

Olympic Delivery Authority Annual Report and Accounts 2010-11

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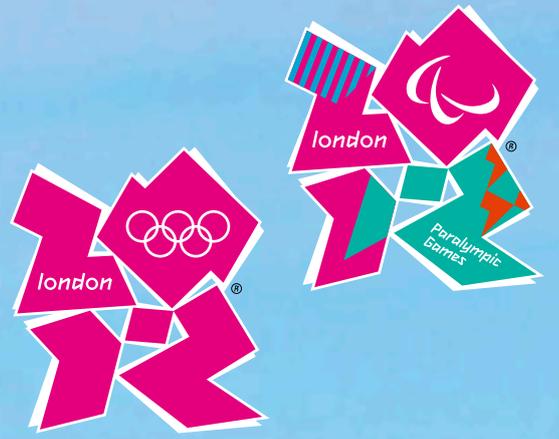
CORRECTION

Correction made to page 10, paragraph 5

The sentence “In total the ODA has charged £374 million (including VAT) to the accounts to date in respect of CLM services on the project from September 2006, when CLM was appointed and £117 million of this relates to 2010-11.” should read “In total the ODA has charged £515 million (including VAT) to the accounts to date in respect of CLM services on the project from September 2006, when CLM was appointed and £117 million of this relates to 2010-11.”

Month of correction July 2011

LONDON: THE STATIONERY OFFICE



On track





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Chairman's foreword



The progress is testament to the skill and professionalism of the UK's design, engineering and construction industries. They have delivered a world-class performance.

With just over one year to go to the Opening Ceremony of the London 2012 Olympic Games, the construction of the venues and infrastructure remains on time and within budget. Five years ago we said that the summer of 2011 was the point when we wanted the venues available for test events. That is exactly where we are with the first events lined up for August on the Olympic Park.

The Park site has changed dramatically over the last year. It is anchored in the south by the Olympic Stadium and the Aquatics Centre and in the north by the Velodrome and International Broadcast Centre/Main Press Centre. You now get a very clear sense of how the Park might look during the Games and the compact nature of the site.

Success to date has been the result of the hard work and dedication of the whole team working on this project – from the staff at the Olympic Delivery Authority (ODA) and our Delivery Partner, CLM, to the 12,000-strong workforce and the thousands of businesses who have contributed to the construction project from across the UK. The progress is testament to the skill and professionalism of the UK's design, engineering and construction industries. They have delivered a world-class performance.

This team-work extends to our partners – the London Organising Committee of the Olympic and Paralympic Games, the Greater London Authority, the Government Olympic Executive and many government departments, the British Olympic Association, the Olympic Park Legacy Company, the London Development Agency, the six Host Boroughs as well as many other organisations. Success is collectively owned and countless organisations have played key roles in getting us to this point. I would like to thank them all.

In September 2010 Dennis Hone was appointed Chief Executive elect of the ODA. He replaced David Higgins in February 2011, who left the ODA to take up his new post as Chief Executive of Network Rail. David did an inspirational job leading the ODA in delivering the biggest construction project in Europe to the ultimate fixed deadline.

David's leadership was absolutely critical to the success of the London 2012 construction project and he was recognised by receiving a Knighthood in the Queen's Birthday Honours in June 2011.

Despite the significant progress made, we are not complacent and there are still challenges ahead. We must continue to ensure that safety comes first and that we maintain our excellent health and safety record. The logistics of moving people and vehicles around the Park continues to be complex and key to the daily success of this project. The constant focus on meeting deadlines and hitting our milestones will not stop as we count down to the Games in 2012.

This part of London has already changed beyond recognition and the Park is already one of London's newest tourist attractions despite it still being a construction site. I am sure it will be a worthy stage upon which the world's greatest athletes can perform in 2012 and a fantastic new quarter of London for decades to come.

A handwritten signature in black ink, appearing to read 'John Armit'.

John Armit
Chairman
Olympic Delivery Authority

Chief Executive's report



The parklands will provide a colourful and festival atmosphere for the London 2012 Games and afterwards become one of the largest new urban parks in the UK for over a century.

The last year has seen the new landscape and venues of the Olympic Park become recognised features of the east London skyline. It has been a time of intense work and challenges but also of huge progress and change.

The Velodrome became the first new venue to complete construction in February 2011 and British cyclists including Sir Chris Hoy, Victoria Pendleton and Jason Kenny all acclaimed the venue when they tried it out. We have also completed construction on the Olympic Stadium ahead of schedule, under budget and with an exemplary safety record. More than 240 UK businesses won contracts for the construction of the Stadium and over 5,000 people have worked on it over the past three years.

Both of these venues have now been handed over to the London Organising Committee of the Olympic and Paralympic Games (LOCOG) for them to prepare the venues for test events.

The Aquatics Centre is also nearing completion following the recently completed Basketball and Handball Arenas. Outside of London, the Lee Valley White Water Centre for the Canoe Slalom events is now open to the public – an early sporting legacy from the London 2012 Games.

Work is progressing well on the Athletes' Village, which will provide beds for athletes and new homes for Londoners, with the first of 11 residential plots now completed. The new education Academy campus within the Village is also nearing completion and work is well underway on the state-of-the-art new healthcare facilities and the extensive wetlands area of the Park. We have shortlisted three private sector organisations for the purchase and long-term management of the Government's share in the Village. A final decision is expected in late summer.

The work to create around 250 acres of new parklands is taking shape as cherry blossom trees and flowers bloom across the site. More than 1,500 trees have now been planted, along with thousands of wetlands plants, 15,000 square metres of riverside spectator lawns, and timber seating, frog ponds, loggeries, wetlands, woodlands and tree-lined

footpaths have been installed. The parklands will provide a colourful and festival atmosphere for the London 2012 Games and afterwards become one of the largest new urban parks in the UK for over a century.

As we move towards the Games we are now focusing on stitching the Park together and providing the roads and paths to link the venues together.

Work is finishing on the essential new utilities and infrastructure needed to make the Park function. Construction is on track for the new bridges and underpasses which will connect the site. The Primary Substation is already supplying electricity to the venues and the Energy Centre is operational and providing heating to the Athletes' Village and the venues.

Londoners have started to benefit from the significant investment in improving the transport connections for the Park before the Games. Work is completed on the three gateway stations for the Park – West Ham, Stratford International and Stratford station – and we are creating new walking and cycling routes around the Park. The ODA has handed over responsibility for the Olympic Route Network to Transport for London who will have operational responsibility for its management during the Games marking a switch from construction to the operational stage.

We continued to engage with the local community and ensure we involve the residents as their local area is transformed. This includes daily tours of the Park for visitors, which has allowed us to take nearly 160,000 people around the site on bus tours since September 2007.

We remain on track and within budget. Our health and safety record is very good but there is no room for complacency. I would like to pay tribute to the excellence of the workforce on the Olympic Park. They have been world class.

A handwritten signature in black ink, appearing to read 'D Hone', written in a cursive style.

Dennis Hone
Chief Executive
Olympic Delivery Authority

Budget

The budget for the Games, announced in March 2007 by the Minister for the Olympics, was £9,325 million and included activities outside the ODA's remit. The maximum funding available to the ODA was £8,099 million, including £1,972 million of contingency of which £1,004 million was held by funders.

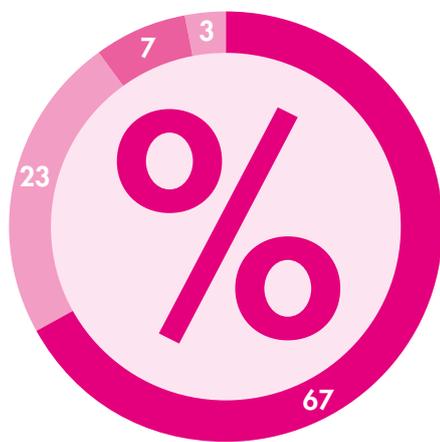
Fig. 1.1 Budgeted public sector funding package

		£m	£m
ODA	ODA base costs including VAT	6,127	
	Programme contingency	968	
ODA Baseline Budget			7,095
	Funders' contingency		1,004
Total 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 June 2010 Budget and the Comprehensive Spending Review that followed reduced the available funding in the public sector funding package for the Games by £27m, to £9,298 million and reallocated funding across the London 2012 programme. The reconfiguration of the public sector funding package reflects the advanced status of the ODA programme and the progress by the ODA in delivering savings which have been applied to manage cost pressures as they arise. Some contingency funding previously available exclusively to the ODA is now held as contingency potentially available to mitigate risks across the whole of the Olympic programme. The funding available exclusively to the ODA was reduced to £7,321 million in line with the anticipated final cost of the ODA programme at the time.

Fig. 1.2 Revised public sector funding package

		£m	£m
ODA	ODA base costs including VAT		
	Programme contingency		
Total available to ODA			7,321
Non ODA	Elite and community sports, additional support for Paralympic Games, Look of London	417	
	Security	757	
	LOCOG (including Park Operations)	130	
	City Operations and operational provisions	86	
	Programme Contingency	587	
Total non-ODA			1,977
Total public sector funding package			9,298



**March 2011
Sources of funding**

- 67% Central Government
- 23% National Lottery
- 7% GLA
- 3% LDA

Sources of funding

Funding by central Government comprises contributions from the Department for Culture, Media and Sport (DCMS), Communities and Local Government (CLG) and the Department for Transport (DfT).

Fig. 2 Sources of funding

	March 2007 £m	March 2011 £m
Central Government	5,975	6,248
National Lottery	2,175	2,175
Greater London Authority	925	625
London Development Agency	250	250
Total public sector funding package	9,325	9,298

In 2007 the GLA agreed to increase their contribution to the public sector funding package by £300 million from £625 million to £925 million. The £300 million was to be contributed from LDA funds. In March 2010 the Government agreed to meet the £300 million from central Government funds as part of its strategy for facilitating the legacy development of the Olympic Park.

The ODA Original Baseline Budget

The Original Baseline Budget for the ODA, approved by the Olympic Board¹ and published in January 2008 comprised £6,127 million for the delivery of the individual projects and programmes that make up the ODA programme and £968 million of programme contingency, bringing the total ODA budget to £7,095 million.

The ODA programme comprises over 50 individual projects or programmes. Project budgets include a project contingency for risks that exist as if the projects were independent of the programme, such as design and contracting uncertainties. Business cases for each project must be approved by the Secretary of State for Culture, Olympics, Media and Sport before costs can be committed and clear financial accountability for the delivery of projects to time and budget is cascaded through the Chief Executive to the executives responsible for individual projects. The use of project contingency is managed via an overall change management process and is subject to the approval of the ODA Director of Finance.

Within the ODA Baseline Budget, a programme contingency allowance of £968 million for risks that cannot be managed by individual projects and arise from the management of a complex integrated programme of projects to an immovable deadline was made. The release of this contingency is subject to approval by the Secretary of State for Culture, Olympics, Media and Sport.

¹ During the financial year, the Olympic Board, established to provide oversight, strategic coordination and monitoring of the entire 2012 Games project, comprised of the Minister for the Olympics, the Mayor of London, the British Olympic Association Chairman and the London 2012 Organising Committee Chair.

The table below sets out how the ODA Baseline Budget was built up in March 2007.



Total ODA Original Baseline Budget

76% ODA base budget
12% Programme contingency
12% Funders' contingency

Fig. 3 Total ODA Original Baseline Budget

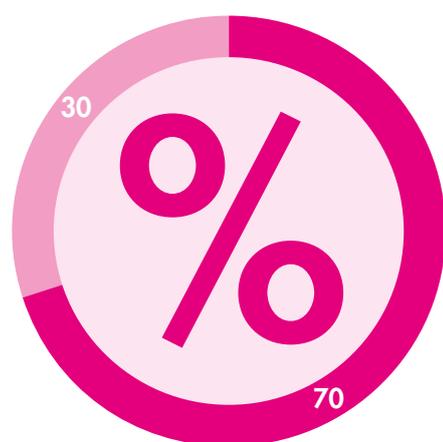
	Base cost £m	Tax £m	Total £m
Site preparation and infrastructure	1,690	289	1,979
Venues	996	175	1,171
Transport	839	58	897
Other Park-wide projects	738	130	868
IBC/MPC	220		220
Athletes' Village Infrastructure	271	1	272
Programme delivery	580	67	647
Taxation and interest		73	73
Total project budgets	5,334	793	6,127
Programme contingency			968
ODA Baseline Budget			7,095
Funders' contingency			1,004
Total funding available to ODA			8,099

In addition to total project budgets of £6,127 million and programme contingency of £968 million, a funders contingency of £1,004 million was held by Government to cover unforeseen risk to the overall delivery of the Games. This brought the maximum funding available to the ODA in March 2007 to £8,099 million.

Progress to date²

To 31 March 2011 the ODA has spent £5,150 million on preparing the Olympic Park for construction, designing and building venues for the Olympic Park and specific off Park venues and investing in Transport infrastructure.

The venues and infrastructure capital programme to Games is 83 per cent complete and all venues are forecast to complete on or ahead of schedule. Spend to date accounts for 70 per cent of the total funding currently available to the ODA of £7,321 million.



Amount of total funding available to the ODA spent to date

70% Spent to date
30% Spend remaining

Against the original Baseline Budget, expenditure to date is £680m below that anticipated by the end of March 2011 reflecting cost savings against the budget to date, unutilised contingency and deferred spend as a result of schedule changes, offset by spend on the Olympic Village and the Media Centre now wholly financed by the public sector.

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 Authority 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 budget, the activities and costs of the iODA are included in those of the ODA.



Spend to date

- 30% Site preparation and infrastructure
- 17% Venues
- 7% Transport
- 10% Other Park-wide projects
- 4% IBC/MPC
- 21% Athletes' Village
- 11% Programme delivery, taxation and interest

Fig. 4 Spend to date against ODA Baseline Budget

	Budget to March 2011 £m	Actual to March 2011 £m
Site preparation and infrastructure	1,710	1,540
Venues	930	862
Transport	529	379
Other Park-wide projects	718	498
IBC/MPC	217	226
Athletes' Village	458	1,075
Programme delivery, taxation and interest	517	570
Contingency	751	
Total project spend to March 2011	5,830	5,150

2010–11 was the peak year of expenditure for the ODA and in line with the Big Build programme outlined by the ODA. A number of projects completed construction in the year, including the first two venues on the Olympic Park with more projects nearing completion.

Olympic Park venues

In February 2011, the Velodrome became the first Olympic Park venue to complete construction and be handed over to London Organising Committee of the Olympic and Paralympic Games (LOCOG). In March, the final piece of turf on the field of play was laid marking the completion of construction on the Olympic Stadium.

Energy Centre

A new Energy Centre in the west of the Olympic Park opened in October 2010 which will provide efficient low-carbon heating and cooling for the venues across the Olympic Park and support sustainable energy provision across the Park in legacy.

Lee Valley White Water Centre

The Lee Valley White Water Centre was opened by the Princess Royal, Princess Anne in December 2010 and ownership transferred subsequently to the Lee Valley Regional Park Authority in 2010–11. The centre opened to the public at Easter 2011.

Athletes' Village

Work on the first residential plot completed in March, with construction of the remaining plots on track to complete in 2011.

Other projects to complete and handover to legacy owners during the year included the rail bridge at Angel Lane (Network Rail), the International Broadcast Centre/Main Press Centre (IBC/MPC) multi-story car park (High Speed 1) and the first tranche of works at Eton Dorney (Dorney Lake Trust).

Anticipated final cost

The anticipated final cost (AFC) of the ODA's programme takes into account cost pressures and saving opportunities, plus estimates of contingency requirements. The ODA's AFC is updated and published in a quarterly economic report by the Department for Media, Culture and Sport. The AFC at the end of March 2011 is £7,266 million, £55 million below the funding allocated to ODA in the Comprehensive Spending Review of £7,321 million, and well within the original funding set aside for the ODA in the Public Sector Funding Package in March 2007 of £8,099 million.

The ODA have delivered cumulative savings of £830 million, £200 million in the last year, since the Baseline Budget was established which included a target for savings of £50 million. The savings derive primarily from reductions in scope and value engineering changes, procurement savings, inflation and VAT savings, and have been applied to cost pressures as they have arisen. In particular, they have been used to help publicly fund the Athletes' Village and ensuring that the programme overall can be delivered within budget.

It is the ODA's intention to drive the programme to completion, to time and well within budget, such that further savings from the funding available to the ODA may be returned to funders if and when the risk profile of the programme reduces.

Between the total funds available to the ODA of £7,321 million and the AFC in March 2011 of £7,266 million there is £55 million headroom. Within the total AFC, the ODA is holding £370 million of unreleased contingency against known cost pressures and a quantitative risk assessment of issues that may arise during the delivery of the remaining programme.

Delivery Partner

The ODA's Delivery Partner, a consortium of CH2M Hill, Laing O'Rourke and Mace (CLM), is managed through call downs against a framework contract. CLM are reimbursed for direct costs and only receive incentive payments based on the successful achievement of milestones and cost performance targets agreed with the ODA. In total the ODA has charged £374 million (including VAT) to the accounts to date in respect of CLM services on the project from September 2006, when CLM was appointed and £117 million of this relates to 2010–11. Of the cumulative expenditure to date, £50 million relates to accrued performance payments that will only be payable in future years if currently projected completion dates and cost savings are achieved.

LOCOG

The ODA and LOCOG continue to work constructively towards the successful handover of the Olympic Park from the ODA to LOCOG in January 2012. During the year, agreement was reached on outstanding operational reimbursements due to LOCOG in respect of additional costs as a result of initiatives by the ODA to relocate venues in order to deliver construction savings. The full amount of the agreed settlement of £55 million has been provided for by the ODA and savings delivered as a result of these initiatives far exceeds this sum.

Transport

During the year the ODA Transport team has undergone a significant re-organisation as the various infrastructure projects deliver and the team focus moved to operations. Responsibility for the delivery and operation of the Olympic Route Network and travel demand management transferred to Transport for London, and responsibility for managing venue transport operations during Games moved to LOCOG to align with their venue operations.

Park Operations

Plans for the operation of the Olympic Park and its venues during the period between the end of construction through Games and handover to legacy owners post Games, developed over the year and culminated in the presentation, with LOCOG, of a joint business case for Park Operations to the Secretary of State.

Once construction completes on a venue, it will be handed over to LOCOG in line with an agreed handover timetable, so that LOCOG can install their Games overlay requirements and manage the venues through test events, elite athlete training, licensing for public operation and over the Games.

The business case extended the ODA's previous scope to include asset protection and maintenance of assets on the Park and park management services from venue completion through to after Games. ODA will provide in venue security until full responsibility for the Park is handed over to LOCOG in January 2012, when security responsibility for the venues and Park transfers to LOCOG. The detail of this transition is currently being worked through with LOCOG.

Transformation

In parallel, the ODA have been in dialogue with the Olympic Park Legacy Company (OPLC)³ about arrangements for the transfer of ownership of the Olympic Park and on Park venues in legacy. The ODA and OPLC, with the approval of Ministers and the Mayor, have agreed in principle to transfer post Games transformation works on the Olympic Park to OPLC. The effect of this would be a reduction in the ODA's budget for the transformation works and the transfer of the majority of the ODA's transformation scope to OPLC. Strategically, this would give control of the Park to the legacy owners earlier and allow OPLC to exploit synergies between their own plans for the Park and planned transformation works. It will also allow the ODA to substantially reduce its organisation post Games and support an orderly wind up of the ODA's activities.

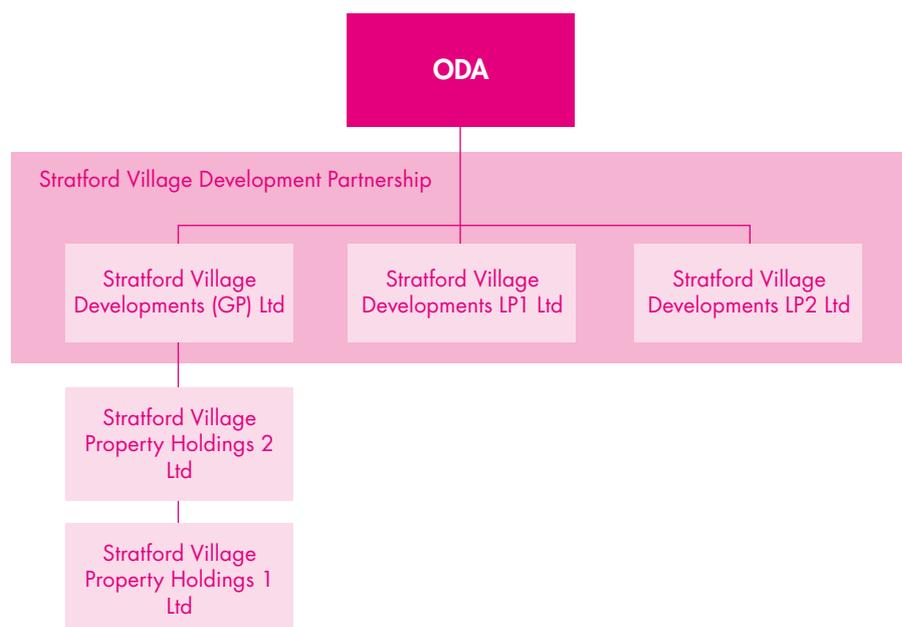
The Athletes' Village

The assumption in the ODA Baseline Budget was that the development of the Athletes' Village and IBC/MPC would be funded substantially by private investment. The turbulence in the financial markets, the credit crunch and the downturn in the property market in 2007 meant this was no longer best value for money.

In January 2009, funders approved the release of £135 million contingency to enable the construction of the IBC/MPC and in May of the same year, agreed to invest additional public money in the Athletes' Village, bringing the total public sector investment in the project to £650 million. The additional investment was made on the expectation that sales of completed homes would repay at least £324 million to the Public Sector. Development work up to the Games will be funded by public sector investment and receipts from a pre-sale agreement to Triathlon Homes LLP, an approved provider of social housing, for the affordable housing element of the Athletes' Village.

³ The legacy body is a company limited by guarantee, established by Government and the Mayor of London. It was formed in May 2009 to manage the long term planning, development and maintenance of the Olympic Park and its facilities post Games.

The delivery of the Athletes' Village is through a wholly owned subsidiary of the ODA. The group structure was designed to allow the potential for future private sector investment, should that scenario be appropriate and demonstrate value for money. The ODA group accounts as presented consolidate the authority accounts and that of the active subsidiary.



In October 2010, the ODA initiated a process of market testing the sale of the remaining homes and land at the Athletes' Village to a single investor for the purchase and long term management of the development. Previously it had been assumed that those homes not already sold to Triathlon Homes LLP would be sold on an individual basis over an extended time period. In April 2011, a shortlist of three bidders was approved. It is anticipated that a purchaser will be selected and contracted with for the sale of the Stratford Village Development Partnership in the summer.

The Group financial statements of the ODA treat the expenditure on the Athletes' Village as a specialised asset developed for use during the London 2012 Games. This is consistent with the treatment of the venues developed by the ODA. The financial statements of Stratford Village Developments (GP) Ltd treat the expenditure on the Athletes' Village as Inventory and recognise income received from Triathlon as sales revenue. This treatment is more appropriate to the purpose of the subsidiary which is to develop and market the Athletes' Village.

Funding for a new polyclinic by Newham Primary Care Trust and for an academy by the Department for Education on the Athletes' Village was agreed during the year.

ODA organisation

The ODA has always striven to match the size of the organisation to the programme resource requirement. The organisation will contract following completion of the Big Build phase of the programme in summer 2011, and again in early 2012 following the handover of the Olympic Park to LOCOG.

Post Games, with the conclusion of park and transport operations and the handback of the Olympic Park from LOCOG directly to OPLC a substantial contraction in the organisation is anticipated in preparation for wind up.



John Armit CBE FEng FICE was appointed Chairman of the Olympic Delivery Authority on 1 September 2007. John was previously Chief Executive of Network Rail from October 2002 and Chief Executive of Railtrack plc from December 2001. He has extensive experience in the building, civil engineering and industrial construction markets.

From 1986 to 1993 he was Chairman of the Laing International and Civil Engineering Divisions, a company he joined as a graduate in 1966.

From 1993 to 1997 he was Chief Executive of Union Railways, the company responsible for development of the high speed Channel Tunnel Rail Link. In 1997 he was appointed as Chief Executive of Costain, a position he held until 2001.

John is also Chairman of the Engineering and Physical Sciences Research Council, is a Non-Executive Director of the Berkeley Group and an Advisory Board member of PWC. He was awarded the CBE in 1996 for his contribution to the rail industry. He is a Fellow of the Royal Academy of Engineering and the Institution of Civil Engineers.



Sir Roy McNulty CBE is Deputy Chairman of the Olympic Delivery Authority and has been Chair of Advantage West Midlands since 2009. He is also Chairman of Ilex URC, the regeneration company for Derry-Londonderry, Chairman of the Rail Value for Money Study sponsored by the Department of Transport and the Office Rail Regulation, and is a Director of Gatwick Airport Ltd.

Previously, he was Chairman of the Civil Aviation Authority (CAA) (2001–09), Chairman of National Air Traffic Services (NATS) (1999–01) and, prior to that, Chief Executive and Chairman of Shorts Brothers plc. The Belfast-based aerospace company. Sir Roy has also been President of the Society of British Aerospace Companies (1993–94) and Chairman of the Department of Trade and Industry Aviation Committee (1995–98).



Lorraine Baldry is Chairman of London and Continental Railways, 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 DTZ holdings plc.

Lorraine was Chairman of the London Thames Gateway Development Corporation and before that Chief Executive of Chesterton International plc. Prior to that, she was a Senior Advisor at Morgan Stanley Investment Banking Division.



Tony Ball is Chairman of the Supervisory Board of Kabel Deutschland AG, Europe's largest cable operator. He is a non-executive director of BT Group plc and ONO SA (Spain). He was Chief Executive of British Sky Broadcasting plc (1999–2003) and is a former non-executive director of BAA plc, ProSiebenSat.1 and Marks & Spencer plc.

He spent a number of years in the United States as Chief Executive Officer of Fox/Liberty Networks and held senior positions in both media and broadcasting companies in the UK and Europe before this.



Barry Camfield worked for the Transport and General Workers Union (TGWU) from 1975 until September 2007. He was TGWU Assistant General Secretary from 2000 to 2007, and was previously TGWU Regional Secretary for London, South East England and East Anglia. He was a member of the TUC General Council and the TUC Executive Committee until 2007.

Previously, he was Vice President of SERTUC, the Southern and Eastern Region of the TUC, (including London) and was a member of the SERTUC Executive Committee.

Barry was also a previous member of the South East England Development Agency (SEEDA) where he was heavily engaged in regional social dialogue issues. He also served on the Kent and Medway Local Learning and Skills Council.

Currently, Barry is a member of the TUC 'Unions 2012' group of TU officials and is Chair of the 'Community and Trade Union Learning Centre', located next to the Olympic Park.



Stephen Duckworth OBE is the Contract Director for Serco Welfare to Work in the West Midlands. Previously Stephen was Chief Executive of Disability Matters Ltd, a consultancy which helps organisations profit from the potential of disabled people. He qualified as a doctor and gained a PhD in disability equality following a rugby accident which has resulted in him using an electric wheelchair.

Stephen is a Board Member of the National Quality Board that aims to improve service quality within the NHS and a member of the Disability Equality Delivery Board advising seven government departments on how to improve the life chances of disabled people. He has formally been a member of the Council of the University of Southampton.

Stephen has advised Ministers on the Welfare Reform, the Polish Government on introducing antidiscrimination legislation and more than 400 public and private sector organisations on how to improve services for disabled customers whilst increasing the representation of disabled people in their workforce.

He was awarded an OBE in 1994 in recognition of his service to disabled people.



Neale Coleman is Advisor on London 2012 for London Mayor Boris Johnson. Neale has led work on the Olympic and Paralympic Games in the Greater London Authority 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 Olympic Delivery Authority and has been a Board Member of the ODA since its creation.

He now leads the 2012 team in the Greater London Authority with responsibility for Legacy and Games Delivery and for the 2012 City Operations programme.



Christopher Garnett is a Director of Anglian Water Services Ltd and Aggregate Industries Ltd. He was Chairman of GNER from 2004 to 2006, prior to which he was Chief Executive of GNER and Vice President of Sea Containers Limited from 1996 to 2004.

He joined the transport industry in 1986 when he was recruited by Sea Containers to run the Continental European routes of Sea link British ferries, and in 1990 he joined Euro tunnel as Commercial Director for the launch of the Channel Tunnel 'Le Shuttle' freight and car services. Christopher was Chairman of the Association of Train Operating Companies from December 2001 to August 2003.

He is also a member of the National Railway Museum Advisory Board, and a member of the Transport for London Board.

Christopher is Chair of the Olympic and Paralympic Transport Board.



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

He has over 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 July 2008.

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



Kumar Muthalagappan OBE is founder of a group of themed hotels including Colwick Hall Hotel, the ancestral home of Lord Byron.

He was appointed to the board of Advantage West Midlands for a three-year term commencing December 2009.

He joined Alexandra Palace as a Non-Executive Director in January 2010 to help make this historic asset of our country into a sustainable and premier venue.

Kumar is Chief Executive of MeDiNova Research, which specialises in clinical research and medical services.

Kumar chairs the City of Birmingham Symphony Orchestra and is a member of the Council of the University of Warwick.

Kumar is a chartered accountant and practised in the areas of audit, tax and corporate finance with KPMG from 1983 to 1997.

He was a board member of Visit Britain between 2002 and 2010 and Chairman of its Audit Committee. He was also on the board of the Heart of England Tourist Board and Belgrade Theatre (2000–04).

He was awarded an OBE in the 2009 New Year's honours list for services to tourism and hospitality.



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 former CEO 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, First London Power Ltd and is Deputy Chairman of Preston North End F.C.



Baroness Morgan of Huyton, a former London teacher and councillor, joined the House of Lords in June 2001.

She was Minister of State at the Cabinet Office until November 2001, when she took up the post of Director of Government Relations at 10 Downing Street, which she held until June 2005.

She is a Non-Executive Director of Carphone Warehouse PLC and of Southern Cross Healthcare PLC. She is Advisor to the Board of the children's charity ARK and a trustee of the Mayor's Fund. She also chairs Future Leaders charity.

She was appointed Chair of Ofsted in March 2011.



Sir Nicholas Serota has been Director of Tate since 1988. He was previously Director of the Whitechapel Art Gallery (1976–88) and of the Museum of Modern Art, Oxford (1973–76).

He has been a member of the Visual Arts Advisory Committee of the British Council (1976–98, Chairman 1992–98), a Trustee of the Architecture Foundation (1991–99) and Commissioner on the Commission for Architecture and the Built Environment (1999–2006).

Summary

Where we started

When London won the right to host the 2012 Olympic and Paralympic Games in July 2005, the Olympic Delivery Authority (ODA) faced the challenge and opportunity of creating an Olympic Park from scratch.

The 2.5 square kilometre site in east London was home to many low-level industrial businesses. The soil was contaminated with various pollutants, including heavy metals, tar, arsenic, oil, petrol and lead. Fly-tipping and landfill had caused further problems across the Park.

Invasive Japanese Knotweed had taken root in an area equivalent to 10 football pitches, stunting the growth of natural species. The Park's waterways were neglected, and along with railway lines, had created a fragmented and disconnected site. Overhead electricity pylons criss-crossed throughout the Lea river valley, hindering the scope for large-scale development.

The challenge was great – to create a stage for the world's best athletes to compete in the world's greatest sporting events and equally to deliver sustainable venues, infrastructure and parklands that would benefit the communities living and working in the area for generations to come. The challenge was to do this to the ultimate fixed deadline – the Opening Ceremony of the Olympic Games on 27 July 2012.

Then

Now

Where we are now

The work to clean and prepare the site for construction, known as the 'demolish, dig, design' phase, was completed on schedule by the Beijing 2008 Games.

More than 220 of the site's previous structures were demolished, creating a clean slate for new venues and infrastructure.

Almost all of the contaminated soil found on the Olympic Park site was cleaned and reused, making this the UK's biggest land clean up. Five soil washing machines were a key fixture on the Park, sifting and churning through around two million tonnes of soil.

Sustainability has been a key priority from the start. During the demolition phase, the ODA recycled and reused on site around 98 per cent (by weight) of demolition material.

Two 6km-long tunnels now carry high voltage cables underground, 30m below the surface. The tunnels were the ODA's first major construction project to be completed and meant the 52 electricity pylons that previously dominated the Park and its surrounding area could be dismantled, unlocking the area for construction.

The commitment to sustainability continued into the design phase. Energy efficient venues, specially designed for smooth transition to legacy, have been built or are nearing completion and have set new standards for sustainability.

The people who will work, live and play in the Park had an opportunity to have their say on the new buildings through extensive consultation that reached residents, businesses, sports and community groups and many others in east London.

Following the Beijing 2008 Games the ODA entered the first of three 'big build' stages. 'The big build: foundations' marked the start of venue construction, on time or, in some cases, ahead of schedule. Thousands of concrete piles were installed deep into the ground to create the solid foundations of the Park's new buildings.

The 'big build: structures' phase began in 2009 and the Park could be navigated by the venues themselves, rather than plans or maps. External structures for major venues were completed and most reached their full height, transforming the skyline of east London.

Bridges began to form new connections on the Park, joining previously isolated pockets of land to the surrounding areas. Parklands and green spaces started to form and mature.

The Primary Substation that distributes energy around the Park and the surrounding area and forms a key piece of the Park's new infrastructure was up and running in October 2009, the first building on the Park to be operational.

The 'big build: completion' started in 2010 and now with just under one year to go to the Olympic Games, with the workforce at 12,000 strong, construction has already been completed on some of the brand new sporting venues. The Lee Valley White Water Centre in Broxbourne, Hertfordshire, in December 2010 was the first. It is now open to the public providing an early sporting legacy from the Games.

It was followed by the Velodrome, the first sporting venue where construction was completed on the Park, on time and within budget, in February 2011. The Olympic Stadium, the flagship venue for the Games, was completed in March 2011. The Velodrome, along with the Handball Arena, Basketball Arena and Olympic Stadium, have been handed over to the London Organising Committee of the Olympic and Paralympic Games Ltd (LOCOG).



Olympic Stadium

Construction has been completed on the Olympic Stadium – the venue for the Athletics events and the Opening and Closing Ceremonies during the London 2012 Games. The unique design means that the spectators will be as close as possible to the action.

Construction on the Stadium started in May 2008, three months earlier than originally planned. Less than a year later the external steel structure was complete.

At the end of 2009, the Stadium's 450-tonne cable-net roof was lifted into place. It is covered with a fabric material that provides the correct conditions for the athletes to achieve their best and for new records to be set.

All the seats have been installed, and the 14 lighting towers and floodlights are in place, taking the Stadium to its full height of 60m. They were switched on for the first time in December 2010 by the Prime Minister.

The 700 rooms and spaces have been fitted out, including changing rooms and toilets, below the concourse level.

The final piece of turf was laid in March 2011, marking the completion of the Stadium. The track is ready to be laid later this year, so it is in the best possible condition for Games. It was built in under three years, the fastest ever build of an Olympic Stadium.



5

new bridges link the Stadium 'island' to its surrounding area.

240

businesses, from Devon to Scotland, have worked on the construction of the Stadium

5,250

people have worked on the project over the past three years

10,000

tonnes of steel used in the construction of the Stadium, making it the lightest Olympic Stadium to date

Michael Johnson said: 'I was fortunate enough to experience competing at a home Games when Atlanta were hosts in 1996 and people in London are going to experience a fantastic Olympics.'

Aquatics Centre

The Aquatics Centre will form the 'gateway to the Games' for the spectators as they enter the Olympic Park from Stratford station, through the new Stratford City shopping centre.

With its 3,000-tonne sweeping roof structure, the Aquatics Centre is the Park's most complex engineering and construction project. The roof was lifted into place in November 2009, just 18 months after the venue's first foundations were laid. It rests on two concrete northern supports and a wall at its southern end.

The three pools inside – one diving and two 50m – have been tested.

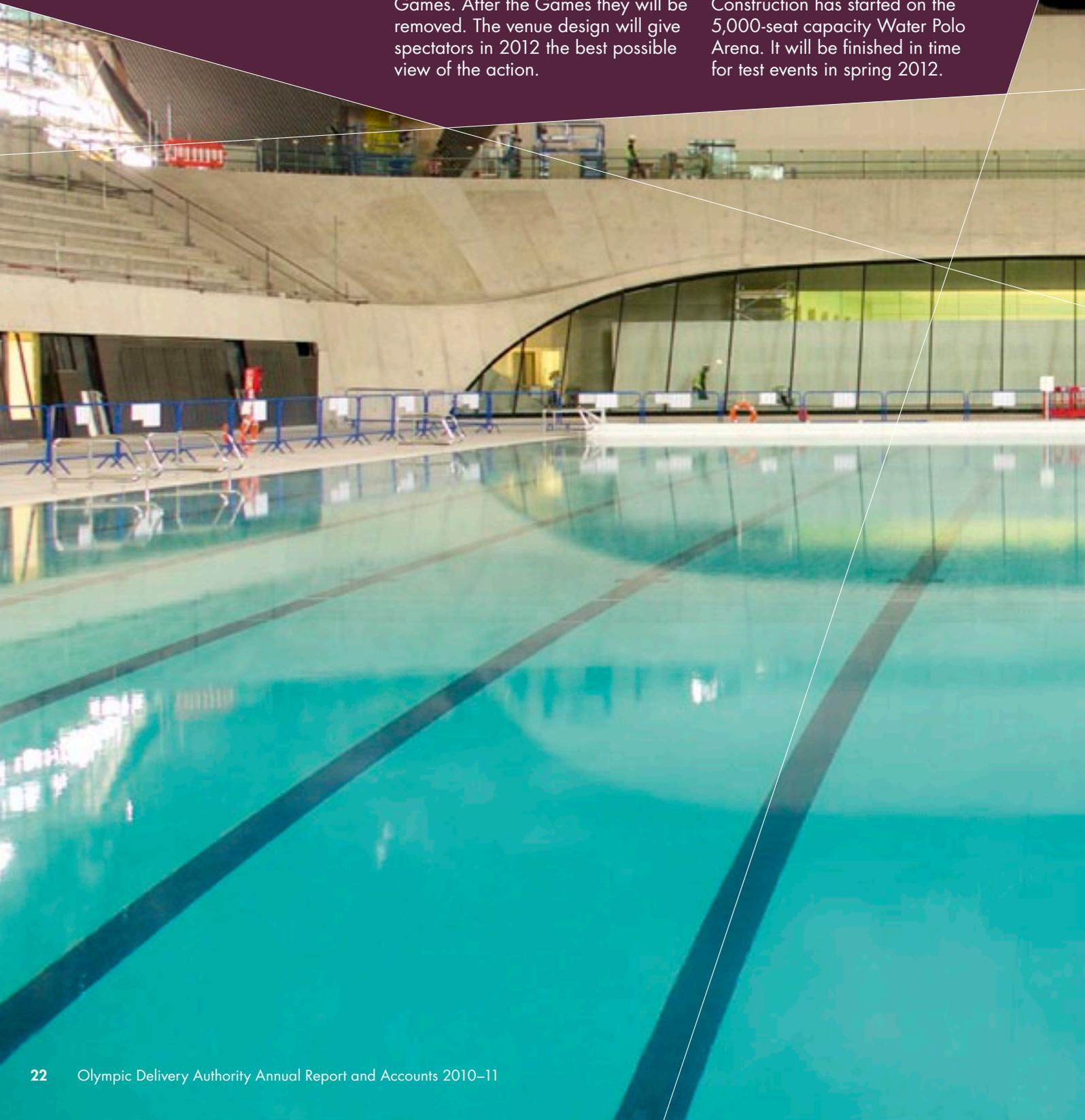
Work is completing on the temporary seating structures that will provide the additional seats required for the Games. After the Games they will be removed. The venue design will give spectators in 2012 the best possible view of the action.

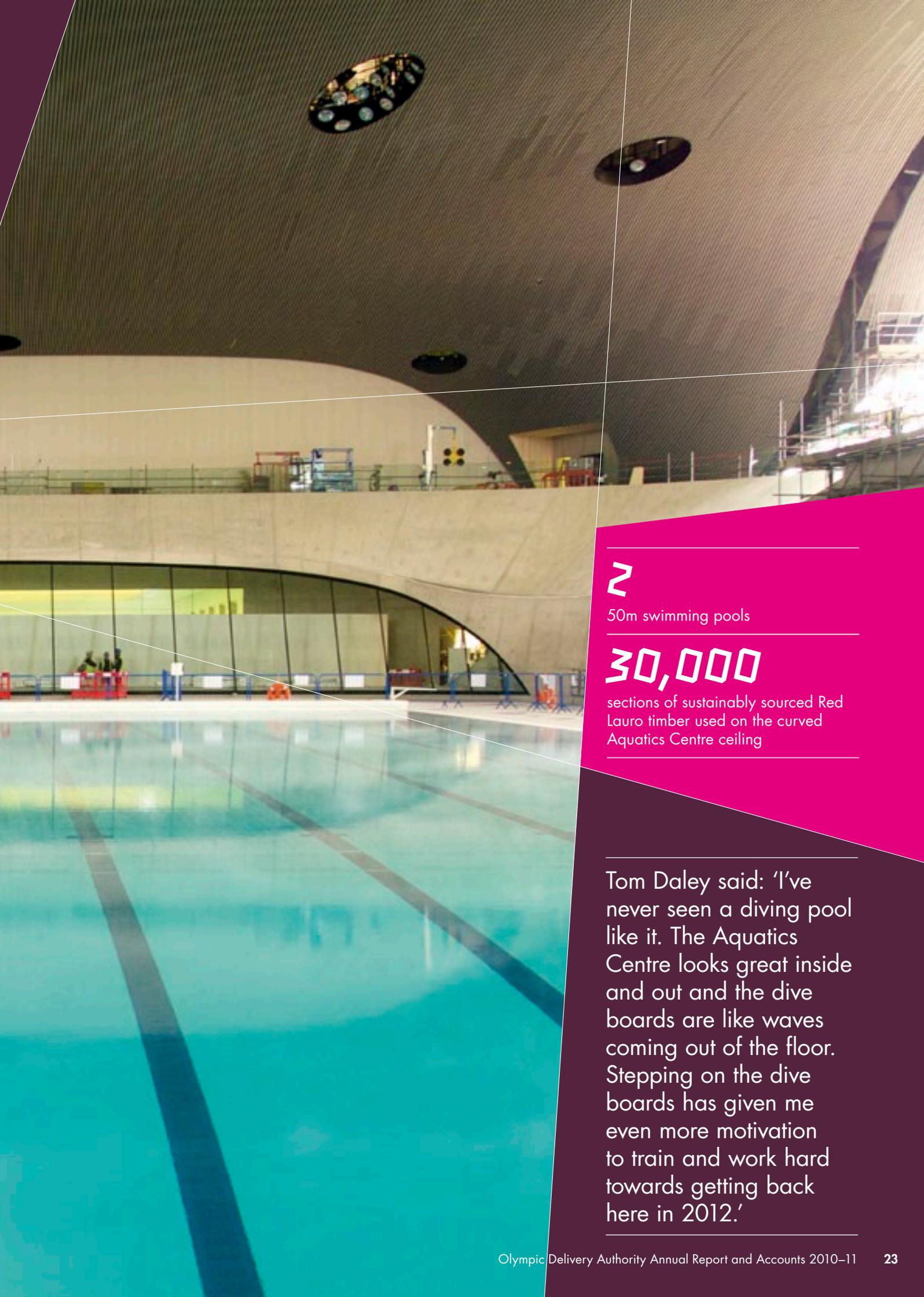
The use of temporary seating also means we are not building a permanent 17,500-capacity venue, which would never be filled after the Games.

Moveable floors and pool dividers are being installed to enable a range of community uses after the Games.

The installation of the timber cladding for the 12,000sq m ceiling is nearing completion. The external aluminium covering is in place, half of which was recycled.

Construction has started on the 5,000-seat capacity Water Polo Arena. It will be finished in time for test events in spring 2012.





2

50m swimming pools

30,000

sections of sustainably sourced Red Lauro timber used on the curved Aquatics Centre ceiling

Tom Daley said: 'I've never seen a diving pool like it. The Aquatics Centre looks great inside and out and the dive boards are like waves coming out of the floor. Stepping on the dive boards has given me even more motivation to train and work hard towards getting back here in 2012.'



Velodrome

In February 2011, the Velodrome became the first permanent sporting venue on the Olympic Park where construction was completed and handed over to LOCOG. The programme of temporary works to make the venue ready for the London 2012 Games can be carried out, nearly 18 months ahead of the Games.

The eye-catching building in the north of the Park has a lightweight cable-net roof, which is joined to the Velodrome's steel structure. It rises in height by 12m from the lowest point to the highest part of the structure.

The underside of the roof has been clad in distinctive western red cedar. Its striking double-curved shape matches the geometry of the track, but is also functional, as it collects rainwater for reuse, helping to reduce water consumption within the venue.

The track was laid by a team of 26 specialist carpenters who installed the Siberian pine cycling track in just eight weeks.

Construction has now started on the BMX Track, adjacent to the Velodrome, which will form part of the VeloPark after the Games. Fourteen thousand cubic metres of soil, that have been cleaned and reused from elsewhere on the Park, is being used to create a series of levels and jumps.

The Velodrome and BMX Track will be joined after the Games by a road racing circuit and mountain bike trails to form a cycling 'hub' for elite athletes and the local community to enjoy.



Sir Chris Hoy said: 'I have been hugely impressed with the Velodrome designs which I'm sure will help deliver some world-class performances from athletes in 2012 and inspire a whole new generation of cycling champions for many years after the Games.'

4m

the change in levels across the BMX Track

16km

length of cable used on the Velodrome's roof

300,000

nails used to fix the track in place



Athletes' Village

The Athletes' Village consists of 2,818 new homes in a magnificent landscaped setting which will provide the temporary home for the 23,000 athletes and officials during the London 2012 Games.

Construction has been completed on the first plot of the Village, with the remaining plots on track to be completed by the end of the year. Construction began in summer 2008 and now more than three-quarters of the 11 residential plots are structurally complete, with each of these being made up of six to eight buildings.

The Village will also provide new medical and educational facilities. Chobham Academy is nearing completion, and work is progressing on the state-of-the-art polyclinic, which will provide health services after the Games and also accommodate the athletes' needs during the Games.

Landscaping work began in August 2010 to create more than 10 hectares of new parks, open space, public squares and tree-lined streets, interspersed with play areas, cycling facilities, and recreation spaces within the Village.

Nearly half of the homes in Legacy have already been sold to Triathlon Homes, a consortium of two registered social landlords and a private company, and will be available as mixed tenure, affordable housing.



International Broadcast Centre/Main Press Centre

Construction on the International Broadcast Centre/Main Press Centre (IBC/MPC) started in April 2009. The main structures are now complete, with internal works ongoing. Works have started on the temporary 'High Street' for the media during the Games.

The windows of the 30,000sq m MPC were installed in summer 2010. It also features a brown roof for wildlife.

The 4,500-tonne steel frame of the IBC – big enough to fit five jumbo jets – was completed in just 10 weeks by September 2009.

Less than six months later the IBC's external cladding, comprising of 15,000sq m of wall and 26,000sq m of roof covering, was finished. A further 55,000sq m of concrete flooring has been laid.





Handball Arena

Construction on the Handball Arena was completed in May 2011. The venue's 1,000-tonne steel structure has been clad in striking copper. Eighty-eight light pipes have been set in the innovative roof design, allowing natural light to filter down into the building and onto the field of play – a sprung wooden floor.

All of the fixed multi-coloured seating is in place and work has started to install the lower retractable seats.

The venue's roof was completed in November 2010, it collects rainwater to be reused inside the Arena, reducing the water consumption by an estimated 40 per cent.

Prime Minister David Cameron said: 'That this great venue has been completed on time and within budget is testament to the hard work, expertise and skills of the Olympic Park workforce. We are on track to stage a fantastic Olympic and Paralympic Games in London next summer.'

47

the number of internal rooms inside the venue

3,000sq m

copper cladding, mostly recycled, used for the Handball Arena



Basketball Arena

Construction has been completed on the Basketball Arena – the fourth largest venue on the Olympic Park.

20

steel arches comprising the Basketball Arena's structure

20,000 sq m

fabric used to wrap around the Basketball Arena

The venue's 20 steel arches were lifted into place in June 2010, each arch is 35m high and spans 96m, which were then wrapped in 20,000sq m of recyclable white PVC membrane. This will form the canvas for a lighting display during the Games.

After the Games, the venue will be dismantled by the owning construction contractor and elements potentially used at other UK and overseas events.

The venue was handed over to LOCOG in June 2011.



Eton Manor

Planning permission was secured for the Eton Manor site in the north of the Park – the final permanent Olympic Park venue to be awarded planning permission – in October 2009.

The site was the former home to the Eton Manor Boys' Club, which gained a reputation as an elite sporting association.

Steady progress has been made on site since construction started in April 2010, and the venue is now taking shape. One of the major construction challenges of this venue has been to transport, lift and fix eight 40m long beams for the venue's roof – the longest single span timber beams in the UK.

The beams will allow unobstructed views of the indoor tennis courts. They are constructed from PFC-certified European spruce timber and lifted into place using a 35-tonne crane over several weeks.

The timber structure has been completed and the remaining works to the facilities building is on schedule to be completed by autumn 2011.

There is a war memorial located on the site that is a tribute to Eton Manor Club members who fought and died in the First and Second World Wars. The memorial will be retained and restored as part of the work on the site.



Lee Valley White Water Centre

In December 2010, the Lee Valley White Water Centre was completed and handed over to the Lee Valley Regional Park Authority. Located in the heart of the 10,000-acre Lee Valley Regional Park, the venue includes a 300m Olympic course and a 160m intermediate course.

The venue also boasts a new facilities building and pumping house, containing a reception, café, changing rooms, offices, and spectator viewing facilities. This new venue is open to the public, well ahead of the Games, providing an early legacy for rafters and canoeists of all abilities.

Construction on the venue started in July 2009. Enough soil to fill three 50m swimming pools was excavated to create the venue's finishing lake. A further 150,000 cubic metres of material formed the canoe course embankments and the landscaped features of the venue.

There have been 62 gates installed on the Olympic course and 1,200 rapid blocks as obstacles, which shapes the flow of the white water.



Royal Artillery Barracks

start construction and will be ready to host Test Events next year.

Planning permission for the temporary Shooting, Paralympic Shooting and Paralympic Archery venue at the Royal Artillery Barracks, in Woolwich, was secured in February 2010. It is the ODA's final venue to

Construction work started in spring 2011 on the three indoor ranges and the outdoor range.

The athletes and spectators will benefit from an excellent location that is steeped in history.



Infrastructure and utilities

The entirely new utilities infrastructure being installed in the Olympic Park is nearing completion and will provide a backbone for the long-term needs of the Lower Lea Valley communities and the demands of the London 2012 Games.

This infrastructure includes an Energy Centre, Primary Substation and wastewater Pumping Station.

New roads and bridges are also being built to better connect the Park to the surrounding area, both during and after the Games.

The removal of 52 pylons across the site, and installation of the powerlines in two six-kilometre tunnels underground, allowed key areas on the Park to be unlocked for construction. The work was completed in December 2008 and saw one of the most complex tunnelling projects in Europe, being delivered in half the time of the industry norm.

The powerlines project also provided the first real legacy from the Games by unlocking the Park landscape for long-term regeneration, allowing the skyline of east London to be permanently transformed.

October 2010 saw the completion of the state-of-the-art Energy Centre, which will help reduce the carbon emissions of the Park and deliver sustainable energy across the site.

The Energy Centre is now available to meet the heating and cooling requirements of venues and buildings across the Park. The building is 45m tall at its highest point and includes five cooling towers and two hot water boilers, each weighing around 60 tonnes.

Construction work began on the Primary Substation in December 2007. In October 2009 the completion of the Substation marked the operation of the ODA's first Park building and it is already supplying electricity to venues.

In the south of the Park, the new permanent Pumping Station began operations in January 2010. It will collect, convey and remove waste water from the main venues and buildings in the Park during the Games, and from the venues and residential developments afterwards.

1.9km

length of new sewer network

500

tonnes of steel used for the Energy Centre's steel frame





Transport on track

Stratford station will be the main station serving the Olympic Park in 2012. A new London Underground ticket hall and entrance have been completed and opened to cater for the increased number of visitors.

The new station facilities have been funded by the ODA and Transport for London (TfL). Passengers will now be able to enter and leave the station more easily and congestion will be reduced. The ticket hall is located on the mezzanine level of the station and provides direct access to the Central line, which also has a new platform for passengers to exit on both sides. Platforms have also been extended and widened in places and work to install nine new lifts and staircases has been completed.

Work on the new freight loop at Stratford station, designed to stop freight trains not in service from taking up space on the railway, was completed in early 2011.

A new bridge in Stratford creating improved road, walking and cycling links in the local area was completed and officially opened in September 2010.

The bridge at Angel Lane in Stratford crosses the railway lines going into Stratford station. It replaces the old Angel Lane bridge constructed during the Victorian era which had weight restrictions and poor sight lines for vehicles, and only one pedestrian walkway with no cycle lane.



The ODA is also carrying out a programme of works at West Ham station, which includes a new staircase, overbridge and elevated walkway from the District line platform to Manor Road.

Projects that the ODA is contributing to are bringing other early benefits to passengers across the transport network. Fifty-five new Docklands Light Railway (DLR) railcars that the ODA is co-funding are now in operation. The new DLR extension to Stratford International Station has also been completed, allowing for enhanced services during the Games.

The transport 'big build' – the transport infrastructure work for the London 2012 Games – has been completed, more than one year ahead of the Games.



Connecting the Park

30+

new bridges and underpasses being built within the Park

250m

length of main pedestrian footbridge into the Olympic Park

270,000

people expected to use the main land bridge into the Olympic Park each day

The open and accessible Olympic Park is being connected together with permanent roads and bridges across the Park, transforming a fragmented site into a well-connected quarter of London.

Most of the 30 new bridges and underpasses on the Olympic Park are now structurally complete.

Essential new links, including the main north-south route through the Park, and new bridges into the Olympic Stadium and Aquatics Centre, have been built.

The permanent section of the 250m-long and 45m-wide land bridge that forms the main 'gateway to the Games' from the Stratford City shopping centre, is complete. It spans the Aquatics Centre and forms the roof of the training pool.

A new bridge was lifted into place in November 2010, linking the Park to local areas in Hackney and Waltham Forest. The 200-tonne structure was lifted into place by one of the largest cranes in Europe. The arched bridge is 42m long and six metres wide.

The bridge spans Ruckholt Road and links Hackney East Marsh to Eton Manor in the north of the Park. During the Games, the bridge will be an important route into the Park for spectators arriving at the Northern Spectator Mall. It will remain after the Games, giving local residents direct access to the new facilities in Eton Manor and the wider Park.



Parklands and Public Realm

100

hectares of green spaces that will feature in the Olympic Park

4,000+

semi-mature trees to be planted within the Park

300,000

trees planted to form the parklands

The Olympic Park is being transformed from a brownfield site characterised by large areas of derelict industrial land into a new urban park with improved infrastructure and world-class sporting facilities. The area had suffered from poor connectivity and was fragmented, polluted and divided by pylons and railways.

The challenge was to turn an area of east London, the size of Hyde Park and much of it contaminated and neglected for decades, into an Olympic Park and a sustainable new quarter of London for the community to live, work and play in after the Games.

Work on the 250 acres of new parklands started in January 2010 and is now well underway. The parklands will include more than 4,000 trees and 300,000 wetlands plants, and hundreds and thousands of plants and bulbs from various species. There will also be a 'British' garden feature, and tree-lined roads to welcome visitors.

The large wetland bowl in the north of the Park has been completed with riverside spectator lawns, timber seating, frog ponds, loggeries, wildflower meadows, woodlands and footpaths in place.

More than 1,500 trees and thousands of wetland plants have already been planted and meadows have been sown around the Olympic Stadium.

The Park design boasts a number of accessible features, including wider pathways with smooth surfaces, seating and resting places at regular intervals and clear signs. It will set a new benchmark for wheelchair spaces and amenity seating, and gentle gradients to give all users greater freedom of movement.

These new green spaces will provide a colourful and festival atmosphere for the London 2012 Games and afterwards become the largest new urban park in the UK for more than 150 years.



A safe and secure site

The health and safety of workers and providing a secure workplace continues to underpin every element of the work on the Olympic Park and Athletes' Village. The ODA has engaged and worked with contractors to ensure safety remains paramount.

Contractors are fully signed up to the high expectations set, with many implementing their own safety initiatives and reward and recognition programmes.

In February 2011, the Park achieved its 17th set of a million hours worked without a reportable incident since 2006 and continues to have a safety record far better than the industry average.

The ODA's commitment to health and safety has been recognised by the British Safety Council (BSC) with its five-star award, following an independent audit of the ODA's health and safety systems and processes, in which the ODA scored 98 per cent.

The ODA was also awarded the BSC Sword of Honour, one of the most prestigious international health and safety accolades, designed to encourage and reward organisations that work to best practice.

The ODA further promoted health and safety early in 2011 to encourage workers to remain focused on their personal safety and that of their colleagues as the number of workers peaks and the type of work changes from heavy construction to fitting-out the venues. The 'countdown is on' campaign was rolled out to all workers on site through posters, special safety briefings and new branded travelcard holders that contained scratch cards with safety messages, and included London 2012 merchandise as rewards.

Earlier this year, the ODA held its third Health, Safety and Environment Awards. These awards recognised the exceptional commitment by contractors, supervisors and individuals across the project to health, safety and the environment.

The ODA attaches high priority to site security. The Park continues to be a secure site with its universal enrolment process, which includes UK Border Agency representatives checking documentation to ensure workers on the site have the legal right to do so and valid health and safety accreditation.

Hand scanners are in use at all entry points into the Park, they provide biometric access control, alongside photographic smart cards for all the workers on site.



Workforce

There are currently more than 12,000 people working on the Olympic Park and it is estimated that 30,000 workers will have worked on the project by the time it is completed.

It is one of the ODA's main aims to ensure this workforce remains diverse and provides opportunities for training and to boost skills, particularly within east London.

The ODA continues to work on projects to promote a diverse workforce. The Women into Construction project has helped more than 255 women into a range of jobs on the Park.

The ODA set a target of 350 apprentices to have experienced work on the Park, which has already been exceeded with 426 apprentices having worked on the London 2012 construction project.

The ODA has also exceeded its target of 2,250 training interventions. A total of 3,451 training interventions have been provided through the ODA's National Skills Academy for Construction (NSAFC), which is funded by ConstructionSkills.

In March 2011, contractors were recognised for their efforts in maximising opportunities for everyone to help build the stage for the Games at the ODA's second Contractor Diversity Awards.

The ceremony was held during Diversity Week and recognised individual and team efforts to create job opportunities for local people and those from black, Asian and minority ethnic backgrounds.

426

Apprentices have experienced working on the London 2012 project

1,473

People have been placed into work through the ODA's Job Brokerage since April 2008

12,343

People currently working on the Olympic Park and Athletes' Village



Community

The ODA's visits programme has gone from strength-to-strength with the total number of visitors to the Olympic Park exceeding 160,000 since September 2007. Local people and other groups across London and the UK are benefitting with a close-up look at the Park venues.

April 2011 was the busiest month for tours with 9,000 visitors, compared with just under 5,000 in the same month last year. There is an average of seven Park tours a day, seven days a week, with more than 80,000 visitors experiencing the Park between April 2010 and March 2011.

In September 2010, the ODA took part in London Open House for the fourth year. The Park was opened to the public with more than 4,000 people joining bus tours around the site to see the progress being made.

The ODA is in the final year of its Construction Crew project. The programme aims to develop leadership and responsibility skills of children and young people in the five Host Boroughs, in order for them to act as ambassadors for the ODA. Sixty-five primary and secondary schools have been represented by Construction Crew members across the lifetime of the project, with more than 100 students involved.

Members have delivered a range of activities in their schools, such as assemblies, workshops, careers events, and in Greenwich students presented to more than 50 headteachers.

In the last 12 months, Construction Crew members have attended the Olympic Stadium 'lights on' event and completion events for the Velodrome and Olympic Stadium.



The venues and infrastructure on the Olympic Park are on course to be delivered a year before the Games, and UK companies have contributed significantly to this delivery.

The ODA has engaged with more than 10,000 businesses from every nation and region within the UK, and has awarded around 1,400 direct contracts, including 200 businesses in the Boroughs closest to the Park – Hackney, Newham, Tower Hamlets, Waltham Forest and Greenwich. Many thousands more London 2012-related contracts throughout the supply chain will have been awarded to UK businesses.

Construction was completed on the Olympic Stadium on time and within budget in March 2011. More than 240 companies based across the UK, from Devon to Scotland, plus many more sub-contractors, won contracts to work on the Stadium. They all helped the venue complete just less than three years after construction began. More than 5,250 people worked on the Stadium with the workforce peaking at 650.

The turf laid on the field of play was grown in Scunthorpe; the 80,000 seats were manufactured in Luton; steel for the main structure was fabricated in Bolton; and concrete terracing units came from Taunton.



Sustainability

Sustainability has been embedded into the planning and delivery of every element of the London 2012 Games from the outset. New standards have been set, creating positive, lasting change for the environment and the communities that will live in the area after the Games.

Earlier this year the ODA announced plans for a pioneering new carbon-reduction scheme around the Olympic Park, along with plans for photovoltaic (PV) cells to be installed on the Main Press Centre.

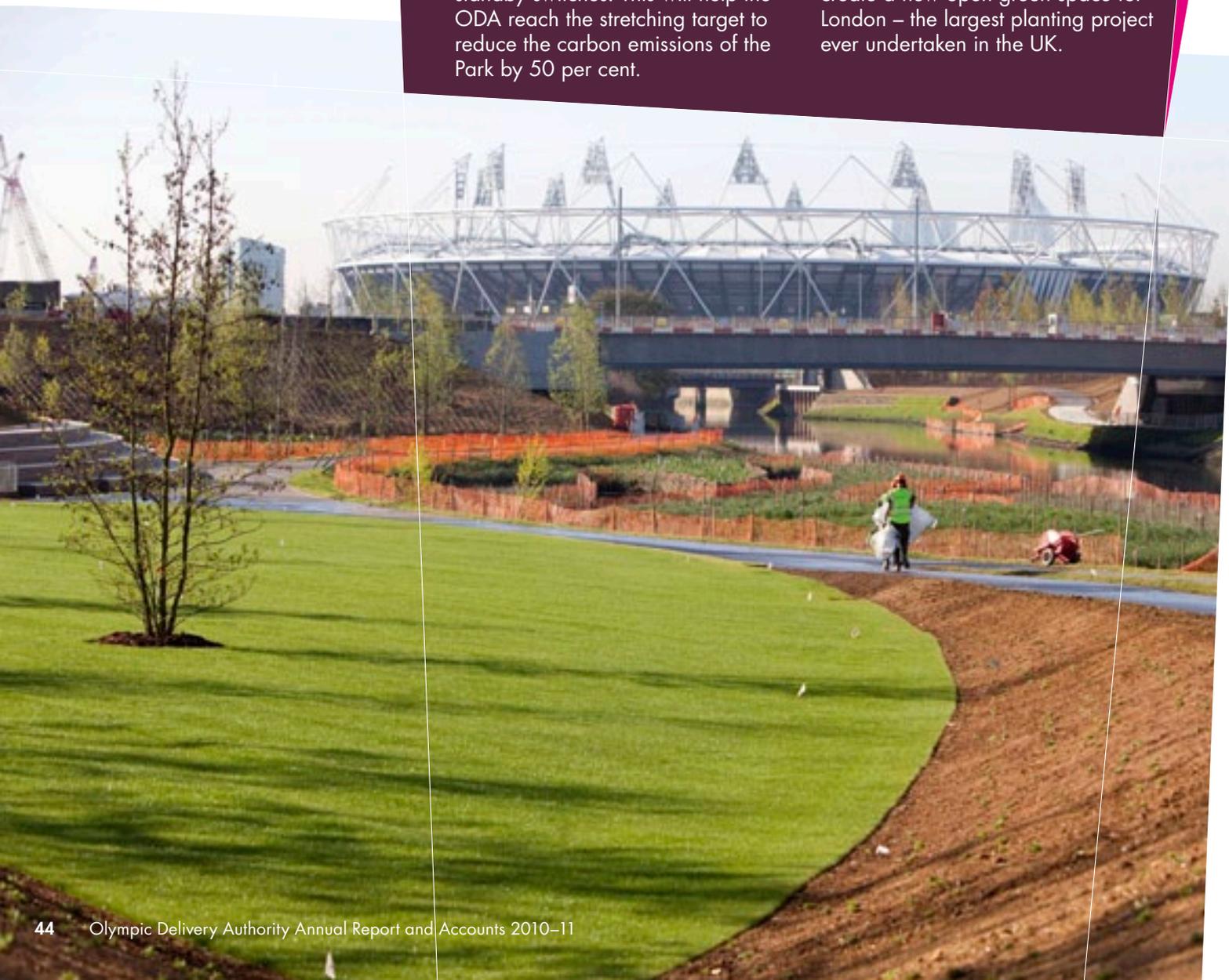
The ODA will invest more than £1 million in carbon reduction measures for local housing and schools in four of the Host Boroughs around the Park. This project is based on the Mayor's RE:NEW scheme. The ODA will be working with the Mayor's office to build on this scheme and extend energy efficiency. These measures will include draught proofing, low energy lighting, insulation and standby switches. This will help the ODA reach the stretching target to reduce the carbon emissions of the Park by 50 per cent.

Venues have been designed and built to be as energy efficient and sustainable as possible, for example the Velodrome achieved a 30 per cent improvement in energy efficiency over building regulations.

During the demolition and remediation phase of the project, no materials left the site where they could be reused or recycled in another way. In all, 97 per cent of the material was reclaimed and reused on the Park.

In one of the biggest clean-up operations of its kind, the ODA cleaned and reused hundreds of thousands of tonnes of soil that would otherwise have been moved off site. A 'soil hospital' was set up on the Park to produce clean material which was used to create land levels within the parkland areas.

More than 4,000 trees, 74,000 plants, 60,000 bulbs and 300,000 wetlands plants are being planted to create a new open green space for London – the largest planting project ever undertaken in the UK.



Accessibility

The venues on the Olympic Park have been designed to deliver a striking visual statement that reflects the importance of the London 2012 Games, while ensuring they are balanced with the urban architecture and landscape that define the area.

Inclusive design was at the heart of the design process throughout the project. The Athletes' Village, the sporting venues, new transport services, supporting facilities and the Park itself will be accessible to people with a wide range of disabilities both during and after the Games.

Visitors to the Park during the Games will enjoy broad sweeping lawns and accessible paths leading down to riverbanks, ample seating and public spaces throughout the Park with live screens showing the sporting action.

The ODA has set an excellent standard of accessibility for disabled people, older people and families with children, which will set a benchmark and act as an inspiration to others.

After the Games the venues will connect with the parklands and urban neighbourhoods that surround them.





Accounts



Accounting Officer's Statements

Accounting Officer's Report

Statutory background

The Olympic Delivery Authority (the ODA) is a corporate body established by Section 3 of the London Olympic Games and Paralympic Games Act 2006 (the Act) on 30 March 2006. The ODA commenced business on 1 April 2006.

The ODA is an executive non-departmental public body, sponsored by the Department for Culture, Media and Sport (DCMS).

From 1 April to 12 May 2010 ministerial responsibility was held by the Rt Hon Tessa Jowell MP, the Minister for the Olympic and Paralympic Games. On 13 May 2010 following the general election the Rt Hon Jeremy Hunt MP was appointed Secretary of State for Culture, Olympics, Media and Sport. On 20 May 2010 Hugh Robertson MP was appointed Minister for Sport and the Olympics.

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:

- preparing for the London 2012 Games;
- 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; or
- ensuring that adequate arrangements are made for the provision, management and control of facilities for transport in connection with the London 2012 Games.

In addition the ODA became a local planning authority on 7 September 2006 within the boundary defined in the Planning Functions Order 2006 made under the Local Government Planning and Land Act 1980. The Mayor of London has the power to direct the ODA to refuse an application for planning permission in a specified case.

The ODA controls two limited partnerships and a number of limited companies established to facilitate the development and management of the Athletes' Village. Details of the partnerships and companies are given in Note 23.

Presentation of the Accounts

The Accounts for the year to 31 March 2011 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 100. 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

The Olympic Park at Stratford covers an area of 2.5 square kilometres where the majority of the freehold ownership rests with the Olympic Park Legacy Company (OPLC). The ODA does not have any freehold ownership in the Olympic Park. The ODA has licence arrangements to enter the site to carry out groundworks and other site infrastructure and a lease in respect of the site of the IBC/MPC and associated car park. The ODA also has access rights to other third party land holdings under the licence with OPLC which ends in December 2014. The ODA has licence arrangements to enable it to undertake work on land owned by the Lee Valley Regional Park Authority, at the Lee Valley White Water Centre which expires on completion of construction.

The ODA has a development agreement with Eton College and Dorney Lake Trust Company which contains a licence to enter and carry out works at Eton Dorney which expires on completion of construction.

The ODA has a development agreement with the Ministry of Defence which contains a license to enter and carry out works at the Royal Artillery Barracks in Woolwich. The agreement expires on 29 March 2013.

The ODA entered into licences with Auger Homes and East Thames Homes to facilitate the construction of the Angel Lane bridge which expired in 2010–11.

The ODA has entered into licenses on land at Redbourn, Hertfordshire and Hadleigh, Essex for use as park and ride sites during the Games. Negotiations are proceeding on a further 29 sites.

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 Stratford Village Development (GP) Ltd. Beneficial title to the land is held by the Stratford Village Development Partnership.

In May 2010 the ODA, through its subsidiary Stratford Village Development (GP) Ltd entered into an arrangement whereby it purchased six plots of land adjacent to the blocks being developed for the Athletes' Village from London & Continental Railways. As part of this arrangement the ODA surrendered its rights to overage on the Stage 2 development of Zones 2–7 of Stratford City and London & Continental Railways surrendered its rights to overage on Stage 1 of the same development.

The ODA owns the freehold of a number of small parcels of land at Meridian Square, Great Eastern Road, Angel Lane, Henrietta Street, Temple Mills Lane and Warton Road that were acquired to facilitate the completion of works. Ownership of these parcels of land will be transferred to legacy owners on completion of the works.

Other leasehold land and property ownerships

The ODA holds a number of leases on premises at 11 Burford Road, Stratford where its planning decisions team is located. The majority of the leases expire on 31 December 2012 and can be terminated at three months notice. One lease expires on 28 September 2014 and cannot be terminated.

The ODA holds an assignment of leasehold premises at Omega Works, Roach Road, Bow, for use as a viewing platform. The lease expires on 1 November 2012 and can be terminated on 1 November 2011.

The ODA is a licensee of the London Organising Committee of the Olympic and Paralympic Games (LOCOG) and a sub-tenant of Barclays Bank plc in respect of its offices at 1 Churchill Place, Canary Wharf. The leases expire on various dates between 31 March 2013 and 31 July 2014.

The ODA holds the lease on land adjacent to the M11 motorway in Chigwell, Essex which is used for a logistics centre. The lease expires on 31 July 2014 and can be terminated any time after 31 December 2012.

The ODA holds land at Chobham Farm, Stratford and within and adjacent to the Athletes' Village on lease from London & Continental Railways. The lease expires on 31 March 2013.

In March 2011 the ODA entered into a lease with DB Schenker for land to the south of the Olympic Park which will be used for the Stadium Preparation and Warm Up Track during the Games. The lease expires on 31 December 2013.

The ODA holds air rights leases from HS1 and Network Rail to allow the construction of bridges across railway lines around the Olympic Park and Village.

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 and Mace. CLM provides the ODA with world class project and programme management expertise with experience of previous Olympic and Paralympic Games. The appointment of CLM has enabled the ODA to quickly resource to meet its challenging operational and delivery targets.

Under the terms of the call off service contract between ODA and CLM, Task Orders setting out the scope of and resources required for the work to be executed by CLM are agreed periodically. A mobilisation task order was put in place in September 2006, followed by Master Task Order 1 which was completed in July 2008. Work is currently being performed under Master Task Order 2. The first tranche of Master Task Order 2 was completed in December 2009 and a second tranche covering CLM resources up to July 2011 agreed. In order for the ODA to achieve or better certain financial and time based targets, incentive payments are only paid to CLM for the achievement of key performance indicators as specified in the agreed task orders. Amounts paid to CLM (invoiced and accrued) are disclosed on Note 20, Related party transactions.

Accounting Officer's Statements

Accounting Officer's Report continued

Olympic Park Transport and Environmental Management Schemes (OPTEMS)

In 2007–08, as part of the planning permissions for the Olympic Park, the ODA made a contribution of £20,000,000 (under s106 of the Town and Country Planning Act 1990) towards the cost of mitigating the adverse transportation effects within the neighbouring residential and business communities. The unspent part of the contribution is held in a bank account controlled by the ODA but to which it has no access except for the purposes specified in the planning permission. The balance on the account is excluded from the 'Cash and cash equivalents' figure in the ODA's Statement of Financial Position. At 31 March 2011 the unspent balance, including accrued interest was £18,132,000 (2009–10: £20,490,000). ODA understands that OPTEMS has plans to spend this money on transport mitigation measures as the Games approach but in the event that there is an unspent balance at the end of the legacy transformation phase it will be divided between the members of OPTEMS including the ODA.

Review of activities

A full description of the ODA's activities is given on pages 18 to 45.

Board membership

The ODA's Board comprises 13 members, appointed until 30 September 2012 by the Secretary of State for Culture, Olympics, Media and Sport. The members of the ODA's Board are listed on pages 13 to 17.

The members of the 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 London 2012 website and by application to the Board Secretariat.

Committees of the Board

Planning Committee

The Planning Committee is a sub-Committee of the Board set up to exercise the ODA's development control and planning authority powers set out in the ODA Planning Functions Order. It meets at least six times a year. The Committee performs a role independent from the functions of the rest of the ODA and is separately advised by the Planning Decisions Team of officers and advisors. The responsibility of the Planning Committee includes determining planning applications within the ODA's planning authority area. The Planning Decisions Team deals, inter alia, with planning enforcement matters and co-ordination with local authorities regarding development control issues in respect of the Olympic and Paralympic Games.

The Planning Committee is appointed by the Board and the appointment of external members is confirmed by the Secretary of State for Culture, Olympics, Media and Sport. The Committee members during the year were:

Lorraine Baldry	Chair	
David Taylor	Deputy Chair	
Cllr Rofique Ahmed	LB Tower Hamlets	(until September 2010)
Cllr Judith Gardiner	LB Tower Hamlets	(from September 2010)
Cllr Conor McAuley	LB Newham	
Cllr Geoff Taylor	LB Hackney	
Cllr Terry Wheeler	LB Waltham Forest	
Mike Appleton		
Celia Carrington		
William Hodgson		
Janice Morphet		
Dru Vesty		

Planning Committee members (other than Board members) are appointed until September 2012.

Audit Committee

The Audit Committee is a sub-Committee of the Board that meets at least four times a year. The Committee has three prime functions: it 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 financial statements comply with statutory and administrative requirements and ensures the ODA meets the highest standards of propriety and accountability for the use of public funds. The Committee members are:

Sir Roy McNulty Chair
Barry Camfield
Neale Coleman
David Fison
Christopher Garnett
Kumar Muthalagappan

Finance Committee

The Finance Committee is a sub-Committee of the Board that meets at least four times a year. The Committee has three prime functions: to review and 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; and assist the Audit Committee and Board in ensuring that the ODA meets the highest standards of financial management and accountability for the use of public funds. The Committee members are:

John Armit Chair
Sir Roy McNulty
Barry Camfield
Neale Coleman
David Fison
Christopher Garnett
Kumar Muthalagappan

Remuneration Committee

The Remuneration Committee is a sub-Committee of the 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 determines the remuneration of the Chief Executive. The Committee members are:

Sir Roy McNulty Chair
John Armit
Tony Ball
Christopher Garnett
Kumar Muthalagappan

Communications Committee

The Communications Committee is a sub-Committee of the Board that meets at least once a year to provide advice, support and guidance to the Board and Communications Director in relation to the ODA's communications strategy, including media, stakeholder and community relations, marketing, branding and publications. The Committee members are:

Baroness Morgan of Huyton Chair
Tony Ball
Neale Coleman

Safety, Health and Environment Committee

The Safety, Health and Environment Committee is a sub-Committee of the Board that meets at least four times a year. The Committee has two prime functions: to review the ODA Safety, Health and Environment Standards and incorporated policies to ensure that they remain in the forefront of best industry practice; and to review the implementation of those policies to ensure that they are in line with corporate governance and industry best practice, including legal compliance. The Committee members are:

Stephen Duckworth Chair
Barry Camfield
David Fison
Frank Musgrave Co-opted external member

Accounting Officer's Statements

Accounting Officer's Report continued

Executive Management Board

Following the resignation of David Higgins, Dennis Hone was appointed as Chief Executive by the Secretary of State. He has also been designated as Accounting Officer and is responsible to the Board for the general exercise of the Board's functions. The Executive Management Board assists the Chief Executive in the discharge of his responsibilities.

The members of the Executive Management Board during the year were:

Dennis Hone	Chief Executive	
David Higgins	Chief Executive	To 31 January 2011
Ralph Luck	Director of Property	
Gerry Murphy	Director of Finance	From 1 February 2011
Alison Nimmo	Director of Design and Regeneration	
Howard Shiplee	Director of Construction	
Godric Smith	Director of Communications	
Hugh Sumner	Director of Transport	
Simon Wright	Director of Infrastructure and Utilities	

Dennis Hone served as Director of Finance and Corporate Services from 1 April 2010 to 31 January 2011.

Sustainability

The ODA's approach to sustainability is described on page 44.

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 2010–11 financial year showed that 81 per cent (2009–10: 83 per cent) of undisputed invoices were paid in accordance with the code.

Employment of disabled persons

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 while working for the ODA, arrangements for retraining and support will be made wherever possible with a view to enabling continued employment.

Health and safety

The ODA has ensured that health and safety continues to be treated as a priority issue in the specification, procurement and delivery of design and construction work during the year in which construction activities remained at a high level as large venues moved towards completion. The now mature processes to ensure healthy and safe designs and site construction works were maintained, reviewed and developed. The projects remained closely monitored by an assurance team, to confirm compliance with the extensive ODA Safety, Health and Environment Standard. The main members of the supply chain have continued to work to honour their commitments to maintain and improve performance, seeking to emulate world-class projects, and cooperate with each other and the ODA to achieve this.

Although the overall accident rate remains below industry averages, there is no complacency. The programme recently marked the 19th period of a million hours worked without a reportable accident but we remain above the aspirational benchmark of limiting reportable injury accidents to fewer than one in every million hours worked. The two largest elements of the project work have been on the Olympic Park and the Athletes' Village. There has been in the course of the year a higher accident rate on the Village compared with the Park for reasons associated with the different nature of the work of creating residential accommodation compared with predominantly civil engineering works, but caution is required when attributing cause to variations in what are very small numbers (the average over the whole programme is of less than two reportable accidents per month). Whilst the Village record itself remained significantly below the industry average, this led to additional efforts and initiatives, which by the end of the year were bearing fruit as extended periods without a reportable accident were again achieved.

The ODA is also committed to looking after the health and well-being of its own staff and the construction workforce, through regular monitoring and effective control of the working environment, occupational health schemes for staff and on site initiatives such as healthy eating campaigns. This ill health prevention and healthcare programme has been recognised by two awards – from the Faculty of Occupational Medicine (the Wilf Howe Award) and by RoSPA (the Astor Trophy). The health and safety programme is overseen by the Safety, Health and Environment (SHE) Committee of the ODA Board, has been certified to the international standard OHSAS 18001, and awarded a Sword of Honour by the British Safety Council.

Olympic Park trade union engagement

The ODA is party to a Memorandum of Agreement with construction trade unions Unite, UCATT and GMB covering the activities on the Olympic Park and also party to Principles of Cooperation with the TUC and LOCOG.

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. Over the course of the ODA's programme of work, the organisation will continue to change in terms of staff numbers and skills base.

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 and London 2012. There is an active Staff Forum which is an elected body set up for information and consultation purposes, and which contributes to human resources policy development.

Pensions

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

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 shown in Note 21 to the Accounts.

Gifts and hospitality

All the ODA's staff are required to register all gifts and offers of hospitality on a weekly basis, regardless of their size. This information is recorded on the gifts and hospitality register, maintained by the legal department. The register is published quarterly on the ODA's website.

Protected personal data

The ODA had no protected personal data incidents during 2010–11 or prior years and has made no reports to the Information Commissioner's office.

Sickness

The average number of days per employee lost through sickness was 3.8 (2009–10: 3.1).

Financial performance

The Group Statement of Comprehensive Net Expenditure shows a deficit for the year of £574,031,000 (2009–10: £471,413,000 (restated)). The deficit arises due to the accounting treatment of Grant in Aid. Grant in Aid 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 and a deficit arises. Also, as Grant in Aid is recognised on a cash basis it does not cover accruals which increase the deficit taken to the General Reserve.

The ODA has an ongoing financial reliance on the Department for Culture, Media and Sport (DCMS), the Olympic Lottery Distributor (OLD) and the Greater London Authority (GLA) to fund its operations. The ODA has received funding in the year from the London Development Agency (LDA) and no further funding is due from this source. The ODA has made enquiries of DCMS and its other funding bodies and it is confident that resources will be secured to enable the ODA to meet its financial and operational objectives until at least March 2013. In addition the overall funding of the work necessary to deliver the venues and infrastructure for the Olympic and Paralympic Games is underwritten by Government as part of the host city contract with the International Olympic Committee. Details of grant income receivable in the year are given in Note 5 to the Accounts.

Expenditure during the year, which is shown in Note 2, relates to the preparation and construction of the Olympic Park and off-park venues. External structures for the major venues are largely completed and the final form of the Olympic Park is becoming clear.

Accounting Officer's Statements

Accounting Officer's Report continued

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

	ODA 2006–10 £'000	ODA 2010–11 £'000	Total £'000
Site preparation and infrastructure	1,219,094	335,427	1,554,521
Venues	548,151	382,362	930,513
Transport	248,651	184,453	433,104
Other Parkwide projects	350,608	147,786	498,394
IBC/MPC	110,006	115,801	225,807
Athletes' Village	509,984	473,128	983,112
Other Stratford Infrastructure	239,411	103,159	342,570
Total programme	3,225,905	1,742,116	4,968,021
Programme management	490,917	99,180	590,097
Total	3,716,822	1,841,296	5,558,118

The ODA expenditure in the period 2006–10 includes expenditure incurred by the interim Olympic Delivery Authority in the period 6 July 2005 to 31 March 2006. ODA expenditure in 2010–11 excludes depreciation of £14,949,000 (2009–10: £12,329,000) and transfer of assets of £70,173,000 (2009–10: £nil) and is net of reimbursement of £nil (2009–10: £32,948,000) from the London Development Agency for remediation and other costs incurred by the ODA on its behalf.

At the year end the Group Statement of Financial Position shows net assets of £1,908,804,000 (2009–10: £1,166,411,000 (restated)).

Following the general election in May 2010 the incoming government committed itself to a programme of reducing the level of government expenditure. As part of this programme the ODA was asked to find savings of £27,000,000 in 2010–11 which it duly achieved.

Non-current assets

Total non-current assets amounted to £2,573,036,000 (2009–10: £1,550,793,000 (restated)). Land amounted to £10,103,000 (2009–10: £nil). Assets under construction amounted to £2,534,878,000 (2009–10: £1,524,517,000 (restated)). Computer equipment amounted to £993,000 (2009–10: £1,821,000). Fixtures and fittings amounted to £356,000 (2009–10: £570,000). Plant and machinery amounted to £25,796,000 (2009–10: £21,365,000). Intangible assets amounted to £910,000 (2009–10: £2,520,000).

Cash balances

Cash balances are held on interest earning deposit at the ODA's bankers, Lloyds TSB Bank Plc. The ODA does not have the authority to invest in other financial instruments.

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 11. The ODA holds only primary financial instruments such as trade debtors and creditors that are managed in the normal course of business.

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 he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the ODA's auditors are aware of that information.

Events after the reporting period

On 15 June 2011 Ministers approved the agreement to transfer responsibility for the legacy transformation of the Olympic Park to the OPLC. The transfer of responsibility vests control of the Olympic Park with the legacy company who is responsible for the long-term development and management of the Olympic Park post-Games. The OPLC will take on the ODA's planning and legal obligations for the transformation phase of works and allow the ODA to substantially reduce in size earlier than would have otherwise been possible. This has been treated as a non-adjusting event.

Accounting Officer's Statements

Remuneration Report

Constitution of the Remuneration Committee

The constitution of the Remuneration Committee is set out on page 51.

The Committee has four main functions:

- to determine the remuneration of the Chief Executive, including salary and performance related pay;
- to consider recommendations and proposals from the Chief Executive regarding pay, performance related pay and any other matters regarding remuneration for the Directors and direct reports to the Chief Executive;
- to advise the Board and the Chief Executive as requested on general matters regarding remuneration of employees; and
- to consider any matters relating to the ODA's pension arrangements which may require the attention of the Board.

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.

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 performance of individuals during each financial year.

Board members receive an annual fee for serving on the 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, Olympics, Media and Sport appoints Board members and sets the level of their emoluments. Their appointments require three months' notice of termination.

Planning Committee Members are appointed by the ODA with the approval of the Secretary of State for Culture, Olympics, Media and Sport for periods up to two years. Their appointments require three months notice of termination.

The Chief Executive, Director of Finance and Director of Transport appointments were subject to the approval of the Secretary of State. The other Executive Management Board members have been appointed by the Board. The terms and conditions of employment of all Executive Management Board members are approved by the Department for Culture, Media and Sport (DCMS).

The Chief Executive is employed on a permanent contract and is required to give six months notice of termination of employment whilst the ODA is required to give nine months notice to the Chief Executive.

Other Executive Management Board members have permanent contracts of employment with notice periods between three and six months.

Remuneration (audited information)

Board members

		2010–11 £'000	2009–10 £'000
John Armit	Chairman	250	250
Sir Roy McNulty		44	44
Lorraine Baldry		21	32
Tony Ball		–	–
Barry Camfield		15	15
Neale Coleman		10	10
Stephen Duckworth		11	16
David Fison		12	17
Christopher Garnett		25	16
Baroness Morgan of Huyton		10	10
Kumar Muthalagappan		19	15
Sir Nicholas Serota		10	10
David Taylor		17	19

Board members receive no benefits in kind or pension entitlements. Board members received reimbursement of travel and subsistence expenses amounting to £27,000 (2009–10: £17,000) in the financial year.

Planning Committee members

The Chair and Deputy Chair of the Planning Committee, Lorraine Baldry and David Taylor respectively, are members of the Board and their remuneration is set out in the preceding table.

The remuneration of the other Planning Committee members is shown below:

	2010–11 £'000	2009–10 £'000
Cllr Rofique Ahmed (to September 2010)	2	5
Cllr Judith Gardiner (from September 2010)	2	–
Cllr Conor McAuley	7	8
Cllr Geoff Taylor	8	7
Cllr Terry Wheeler	6	7
Mike Appleton	7	8
Celia Carrington	9	11
William Hodgson	5	7
Janice Morphet	7	8
Dru Vesty	8	7

Planning Committee members receive no benefits in kind or pension entitlements. Planning Committee members received reimbursement of travel and subsistence expenses amounting to £7,000 (2009–10: £8,000) in the financial year.

Accounting Officer's Statements

Remuneration Report continued

External committee members

Frank Musgrave received fees of £2,000 (2009–10: £3,000) and expenses of £1,700 (2009–10: £1,700) for his work on the Safety, Health and Environment Committee.

Executive Management Board

		Salary	Performance related pay ²	Taxable benefits	Employer's pension contributions	Total 2010–11	Total 2009–10 Restated ^{3,4}
		£'000	£'000	£'000	£'000	£'000	£'000
Dennis Hone	Chief Executive ¹	274	79	–	48	401	372
David Higgins	Chief Executive (to 31 January 2011)	325	179	–	40	544	653
Ralph Luck	Director of Property	203	–	5	47	255	301
Gerry Murphy	Director of Finance (from 1 February 2011)	23	6	–	3	32	–
Alison Nimmo	Director of Design and Regeneration	228	–	–	29	257	303
Howard Shiplee	Director of Construction	287	–	–	33	320	377
Godric Smith	Director of Communications	195	–	–	23	218	257
Hugh Sumner	Director of Transport	228	–	–	27	255	301
Simon Wright	Director of Infrastructure and Utilities	228	–	–	27	255	301

¹ Dennis Hone served as Director of Finance and Corporate Services from 1 April 2010 to 31 January 2011 and as Chief Executive from 1 February 2011.

² EMB members, apart from the Chief Executive and the Director of Finance, are entitled to participate in a performance related payment assessed over an 18 month period aligned to the completion of the 'Big Build' from 1 April 2010 to 30 September 2011. £319,000 in total, not included in the table above, has been accrued but not paid in respect of these performance related payments. These payments will be disclosed in the Remuneration Report for the year in which they are paid. The performance related pay for the Chief Executive and Director of Finance relates to the period 1 April 2010 to 31 March 2011.

³ Following the publication of the 2009–10 Annual Report and Accounts, the Remuneration Committee approved a performance related payment to the then Chief Executive David Higgins of £215,000 relating to the period 1 April 2009 to 31 March 2010. Payment was made in August 2010 and the 2009–10 expenditure has been restated to include the payment relating to that year.

⁴ Included in the 2009–10 restated expenditure is an amount of EMB members' performance related pay totalling £48,000 where payment has been deferred until a date, not later than 31 December 2012, to be determined by the Remuneration Committee.

Members of the EMB have voluntarily agreed to no increase in their base salary since 1 April 2010.

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's group stakeholder pension plan which is administered by Fidelity Ltd. Details of the scheme are given in Note 3. Except as noted below, all members of the EMB are members of the scheme.

Howard Shiplee has a personal pension to which contributions are made by the ODA on the same basis as other employees.

Dennis Hone and Ralph Luck are members of the Homes and Communities Agency (HCA) Pension Scheme which is a multi-employer defined benefit scheme.

	Real increase in accrued pension £'000	Accrued pension at 31 March 2011 £'000	CETV at 31 March 2010 £'000	CETV at 31 March 2011 £'000	Real increase/ (decrease) in CETV in CETV £'000
Dennis Hone	2	70	1,391	1,354	(47)
Ralph Luck	5	78	1,758	1,889	121

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. It is the assessed payment that would be made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement if the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. It does not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

The Real Increase in the Value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, employee contributions (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The transfer value calculation basis has been updated over the year to allow for the change in statutory indexation from RPI to CPI. This is reflected in the values at 31 March 2011.

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 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 Government Financial Reporting Manual 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 has designated the Chief Executive as Accounting Officer. 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 the Accounting Officer's Memorandum issued by HM Treasury and published in Managing Public Money.

Accounting Officer's Statements

Statement of Internal Control

Scope of responsibility

As Accounting Officer for the Olympic Delivery Authority (the 'ODA'), I have responsibility for maintaining a sound system of internal control 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, the Greater London Authority, the London Development Agency and the Olympic Lottery Distributor.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to absolutely eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks 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 them efficiently, effectively and economically.

The year to 31 March 2011 was the ODA's fifth year of operation, during which the core business of the ODA remained the same as in 2009–10 – the continuation of the 'Big Build' construction phase of work, which will see completion of the main construction work by summer 2011 and handover of the major venues to LOCOG. As project activity reaches completion, the system of internal control continues to bind the ongoing management, control and reporting across the programme. As part of a cycle of continuous improvement, the ODA has kept its processes and procedures under regular review during the year, making refinements and enhancements as appropriate.

The system of internal control has been in place in the ODA for the full year ended 31 March 2011 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Capacity to handle risk

The ODA has a risk policy that clearly identifies 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 Executive Management Board (EMB) 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 supported by key operating committees, including:

- Commercial Board
- Change Control Board
- Operations Board

Recognising the size of the risks around the construction and handover of the Athletes' Village, the governance structure was strengthened during the year, to provide improved assurance. This included the introduction of weekly production meetings; quality benchmarks and samples meetings; and weekend working updates, in addition to the previously established meetings – Village Project Control Group; Village Change Board; Commercial Board meeting; and Plot Project Status Report reviews.

The risk and control framework

The Risk Policy is owned by the ODA Board, and overseen on a day to day basis by Risk & Audit. 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 and references the detailed procedures followed within the ODA and its delivery partner, and outlines the risk escalation strategy and categorisation, and risk recording and reporting processes.

The ODA's strategy is to marshal its resources such that risk is reduced to a level that is tolerable. All risks are assessed for both the potential impact and probability of occurrence against a set of parameters (cost, time, reputation, sustainability etc). The resulting severity score helps the ODA as a whole, the EMB, and senior management understand the quantum of the risk exposure being incurred and directs the actions to be taken.

However, fully mitigating the impact of certain risks may be uneconomical (for example, risks arising from 'acts of God' such as flood risk), therefore line management is responsible for establishing and testing contingency plans for such risks. The ODA follows the 'Business Continuity/Crisis Management Policy & Planning Standards', an overall business continuity strategy, approved by the EMB. This continues to evolve to reflect changes in the scope of the ODA work, to encompass all projects and aspects of ODA operations.

The ODA risk register is maintained from both a strategic perspective looking externally, as well as down into the business, and from a project/operational level looking upwards. It records the risks the ODA faces, and shows clearly the owner of the risk, the current risk score, the actions being taken to mitigate the risk, and the target risk position.

A key component of the Risk Framework is the Programme Risk Review, which is chaired by the Chief Risk Officer, and 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 and the Government Olympic Executive.

In 2011–12 the responsibilities of the Programme Risk Review will be assumed as part of the EMB.

In addition to the Risk Management Framework, the ODA has established an annual internal assurance process that requires directors to report to the Accounting Officer on whether they have complied with the ODA's risk and internal control procedures, and identifies the work undertaken to keep risk and internal control under review, up to date, and appropriate. This process embraces CLM through the assurance given by the ODA controlling Director.

Comprehensive risk registers are maintained for all projects and at programme level and form an important part of the ODA's decision making and review processes. The ODA Board reviews a monthly schedule of the top risks. Additionally, the Audit Committee regularly reviews the key risks and management's planned mitigation actions. On behalf of the ODA Board, Risk & Audit periodically review the Risk Management Framework to ensure its ongoing appropriateness.

Key risks and issues as at 31 March 2011

The ODA has identified the following key risks and issues as at 31 March 2011:

- ensuring the completion of delivering the ODA's programme of work to a fixed budget and time deadline, and the effective hand over of assets to LOCOG;
- ensuring the delivery of the Athletes' Village;
- continuing to manage the risk of insolvency of Tier 1, 2 and other critical contractors;
- the delivery of interdependent projects within the overall programme plan;
- the potential for industrial action or a major health and safety, environmental or security incident;
- continuing to expedite effective execution of the Commercial Close Out Process;
- the security threat level increases with both cost and schedule implications;
- ensuring the ODA fulfils its statutory and contractual obligations for transport;
- failure to deliver the expected sales targets of the Athletes' Village;
- uncertainty of scope for transformation and legacy requirements; and
- significant damage to, or the loss of, a major asset.

Accounting Officer's Statements

Statement of Internal Control continued

Information Security

My responsibility for the statement of internal control includes the management of risks associated with information security. ODA has maintained information management policies and processes throughout the year and has formally adopted government standards as outlined by the Cabinet Office's Security Policy Framework. 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. An annual audit of information security is carried out by Risk & Audit to provide assurance as to compliance with the stated standards. 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 or suspected fraud. This experience has continued throughout the year 2010–11 with only one incidence of fraud reported. The ODA's policy is to fully review all allegations of fraud with a particular emphasis on the continuing effectiveness of relevant controls. Where necessary improvement to controls are agreed and introduced.

Review of effectiveness of the system of internal control

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

- the executive managers 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;
- reviews undertaken externally by bodies such as the Office of Government Commerce and the Commission for a Sustainable London;
- the Board and Audit Committee;
- the PAC and NAO value for money reports, 'Preparation for the London 2012 Olympic and Paralympic Games'; and
- 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 system of internal control by the Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

The Risk & Audit Department 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. This includes reviewing the effectiveness of the systems of internal control to confirm compliance with the 'Management Statement' and the 'Financial Memorandum'.

Risk & Audit provides findings and recommendations for each audit/review, including benchmarking controls and performance against leading practices, 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. The implementation is monitored by Risk & Audit, and reported on an exception basis to the Audit Committee. In addition, the Head of Risk & Audit provides me with an annual report on the delivery and outcome from the approved annual work programme for the 2010–11 financial year.

Significant internal control issues

There were no significant internal control issues to report in the year ended 31 March 2011.

Achievement of ODA objectives in 2011–12

To achieve its objectives, the Head of Risk & Audit highlighted the following areas for attention in 2011–12, when the ODA should:

- ensure the effective management of the key risks noted above;
- work with stakeholders to ensure appropriate alignment in the delivery of key London 2012 commitments, notably with:
 - LOCOG to ensure the effective handover of all assets; and
 - OPLC to agree scope and responsibilities for transformation;
- remain vigilant to ever-present security and fraud risks;
- manage the disposal process in relation to the Athletes' Village;
- ensure due rigour continues to be applied in the commercial close out of major contracts in line with the Commercial Close Out Policy;
- ensure ODA Transport meet their contractual and operational obligations;
- continue to apply discipline to programme and project management;
- ensure that its operational responsibilities are appropriately controlled;
- ensure the continuation and effectiveness of decision making;
- ensure the efficient and effective management of the CLM contract; and
- manage the exit strategy and retain appropriately skilled personnel with the capability to fulfil all responsibilities.

Conclusion

Overall, the Head of Risk & Audit concluded, 'the system of internal control within the ODA is good and meeting the day to day challenges being faced by the ODA. However, with the Games just over 12 months away, it is important to ensure the ODA fulfils its objectives and continues to enjoy a close working relationship with LOCOG; and to ensure the speedy response to key decisions and resolution of issues. The ongoing levels of spend and the transition into the final phase of the ODA's life cycle reinforce the need for ongoing diligence and ensuring appropriate controls continue to be applied. It is therefore important during this period that attention is paid to ensure the system of internal control continues to operate effectively. It is also important that as the ODA transitions into the final phase of its responsibilities it retains an appropriate level of skills and knowledge to meet these responsibilities'.

The ODA has had a change of Chief Executive during 2010–11. Risk & Audit has worked closely with me to ensure the continuation of control and governance.

As result of the above, I am satisfied that an appropriate and sound system of internal control 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 the system of internal control will be implemented during 2011–12 in relation to the items detailed above.



Dennis Hone

Chief Executive and Accounting Officer
Olympic Delivery Authority
23 June 2011

Accounting Officer's Statements

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 2011 under the London Olympic Games and Paralympic Games Act 2006. These comprise the Group Statement of Comprehensive Net Expenditure, the Group and Authority Statement of Financial Position, the Group and Authority Statement of Cash Flows, the Group and Authority Statement of 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 Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is 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 Games 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 Olympic Delivery Authority and group'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 and Accounting Officer's Statements to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions 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 Olympic Delivery Authority and group's affairs as at 31 March 2011 and of net expenditure of the Olympic Delivery Authority group for the year then ended; and
- the financial statements have been properly prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 and the accounts directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounts directions issued under London Olympic Games and Paralympic Games Act 2006; and
- the information given in the Accounting Officer's Statements 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
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas CE Morse

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

5 July 2011

Accounts

Group Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

	Note	2010–11 £'000	2009–10 £'000 Restated
Expenditure			
Programme Expenditure	2	(661,895)	(563,923)
Programme Management	2	(96,986)	(135,583)
Transfer of Assets	2	(26,606)	–
		(785,487)	(699,506)
Income			
Property Sales	4	7,346	2,200
Funders Grant receivable	5	200,661	221,730
Other income	6	3,174	3,982
		211,181	227,912
Net Expenditure		(574,306)	(471,594)
Interest receivable	7	429	277
Net Expenditure after interest		(573,877)	(471,317)
Taxation	8	(154)	(96)
Total Comprehensive Expenditure for the year ended 31 March 2011		(574,031)	(471,413)

Grant in Aid received towards programme expenditure and management is not recognised in the Statement of Comprehensive Net Expenditure but taken directly to reserves in accordance with requirements specified by HM Treasury and therefore a deficit arises.

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

Statement of Financial Position at 31 March 2011

	Note	2010-11 £'000	Group 2009-10 £'000 Restated	2008-09 £'000 Restated	2010-11 £'000	Authority 2009-10 £'000	2008-09 £'000
Non-current assets							
Property, plant and equipment	9	2,572,126	1,548,273	634,015	1,633,265	1,074,658	443,629
Intangible assets	10	910	2,520	3,874	910	2,520	3,874
Investments	24	–	–	–	–	–	–
Total non-current assets		2,573,036	1,550,793	637,889	1,634,175	1,077,178	447,503
Current assets							
Trade and other receivables	12	41,744	13,389	20,542	39,478	11,189	20,542
Cash and cash equivalents	13	75,143	56,194	23,830	75,143	56,194	23,830
Total current assets		116,887	69,583	44,372	114,621	67,383	44,372
Total assets		2,689,923	1,620,376	682,261	1,748,796	1,144,561	491,875
Current liabilities							
Trade and other payables	14	(595,639)	(413,051)	(220,216)	(395,599)	(288,210)	(220,216)
Total current liabilities		(595,639)	(413,051)	(220,216)	(395,599)	(288,210)	(220,216)
Non-current assets less net current liabilities		2,094,284	1,207,325	462,045	1,353,197	856,351	271,659
Non-current liabilities							
Provisions for liabilities and charges	14	(185,480)	(40,914)	(12,608)	(179,238)	(40,914)	(12,608)
Total non-current liabilities		(185,480)	(40,914)	(12,608)	(179,238)	(40,914)	(12,608)
Assets less liabilities		1,908,804	1,166,411	449,437	1,173,959	815,437	259,051
Taxpayers' equity							
Revaluation Reserve							
General Reserve		1,079,083	681,914	229,353	340,465	330,940	38,967
OLD Capital Reserve		326,393	207,119	61,978	327,610	207,119	61,978
GLA Capital Reserve		210,237	164,706	105,606	211,803	164,706	105,606
LDA Capital Reserve		246,165	100,000	50,000	247,155	100,000	50,000
Other Capital Reserves	15	46,926	12,672	2,500	46,926	12,672	2,500
Net assets		1,908,804	1,166,411	449,437	1,173,959	815,437	259,051

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

Approved by the Board on 23 June 2011



Dennis Hone
Chief Executive and Accounting Officer



John Armitt
Chairman

Accounts continued

Group Statement of Cash Flows for the year ended 31 March 2011

	2010–11 £'000	2010–11 £'000	2009–10 £'000 Restated
Cash flows from operating activities			
Net Expenditure after interest and before tax		(573,877)	(471,317)
Depreciation		14,949	12,329
Asset transfer		70,173	–
Grant released		(58,174)	(12,329)
(Increase)/Decrease in trade and other receivables	(28,355)		7,153
Less: movements in receivables not passing through the Statement of Comprehensive Net Expenditure	14,416	(13,939)	
Increase in trade payables	182,588		192,835
Less movements in payables not passing through the Statement of Comprehensive Net Expenditure	(121,762)	60,826	34,717
Increase in provisions		144,566	28,306
Loss on disposal of non-current assets		476	193
Net cash outflow from operating activities		(355,000)	(208,113)
Taxation			
Corporation tax		(154)	(96)
		(154)	(96)
Cash flows from investing activities			
Purchase of property, plant and equipment		(985,935)	(961,433)
Purchase of intangible assets		(144)	(445)
Proceeds of disposal of property, plant and equipment		–	1,735
Net cash outflow from investing activities		(986,079)	(960,143)

	2010–11 £'000	2010–11 £'000	2009–10 £'000 Restated
Cash flows from financing activities			
Grant in aid received		971,200	923,974
OLD capital grant		160,200	157,470
GLA capital grant		51,478	59,100
LDA capital grant		150,000	50,000
DfE specific capital grant		23,754	6,422
EEDA specific capital grant		–	3,600
LVRPA specific capital grant		2,950	150
The London Marathon Charitable Trust specific capital grant		600	–
Net financing		1,360,182	1,200,716
Net increase in cash and cash equivalents in the period		18,949	32,364
Cash and cash equivalents at the beginning of the period		56,194	23,830
Cash and cash equivalents at the end of the period		75,143	56,194

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

Accounts continued

Authority Statement of Cash Flows for the year ended 31 March 2011

	2010–11 £'000	2010–11 £'000	2009–10 £'000
Cash flows from operating activities			
Net Expenditure after interest and before tax		(961,521)	(631,905)
Depreciation		14,949	12,329
Asset transfer		61,066	–
Grant released		(54,401)	(12,329)
(Increase)/Decrease in trade and other receivables	(28,289)		9,353
Less: movements in receivables not passing through the Statement of Comprehensive Net Expenditure	14,416	(13,873)	
Increase in trade payables	107,389		67,994
Less movements in payables not passing through the Statement of Comprehensive Net Expenditure	(49,375)	58,014	(82,161)
Increase in provisions		138,324	28,306
Loss on disposal of non-current assets		476	193
Net cash outflow from operating activities		(756,966)	(608,220)
Taxation			
Corporation tax		(154)	(96)
		(154)	(96)
Cash flows from investing activities			
Purchase of property, plant and equipment		(583,969)	(561,326)
Purchase of intangible assets		(144)	(445)
Proceeds of disposal of property, plant and equipment		–	1,735
Net cash outflow from investing activities		(584,113)	(560,036)

	2010-11 £'000	2010-11 £'000	2009-10 £'000
Cash flows from financing activities			
Grant in aid received		971,200	923,974
OLD capital grant		160,200	157,470
GLA capital grant		51,478	59,100
LDA capital grant		150,000	50,000
DfE specific capital grant		23,754	6,422
EEDA specific capital grant		–	3,600
LVRPA specific capital grant		2,950	150
The London Marathon Charitable Trust specific capital grant		600	–
Net financing		1,360,182	1,200,716
Net increase in cash and cash equivalents in the period		18,949	32,364
Cash and cash equivalents at the beginning of the period		56,194	23,830
Cash and cash equivalents at the end of the period		75,143	56,194

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

Accounts continued

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

	OLD Capital Reserve £'000	GLA Capital Reserve £'000	LDA Capital Reserve £'000	Other Capital Reserves £'000	General Reserve £'000	Total Reserves £'000
Balance at 1 April 2009	61,978	105,606	50,000	2,500	229,353	449,437
Grants taken to reserves	157,470	59,100	50,000	–	–	266,570
DfE grants taken to reserves	–	–	–	6,422	–	6,422
EEDA grants taken to reserves	–	–	–	3,600	–	3,600
LVRPA grants taken to reserves	–	–	–	150	–	150
Reserves released in year	(12,329)	–	–	–	–	(12,329)
Comprehensive Expenditure for the year, restated	–	–	–	–	(471,413)	(471,413)
Total recognised income and expense for 2009–10, restated	145,141	59,100	50,000	10,172	(471,413)	(207,000)
Grant-in-Aid from DCMS	–	–	–	–	923,974	923,974
Balance at 31 March 2010, restated	207,119	164,706	100,000	12,672	681,914	1,166,411
Grants taken to reserves	160,966	51,478	150,000	–	–	362,444
DfE grant taken to reserves	–	–	–	23,754	–	23,754
Sport England grant taken to reserves	–	–	–	8,663	–	8,663
LVRPA grant taken to reserves	–	–	–	6,450	–	6,450
LOCOG capital contribution taken to reserves	–	–	–	1,487	–	1,487
The London Marathon Charitable Trust grant taken to reserves	–	–	–	600	–	600
Reserves released in year	(41,692)	(5,947)	(3,835)	(6,700)	–	(58,174)
Comprehensive Expenditure for the year	–	–	–	–	(574,031)	(574,031)
Total recognised income and expense for 2010–11	119,274	45,531	146,165	34,254	(574,031)	(228,807)
Grant-in-Aid from DCMS	–	–	–	–	971,200	971,200
Balance at 31 March 2011	326,393	210,237	246,165	46,926	1,079,083	1,908,804

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

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

	OLD Capital Reserve £'000	GLA Capital Reserve £'000	LDA Capital Reserve £'000	Other Capital Reserves £'000	General Reserve £'000	Total Reserves £'000
Balance at 1 April 2009	61,978	105,606	50,000	2,500	38,967	259,051
Grants taken to reserves	157,470	59,100	50,000	–	–	266,570
DfE grants taken to reserves	–	–	–	6,422	–	6,422
EEDA grants taken to reserves	–	–	–	3,600	–	3,600
LVRPA grants taken to reserves	–	–	–	150	–	150
Reserves released in year	(12,329)	–	–	–	–	(12,329)
Comprehensive Expenditure for the year	–	–	–	–	(632,001)	(632,001)
Total recognised income and expense for 2009–10	145,141	59,100	50,000	10,172	(632,001)	(367,588)
Grant-in-Aid from DCMS	–	–	–	–	923,974	923,974
Balance at 31 March 2010	207,119	164,706	100,000	12,672	330,940	815,437
Grants taken to reserves	160,966	51,478	150,000	–	–	362,444
DfE grants taken to reserves	–	–	–	23,754	–	23,754
Sport England grants taken to reserves	–	–	–	8,663	–	8,663
LVRPA grants taken to reserves	–	–	–	6,450	–	6,450
LOCOG capital contribution taken to reserves	–	–	–	1,487	–	1,487
The London Marathon Charitable Trust grants taken to reserves	–	–	–	600	–	600
Reserves released in year	(40,475)	(4,381)	(2,845)	(6,700)	–	(54,401)
Comprehensive Expenditure for the year	–	–	–	–	(961,675)	(961,675)
Total recognised income and expense for 2010–11	120,491	47,097	147,155	34,254	(961,675)	(612,678)
Grant-in-Aid from DCMS	–	–	–	–	971,200	971,200
Balance at 31 March 2011	327,610	211,803	247,155	46,926	340,465	1,173,959

The notes on pages 74 to 99 form part of these Accounts.
All amounts relate to continuing activities.

Notes to the Accounts

1 Accounting Policies

Statutory basis

The Accounts of the Olympic Delivery Authority (ODA) have been prepared in accordance the London Olympic Games and Paralympic Games Act 2006 (paragraph 2(1) of Schedule 1), and the Direction given by the Secretary of State (paragraph 18(2)(e) of Schedule 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 by 31 March 2014.

The ODA is fully funded for the construction of venues and infrastructure through the public sector funding package and therefore the Accounts are prepared on a going concern basis.

Changes in Accounting Policy and Prior Year Adjustment

During the year the ODA reviewed the application of its accounting policy for non-current assets and clarified the distinction between Olympic and legacy use. As a result of this review it was decided that it would be more appropriate to treat the Athletes' Village as a specialised asset consistent with the Olympic Park venues until the Games are over. Accordingly the residential units and community facilities within the Athletes' Village have been reclassified from Inventory to Assets Under Construction. Previously income from the sale of residential units was recognised in proportion to the percentage completion of the relevant construction works. The cost associated with those works was recognised as Programme Expenditure. As a consequence of this decision the sales income from Triathlon Homes previously recognised has been deferred until such time as the residential units are available for residential use and the cost of the relevant construction works is now reclassified as an Asset Under Construction.

The previous accounting treatment has been retained in the subsidiary being a more appropriate treatment for the purposes of the subsidiary, a vehicle for the development and sale of the Athletes' Village.

The financial statements for 2009–10 have been restated. The effects of the restatement and the comparable amounts for 2010–11 are set out in the table below:

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Inventory re-classified as asset under construction	219,492	45,579	126,695
Elimination of sales income, increase in deferred income	129,850	76,697	–
Programme expenditure reclassified as asset under construction	204,659	173,331	–
Reduction in deficit for year, increase in general reserve	74,809	96,634	–

A charge, reflecting the cost of capital utilised by the ODA, was included in the Statement of Comprehensive Net Expenditure in 2009–10 and earlier years. The FReM no longer requires non-departmental public bodies to calculate a cost of capital charge from 2010–11 onwards. HM Treasury require this change to be treated as a change of accounting policy which requires disclosure as a prior period adjustment.

The financial statements for 2009–10 have been restated to exclude the capital charge. The amount that would have been charged to the Statement of Comprehensive Net Expenditure if the change had not been introduced was £30,830,000. The corresponding amount charged to the Statement of Comprehensive Net Expenditure in 2009–10 was; £15,947,000 (restated).

As the cost of capital charge was reversed in the Statement of Comprehensive Net Expenditure there is no impact on the net assets of the ODA arising from this change.

Adoption of new and revised standards

The following accounting standards were revised during 2010–11:

IFRS 1 – First Time Adoption of International Accounting Standards – not applicable

IFRS 2 – Share Based Payments – not applicable

IFRS 3 – Business Combinations – not applicable

IAS 27 – Consolidated and Separate Financial Statements has been amended as a result of the revision of IFRS 3. There is no impact on the financial statements of the ODA as there are no relevant business combinations.

Proposed changes to accounting standards

The following accounting standards will be introduced or revised in 2011–12. The ODA does not believe that these changes will have a significant impact on its financial statements and therefore has not elected for early adoption.

IAS introduced

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. Under IFRS 9, financial assets should be classified on the basis of the entity's business model for their management, and their contractual cash flow characteristics. They should be measured initially at fair value, and subsequently at either fair value or amortised cost.

IAS revised

IFRS 1 First Time Adoption of International Financial Reporting Standards

IFRS 7 Financial Instruments Disclosure – In response to the credit crisis, IFRS 7 has been strengthened to require more disclosure on transfer transactions (eg: securitisations) involving financial assets, including the extent of any risks which may remain with the entity following the transfer.

FReM

Changes are proposed to the FReM for 2011–12 and the following may impact on ODA's Financial Statement in future years.

Chapters 11 and 13 Accounting for Tax Credits – The ODA does not use tax credits.

Chapters 5, 6, 7 and 11 Accounting for Capital Government Grants and Similar Financing from Non-Government Sources – adapts IAS 20 Accounting for Government Grants and Disclosure of Government Assistance and IAS 16 Property, Plant and Equipment. There is no expected impact on the net assets of the ODA but there may some changes to disclosure requirements.

Consolidated financial statements

The consolidated financial statements incorporate the financial results of the Olympic Delivery Authority (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

All property, plant and equipment are held at valuation and revalued annually. Where there is no, or limited, market based evidence of value, the asset is valued at depreciated replacement cost. Valuations are undertaken by a professionally qualified valuer.

Notes to the Accounts continued

Permanent venues, temporary venues and infrastructure

Permanent venues, temporary venues and infrastructure are held at cost as Assets under Construction until they are complete and available for use by the public for the London 2012 Games.

On completion, assets may be held by the ODA, transferred to another body or sold. Where an asset is transferred to another body or sold a disposal is recorded in the ODA's financial statements. Where appropriate, the asset may be transferred to another public body for nil consideration, subject to Department for Culture, Media and Sport (DCMS) approval. On disposal, the relevant element of any specific capital reserve is released to the Statement of Comprehensive Net Expenditure in accordance with ODA's accounting policy.

On being brought into use before the Olympic Games permanent and temporary venues are valued as specialised Olympic assets. Post-Games permanent venues will be valued as non-specialised assets.

Temporary venues may have a useful life of less than one year and are treated as separate class of current asset when brought into use.

Infrastructure assets are valued as non-specialised assets. During the construction period infrastructure assets are held as Assets Under Construction. On completion they are revalued using the Depreciated Replacement Cost method.

Where a legal obligation exists to remove or convert a venue at the end of the Games, the estimated cost is recognised as part of the carrying value of the asset, with a matching provision established in accordance with ODA's accounting policies. The estimated cost is recognised in proportion to the extent that the cost of the temporary element of construction has been incurred.

Non-project related assets

Non-project related assets, such as IT and office equipment, are stated at value to the business less accumulated depreciation and any recognised impairment loss.

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 ODA. The useful life of assets cannot exceed 31 March 2014, when ODA is expected to be wound-up. The economic lives of assets may substantially exceed the useful life to ODA.

Useful lives are normally in the following ranges:

Permanent freehold and leasehold venues and buildings	The shorter of the useful life, up to 31 March 2014, or period of the lease
Temporary venues	The useful life up to the end of the Games
Bridges, roads and other infrastructure	The useful life, up to 31 March 2014
Portable buildings	The useful life, up to a maximum of 3 years, but not exceeding 31 March 2014
Specific construction equipment	The length of the construction contract
Computer and office equipment	The useful life, up to a maximum of 6 years but not exceeding 31 March 2014

Intangible Assets

Intangible assets are held at value. Intangible assets are computer software and licences which are written down to estimated residual value over the expected life of the asset, but not exceeding 31 March 2014.

Programme Costs

The ODA undertakes a mix of projects, some of which are carried out with the intention of delivering the London 2012 Games and others for providing infrastructure that creates benefits to the wider lower Lea Valley and its regeneration.

The ODA is currently investing in eight broad categories of projects which make up the programme:

- **Site Preparation and Infrastructure** (Powerlines Underground, Utilities, Enabling, Works, Structures, Bridges and Highways, Landscape and Public Realm);
- **Venues** (Olympic Stadium, other Olympic Park and non-Olympic Park venues);
- **Transport** (Thornton Field relocation, Stratford Regional Station improvements, DLR improvements, Games time transport service and Olympic Route Network) North London line;
- **Other Parkwide projects** (Logistics, Master planning, Section 106 obligations (Planning Gain), Insurance, Security, Park Operations);
- **International Broadcast Centre/Main Press Centre;**
- **Athletes' Village;**
- **Other Stratford infrastructure;** and
- **Programme and Project Management.**

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

Site Preparation and Infrastructure

The cost of site preparation and infrastructure is charged to the Statement of Comprehensive Net Expenditure as incurred unless the ODA retains an economic interest in the asset in which the treatment will be as described above in 'Property, Plant and Equipment'.

Venues

The accounting treatment of venues is described above in 'Property, Plant and Equipment'. Any costs associated with converting the venues to their legacy status after the Games have been completed will be provided for when the ODA has an obligation to incur the expenditure, as described below in 'Provisions' and in the Note 14c.

Transport

Grants provided to transport delivery organisations are charged to the Statement of Comprehensive Net Expenditure as the assets created are not owned by the ODA. Costs associated with the provision of transport services during the Games will be expensed.

Other Parkwide projects

Expenditure on logistics, master planning, Section 106, insurance, security and park operations is charged to the Statement of Comprehensive Net Expenditure as incurred except where the expenditure creates an asset as defined by the ODA's accounting policies.

International Broadcast Centre/Main Press Centre

Expenditure on the IBC/MPC is capitalised.

Athletes' Village – Group Accounting Policy

Payments for land rights at the Athletes' Village were expensed as incurred. Freehold land purchased to secure the future development of the Athletes' Village is held at cost as a non-current asset. Expenditure on the vertical build element of the Athletes' Village, infrastructure and community facilities is capitalised as a non-current asset.

Athletes' Village – Authority Accounting Policy

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

Other Stratford infrastructure

Grants towards the cost of Zone 1 infrastructure and other village property costs are charged to the Statement of Comprehensive Net Expenditure.

Notes to the Accounts continued

Programme and project management costs

The treatment of project management costs follows the treatment of the associated projects. Project management costs associated with capitalised projects are capitalised or otherwise expensed. Programme management costs which are not project specific are expensed.

Grants and funding receivable

The ODA receives a public sector funding package comprising grants from the Department for Culture, Media and Sport (DCMS), the Greater London Authority (GLA), the London Development Agency (LDA) and the Olympic Lottery Distributor (OLD).

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 expenditure.

Funding from OLD, GLA and LDA is allocated to the relevant capital reserve, to the extent it matches capital expenditure, and the Statement of Comprehensive Net Expenditure, to the extent that it matches revenue expenditure. The use of GLA and LDA grant is restricted to projects in Greater London.

The ODA receives specific grant funding from Transport for London (TfL) to support the construction of the VeloPark, the Department for Education (DfE) to support the construction of the Academy at the Athletes' Village and the East of England Development Agency (EEDA) and the Lee Valley Regional Park Authority (LVRPA) to support the construction of Lee Valley White Water Centre.

Specific grant funding is allocated to the relevant capital reserve.

Capital reserves are released to the Statement of Comprehensive Net Expenditure to match depreciation and revaluations of the underlying assets financed by the reserves. On asset disposal, any remaining capital reserve is released to the Statement of Comprehensive Net Expenditure.

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

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 can elect to join the ODA's group stakeholder pension 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.

Where a legal obligation exists to remove or convert a venue at the end of the Games, the estimated cost is recognised as part of the carrying value of the asset, with a matching provision established in accordance with ODA's accounting policies. The estimated cost is recognised in proportion to the extent that the cost of the temporary element of construction has been incurred. The provision will be used to fund costs as they are incurred in the post-Games period.

A provision is established to cover the cost of making good dilapidations on leasehold properties where required to so under the terms of the lease.

A provision is established to cover the cost of making staff redundant as the ODA contracts in size on completion of its programme of works.

Corporation Tax

The Group is liable for Corporation Tax on its taxable profit which, to date has arisen on bank interest earned.

VAT

Irrecoverable VAT is charged to the appropriate expense or asset heading in the accounts. The ODA and its subsidiaries 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 ie: 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.

- Accruals: the value of accruals depends on professional estimates of the value of work done. There is an element of subjectivity in this process.
- Provisions: provisions made for decommissioning costs will be incurred at a future date and therefore by their nature cannot be estimated with certainty.
- Residual values: the residual value of assets is estimated at a future date and is subject to an element of uncertainty.

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 Expenditure £'000	Capitalised to Non-current Assets £'000	Grant Released £'000	2010–11 Charged to Statement of Comprehensive Net Expenditure £'000	2009–10 Charged to Statement of Comprehensive Net Expenditure £'000 Restated
Programmes					
Site Preparation and Infrastructure	335,427	(136,237)	–	199,190	194,556
Venues	382,362	(327,234)	–	55,128	(2)
Transport	184,453	(31)	–	184,422	118,934
Other Parkwide Projects	147,786	(24,057)	–	123,729	129,134
IBC/MPC	115,801	(115,801)	–	–	–
Athletes' Village	473,138	(466,757)	(10)	6,371	11,564
Other Stratford Infrastructure	103,159	(10,104)	–	93,055	109,737
Total Programme	1,742,126	(1,080,221)	(10)	661,895	563,923
Programme Management	113,777	(2,194)	(14,597)	96,986	135,583
Transfer of Assets	70,173	–	(43,567)	26,606	–
Total Expenditure	1,926,076	(1,082,415)	(58,174)	785,487	699,506

Total expenditure

Total expenditure comprises building new venues and facilities including their legacy conversion, transport projects and programme management, including staff, accommodation, the contract with the delivery partner and on site logistics, infrastructure improvements to the Olympic Park, such as utilities and work on roads, bridges and tunnels. The majority of the Olympic Park is owned by the OPLC. Total expenditure is shown net of a contribution of £nil (2009–10: £32,948,000) from the LDA towards remediation and other works.

The ODA incurs administration costs in respect of its staff, buildings, information technology and outsourced support functions including its Delivery Partner. Expenditure that is directly related to the delivery of projects is capitalised, where applicable, and all other costs are expensed to the Statement of Comprehensive Net Expenditure.

Total expenditure includes:

	2010–11 £'000	2009–10 £'000
Auditors' remuneration – audit work	242	238
Auditors' remuneration – non-audit work	12	12
Operating lease costs	5,922	3,958
Depreciation	14,949	12,329
Loss on disposal or transfer of non-current assets	476	193

The following assets were completed during the year and transferred to their legacy owners for nil consideration:

Asset	Legacy owner	Cost £'000	Grant released £'000	Transfer to general reserve £'000
Angel Lane bridge	Network Rail	26,192	10,748	15,444
Multi-storey car park	High Speed 1	9,108	3,773	5,335
Lee Valley White Water Centre	Lee Valley Regional Park Authority	29,046	29,046	–
Eton Dorney	Dorney Lake Trust	5,827	–	5,827
		70,173	43,567	26,606

3 Staff numbers and related costs

3.1 Staff costs

					2010–11	2009–10
	Board Members and Committee Members £'000	Permanent staff £'000	Agency and temporary staff £'000	Seconded staff £'000	Total £'000	Total £'000
Staff costs						
Salaries	507	15,055	–	–	15,562	15,777
Performance related payments	–	2,984	–	–	2,984	3,138
Social security costs	53	1,695	–	–	1,748	1,722
Other pension costs	–	1,594	–	–	1,594	1,579
Temporary staff costs	–	–	10,688	2,899	13,587	11,001
	560	21,328	10,688	2,899	35,475	33,217

£1,231,000 was capitalised to non-current assets (2009–10: £259,000).

Performance related payments for the 2010–11 financial year were paid to employees in May 2011.

A detailed analysis of Board Members and Planning Committee Members remuneration is contained in the Remuneration Report on page 57.

Notes to the Accounts continued

3.2 Staff numbers

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

				2010-11	2009-10
	Permanent staff	Agency and temporary staff	Seconded staff	Total	Total
Programme employees	102	102	20	224	213
Programme management employees	122	41	6	169	132
	224	143	26	393	345

3.3 Pensions

Employees can elect to join the ODA's group stakeholder pension plan which is a defined contribution scheme. The assets of the scheme are held separately from those of the ODA in an independently administered fund which 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 on-going 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.

In addition, in accordance with the terms of their contracts of employment, the ODA has:

- One member of the EMB in a personal Self-Invested Personal Pension. Contributions are charged in the Statement of Comprehensive Net Expenditure as they become payable in accordance with the rules of the scheme.
- Two members of the EMB in the HCA Pension Scheme which is a multi-employer defined benefit scheme as described in paragraph 29 of IAS 19 Retirement Benefits. Employer contributions are affected by a surplus or deficit on the scheme but the ODA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The contributions are treated as if the scheme was a defined contribution scheme. The scheme is undergoing a regular revaluation, the results of which are not yet available.

Contributions are charged to the Statement of Comprehensive Net Expenditure as they become payable. Employer's contributions for these three EMB members are disclosed in the Remuneration Report.

Total employer contributions for the year to 31 March 2011 for all pension funds were £1,594,000 (2009-10: £1,579,000).

At the balance sheet date, there were unpaid pension liabilities of £nil (2009-10: £nil).

4 Property Sales – Group

	2010-11 £'000	2009-10 £'000 Restated
Land swap with London & Continental Railways	–	2,200
Other sales	7,346	–
	7,346	2,200

Other sales relates to amount received from utility companies on the transfer of utility infrastructure. The ODA entered into a land swap arrangement with London & Continental Railways (LCR). The net financial impact of this arrangement was that LCR owed ODA £2,200,000. This debt was deducted from the purchase price when ODA purchased other plots of land from LCR in May 2010. The land swap is described in the accounts of Stratford Village Development (GP) Ltd.

5 Grants receivable

5a Grants receivable – general

This table shows the sources and application of the general grant funding receivable during 2010–11.

	DCMS Grant in Aid £'000	GLA £'000	OLD £'000	LDA £'000	2010–11 Total £'000	2009–10 Total £'000
Grants receivable	971,200	56,600	356,505	150,000	1,534,305	1,412,274
Comprehensive Net Expenditure Account	–	5,122	195,539	–	200,661	221,730
General Reserve	971,200	–	–	–	971,200	923,974
Capital Reserve	–	51,478	160,966	150,000	362,444	266,570
Total	971,200	56,600	356,505	150,000	1,534,305	1,412,274

The ODA receives grant funding to support overall programme delivery.

The grants from GLA and LDA support the ODA's delivery of Games projects in Greater London only. Of the DCMS Grant in Aid received, £548,900,000 (2009–10: £494,227,000) was used to finance capital projects. The balance of the DCMS grant was used primarily to finance infrastructure projects which were charged to the Statement of Comprehensive Net Expenditure.

5b Grants receivable – specific

This table shows the sources and application of specific grant funding receivable during 2010–11.

	Sport England £'000	DfE £'000	LVRPA £'000	LOCOG £'000	The London Marathon Charity Trust £'000	2010–11 Total £'000	2009–10 Total £'000
Grants receivable	8,663	23,754	6,450	1,487	600	40,954	10,172
Capital Reserve	8,663	23,754	6,450	1,487	600	40,954	10,172
Total	8,663	23,754	6,450	1,487	600	40,954	10,172

The DfE grant is to support the construction of the Academy at the Athletes' Village. The LVRPA grant is to support the construction of the Lee Valley White Water Centre. The Sport England and London Marathon Charity Trust grants are to support the construction of the Velodrome. Where ODA have been better placed to deliver LOCOG scope, LOCOG have made capital contributions to projects which, in 2010–11 were Olympic Stadium, Velodrome and Royal Artillery Barracks. These capital contributions have been accounted for in the same manner as grants.

6 Other income

	2010–11 £'000	2009–10 £'000
Other grants	2,768	3,581
Planning fee income	406	401
	3,174	3,982

Planning fee income does not include £106,000 of planning fees in respect of the ODA's own planning applications (2009–10: £234,770).

Notes to the Accounts continued

7 Interest receivable

Bank interest of £429,000 (2009–10: £277,000) was receivable for the year. The average interest rate during the year was 0.36 per cent (2009–10: 0.29 per cent).

8 Taxation

UK Corporation Tax of £154,000 (2009–10: £96,000) was paid on bank interest receivable. A tax loss arising in Stratford Village Development (GP) Ltd was carried back against a taxable profit that arose in 2009–10 giving a nil net asset/liability at 31 March 2011.

9 Property, Plant and Equipment

9.1 Property, Plant and Equipment – Group

	Land £'000	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation						
At 1 April 2009	–	487,816	5,007	5,428	13,984	512,235
Prior Period Adjustment for 2008–09	–	126,695	–	–	–	126,695
At 1 April 2009 restated	–	614,511	5,007	5,428	13,984	638,930
2009–10						
Additions restated	–	910,006	1,061	189	15,074	926,330
Disposals	–	–	(88)	(4,329)	(146)	(4,563)
At 31 March 2010	–	1,524,517	5,980	1,288	28,912	1,560,697
2010–11						
Additions	10,103	1,080,534	706	54	16,300	1,107,697
Disposals	–	(70,173)*	(1,122)	–	–	(71,295)
Reclassification to intangible assets	–	–	(960)	–	–	(960)
At 31 March 2011	10,103	2,534,878	4,604	1,342	45,212	2,596,139
Depreciation						
At 1 April 2009	–	–	2,622	2,048	245	4,915
2009–10						
Charge	–	–	1,585	1,054	7,448	10,087
Disposals	–	–	(48)	(2,384)	(146)	(2,578)
At 31 March 2010	–	–	4,159	718	7,547	12,424
2010–11						
Charge	–	–	1,229	268	11,869	13,366
Disposals	–	–	(906)	–	–	(906)
Reclassification to intangible assets	–	–	(871)	–	–	(871)
At 31 March 2011	–	–	3,611	986	19,416	24,013
Net book value						
At 31 March 2009	–	614,511	2,385	3,380	13,739	634,015
At 31 March 2010	–	1,524,517	1,821	570	21,365	1,548,273
At 31 March 2011	10,103	2,534,878	993	356	25,796	2,572,126

*Further information on disposals of Assets Under Construction is given in Note 2.

9.2 Property, Plant and Equipment – Authority

	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2009	424,125	5,007	5,428	13,984	448,544
2009–10					
Additions	626,777	1,061	189	15,074	643,101
Disposals	–	(88)	(4,329)	(146)	(4,563)
At 31 March 2010	1,050,902	5,980	1,288	28,912	1,087,082
2010–11					
Additions	616,284	706	54	16,300	633,344
Disposals	(61,066)*	(1,122)	–	–	(62,188)
Reclassification to intangible assets	–	(960)	–	–	(960)
At 31 March 2011	1,606,120	4,604	1,342	45,212	1,657,278
Depreciation					
At 1 April 2009	–	2,622	2,048	245	4,915
2009–10					
Charge	–	1,585	1,054	7,448	10,087
Disposals	–	(48)	(2,384)	(146)	(2,578)
At 31 March 2010	–	4,159	718	7,547	12,424
2010–11					
Charge	–	1,229	268	11,869	13,366
Disposals	–	(906)	–	–	(906)
Reclassification to intangible assets	–	(871)	–	–	(871)
At 31 March 2011	–	3,611	986	19,416	24,013
Net book value					
At 31 March 2010	1,050,902	1,821	570	21,365	1,074,658
At 31 March 2011	1,606,120	993	356	25,796	1,633,265

*Further information on disposals of Assets Under Construction is given in Note 2.

Notes to the Accounts continued

10 Intangible assets – Group and Authority 2010–11

	Software Licences £'000
Cost or valuation	
At 1 April 2009	6,537
2009–10	
Additions	1,075
Disposals	(633)
At 31 March 2010	6,979
2010–11	
Additions	144
Disposals	(1,019)
Reclassification from property, plant and equipment	960
At 31 March 2011	7,064
Amortisation	
At 1 April 2009	2,663
2009–10	
Charge	2,242
Disposals	(446)
At 31 March 2010	4,459
2010–11	
Charge	1,583
Disposals	(759)
Reclassification from property, plant and equipment	871
At 31 March 2011	6,154
Net book value	
At 31 March 2010	2,520
At 31 March 2011	910

11 Financial Instruments

Group	Loans & Receivables £'000	Liabilities at amortised cost £'000
As at 31 March 2009		
Assets		
Cash and cash equivalents	23,830	–
Trade receivables	20,542	–
Total	44,372	–
Liabilities		
Trade payables	–	(220,216)
As at 31 March 2010		
Assets		
Cash and cash equivalents	56,194	–
Trade receivables	11,686	–
Total	67,880	–
Liabilities		
Trade payables	–	(287,688)
As at 31 March 2011		
Assets		
Cash and cash equivalents	75,143	–
Trade receivables	28,054	–
Total	103,197	–
Liabilities		
Trade payables	–	(387,903)

Notes to the Accounts continued

Authority	Loans & Receivables £'000	Liabilities at amortised cost £'000
As at 31 March 2009		
Assets		
Cash and cash equivalents	23,830	–
Trade receivables	20,542	–
Total	44,372	–
Liabilities		
Trade payables	–	(214,307)
As at 31 March 2010		
Assets		
Cash and cash equivalents	56,194	–
Trade receivables	9,486	–
Total	65,680	–
Liabilities		
Trade payables	–	(287,210)
As at 31 March 2011		
Assets		
Cash and cash equivalents	75,143	–
Trade receivables	25,788	–
Total	100,931	–
Liabilities		
Trade payables	–	(394,742)

As the cash requirements of the ODA are met through grants from funding organisations, grant-in-aid from the DCMS and grants from the OLD, GLA, LDA, TfL, DfE, EEDA and LVRPA, 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.

12a Trade and other receivables – Group

12a (i) Trade receivables analysis

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Prepayments and accrued income	14,911	8,876	38
VAT receivable	11,925	3,724	5,909
Other trade receivables	14,908	789	14,595
	41,744	13,389	20,542

There are no amounts receivable in more than one year (2009–10: £nil)

12a (ii) Intra-Government balances

	Due within one year		
	2010–11 £'000	2009–10 £'000	2008–09 £'000
Balances with other central government bodies	18,516	4,210	6,419
Balances with local authorities	5,315	150	13,870
Intra-government balances	23,831	4,360	20,289
Balances with bodies external to government	17,913	9,029	253
	41,744	13,389	20,542

12b Trade and other receivables – Authority

12b (i) Trade receivables analysis

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Prepayments and accrued income	14,911	6,676	38
VAT receivable	11,925	3,724	5,909
Other trade receivables	12,642	789	14,595
	39,478	11,189	20,542

There are no amounts receivable in more than one year (2009–10: £nil).

12b (ii) Intra-Government balances

	Due within one year		
	2010–11 £'000	2009–10 £'000	2008–09 £'000
Balances with other central government bodies	18,516	4,210	6,419
Balances with local authorities	5,315	150	13,870
Intra-government balances	23,831	4,360	20,289
Balances with bodies external to government	15,647	6,829	253
	39,478	11,189	20,542

Notes to the Accounts continued

13 Cash and cash equivalents – Authority and Group

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Balance at 1 April	56,194	23,830	18,541
Net change in cash and cash equivalent balances	18,949	32,364	5,289
Balance at 31 March	75,143	56,194	23,830

The following balances at 31 March were held at

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Commercial banks and cash in hand	75,143	56,194	23,830
Balance at 31 March	75,143	56,194	23,830

14a Trade and other payables – Group

14a (i) Amounts falling due within one year

	2010–11 £'000	2009–10 £'000 Restated	2008–09 £'000
Trade payables	32,772	28,502	30,425
Corporation tax	80	–	357
Other taxes and social security costs	536	525	515
Other payables	2,474	3,627	2,250
Accruals	352,898	255,034	186,669
Deferred income	206,879	125,363	–
	595,639	413,051	220,216

14a (ii) Intra-Government balances

	Due within one year		
	2010–11 £'000	2009–10 £'000 Restated	2008–09 £'000
Balances with other central government bodies	1,361	3,383	6,498
Balances with local authorities	4,253	21,034	93
Intra-government balances	5,614	24,417	6,591
Balances with bodies external to government	590,025	388,634	213,625
	595,639	413,051	220,216

The ODA has, through its subsidiary Stratford Village Development (GP) Ltd, pre-sold 1,379 units in the Athletes' Village to Triathlon Homes, an approved provider of social housing. Triathlon Homes makes regular payments to Stratford Village Development (GP) Ltd according to a pre-determined schedule. The Polyclinic has been sold to NHS Newham which makes payments on a similar basis. Amounts received are not recognised as income but held as deferred income.

14b Trade and other payables – Authority

14b (i) Amounts falling due within one year

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Trade payables	26,113	28,502	30,425
Corporation tax	80	–	357
Other taxes and social security costs	536	525	515
Other payables	2,474	3,627	2,250
Accruals	290,857	255,034	186,669
Deferred income	–	522	–
Balance with subsidiary	75,539	–	–
	395,599	288,210	220,216

14b (ii) Intra-Government balances

	Due within one year		
	2010–11 £'000	2009–10 £'000	2008–09 £'000
Balances with other central government bodies	1,361	3,383	6,498
Balances with local authorities	4,878	21,034	93
Intra-government balances	6,239	24,417	6,591
Balances with bodies external to government	313,821	263,793	213,625
Balance with subsidiary	75,539	–	–
	395,599	288,210	220,216

Notes to the Accounts continued

14c Provisions for liabilities and charges

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

- **Legacy conversion:** The provision relates to the estimated cost of the removal of temporary venues and the legacy conversion of temporary elements of permanent venues.
- **Third party and contractual claims:** The provision 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.
- **Dilapidations:** The provision relates to the estimated cost of making good dilapidations on leasehold properties at the end of the lease term.
- **Redundancy:** The provision relates to the cost of redundancy where employees have been notified of the decision to make them redundant during 2010–11. 24 employees have received such notification. ODA employees are entitled to receive statutory redundancy pay only.

14c (i) Provision for liabilities and charges – Group

	Legacy Conversion £'000	Third party and contractual claims £'000	Dilapidations £'000	Redundancy £'000	Total £'000
Balance at 1 April 2008	–	–	–	–	–
Provided in the year	12,608	–	–	–	12,608
Balance at 1 April 2009	12,608	–	–	–	12,608
Provided in the year	26,150	–	2,156	–	28,306
Balance at 1 April 2010	38,758	–	2,156	–	40,914
Provided in the year	22,860	123,186	–	46	146,092
Utilised in year	(300)	–	–	–	(300)
Provisions not required written back	–	–	(1,226)	–	(1,226)
Balance at 31 March 2011	61,318	123,186	930	46	185,480

14c (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 2008	–	–	–	–	–
Provided in the year	12,608	–	–	–	12,608
Balance at 1 April 2009	12,608	–	–	–	12,608
Provided in the year	26,150	–	2,156	–	28,306
Balance at 1 April 2010	38,758	–	2,156	–	40,914
Provided in the year	22,860	116,944	–	46	139,850
Utilised in year	(300)	–	–	–	(300)
Provisions not required written back	–	–	(1,226)	–	(1,226)
Balance at 31 March 2011	61,318	116,944	930	46	179,238

15 Other Capital Reserves – Group and Authority

Other capital reserves consist of the following amounts:

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Sport England	8,663	–	–
Transport for London	2,500	2,500	2,500
Department for Children, Schools and Families	30,176	6,422	–
East of England Development Agency	–	3,600	–
Lee Valley Regional Park Authority	3,500	150	–
LOCOG	1,487	–	–
The London Marathon Charitable Trust	600	–	–
	46,926	12,672	2,500

16 Commitments – Group and authority

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Capital commitments			
Contracted capital commitments at 31 March for which no provision has been made.			
Property, plant and equipment	702,596	1,318,075	958,949

Other commitments

The ODA has entered into an insurance contract for the duration of the construction phase and is committed to pay premiums totalling £11,600,000 at various dates between 2011 and 2012.

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.

	2010–11 £'000	2009–10 £'000	2008–09 £'000
Land and buildings			
Not later than 1 year	2,533	2,929	3,428
Later than 1 year but not later than 5 years	2,302	3,572	7,480
Later than 5 years	–	–	94
Total Land and Buildings	4,835	6,501	11,002
Other			
Not later than 1 year	56	101	64
Later than 1 year but not later than 5 years	3	59	82
Total Other	59	160	146
Total Commitments under leases	4,894	6,661	11,148

Notes to the Accounts continued

18 Contingent liabilities disclosed under IAS 37

The ODA had contingent liabilities of £nil at 31 March 2011 (2009–10: £5,750,000).

The ODA previously entered into an agreement with EDFe for the construction and operation of an 11KV electricity network in the Olympic Park, Athletes' Village and Stratford City. Under the terms of the agreement EDFe would recover its investment through the sale of the network and in the event that a sale was not concluded or the sales proceeds were below a target price the ODA would have been obliged to recompense EDFe up to a maximum capped sum of £5,750,000. In July 2010 EDFe announced its intention to dispose of its UK distribution businesses to Cheung Kong Infrastructure and as part of the negotiations to secure the disposal agreed to release the ODA from its liability.

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

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. 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.

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 this agreement, if one year after the opening of the retail centre, the value of designated non-retail lands within Zone 1 of Stratford City falls below a certain threshold, the ODA will be obliged to make up any shortfall, or, if agreement on the quantum of the shortfall cannot be agreed, SCDL has recourse to a 'put' option obliging the ODA to purchase the land at the threshold price. The ODA also has a 'call' option enabling it to purchase the land at the threshold price. This agreement was entered into at a time when the financial outlook was highly uncertain and asset prices were unstable. Given the subsequent stabilisation and improvement in the property market since this time, the ODA considers the likelihood of a liability crystallising as remote.

The ODA has guaranteed the liabilities of its subsidiary Stratford Village Development (GP) Ltd.

20 Related party transactions

The ODA is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). The Olympic Lottery Distributor is also sponsored by DCMS and is considered to be a related party.

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 London Organising Committee of the Olympic Games and Paralympic Games (LOCOG).

The ODA has a close working relationship with the LDA who assembled the freehold of the Olympic Park prior to its transfer to the OPLC.

The ODA has a close working relationship with the Olympic Park Legacy Company (OPLC), a company limited by guarantee and sponsored by the Department for Communities and Local Government and the Mayor of London. The OPLC will be the owner, post 2012, of the majority of the Olympic Park and the venues being developed by the ODA.

The ODA has a close working relationship with the Lee Valley Regional Park Authority which is the owner and operator of the Lee Valley White Water Centre and will be the owner of the VeloPark.

The ODA is aware of the following related parties in relation to its Main Board and Planning Committee:

Main Board

John Armit is a Fellow of the Institution of Civil Engineers and a member of the Athenaeum Club.

Lorraine Baldry is a director of DTZ Holdings plc and was appointed Chairman of London & Continental Railways Ltd on 19 April 2011.

Tony Ball is a non-executive director of BT Group plc.

Neale Coleman is an employee of the Greater London Authority.

Christopher Garnett is a board member of Transport for London.

Stephen Duckworth is Trustee and board member of Employers' Forum on Disability.

Planning Committee

Four members of the Planning Committee are members of four London Boroughs.

Member	Borough
Cllr Conor McAuley	London Borough of Newham
Cllr Judith Gardiner	London Borough of Tower Hamlets
Cllr Geoff Taylor	London Borough of Hackney
Cllr Terry Wheeler	London Borough of Waltham Forest

Cllr Conor McAuley was a non-executive director of Newham Primary Care Trust until 7 April 2011.

Janice Morphet acts as a consultant to Colin Buchanan Planning Consultants and Capita Symonds.

Dru Vesty is a board member of the Homes and Communities Agency.

Executive Management Board and Senior Managers

Dennis Hone and Ralph Luck are directors of Stratford Village Development (GP) Ltd.

David Higgins (the former Chief Executive) was a non-executive Director of Network Rail and a member of the Athenaeum Club.

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 Note 6 and the asset transfers disclosed in Note 2, the following charges were made to and from the ODA by related parties.

Related Party	Payments £'000	Receipts £'000
Athenaeum Club	2	–
BT plc	(56)	3,086
Capita Symonds	1,672	–
Colin Buchanan Planning Consultants	443	–
Department for Culture, Media and Sport	206	–
DTZ Debenham Tie Leung	783	–
Employers' Forum on Disability	3	–
Greater London Authority	151	–
Homes & Communities Agency	22	–
Institution of Civil Engineers	39	–
Lee Valley Regional Park Authority	58	–
LOCOG	2,481	1,927
London Borough of Hackney	1,624	–
London Borough of Newham	994	–
London Borough of Tower Hamlets	304	–
London Borough of Waltham Forest	222	–
London Development Agency	4,157	93
London & Continental Railways Ltd	36,083	7,542
Network Rail	37,102	–
Newham Primary Care Trust	–	7,482
Olympic Park Legacy Company	82	97
Stratford Village Development (GP) Ltd	396,059	–
Transport for London	65,338	24

The ODA has a licence from the Olympic Park Legacy Company (OPLC) that enables the ODA to occupy and develop the land in the Olympic Park subject to specific limitations. The licence fee is disclosed as a lease commitment in Note 17.

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 paid a total of £116,613,000 (2009–10: £140,957,000) to its Delivery Partner. This expenditure was allocated as follows:

	2010–11 £'000	2009–10 £'000
Programme expenditure	47,447	54,539
Programme management	18,201	38,508
IT costs	368	252
Performance payments	50,597	47,658
	116,613	140,957
Of which, capitalised to assets under construction	25,707	32,976

Performance payments are payable to CLM for the achievement of key programme milestones and cost targets. The performance payments for 2010–11 and 2009–10 include estimates for amounts, insofar as they relate to the respective periods, that will become payable to CLM after July 2011 and after March 2013 provided currently projected completion dates and cost savings are achieved. Excluding these amounts, the actual performance payment to CLM in the year was £16,088,000 (2009–10: £33,621,000). The figures for payments to CLM include VAT which is not recoverable by the ODA and which is not retained by CLM.

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 special payments of £224,000 (2009–10: £nil).

The decision to hold rowing events at Eton Dorney required the construction of a new bridge. Future maintenance of the bridge will fall upon Eton College and the Dorney Lake Trust. The ODA has agreed to make a payment to Eton College and the Dorney Lake Trust to be used for the future maintenance of the bridge. The amount agreed exceeds the amount calculated using English Partnerships Best Practice Note 2 by £224,000. However, the amount was less than the cost of removing the bridge enhancements after the Games and therefore represented better value for money. HM Treasury has approved the payment. The amount was paid on completion of the construction works.

Following the decision not to proceed with the wind turbine on the Olympic Park costs of £991,000 relating to procurement, design and consultancy are abortive.

ODA was the subject of a fraud involving the diversion of a supplier payment and the balance of £67,000 was not recovered. In accordance with the ODA policy this matter was immediately reported to the police. One person has been successfully prosecuted and others are awaiting trial.

22 Events after the reporting period

On 15 June 2011 Ministers approved the agreement transferring the responsibility for the legacy transformation of the Olympic Park to the OPLC. This has been treated as a non-adjusting event.

Notes to the Accounts continued

23 Corporate structure

The ODA formed the Stratford Village Development Partnership to facilitate the development of the Athletes' Village. Additionally it formed the ODA Legacy Partnership to facilitate the potential post-Games legacy development of the Olympic Park.

The members of the Stratford Village Development Partnership are:

Name	Parent company	Class of share, Issued share capital, % controlled by ODA
Stratford Village Development (GP) Ltd	ODA	Ordinary, £1, 100%
Stratford Village Property Holdings 1 Ltd	Stratford Village Development (GP) Ltd	Ordinary, £1, 100%
Stratford Village Property Holdings 2 Ltd	Stratford Village Development (GP) Ltd	Ordinary, £1, 100%
Stratford Village Development LP 1 Ltd	ODA	Ordinary, £1, 100%
Stratford Village Development LP 2 Ltd	ODA	Ordinary, £1, 100%

The members of the ODA Legacy Partnership are:

Name	Parent company	Class of share, Issued share capital, % controlled by ODA
ODA No 1 (GP) Ltd	ODA	Ordinary, £1, 100%
ODA No 2 Ltd	ODA No 1 (GP) Ltd	Ordinary, £1, 100%
ODA No 3 Ltd	ODA No 1 (GP) Ltd	Ordinary, £1, 100%
ODA No 4 Ltd	ODA	Ordinary, £1, 100%
ODA No 5 Ltd	ODA	Ordinary, £1, 100%

The ODA is a member of Stratford Village Management Company Ltd, a company limited by guarantee which was established to provide estate management services to the Athletes' Village in legacy. The company did not trade in 2010–11.

None of the subsidiaries had a financial result for the year or reserves at 31 March 2011 except Stratford Village Development (GP) Ltd which had a provisional, unaudited turnover of £129,372,000 (2009–10: £76,697,000), loss for the year of £nil (2009–10: £nil) and total assets and non-current payables of £174,703,000 (2009–10: £128,016,000) having accounted for its activities in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

In respect of the ODA Legacy Partnership, the ODA has taken advantage of the exemption from the requirement to prepare partnership accounts contained in regulation 7 of The Partnership (Accounts) Regulations 2008 on the grounds that the partnership accounts are dealt with on a consolidated basis in the group accounts of the ODA.

Partnership Accounts for the Stratford Village Development Partnership will be filed with the accounts of the member companies.

24 Investments

The ODA holds a £1 ordinary share directly or indirectly, in each of the companies listed in Note 23, except Stratford Village Management Company Ltd 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 2010 (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 2010 and subsequent financial years, and of the income and expenditure¹, total recognised gains and losses 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 income and expenditure account², providing adequate disclosure in notes to the accounts of the grants income policy adopted. This overrides the requirement in the FReM paragraph 6.2.74 (b) to account for grants as grant in aid; 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, Media and Sport.

Signed by Authority of the Secretary of State for Culture, Olympics, Media and Sport on 6 July 2010

1 Now Comprehensive Net Expenditure

2 Now Statement of Comprehensive Net Expenditure

Schedule 1

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

- 1 The Statement of Internal Control 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 Statement of Internal Control 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 This direction shall be reproduced as an appendix to the annual accounts.
- 4 The Notes to the accounts shall provide an analysis of funding by funder and make clear the accounting treatment of funds.
- 5 The Notes to the accounts shall disclose expenditure incurred on the Delivery Partner.
- 6 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 2011/103.

Email: info@enquiries.london2012.com Phone: 0808 100 2012

Olympic Delivery Authority

The construction of the venues and infrastructure for the London 2012 Games is funded by the National Lottery through the Olympic Lottery Distributor, the Department for Culture, Media and Sport, the Mayor of London and the London Development Agency.



MAYOR OF LONDON





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