a strong focus on ensuring the effective management of risk.

I consider it is essential to receive reports on the ongoing quality of the governance and control environment and attach great store to the work of Risk & Audit in this field.

As result of the foregoing, I am satisfied that an appropriate and sound system of governance is in place to manage, monitor and report on the ODA programme. As part of an ongoing process of continuous review and development, further refinements and improvements to systems commensurate with the remaining scope of the organisation will be implemented during 2014-15 in relation to the issues detailed above.



Gerry Murphy

Chief Operating Officer and Accounting Officer
Olympic Delivery Authority
3 July 2014

Audit Report and Opinion

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 Olympic Delivery Authority for the year ended 31 March 2014 under the London Olympic and Paralympic Games Act 2006. The financial statements comprise: the Group Statement of Comprehensive Net Expenditure, and the Group and Authority Statements of 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 Authority, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority 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 London Olympic and Paralympic Games Act 2006. 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 group's and the Olympic Delivery Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Olympic Delivery Authority; 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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 Group's and of the Olympic Delivery Authority's affairs as at 31 March 2014 and of the Group's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the London Olympic and Paralympic Games Act 2006 and Secretary of State directions issued thereunder.

Emphasis of Matter – Going Concern Uncertainty

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the application of the going concern principle given that the Olympic Delivery Authority expects to be wound up, subject to Parliamentary process. The financial statements do not include the adjustments that would result if the Olympic Delivery Authority was unable to continue as a 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 made under the London Olympic and Paralympic Games Act 2006; and
- the information given in the Accounting Officer's Report for the financial year 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 returns adequate for my audit have not been received from branches not visited by my staff; 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.

Sir Amyas CE Morse

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

11 July 2014

Accounts

Group Statement of Comprehensive Net Expenditure for the year ended 31 March 2014

	Note	2013-14 £'000	2012-13 £'000
Expenditure			
Programme expenditure	2	(32,437)	(473,569)
Programme management	2	(10,163)	(33,392)
Write down of non-current assets	2	(355)	(1,335,296)
Write down of Inventory	2	(101,341)	–
Transfer of assets to legacy owners	2	–	(1,242,193)
Cost of East Village sales	2	(372,239)	(212,490)
		(516,535)	(3,296,940)
Income			
Property sales – East Village	4	372,239	212,490
Funders grant receivable	5	90,375	306,404
Other income	6	9,981	4,852
		472,595	523,746
Net expenditure		(43,940)	(2,773,194)
Net interest (payable)/receivable	7	(1,738)	(1,652)
Net expenditure after interest		(45,678)	(2,774,846)
Taxation	8	1	142
Total comprehensive net expenditure for the year		(45,677)	(2,774,704)

Further explanation of the deficit is given on page 38 under the heading “Financial Performance”.

The notes on pages 58 to 80 form part of these Accounts.

All amounts relate to continuing activities.

Statement of Financial Position at 31 March 2014

	Note	2013-14 £'000	Group 2012-13 £'000	2013-14 £'000	Authority 2012-13 £'000
Non-current assets					
Property, plant and equipment	9	–	302	–	302
Intangible assets	10	–	54	–	54
Investments	24	–	–	–	–
Total non-current assets		–	356	–	356
Current assets					
Inventory	11	222,722	481,142	–	–
Trade and other receivables	13	322,265	16,647	314,158	16,447
Cash and cash equivalents	14	25,835	126,931	25,835	126,931
Total current assets		570,822	624,720	339,993	143,378
Total assets		570,822	625,076	339,993	143,734
Current liabilities					
Trade and other payables	15	(118,172)	(276,959)	(79,670)	(244,696)
Financial liabilities	12	(60,543)	–	(60,543)	–
Provisions for liabilities and charges	15	(4,964)	–	–	–
Total current liabilities		(183,679)	(276,959)	(140,213)	(244,696)
Total assets less current liabilities		387,143	348,117	199,780	(100,962)
Non-current liabilities					
Financial liabilities	12	–	(58,731)	–	(58,731)
Provisions for liabilities and charges	15	–	(4,166)	–	(1,071)
Total non-current liabilities		–	(62,897)	–	(59,802)
Assets less liabilities		387,143	285,220	199,780	(160,764)
Taxpayers' equity					
General Reserve		387,143	285,220	199,780	(160,764)
Net assets/(liabilities)		387,143	285,220	199,780	(160,764)

The notes on pages 58 to 80 form part of these Accounts.

All amounts relate to continuing activities.

Approved by the ODA Board on 3 July 2014



Gerry Murphy
Chief Operating Officer



Sir John Armitt
Chairman

Accounts continued

Statement of Cash Flows for the year ended 31 March 2014

	Group 2013-14 £'000	2012-13 £'000	2013-14 £'000	Authority 2012-13 £'000
Cash flows from operating activities				
Net income/(expenditure) after interest and before tax	(45,678)	(2,774,846)	212,944	(2,250,906)
Depreciation	–	1,335,296	–	754,279
Write down of non-current assets	355	–	355	–
Transfer of non-current assets to legacy bodies	–	1,242,193	–	1,242,193
Reclassification of non-current to current assets	–	693,632	–	–
(Increase)/Decrease in inventory	258,420	(481,142)	–	–
Decrease/(Increase) in trade and other receivables	(305,618)	49,764	(297,711)	47,745
(Decrease)/increase in trade payables	(158,787)	(207,744)	(165,026)	(7,879)
Increase/(Decrease) in financial liabilities	1,812	1,814	1,812	1,814
Movement in provisions	799	(25,475)	(1,071)	(12,103)
Loss on disposal of non-current assets	–	51	–	51
Net cash outflow from operating activities	(248,697)	(166,457)	(248,697)	(224,806)
Taxation				
Corporation tax	1	142	1	142
Net cash inflows arising from taxes on income	1	142	1	142
Cash flows from investing activities				
Purchase of property, plant and equipment	–	(173,186)	–	(114,837)
Purchase of intangible assets	–	(74)	–	(74)
Net cash outflow from investing activities	–	(173,260)	–	(114,911)
Cash flows from financing activities				
Grant-in-aid received	147,600	423,200	147,600	423,200
Net financing	147,600	423,200	147,600	423,200
Net (decrease)/increase in cash and cash equivalents in the year	(101,096)	83,625	(101,096)	83,625
Cash and cash equivalents at the beginning of the year	126,931	43,306	126,931	43,306
Cash and cash equivalents at the end of the year	25,835	126,931	25,835	126,931

The notes on pages 58 to 80 form part of these Accounts.

All amounts relate to continuing activities.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2014

	Group General Reserve £'000	Authority General Reserve £'000
Balance at 1 April 2012	2,636,724	1,666,800
Comprehensive expenditure for the year	(2,774,704)	(2,250,764)
Total recognised income and expense for 2012–13	(2,774,704)	(2,250,764)
Grant-in-aid from DCMS	423,200	423,200
Balance at 31 March 2013	285,220	(160,764)
Comprehensive expenditure for the year	(45,677)	212,944
Total recognised income and expense for 2013–14	(45,677)	212,944
Grant-in-aid from DCMS	147,600	147,600
Balance at 31 March 2014	387,143	199,780

Taxpayers' equity for the Group and the Authority is represented solely by the general reserve.

The notes on pages 58 to 80 form part of these Accounts.

All amounts relate to continuing activities.

Notes to the Accounts

1 Accounting Policies

Statutory basis

The Accounts of the ODA have been prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 (paragraph 2(1) of Schedule 1), and the Direction given by the Secretary of State (see Appendix 1), with approval by HM Treasury. The Direction reflects government policy that the Accounts should conform to the accounting and disclosure requirements contained in Managing Public Money and in the HM Treasury guidance, "Financial Reporting Manual (FReM)". 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 selected is the one which has been judged to be the most appropriate to the particular circumstances of the ODA for the purpose of giving a true and fair view. These policies have been applied consistently in dealing with items considered material in relation to the Accounts.

Basis of preparation

The ODA was formed to be the single delivery body responsible for creating the venues, infrastructure and associated works for the London 2012 Games. The accounting policies have been chosen to best reflect the limited lifetime of the ODA which is expected to cease operations during 2014–15.

The ODA is fully funded for its activities through the Public Sector Funding Package and therefore the Accounts are prepared on a going concern basis. However, the ODA expects to be dissolved during 2014–15, subsequent to the physical completion of the East Village and completion of the sales transactions to Triathlon Homes LLP and QDD AVUK. At the time that these financial statements were signed, no dissolution order had been laid before Parliament.

Adoption of new accounting standards

The following accounting standards (as modified by the FReM) were issued or amended and effective for the first time in 2013–14:

- IAS 1: Presentation of financial statements (other comprehensive income): relates to grouping of items of other comprehensive income; this has no impact on the ODA.
- IAS 12: Income Taxes: changes measurement of deferred tax assets; as the ODA has no deferred tax assets this has no impact on the ODA.
- IAS 16: Property, plant and equipment: classification of servicing equipment; this has no impact on the ODA as the ODA holds no such equipment.
- IAS 19: Post employment benefits: mainly relates to defined benefit pension schemes, which has no impact on the ODA, and termination benefits. As no remaining ODA employees have a fixed termination date, the changes have no impact.
- IAS 32: financial instruments: relates to equity instruments and therefore has no impact on the ODA.
- IAS 34: Interim financial reporting: the ODA does not produce interim financial reports and therefore this has no impact on the ODA.

Proposed changes to accounting standards

The following accounting standards were issued or amended in 2013–14 and will be effective for 2014–15.

IFRS 10 (Consolidated financial statements), IFRS 11 (Joint arrangements), IFRS 12 (Disclosure of interests in other entities), IAS 27 (Separate financial statements), IAS 28 (Investments in associates and joint ventures): it is anticipated that the ODA will dispose of all of its interests in all of its subsidiaries during 2014–15, and therefore these standards will have limited impact on the ODA.

There are no proposed changes to the FReM for 2014–15 that are likely to affect the financial statements of the ODA.

The impact of changes to accounting standards whose application is beyond 31 March 2015 is not considered as it assumed that the ODA will have dissolved by this date.

Consolidated financial statements

The consolidated financial statements incorporate the financial results of the ODA and all entities controlled by ODA using the equity method of consolidation. Where appropriate a distinction is made between the consolidated financial results ("Group") and those of the ODA as an individual entity ("Authority").

Investments

Investments comprise holdings in subsidiary companies valued at cost.

Property, plant, equipment

The ODA's remaining non-current assets, comprising IT and office equipment, are held at cost, less depreciation as a proxy for fair value as permitted by the FReM for short life, low value assets.

Depreciation

Assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful life to the ODA.

Intangible assets

Intangible assets are held at cost less depreciation as a proxy for fair value as permitted by the FReM. Intangible assets are computer software and licences that are written down to estimated residual value.

Inventory

Expenditure on the East Village that is not matched to sales revenue from Triathlon Homes LLP or QDD AVUK is taken to the Statement of Financial Position as inventory. Inventories are held at the lower of cost and net realisable value in accordance with the requirements of IAS 2. As required by IAS 2, management conduct reviews of the net recoverable value of assets at each accounting period and where necessary writes down the value of the assets.

Programme costs

In 2013–14, the ODA's investment spanned three broad categories of projects that make up the programme:

- East Village;
- Other projects, being the costs of closing out projects completed in prior years relating to the delivery of Olympic venues, the International Broadcast Centre/Main Press Centre, Site preparation and Infrastructure, Transport Projects, other Stratford Infrastructure and Other Parkwide projects;
- Programme and Project Management.

The accounting policies for these categories of projects are as follows:

East Village – Group Accounting Policy

Expenditure relating to the units sold to Triathlon Homes LLP was charged to the Statement of Comprehensive Net Expenditure and matched to the income that was recognised in the period. Expenditure relating to property sold to QDD AVUK is taken to inventory, with expenditure greater than the movement in inventory written down in the Statement of Comprehensive Net Expenditure. Upon recognition of the QDD AVUK income, and associated derecognition of the inventory, derecognised amounts are charged to the Statement of Comprehensive Net Expenditure as a cost of sale.

East Village – Authority Accounting Policy

Grants to Stratford Village Development (GP) Ltd are charged to the Statement of Comprehensive Net Expenditure.

Other projects

The residual costs incurred on other projects are charged to the Statement of Comprehensive Net Expenditure as incurred.

Programme and project management costs

Programme management costs are charged to the Statement of Comprehensive Net Expenditure as incurred.

Grants and funding received

The ODA receives funding from a public sector funding package which in 2013–14 comprised Grant-in-Aid from DCMS and grants from the GLA, OLD and Sport England.

Grant-in-aid from DCMS is credited to the General Reserve. The ODA is not allowed to accrue for any balance of Grant-in-aid not drawn at the year end. The DCMS grant finances capital and resource expenditure.

Funding from OLD and GLA is allocated to the Statement of Comprehensive Net Expenditure. The use of GLA grant is restricted to projects in Greater London. OLD paid the balance of the grant due to ODA prior to its winding up on 31 March 2013. The excess of amounts received over amounts recognised is treated as deferred income and will be used in 2014–15. In the event the ODA's final cost is lower than the Grant anticipated final cost (AFC) a percentage of any reduction is repayable to OLD's successor body, the Olympic Lottery Distribution Fund (administered by DCMS).

Notes to the Accounts continued

Specific grant funding is allocated to the Statement of Comprehensive Net Expenditure and is detailed in Note 5(b).

Work undertaken on behalf of third parties

Where the ODA undertakes revenue work on behalf of third parties, the contribution received is offset against the ODA's costs.

Other grants and other income

Revenue from the sale of residential property in the East Village to Triathlon Homes LLP and QDD AVUK is recognised in accordance with IAS 18 (Revenue) and is measured at fair value in line with the agreed consideration payable by QDD AVUK. Revenue from QDD AVUK is recognised at the point of certified practical completion for each of the eleven residential plots within East Village. Revenue from Triathlon Homes LLP is recognised in full, net of costs to go on the construction of the affordable housing element of the East Village. Amounts received in excess of amounts recognised are held as deferred income.

Other grants are receivable in respect of specific costs and are recognised on an accruals basis. Other income is recognised on an accruals basis.

Pension costs

Employees are automatically enrolled into the ODA's group stakeholder pension plan, although they can elect to opt out of the plan.

Contributions are charged in the Statement of Comprehensive Net Expenditure as they become payable in accordance with the rules of the scheme.

Provisions

A provision is recognised in the Statement of Financial Position when the ODA has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are established to cover possible settlement with contractors of disputed amounts that have not been fully substantiated or agreed by the ODA but are sufficiently likely to be agreed for the ODA to create a provision.

Corporation Tax

The Group is liable for Corporation Tax on its taxable income which, to date has arisen on bank interest earned, but which is offset by the ODA's interest expense.

VAT

Irrecoverable VAT is charged to the appropriate expense or asset heading in the Accounts. The ODA and its subsidiary Stratford Village Development (GP) Ltd are registered as a VAT group; balances owing to and owed by HM Revenue and Customs are shown as a creditor or a debtor.

Financial instruments

Financial assets and financial liabilities are recognised in the Group and Authority Statement of Financial Position when the Group or Authority becomes a party to the contractual provisions of the instrument. The Group and Authority measure financial assets and liabilities on initial recognition at fair value and determine the classification of such assets and liabilities at initial recognition and on any subsequent reclassification event.

Bank deposits are included within cash and cash equivalents.

Trade receivables are measured at fair value i.e. original invoice amount less an allowance for uncollectable amounts.

Trade payables are initially measured at fair value.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's and Authority's accounting policies which are described above, management has made the following estimates that have the most significant effect on the amounts recognised in the Financial Statements.

- Construction costs to go on the East Village: the cost to go is calculated by reference to a professional estimate of the AFC of the construction programme for the East Village, less spend to date. Construction costs to go are used to determine the balance of inventory, and therefore also impact on the write down of inventory, and also the Triathlon Homes LLP income recognition, and therefore also impact on the balance of deferred income. The AFC is formally updated on a quarterly basis; the uncertainty risk diminishes as practical completion approaches.
- Accruals: the value of accruals depends on professional estimates of the value of work done. There is an element of subjectivity in this process, especially where projects are being delivered through third parties although the level of uncertainty has reduced as the ODA's work nears completion.
- Provisions: provisions are made for costs which may be incurred at a future date and therefore by their nature cannot be estimated with certainty. As the ODA's work programme draws to completion the uncertainty risk diminishes.

Notes to the Accounts continued

2 Expenditure

The analysis below sets out the business segments used by the ODA and reported to its Board to manage its business, as required by IFRS 8 Operating Segments. Net assets by segment are not reported.

	Total Programme & Programme Management Expenditure £'000	Transfer to Inventory £'000	2013-14 Charged to Statement of Comprehensive Net Expenditure £'000	2012-13 Charged to Statement of Comprehensive Net Expenditure £'000
Programmes				
Other Projects	8,985	–	8,985	458,928
East Village	238,612	(215,160)	23,452	14,641
Total Programme	247,597	(215,160)	32,437	473,569
Programme Management	10,163	–	10,163	33,392
Total Programme & Programme Management	257,760	(215,160)	42,600	506,961
Depreciation	–	–	–	1,335,296
Write down of non-current assets	–	–	355	–
Write down of Inventory	–	–	101,341	–
Transfer of Assets to legacy owners	–	–	–	1,242,193
East Village cost of sales	–	–	372,239	212,490
Total Expenditure	–	–	516,535	3,296,940

Total expenditure

Total expenditure comprises the retrofit of the East Village, associated property, legal, sales and marketing costs and costs relating to planning obligations.

Included in the above are programme management costs in respect of the ODA's staff, buildings, and information technology.

Total expenditure includes:

	2013-14 £'000	2012-13 £'000
Group auditors' remuneration – audit work only	85	202
Subsidiary auditors' remuneration – audit work only	85	–
Operating lease costs	456	1,853

Authority net income for the year totalled £212,944,000 (2012-13: net expenditure of £2,250,764,000).

3 Staff numbers and related costs

3.1 Staff costs

					2013–14	2012–13
	ODA Board Members £'000	Permanent staff £'000	Agency and temporary staff £'000	Seconded staff £'000	Total £'000	Total £'000
Staff costs						
Salaries	151	2,752	–	–	2,903	11,568
Performance related pay	–	395	–	–	395	1,885
Social security costs	14	441	–	–	455	1,965
Other pension costs	–	687	–	–	687	1,476
Temporary staff costs	–	–	889	1,080	1,969	6,791
Gross staff costs	165	4,275	889	1,080	6,409	23,685
Costs recovered for staff seconded to other organisations	–	(1,289)	–	–	(1,289)	(6,795)
Net staff costs	165	2,986	889	1,080	5,120	16,890

Performance related payments for the 2013–14 financial year were paid to employees in April 2014 or on their termination date, if prior to 31 March 2014.

A detailed analysis of ODA Board members' and Directors' remuneration is contained in the Remuneration Report on page 43.

3.2 Staff numbers

The average monthly number of full time equivalent staff during the year, excluding ODA Board Members, was made up as follows:

	Permanent staff	Agency and temporary staff	Seconded staff	2013–14 Total	2012–13 Total
Programme employees	6	–	14	20	135
Programme management employees	36	10	–	46	108
Gross total employees	42	10	14	66	243
Employees seconded to other organisations	(5)	–	–	(5)	(31)
Net total employees	37	10	14	61	212

Notes to the Accounts continued

3.3 Pensions

Employees are automatically enrolled into the ODA group stakeholder pension plan which is a defined contribution scheme, although they can elect to opt out of the scheme. The assets of the scheme are held separately from those of the ODA in an independently administered fund that is managed by Fidelity Ltd. Employer contributions are 6 per cent of pensionable pay. The ODA also matches employee contributions up to a further 6 per cent of pensionable pay.

The ODA was advised on the set-up of the scheme by Aon Ltd who also advise on the performance of Fidelity Ltd, the scheme's administrator.

The ODA has no ongoing responsibility beyond the requirement to pay the employer contributions as they fall due and is neither responsible nor liable for the investment performance of the scheme. Fund selection and the adequacy of pension provision is the responsibility of the individual employee.

Total employer contributions for the year to 31 March 2014 to the pension scheme were £687,000 (2012-13: £1,476,000). Further information on pension contributions can be found in the Remuneration Report on page 43.

3.4 Exit payments

Exit payment cost band	Number of compulsory redundancies	Number of other departures	Total number of exit payments by cost band 2013-14	Total number of exit payments by cost band 2012-13
£90,000 – £80,001	–	–	–	–
£80,000 – £70,001	–	–	–	3
£70,000 – £60,001	–	–	–	–
£60,000 – £50,001	–	–	–	2
£50,000 – £40,001	1	–	1	2
£40,000 – £30,001	3	–	3	8
£30,000 – £20,001	5	–	5	38
£20,000 – £10,001	8	–	8	72
<£10,000	1	–	1	19
Total	18	–	18	144

The total cost of exit payments in the year to 31 March 2014 was £385,000 (2012-13: £2,816,000).

4 Property Sales

Income arises from the sale of affordable housing to Triathlon Homes LLP, the sale of the Sir Ludwig Guttmann Health and Wellbeing Centre to NHS Property Ltd, and the sale of SVDP Ltd to QDD AVUK, which is described in the Accounting Officer's report.

5 Grants income

5a Grants income – general

This table shows the sources and application of the general grant funding received during 2013–14.

	DCMS Grant-in-aid £'000	GLA £'000	OLD £'000	Sport England £'000	2013–14 Total £'000	2012–13 Total £'000
Statement of Comprehensive Net Expenditure	–	61,075	23,600	1,400	86,075	240,200
General Reserve	147,600	–	–	–	147,600	423,200
Total	147,600	61,075	23,600	1,400	233,675	663,400

The ODA receives grant funding to support overall programme delivery.

Grant received from the GLA supports the ODA's delivery of Games projects in Greater London only. The Sport England grant is to support the construction of the Velopark.

OLD income represents the recognition of income that was deferred at 31 March 2013. As at the balance sheet date £75,628,000 remains deferred.

5b Grants income – specific

This table shows the sources and application of specific grant funding received during 2013–14.

	DfE £'000	Department for Business, Innovation & Skills £'000	Lawn Tennis Association £'000	London Marathon Trust £'000	2013–14 Total £'000	2012–13 Total £'000
Statement of Comprehensive Net Expenditure	2,000	400	500	1,400	4,300	66,204
Total	2,000	400	500	1,400	4,300	66,204

The DfE grant is to support the construction of the Academy at East Village, the Business, Innovation and Skills grant supported the construction of the Lee Valley White Water Canoe Centre, the Lawn Tennis Association grant supported the construction of the Eton Manor facility and the London Marathon Trust grant supported the construction of the Velopark.

Notes to the Accounts continued

6 Other income

	2013-14 £'000	2012-13 £'000
Other income	9,981	4,762
Planning fee income	–	90
Other income	9,981	4,852

Other income in 2013-14 includes £4,400,000 of LOCOG income originally received in 2011-12 but deferred and recognised in line with performance of the works for which payment was made.

7 Interest paid and received

	2013-14 £'000	2012-13 £'000
Bank and other interest received	74	162
Other amounts paid	(1,812)	(1,814)
Net interest (paid)/received	(1,738)	(1,652)

The repayable security amount paid by QDD AVUK on the exchange of contracts for the sale of SVDP Ltd accrues an adjustment amount at an annual rate of 3.25%. The amounts accrued for 2013-14 and 2012-13 are disclosed above as 'other amounts paid'.

8 Taxation

A UK Corporation tax refund of £1,000 (2012-13: £142,000) was recognised in 2013-14. The tax due on interest received is offset by tax relief on interest paid (Note 7) and therefore no tax is due.

9. Property, Plant and Equipment

During the year, in anticipation of dissolution in 2014-15, the ODA wrote down to nil value its remaining property, plant and equipment, which solely comprised IT equipment, fixtures and fittings in its offices.

9. Property, Plant and Equipment – Group

	Land £'000	Assets under construction £'000	East Village £'000	Buildings £'000	Infra- structure £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant & machinery £'000	Total £'000
Cost or valuation									
At 1 April 2012	13,966	3,114,333	-	-	-	5,179	1,375	69,516	3,204,369
2012-13									
Provisions released	-	(5,000)	-	-	-	-	-	(2,400)	(7,400)
Additions	-	80,401	-	-	-	563	27	43,844	124,835
Disposals	-	-	-	-	-	(4,250)	(1,097)	(110,960)	(116,307)
Transfers between categories	(13,966)	(2,895,383)	1,288,560	715,243	555,718	3,705	119,526	226,597	-
Transfers to current assets	-	(294,351)	(1,288,560)	-	-	-	-	-	(1,582,911)
Transfers to legacy bodies	-	-	-	(715,243)	(555,718)	(3,705)	(119,526)	(226,597)	(1,620,789)
At 31 March 2013	-	-	-	-	-	1,492	305	-	1,797
2013-14									
Provisions released	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(166)	-	-	(166)
At 31 March 2014	-	-	-	-	-	1,326	305	-	1,631
Depreciation									
At 1 April 2012	-	-	-	-	-	4,616	1,282	44,840	50,738
2012-13									
Charge – Olympic assets	-	294,351	594,928	323,776	(118,390)	3,436	47,399	122,376	1,267,876
Charge – other	-	-	-	-	-	812	80	66,121	67,013
Disposals – Olympic assets	-	(294,351)	(594,928)	(323,776)	118,390	(3,436)	(47,399)	(122,376)	(1,267,876)
Disposals – other	-	-	-	-	-	(4,238)	(1,057)	(110,961)	(116,256)
At 31 March 2013	-	-	-	-	-	1,190	305	-	1,495
2013-14									
Charge – Olympic assets	-	-	-	-	-	-	-	-	-
Charge – other	-	-	-	-	-	302	-	-	302
Disposals – Olympic assets	-	-	-	-	-	-	-	-	-
Disposals – other	-	-	-	-	-	(166)	-	-	(166)
At 31 March 2014	-	-	-	-	-	1,326	305	-	1,631
Net book value									
At 31 March 2012	13,966	3,114,333	-	-	-	563	93	24,676	3,153,631
At 31 March 2013	-	-	-	-	-	302	-	-	302
At 31 March 2014	-	-	-	-	-	-	-	-	-

Notes to the Accounts continued

9.1 Property, Plant and Equipment – Authority

	Assets under construction £'000	East Village £'000	Buildings £'000	Infra- structure £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant & machinery £'000	Total £'000
Cost or valuation								
At 1 April 2012	1,909,885	–	–	–	5,179	1,375	69,516	1,985,955
2012–13								
Provisions released	(5,000)	–	–	–	–	–	(2,400)	(7,400)
Additions	24,166	–	–	–	563	27	43,844	68,600
Disposals	–	–	–	–	(4,250)	(1,097)	(110,960)	(116,307)
Transfers between categories	(1,634,700)	13,911	715,243	555,718	3,705	119,526	226,597	–
Transfers to current assets	(294,351)	(13,911)			–	–	–	(308,262)
Transfers to legacy bodies	–	–	(715,243)	(555,718)	(3,705)	(119,526)	(226,597)	(1,620,789)
At 31 March 2013	–	–	–	–	1,492	305	–	1,797
2013–14								
Provisions released	–	–	–	–	–	–	–	–
Additions	–	–	–	–	–	–	–	–
Disposals	–	–	–	–	(166)	–	–	(166)
	–	–	–	–	–	–	–	–
At 31 March 2014	–	–	–	–	1,326	305	–	1,631
Depreciation								
At 1 April 2012	–	–	–	–	4,616	1,282	44,840	50,738
2012–13								
Charge – Olympic assets	294,351	13,911	323,776	(118,390)	3,437	47,399	122,376	686,860
Charge – other	–	–	–	–	812	80	66,121	67,013
Disposals – Olympic assets	(294,351)	(13,911)	(323,776)	118,390	(3,437)	(47,399)	(122,376)	(686,860)
Disposals – other	–	–	–	–	(4,238)	(1,057)	(110,961)	(116,256)
At 31 March 2013	–	–	–	–	1,190	305	–	1,495
2013–14								
Charge – Olympic assets	–	–	–	–	–	–	–	–
Charge – other	–	–	–	–	302	–	–	302
Disposals – other	–	–	–	–	(166)	–	–	(166)
At 31 March 2014	–	–	–	–	1,326	305	–	1,631
Net book value								
At 31 March 2012	1,909,885	–	–	–	563	93	24,676	1,935,217
At 31 March 2013	–	–	–	–	302	–	–	302
At 31 March 2014	–	–	–	–	–	–	–	–

10 Intangible assets – Group and Authority

Software Licences
£'000

Cost or valuation	
At 1 April 2012	7,297
2012–13	
Additions	74
Disposals	–
At 31 March 2013	7,371
2013–14	
Additions	–
Disposals	–
At 31 March 2014	7,371
Amortisation	
At 1 April 2012	6,910
2012–13	
Charge	407
Disposals	–
At 31 March 2013	7,317
2013–14	
Charge	54
Disposals	–
At 31 March 2014	7,371
Net book value	
At 31 March 2012	387
At 31 March 2013	54
At 31 March 2014	–

Amortisation is charged to the Statement of Comprehensive Net Expenditure as part of the programme management cost.

11 Inventory

	Group £'000	Authority £'000
Balance at 31 March 2013	481,142	–
Additions to Inventory	215,160	–
Write down of Inventory	(101,341)	–
Sub-total before disposals	594,961	–
Disposals	(372,239)	–
Balance at 31 March 2014	222,722	–

Notes to the Accounts continued

Inventory comprises all the physical assets relating to the East Village development that have not been sold or otherwise disposed of. Inventory includes residential and commercial units, bare land held for development, community assets and infrastructure associated with the development.

Inventory has been written down to net realisable value in the year. Net realisable value is based on the contracted sales price.

The Academy is held at nil value as the receipts in respect of the lease agreed between the Group and the Academy Trust, but not granted as at the balance sheet date, are nominal.

12 Financial Instruments

	Group Loans & Receivables £'000	Liabilities at amortised cost £'000	Loans & Receivables £'000	Authority Liabilities at amortised cost £'000
As at 31 March 2013				
Assets				
Cash and cash equivalents	126,931		126,931	
Trade receivables	8,946		8,746	
Total	135,877		135,677	
Liabilities				
Trade payables		(183,951)		(129,865)
Current financial liabilities		(58,731)		(58,731)
Total		(242,682)		(188,596)
As at 31 March 2014				
Assets				
Cash and cash equivalents	25,835		25,835	
Trade receivables	321,953		4,165	
Total	347,788	-	30,000	-
Liabilities				
Trade payables		(80,973)		(76,316)
Current financial liabilities		(60,543)		(60,543)
Total	-	(141,516)	-	(136,859)

In accordance with the contractual requirements of the sale agreement with QDD AVUK, a sum of £55,750,000 was paid by QDD AVUK to the ODA by way of security against QDD AVUK's obligations under the agreement. The amount is repayable upon legal completion of the sale agreement. Management regard the likelihood of non-completion of the sale agreement as remote, and as such the security amount and the accrued adjustment amount is recognised on the balance sheet as a financial liability.

Management regard the risk around this financial instrument to be minimal as the amount refundable is fixed at the amount received plus the accrued adjustment amount which is deemed to be the fair value of the liability.

No other element of the sale agreement meets the requirement for disclosure under the respective financial instrument accounting standards.

As the cash requirements of the ODA are met through Grant-in-aid from DCMS and grants from funding organisations, financial instruments play a more limited role in managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the ODA's expected purchase and usage requirements and the ODA is therefore exposed to little credit, liquidity or market risk.

13a Trade and other receivables – Group

13a (i) Trade receivables analysis

	2013–14 £'000	2012–13 £'000
Prepayments and accrued income	320,525	122
VAT receivable	313	7,701
Other trade receivables	1,390	8,655
Corporation tax	37	169
Trade receivables	322,265	16,647

There are no amounts receivable after more than one year (2012–13: £nil).

13a (ii) Intra-Government balances

	Due within one year	
	2013–14 £'000	2012–13 £'000
Balances with other central government bodies	2,294	15,876
Balances with local authorities	461	47
Intra-government balances	2,755	15,923
Balances with bodies external to government	319,510	724
Trade receivables	322,265	16,647

13b Trade and other receivables – Authority

13b (i) Trade receivables analysis

	2013–14 £'000	2012–13 £'000
Prepayments and accrued income	2,800	122
VAT receivable	309	7,701
Other trade receivables	1,328	8,455
Corporation tax	37	169
Balance with subsidiaries	309,684	–
Trade receivables	314,158	16,447

There are no amounts receivable after more than one year (2012–13: £nil).

Notes to the Accounts continued

13b (ii) Intra-Government balances

	Due within one year	
	2013-14 £'000	2012-13 £'000
Balances with other central government bodies	2,246	13,229
Balances with local authorities	461	47
Intra-government balances	2,707	13,276
Balances with bodies external to government	1,767	3,171
Balance with subsidiaries	309,684	0
Trade receivables	314,158	16,447

Inventory assets which will be sold to QDD AVUK via the sale of SVDP Ltd have been derecognised at the point of independently certified practical completion, which is the condition for completion of the sale. Income has been accrued at the balance sheet date relating to those sections which were certified prior to the balance sheet date. Completion of the sale of SVDP Ltd to QDD AVUK is anticipated during 2014-15.

14 Cash and cash equivalents – Group and Authority

	2013-14 £'000	2012-13 £'000
Balance at 1 April	126,931	43,306
Net change in cash and cash equivalent balances	(101,096)	83,625
Balance at 31 March	25,835	126,931
The following balances at 31 March were held at		
Government Banking Service	20,298	117,698
Commercial banks and cash in hand	5,537	9,233
Balance at 31 March	25,835	126,931

15a Trade and other payables – Group

15a (i) Amounts falling due within one year

	2013–14 £'000	2012–13 £'000
Trade payables	4,297	35,868
Corporation tax	–	–
Other taxes and social security costs	–	(2)
Other payables	–	1,115
Accruals	37,199	91,895
Deferred income	76,676	148,083
Trade and other payables	118,172	276,959

15a (ii) Intra-Government balances

	Due within one year	
	2013–14 £'000	2012–13 £'000
Balances with other central government bodies	75,659	115,850
Balances with local authorities	418	11,424
Intra-government balances	76,077	127,274
Balances with bodies external to government	42,095	149,685
Balance with subsidiary	–	–
Trade and other payables	118,172	276,959

Notes to the Accounts continued

15b Trade and other payables – Authority

15b (i) Amounts falling due within one year

	2013–14 £'000	2012–13 £'000
Trade payables	688	26,238
Corporation tax	–	–
Other taxes and social security costs	–	(2)
Other payables	–	1,115
Accruals	3,354	47,559
Deferred income	75,628	103,628
Balance with subsidiary	–	66,158
Trade and other payables	79,670	244,696

15b (ii) Intra-Government balances

	Due within one year	
	2013–14 £'000	2012–13 £'000
Balances with other central government bodies	75,663	110,487
Balances with local authorities	418	11,424
Intra-government balances	76,081	121,911
Balances with bodies external to government	3,589	56,627
Balance with subsidiary	–	66,158
Trade and other payables	79,670	244,696

The ODA has, through its subsidiary, SVDP, pre-sold 1,379 units in East Village to Triathlon Homes LLP, an approved provider of social housing. Triathlon Homes LLP makes payments to SVDP, according to a pre-determined schedule. Income from Triathlon Homes LLP is recognised in full, less costs to go. Amounts received in excess of amounts recognised are held as deferred income.

15c Non-current liabilities

Financial liabilities

On exchange of contracts for the sale of SVDP Ltd to QDD AVUK, QDD AVUK paid a repayable security deposit to ODA. The amount is repayable on completion of the contract, anticipated during 2014–15; in the prior year this was accordingly categorised as a non-current liability. The security amount increases each year by an adjustment amount described in Note 7: Interest payable and receivable. The amount disclosed in the Statement of Financial Position is the security deposit plus the adjustment amount accrued to 31 March 2014.

15c (i) Provision for liabilities and charges – Group

The Group has recognised provisions for liabilities and charges as follows:

	Legacy conversion £'000	Third party and contractual claims £'000	Dilapidations £'000	Redundancy £'000	Total £'000
Balance at 1 April 2012	7,400	21,427	812	2	29,641
Provided in the year	–	–	–	38	38
Utilised in year	(7,400)	(17,612)	(499)	(2)	(25,513)
Provisions not required written feedback	–	–	–	–	–
Balance at 1 April 2013	–	3,815	313	38	4,166
Provided in the year	–	4,064	–	–	4,064
Utilised in year	–	(2,228)	(54)	–	(2,282)
Provisions not required written feedback	–	(687)	(259)	(38)	(984)
Balance at 31 March 2014	–	4,964	–	–	4,964

15c (ii) Provision for liabilities and charges – Authority

	Legacy conversion £'000	Third party and contractual claims £'000	Dilapidations £'000	Redundancy £'000	Total £'000
Balance at 1 April 2012	7,400	4,960	812	2	13,174
Provided in the year	–	–	–	38	38
Utilised in year	(7,400)	(4,240)	(499)	(2)	(12,141)
Provisions not required written feedback	–	–	–	–	–
Balance at 1 April 2013	–	720	313	38	1,071
Provided in the year	–	–	–	–	–
Utilised in year	–	(33)	(54)	–	(87)
Provisions not required written feedback	–	(687)	(259)	(38)	(984)
Balance at 31 March 2014	–	–	–	–	–

The provision for third party and contractual claims relates to items subject to agreement that have not been fully substantiated or agreed by the ODA but are sufficiently likely to be agreed for the ODA to create a provision.

Provisions were previously categorised as non-current liabilities, however the Group expects to utilise all provisions during 2014–15 and accordingly provisions have been categorised as current liabilities.

Notes to the Accounts continued

16 Commitments – Group and Authority

As the ODA no longer capitalises any expenditure it has no capital commitments as at the balance sheet date (2012–13: £45,959,000).

17 Commitments under leases – Group and Authority

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2013–14 £'000	2012–13 £'000
Land and buildings		
Not later than one year	114	680
Later than one year but not later than five years	–	143
Total Land and buildings	114	823

18. Contingent liabilities disclosed under IAS 37

The ODA has, under the various sale or lease agreements with QDD AVUK, Triathlon Homes LLP and EVML, a liability for the rectification of defects in the buildings constructed by SVDP, provided that the legacy owner/operator has first exhausted all alternative contractual rights and remedies. The liability expires 12 years after the date of practical completion under the relevant contracts. An estimate of the financial impact of the contingent liability is not practicable.

19. Contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes

In 2008 the ODA entered into an agreement with Westfield Holdings Limited and its wholly owned subsidiary Stratford City Developments Limited (SCDL). Under the terms of the agreement, if the valuation, as at 31 December 2012, of designated non-retail lands within Zone 1 of Stratford City was below a certain threshold, the ODA will be obliged to make up any shortfall. If agreement of the quantum of the shortfall is not agreed, SCDL has recourse to a 'put' option obliging the ODA to purchase the same land at the threshold price less the value of retained land. This agreement was entered into at a time when the financial outlook was highly uncertain, development finance was unobtainable and asset prices were unstable. Given the subsequent improvement in property prices, rental yields and the general economic conditions, and the regeneration of the area, the ODA considers the likelihood of SCDL pursuing the put option as remote, and hence this is no longer disclosed as a contingent liability under IAS 37.

In order to facilitate the redevelopment of the Olympic Park, the ODA relocated the railway siding at Thornton's Field to Orient Way. Eurostar, as the lessee of Orient Way can repossess the site any time between 1 July 2023 and the end of its lease on 30 June 2086. Should this occur, the ODA has agreed to meet 33 per cent of the cost of relocating the siding between 1 July 2023 and 30 June 2038 and 22 per cent of the cost between 1 July 2038 and 30 June 2086. This liability cannot be quantified reliably as it falls so far into the future and there is no certainty repossession will happen.

The ODA has provided an indemnity to Lee Valley Regional Park Authority (LVRPA) against any costs incurred by LVRPA in connection with pollution or contamination arising from the ODA's construction of the Lee Valley White Water Canoe Centre; this indemnity expires in February 2021; the likelihood of any such contamination is remote.

The ODA has an obligation to rectify any damage in the UKPN tunnel constructed by the ODA through its PLUG project that arises due to a deficiency in design and / or construction within 6 years of completion, but only where UKPN is unable to recover from the warrantor or other third party and it is not an insured risk. This obligation expires in May 2019. The ODA regards the possibility of damage arising now as remote, and even if identified, contractor warranties are in place to mitigate this risk.

The ODA procured the design, construction and maintenance of the Lee Valley Hockey and Tennis Centre at Eton Manor. The Lawn Tennis Association agreed to provide funding of £500,000 to the ODA as a contribution towards the capital cost of building the facility. Lee Valley Regional Park Authority (LVRPA), the Tennis Foundation and the Lawn Tennis Association have entered into a separate agreement for the operation of the facility by LVRPA. That agreement includes a claw back provision to allow the funders to recover funding in the event that LVRPA were to terminate the agreement, which LVRPA is only permitted to do after a period of 5 years from public opening of the facility. The claw back liability of LVRPA will reduce over time from year 5 to year 10, and it will be extinguished after year 10 in 2024. The ODA has agreed to reimburse LVRPA 30% of any claw back liability that may become payable by LVRPA in the unlikely event that LVRPA were to terminate the operation of the facility between year 5 and year 10.

The ODA has guaranteed the liabilities of SVDP to the extent that the developments costs of East Village are not covered by sales proceeds. This guarantee will cease upon the disposal of the ODA's interest in the partnership to QDD AVUK during 2014–15.

Upon dissolution of the ODA in 2014–15 the contingent liabilities above will pass to DCMS or another entity as specified in the statutory transfer scheme.

20. Related party transactions

The ODA is an arm's length body sponsored by DCMS.

All public sector entities are considered to be related parties as they are ultimately under the common control of HM Government.

The ODA has a close working relationship with the GLA.

The ODA has a close working relationship with the LLDC, a mayoral development corporation and functional body of the GLA. The LLDC is the owner of the majority of the Olympic Park and venues developed by the ODA.

The ODA is aware of the following related party in relation to the ODA Board, in addition to the above:

ODA Board

Christopher Garnett was a non-executive director of Aggregate Industries Ltd until 31 December 2013.

Neale Coleman is Deputy Chairman of the London Legacy Development Corporation and is an advisor to the Mayor of London.

Executive Management Board and Senior Managers

Gerry Murphy and Mike Cornelius were directors of Stratford Village Development (GP) Ltd throughout the year, and Gerry Murphy and Jim Woolhouse (a member of the ODA's Senior Management Team) were directors of East Village Management Limited throughout the year.

Notes to the Accounts continued

Transactions with related parties

IAS 24: Related Party Disclosures requires the ODA to provide information on its transactions with related parties and further guidance has also been given by HM Treasury. As well as grants received which are disclosed in Note 5 and the property transactions described in the Accounting Officer's Report, the following charges were made to and from the ODA by related parties.

Related Party	Payments £'000	Receipts £'000	Owed by ODA £'000	Owed to ODA £'000
Aggregate Industries Ltd	1,520			
Department for Transport	307	17		
East Village Management Limited	997			7
Greater London Authority	3,339			
London Borough of Barking and Dagenham	256			
London Borough of Waltham Forest	2,226			
London Legacy Development Corporation	687	4,669	138	461
Stratford Village Development Partnership	227,674			306,954

CLM was incorporated to act in concert with the ODA to achieve the ODA's objective of delivering the Games venues and infrastructure. The ODA does not have direct control over CLM but does have significant influence over the operating activities of CLM.

The ODA's expenditure in the year on CLM Delivery Partner was (£16,000), representing write back of accruals made in the previous year. (2012–13: £29,682,000).

21 Losses and special payments

As required by the Accounts Direction, the ODA must summarise all losses and special payments made during the financial year.

During the course of the financial year the ODA made losses of £nil (2012–13: £268,000).

22 Events after the reporting period

There were no reportable events after the reporting period.

23 Corporate structure

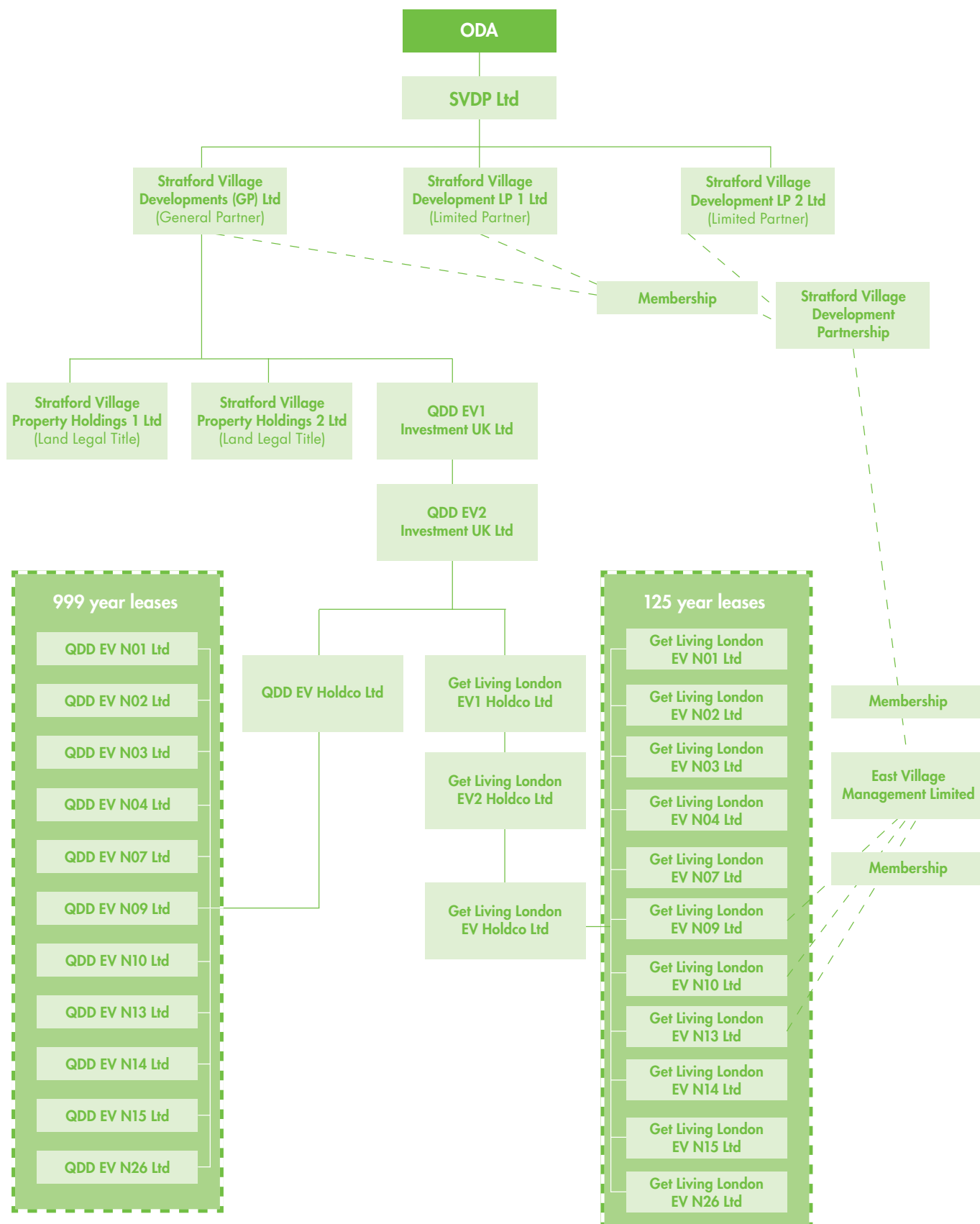
The ODA formed SVDP to facilitate the development of East Village. The partnership structure was modified in August 2011 to include a holding company, SVDP Ltd. The ODA holds a £1 ordinary share in SVDP Ltd giving it 100 per cent control of the company.

In August 2011, contracts were exchanged for the sale of SVDP Ltd, to QDD AVUK. Under the terms of the contracts, the sale will complete when retrofit works are certified as complete which is forecast to be in the first half of 2014–15. QDD AVUK will pay £1 for the share capital of SVDP Ltd. In the interim period, the company has been deemed to remain under the control of the ODA, and will continue to be consolidated into its group accounts.

Under the terms of the contract for the sale of SVDP Ltd, as approved by Government, changes have been made to the corporate structure. These changes are required partly to preserve the VAT zero rating of the residential element of the Village for the ODA, ensuring that no VAT is unnecessarily incurred by the ODA for which it does not have budget. This is an entirely conventional approach which has been agreed with HMRC and aligns with Parliament's intention that new-build residential developments should not attract VAT. Companies have been incorporated for each plot to allow the zero rating and handover on a phased basis, so that occupation by residents can occur as and when plots complete, rather than having to wait for completion of the whole development. Further entities have been incorporated at QDD AVUK's request to provide flexibility around financing and security arrangements.

SVDP is a member of EVML (formerly Stratford Village Management Company Limited), a company limited by guarantee. 49% of the voting rights in the company are held by Triathlon Homes LLP. The remainder is held by companies controlled by the ODA, with 40% held by SVDP, and the remaining 11% held by three companies which have been granted 125 year leasehold interests in the residential units. Activity in EVML comprised provision of estate management services to residents, funded by service charges levied on tenants and grant funding from the ODA.

As at 31 March 2014 the ODA's corporate structure is as set out below:



24 Investments

The ODA holds a £1 ordinary share directly or indirectly, in each of the companies listed in Note 23, except EVML which is limited by guarantee.

25 Approval for issue

The Financial Statements were approved for issue on the date that the Comptroller and Auditor General signed the audit opinion.

Appendix 1

Accounts Direction given by the Secretary of State for Culture, Olympics, Media & Sport with the consent of HM Treasury in accordance with paragraph 18(2)(e) of Schedule 1 to the London Olympic Games and Paralympic Games Act 2006.

1. This direction applies to the Olympic Delivery Authority (the 'ODA').
2. The ODA shall prepare accounts for the financial year ended 31 March 2012 (and subsequent financial years) in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial year for which the accounts are being prepared.
3. The accounts shall be prepared so as to:
 - a. give a true and fair view of the state of affairs at 31 March 2012 and subsequent financial years, and of the net expenditure, changes in taxpayers' equity and cash flows for the financial year then ended;
 - b. provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them;
 - c. account for income from grants received for revenue purposes to the statement of net income, providing adequate disclosure in notes to the accounts of the grants income policy adopted; and
 - d. provide any other specific disclosures required by the Secretary of State.
4. This direction shall be reproduced as an appendix to the annual accounts.
5. Schedule 1 to this direction gives details the additional disclosure requirements of the Secretary of State for Culture, Olympics, Media and Sport.

Signed by Authority of the Secretary of State for Culture, Olympics, Media and Sport on 14 June 2012

Schedule 1

Additional disclosure requirements of the Secretary of State for Culture, Olympics, Media and Sport

1. The Governance Statement shall follow Treasury guidance on format and content. In addition to Treasury requirements, the opening paragraph shall include explicit reference to systems to ensure compliance with the provisions of the ODA's Management Statement and Financial Memorandum. A suggested wording would include the following:

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that:

- supports the achievement of the ODA's objectives whilst;
 - safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money; and
 - ensuring compliance with the requirements of the ODA's Management Statement and Financial Memorandum.
2. The Governance Statement should also include coverage of the processes applied in reviewing the effectiveness of the system of internal control to ensure compliance with the requirements of the ODA's Management Statement, Financial Memorandum.
 3. The Notes to the accounts shall provide an analysis of funding by funder and make clear the accounting treatment of funds.
 4. The Notes to the accounts shall disclose expenditure incurred on the Delivery Partner.
 5. Other notes to the accounts shall provide an analysis of the ODA's administration costs showing, for example the following information:
 - a. the average number of persons employed calculated on the basis of full-time equivalents;
 - b. employee costs during the year showing separately:
 - i. wages and salaries,
 - ii. early retirement costs,
 - iii. social security costs;
 - iv. contributions to pension schemes;
 - v. agency or temporary staff costs;
 - c. an analysis of remuneration and expenses of ODA Board members.

A summarised version of this publication is available on request in other languages and formats. To obtain a copy please quote reference number ODA 2014/001

Email: oda.enquiries@london2012.com Phone: 020 3745 4724

Olympic Delivery Authority

The Olympic Delivery Authority is funded by the Department for Culture, Media and Sport, the National Lottery and the Mayor of London.





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ISBN 978-1-4741-0503-3



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ISBN 978-1-4741-0503-3



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