OLD OAK AND PARK ROYAL DEVELOPMENT CORPORATION

One of the UK's largest regeneration projects is managed by the Old Oak and Park Royal Development Corporation (OPDC).

MAYOR OF LONDON



# Draft Unaudited Annual Report and Accounts

# 2024 - 2025

# Contents

# Foreword from the Chair and CEO

This section will be added prior to signing and certification.

**Dame Karen Buck**
Chair
30 June 2025

**David Lunts**
Chief Executive Officer
30 June 2025

# Narrative Report

## An introduction to Old Oak and Park Royal Development Corporation

We are a Mayoral Development Corporation (MDC), with the statutory purpose and powers to regenerate the Old Oak and Park Royal Opportunity Area and deliver many thousands of new and affordable homes for Londoners. Established in 2015, OPDC is one of the largest regeneration schemes in the UK, capitalising on the investment and connectivity enhancements created by High Speed Two's (HS2) Old Oak Common Station.

We are the statutory Local Planning Authority, and we have land assembly, housing and infrastructure delivery powers, including compulsory purchase powers that span three London Boroughs, Ealing, Brent and Hammersmith and Fulham. These tiers of influence, as both planning authority and delivery are only matched by our counterpart MDC, the London Legacy Corporation (LLDC), responsible for delivering regeneration around the Olympic Park in Stratford.

Our progress over the past year has seen huge strides and significant milestones reached including the implementation of our Corporate Strategy, which sets out our key priorities from June 2024 until April 2026. The strategy aligns with the planning policy framework set out in our Local Plan, with a strong focus on delivery and implementation, building on our progress, with a clear path to regenerating Old Oak and Park Royal.

At the heart of our business are our vision, mission and goals, underpinned by a clear set of values that inform and guide our plans and the way we work.

## Our vision: A place where global opportunities are local.

By creating a new district, with first class connectivity across London and beyond, our vision is to make global opportunities local, offering better choices and life chances to everyone living, working and visiting Old Oak and Park Royal, both existing residents and newcomers alike, with benefits extending to the rest of our capital city and to the regions beyond.

Our communities are a celebration of London's diversity and provide a strong foundation for a thriving and vibrant new urban quarter that will feel truly inclusive and full of all the best things that London has to offer.

***Our mission: To maximise the potential of the new Old Oak Common Station and deliver outstanding and innovative regeneration, positively impacting the lives and the environment for everyone in the community.***

We will organise and manage the land and infrastructure around the new Old Oak Common superhub to ensure that we make the most of adjacent development sites to deliver exemplar and eco-friendly regeneration, creating many thousands of new and affordable homes, a wide range of employment and a great place, with many new amenities, thriving streets and high quality services.

***Our Goals: To deliver the three pillars for success***

The Corporate Strategy enshrines three thematic pillars: delivery, community and innovation. They define the "what" and the "how" and form the basis of our work. The strategy is supplemented with our more detailed annual management plan that sets out our detailed objectives and KPIs. Each of our three pillars is supported by a series of pledges that we commit to deliver.

## Delivery – *Realising ambition through action*

- Establish our role as a landowner and steward
- Secure the right investment and partnership
- Deliver positive changes and local enhancements now
- Maximise affordable homes, jobs and funding contributions for new and improved infrastructure

## Community - *A place for everyone, reflecting local needs and aspirations*

- Empower everyone to have a say in the future
- Celebrate and champion diversity, heritage and local identity
- Build capacity and skills for the future
- Care for and protect the local area

## Innovation - *A vision of industrial innovation*

- Net-Zero and nature positive regeneration
- Jobs for the future and local prosperity
- Attract diverse industries and technologies

Enabled by our corporate functions, our pledges for an efficient, equitable and future-proofed workplace include:

- The right capacity and capability to deliver
- Foster a people centred approach
- Embed equity, diversity and inclusion in everything we do

Underpinning our three pillars is a set of values, which support our commitment to being an efficient, adaptable and equitable team that nurtures and grows talent, ensuring we are fit for the future. These are at the heart of our ways of working, our corporate culture and our decision making.

| | |
|---|---|
| **Ambition** | Nurturing creativity, talent, determination and innovation, redefining boundaries and barriers to create an exemplar new place |
| **Collaboration** | Fostering and promoting a collaborative approach, listening to, sharing ideas with and building relationships with our partners, stakeholders, communities and each other |
| **Stewardship** | Stewarding the area with a social and environmental responsibility to protect and uphold Old Oak and Park Royal's identity, reflecting its heritage, preserving its nature, and looking after its environment and communities |
| **Inclusivity** | Championing London's rich diversity, where all are welcome and valued, ensuring we create an equitable culture within the team and that place we create |
| **Curiosity** | Learning from others' experiences, insights and perspectives. Continually evolving through the need to ask why, and looking for new and better ways of doing things to shape the future of our area. |
| **Integrity** | Applying consistency in our actions, and not just our words. Taking ownership of commitments and standing accountable to our partners, colleagues and communities with honesty and conviction. |

## Developments and achievements: Our performance

### *Delivery: Realising ambition through action*

**Establishing our role as landowner and steward**

*Land assembly*

- We have made significant progress on the land assembly needed for the delivery of Old Oak. This includes securing over 90 per cent of the private land required for the Old Oak regeneration scheme through private acquisitions. To date, OPDC has acquired 13 sites within the Old Oak area, for a total cost of just under £180m, that will connect with the adjacent government-owned landholdings to form a single, overarching development platform.

- OPDC has now commenced a land referencing exercise to gain a more detailed and accurate understanding of the land interests and rights likely to be affected by the Old Oak scheme. The approach to acquire and consolidate remaining land interests will be progressed during 2025-26.

*Public Land Agreement*

- Significant progress has been made on our agreement with public sector partners, the Department for Transport and Network Rail, to secure the public land needed for the regeneration of Old Oak. This is targeted for completion early in 2025-26.

*Old Oak Interim Business Plan*

- The draft Interim Business Plan for the Old Oak project has been prepared throughout 2024-25 and sets out the approach to funding and delivery at Old Oak covering both strategy and implementation.

- This will help establish a coherent and co-ordinated approach to Old Oak and provide a clear baseline from which this evolves over time to manage risk and forms a core strand of our delivery partner procurement that will commence in 2025-26.

*Old Oak Collaboration Memorandum of Understanding*

- A Memorandum of Understanding (MoU) that formalises the collaborative approach to the delivery of Old Oak with public sector stakeholders is currently being prepared, following respective stakeholders' governance and approvals it will be brought to Board for approval in Summer 2025.

- The MoU sets out the principles for collaboration between the public sector stakeholders on the project including Network Rail, OPDC, High Speed Two, Ministry of Housing Communities and Local Government and the Department for Transport. This will provide clarity on respective roles and priorities of public sector stakeholders as embedded in the Strategic Objectives set out in the Outline Business Case for Old Oak.

*Asset and estate management*

- We have expanded our asset and estate management capability and capacity to reflect the nature of our growing property portfolio that has been assembled to support the Old Oak programme. We will continue to work in partnership with the occupiers and businesses delivering economic growth at Old Oak and Partnership.

- This includes the development of a relocation strategy that is aligned to our development and regeneration plans, and which seeks to support those businesses that wish to remain within the Old Oak and Park Royal locality, elsewhere within West London, or the capital more widely.

**Securing the right investment and development partners**

*Master Development Partner*

- Market engagement with potential investors and development partners commenced in early November 2024.

- To date, OPDC has undertaken market engagement with 24 investors and developers to begin sharing our compelling offer, inform our commercial strategy, and refine our approach to secure the right partner to bring forward investment and delivery of the Old Oak programme. This will include prioritising the delivery of early phases to begin unlocking a broad range of financial, economic and social benefits from the public land and funding that has been deployed at Old Oak.

- The market engagement exercise has clearly demonstrated the significant level of interest in Old Oak as one of the best connected and most significant regeneration opportunities in the UK. We anticipate that this will translate into a number of comprehensive and competitive responses to our procurement launch later in 2025.

*Securing investment to support early site delivery*

- We have secured additional capital funding from both GLA and MHCLG during 2024-25 to support our investment in land and infrastructure. This is already being deployed to accelerate the unlocking of homes and economic growth at Old Oak.

**Deliver positive change and local enhancements now**

*Regeneration Strategy*

- Finalised and published the Regeneration Strategy in April 2025, to demonstrate the rationale and set out our strategic approach to comprehensive and inclusive development at Old Oak. The Strategy articulates OPDC's vision for the area: 'Old Oak, a reimagined west London community, where global opportunities are lived and shared locally'.

- The Strategy addresses a range of stakeholder objectives including central government policy objectives and requirements, Mayoral and host borough policy priorities and targets, alongside the aspirations of local communities.

*Early Activation and Investment*

- We have continued to engage with local communities and residents, with an early activation strategy now in place, we have made early investments locally to improve amenities and create new facilities. This includes a new circular economy hub at Minerva Road, and we have undertaken community engagement and preparatory work for the improvement of Wesley Playing Fields. Going forward, we are looking at a number of wider projects to invest in and deliver within North Acton and Park Royal.

- We continue to refine our Infrastructure Delivery Plan to reflect the scope and sequencing of the critical infrastructure that is needed to improve access, provide the necessary energy and wider utilities, and servicing of the Old Oak development.

- We have appointed Hemiko as our Development and Funding Partner for the Old Oak and Park Royal Energy Network ("OPEN") and we will co-invest the £36m public funding that was secured to bring this innovative scheme forward. OPEN will play a critical role in supporting the Mayor's net zero ambitions.

- OPDC and Canal & River Trust have worked with local businesses in the area to "adopt" areas of the canal near their businesses. Several businesses, including McVities and Garden Studios, have now formally taken ownership of sections of the canal. This will ensure those areas are regularly maintained, kept safe and utilised by local businesses and communities.

**Maximise affordable homes, jobs and funding contributions for new and improved infrastructure**

*Public Realms SPD*

- The Public Realm and Green Infrastructure Supplementary Planning Document (SPD) was adopted in June 2024. The SPD sets out best-practice guidance to deliver equitably designed, inclusive and sustainable streets and open spaces that foster successful neighbourhoods and healthy communities. Underpinned by extensive research, Equity, Diversity and Inclusion is at the heart of the SPD, acting as a golden thread to ensure everyone will benefit from well-designed spaces that meet their needs.

- The SPD has been shortlisted in the 2025 Pineapple awards under the Strategy category. These are prestigious industry awards which celebrate the very best in placemaking and place-led initiatives.

- The Industrial SPD, which was adopted in November 2023, won the Award for Plan-Making at the National Planning Awards 2024 and the Award for Best Plan at the Royal Town Planning Institute (RTPI) London Awards for Planning Excellence 2024. The SPD was praised by the judges for its ground-breaking approach to a number of topics such as industrial intensification, climate change, green infrastructure and the importance of delivering a good working environment for industrial employees. The Industrial SPD was also commended in the same category in the RTPI National Awards 2024.

*S106 and Community Infrastructure Levy*

- Work has advanced on spending S106 monies already collected delivering against the spend criteria in the relevant section S106 agreements. Ongoing work is taking place to advance expenditure and delivery of infrastructure, including public realm improvements in Park Royal and North Acton and school expansion/improvements. This financial year £7.8 million S106 funds has been allocated to projects.

*Approving new Homes*

- In 2024-25, 5,817 homes were approved by OPDC's Planning Committee, with 5,817 homes now built or under construction. Across the OPDC area, nearly 3,392 homes now have planning permission, 39 per cent of these are affordable and over 3,000 additional homes in the pipeline.

- This year, all planning applications were determined within statutory determination timescales or timescales as agreed through Planning Agreements with applicants. There were no planning appeals during 2024-25.

*Planning Enforcement*

- The enforcement team has been expanded and background work has been completed to allow for work to begin next financial year on a code of construction practice for the

OPDC area alongside amendments to the Planning Obligations SPD to enable increased construction monitoring.

- Following a number of complaints regarding construction works in Park Royal, OPDC increased monitoring of construction activity at development sites. OPDC with Ealing Council has been in liaison with construction contractors at the sites, local residents and businesses to seek to remedy issues and mitigate disruption.

- We continue to monitor work around unlawful uses in SIL with quarterly visits and other residential enforcement case work was progressed, including issues relating to fly tipping and unlawful parking. Other matters impacting on the area have been raised directly with the host boroughs and through the Joint Working Group with Ealing Planning Enforcement Officers; a number of evening site visits have taken place with the Metropolitan Police, Ealing Licensing and Food Safety colleagues to shisha lounges in OPDC's area. This ongoing work is seeking to close unauthorised night time economy uses causing significant amenity issues in OPDC's protected industrial areas.

- OPDC has successfully defended four appeals against enforcement notices and four Shisha lounges have closed this financial year. Monitoring is ongoing on several other sites.

*Review of Local Plan*

- OPDC's Local Plan identifies the need for a range of employment premises to attract a diversity of employment sectors to the OPDC area. However, we are considering how we can better support and encourage a diversity of businesses through the Local Plan review. OPDC is currently defining a scope to commission an Employment and Town Centre Uses Study which will be used to underpin revised planning policy and guidance.

## *Community: A place for everyone, reflecting local needs and aspirations*

**Empower people to have a say in the future**

*Statement of Community Involvement*

- The revised Statement of Community Involvement (SCI) was approved by Board in June 2024. The SCI sets out OPDC's commitments for how and when OPDC will consult communities in the process of planning for the Old Oak and Park Royal area, both in producing planning policy and in carrying out its development management functions.

*Engagement Initiatives and Events*

- Wesley playing fields and Midland Terrace have been a key focus for the team this year and we have undertaken detailed engagement with local residents across both sites. Midland Terrace is due to be completed in April 2025 and we plan to hold a celebration event at the end of April. This event will include a workshop with a local artist to design and develop a mural on a newly installed fence in the park.

- There have been two stages of engagement on Wesley with the final update event planned for early April, this event will demonstrate to the local community how designs have progressed as a direct result of their feedback and also update them on the timeline for the first phase of improvements.

- We have attended a number of events to raise awareness of who OPDC are including sponsoring the Young Ealing Foundation award, Brent Brazilian Day and High Speed Two (HS2) meetings/events.

**Celebrate and champion diversity, heritage and local identify**

*Park Royal Design District*

- Supported the Park Royal Design District (PRDD) to deliver the fourth London Design Festival weekend, attended by more than 2,000 people.

- Supported the London Craft week in May 2024, a three day festival that celebrates Park Royal's excellence in craft, design and making. Attended by 2,300 people with members of the OPDC team also supporting through volunteering.

*Small Grants Programme*

- The Small grants programme funded 17 community organisation this year with a further five funded through Creative Enterprise Zone (CEZ) funding, with 60,000 beneficiaries reached.

- The programme was rolled out again for the fourth time in early 2025, which to date has awarded £200,000 to 42 community-led organisations. We received a fantastic response with an overwhelming total of 71 applications, with 10 projects being selected to receive funding.

**Build capacity and skills for the future**

*Youth Panel*

- We are developing a Youth engagement panel to support an ongoing ambition for a dedicated youth engagement strategy. This is due to launch in Spring 2025 and is expected to follow a similar model to LLDC's extremely successful Elevate youth board. The team has been working closely with LLDC to understand the key considerations for the panel and how it operates. We will be working with our partners to advertise the opportunity, ensuring that we have a cross section of young people from all backgrounds and boroughs from across the OPDC area.

*The Forge*

- The Forge commissioned a 'Street Elite' programme delivered by The Change Foundation. This targeted 15 NEET young men involved in, or at risk of involvement in gang or criminal activity from priority estates in Brent, Ealing and Hammersmith & Fulham. The 9-month programme transitioned 14 of the cohort into employment, training or education via a programme of sports and motivational coaching.

- The Forge has commissioned five specialists to deliver support to local SMEs in finance, food manufacturing process, creative, business operations and marketing.

- Since April 2024, 20 local businesses have received 80 hours of support. The Forge has succeeded in supporting those who are traditionally under-represented in the labour market into work with 60% of those into work being from an ethnic minority background, 37% women and just below 5% having a registered disability.

- The Forge team has now helped 243 local people into employment, of which 25 have been supported into work since April 2024.

- The Forge is taking steps to refocus its efforts that reflects wider challenges with apprenticeships regionally and nationally by developing wider "pathways into work" programmes. This approach will provide a wider array of opportunities for young people to access training and employment whether that be via internships, paid work placements, apprenticeships or, for example, specific short course or NVQ qualifications.

**Care and protect the local area**

*Outreach activities and volunteering programmes*

- We have been working with a wide range of organisations to provide volunteering opportunities for staff to engage with, this has included supporting food banks, packing parcels, litter picking along the canal and assisting in community garden initiatives.

- OPDC and Canal River Trust (CRT) have been working closely together to work with local businesses to adopt parts of the canal which will mean that it is kept cleaner and maintained.

*Inclusive consultation and engagement*

- We have continued to use a variety of both online and offline platforms to consult and engage with audiences. This has included working closely with key stakeholders in the OPDC area to share messaging and updates through their channels, and sharing our messaging with them.

- The Make Space for Girls workshops is an excellent example of this, working closely with Young Ealing Foundation and Make Space for Girls, we have held four workshops with young women to listen and understand how we can improve the facilities at Wesley Playing Fields. We have updated our plans as a direct result of their feedback – making it a more inclusive place for everyone.

- OPDC's social media channels have continued to provide key updates to the local community and over the past year, we've had over 500 new followers to our channels and thousands of engagements with our posts.

## *Innovation: Creating a sustainable and prosperous future*

**Net zero and nature positive regeneration**

*Public Realm Improvements*

- Commenced joint working with Ealing Council to promote public realm improvements in North Acton and the Love Streets app. A new joint project coordinator (with Canal & River Trust) has started and will be taking forward the work previously completed to date.

*Sustainability*

- OPDC's Sustainability Charter has been approved by the Board, setting clear pledges and objectives to reduce carbon, enhance resource efficiency, and drive inclusive economic growth. To ensure effective implementation, we have developed a Sustainability Implementation Dashboard to track progress across OPDC-led developments, assets, and operations. In parallel, we are scoping the Old Oak Sustainability Strategy, which will define minimum and stretch targets to guide sustainability delivery.

- OPDC has launched Climate Literacy Training, with the first session successfully delivered in February 2025. The programme will run every two months to ensure all staff are equipped with the knowledge to understand and address carbon emissions. This initiative supports our commitment to embedding sustainability across the organisation.

- OPDC’s two applications to the GLA’s Zero Carbon Accelerator programme were successful, securing support to develop a solar energy delivery plan for Park Royal. This includes a private wire network supplying low-carbon power to major energy users and a Smart Local Energy System (SLES) integrating solar, battery storage, and peer-to-peer energy trading to benefit local businesses. As the next step, OPDC has submitted additional self-assessment applications to determine the funding and support available to advance the projects.

*OPEN Network*

- The aim of the heat network project is to develop low carbon energy infrastructure that will help achieve the Mayor’s net zero carbon ambitions; by taking waste heat from new and existing data centres in Park Royal. These data centres are contributing to local pollution and overheating in the area. By using their waste heat, the heat network will mitigate this problem whilst providing zero carbon heat and hot water to existing homes, hospitals, student accommodation and the Old Oak Development - making this one of the most sustainable developments in London.

- Since the launch of the procurement process to secure a Development and Funding Partner (DFP) to develop and deliver our heat network, final tender submissions were received from three bidders in the Autumn of 2024. Our Board approved the highest scoring bidder, Hemiko, to be appointed as OPDC's DFP in February 2025.

- From March 2025, Hemiko will commence development of the network, primarily focussing on network design, securing planning and other statutory consents, and connection and supply agreements with data centres and customers within Park Royal and North Acton.

**Jobs for the future and local prosperity**

*Economic Vision*

- OPDC is developing a comprehensive economic vision and narrative setting out the organisation’s ambitions and aspirations for delivering inclusive growth benefits to local communities, residents and businesses: to communicate our ambition to government, development partners and investors and has been developed with our host Boroughs, the GLA and other key sub regional stakeholders, such as Imperial College, Brunel University and West London Business.

- The partnership with Imperial has been of particular importance as OPDC explores the benefits of being part of the West Tech Corridor, its role in Old Oak and the wider social and economic benefits that could bring.

- The development of the economic vision and narrative will by its nature allow for the creation of a breadth of workspaces that are suitable for a wide range of industries and technologies.

*Affordable Workspace*

- Through its innovative Loan Fund, the OPDC has supported small creative businesses deliver in excess of 4,400 sq ft of much needed affordable workspace in Park Royal.

**Attract diverse industries and technologies**

*Circular Economy Hub*

- OPDC's new Circular Economy Hub opened in autumn 2024 with a range of creative and innovative tenants manufacturing products using circular economy materials sourced from the likes of HS2 or local film studios.

*Small Business Loan Fund*

- Funded five programmes for up to 180 young people to develop their creative skills. This includes writing, scripting and filming short films, music production; through creating an Enterprise Portal, training in videography, photography, podcasting and production, and creating a fashion clothing brand.

- Funded a West London film and tv creative skills festival, held in Wembley Box Park, with 1,500 Londoners attending and 51 employers and training providers represented. Provided additional funding for the Park Royal Women's Group which supports women living and working in the Park Royal area, discussing topics such as women's safety and leadership.

## Core Functions: An Efficient and equitable team, fit for the future

**The right capacity and capability to deliver**

*GLA Group Collaboration*

- We continue to work in partnership with the GLA Group Collaboration Board. The Board was established to explore opportunities for savings through greater collaboration across the GLA Group in the areas of information technology, procurement, human resources, finance and other professional services.

- We are an active member of two quarterly topic forums on Risk and Assurance Collaboration. These forums provide a valuable space to share best practice, exchange ideas and allow oversight of how counter-fraud, internal audit, project assurance and risk are operating across the Group.

- We are signatories to the GLA Group Responsible Procurement Policy. This gives us the opportunity to think strategically about approaches to responsible procurement as well as how we can bring about improved social value outcomes throughout the procurement cycle.

- We are also an active member of Transport for London's (TfL) Modern Slavery Delivery Group. This has the principle aim of mitigating the risk of modern slavery in contractors and subcontractor supply chains.

*Board Effectiveness Review*

- We want to ensure that our governance continues to be effective as OPDC develops as an organisation. As part of this we carried out a full external Board Effectiveness Review which focused on the way in which Board and its committees conducted their business and how Board should evolve to ensure the right mechanisms, structure, skills, experience and processes were in place as our organisation shifts to a lead delivery agency role.

- The findings were reported to Board at its meeting in November 2024. Work to address the recommendations was started and a more detailed action plan setting out activity to address each of the 37 recommendations from the review was presented to Board in February 2025. This work includes: a review of our Standing Orders and other governance documents as we seek to affirm primacy of the Board as the governing body of OPDC; work to look at how we can create formal mechanisms to capture and share community and stakeholder insight and engagement with the Board; and the establishment of a new Governance and Nominations Committee.

- Progress towards implementation of each recommendation is being tracked with updates provided to Board. Our aim is to have addressed all of the recommendations by Q3 of 2025-26.

*Finance Function Restructure*

- Our Finance function is an integral part of the OPDC structure. As OPDC grows and evolves, we have restructured the function to reflect the developing needs of the business.

- We have been building capacity and skills in our Finance team as OPDC's asset portfolio grows. This will ensure assurance and compliance with statutory obligations and group reporting.

- As our business grows in complexity, the Finance team is working across the business to ensure we can support OPDC colleagues by providing effective business partnering services.

*Targeting Operating Model*

- OPDC was fully staffed against our Targeting Operating model in quarter one of 2024-25, making good strides towards ensuring that we have sufficient capacity to step into our role as delivery agent.

**Foster a people centred approach**

*Health and Wellbeing*

- We remain committed to fostering a healthy and supportive work environment, continuing to enhance our approach to health and wellbeing to ensure that our staff feel valued, supported and empowered to thrive.

- Colleagues have attended health and wellbeing webinars which have included a session on Taking Care of your Mental Health. We have developed a Wellbeing Charter which showcases the range of initiatives that are available for colleagues and strengthens our commitment to providing a work environment in which our staff can thrive and maintain high standards of wellbeing.

- We have trained 10 Fire Marshalls and 5 First Aiders. All colleagues were offered the opportunity to arrange to receive a flu vaccination and to be reimbursed for the cost.

- Medigold, our new employee health screening provider, launched in 2024, offering a refreshed health assessment programme designed to support colleagues with their health and wellbeing.

*Learning and Development*

- We are committed to creating a culture of continuous learning and development, and empowering colleagues to grow both personally and professionally. We have established a Learning and Development Steering Group. The remit of the group is to ensure that OPDC continuously improves our learning and development offer for staff. 32 members of staff have accessed specialist training in 2024-25.

- We commissioned a Practical Health and Safety session for all colleagues, and Legal Health and Safety training, delivered by Eversheds, for all colleagues and Board members in November 2024. This training covered overarching health and safety duties, risk and driving the right behaviours.

- Unison ran an online session with staff to increase awareness of the menopause in the workplace and its potential effects on staff. One of our colleagues shared her lived experience of perimenopause and how she is navigating through this phase of her life. We have encouraged all colleagues to complete the Menopause e-learning, which is designed to provide valuable insights and support.

- Colleagues have attended a number of Equity Diversity and Inclusion (EDI) related webinars during the year. Topics have included, Taking Care of your Mental Health, Trans Inclusion Training, Antiracism Action to Liberation, and Banter and Bullying.

*Organisational Development*

- In September 2024, HR colleagues presented the 2023-24 Workforce Report to the Audit and Risk Committee. The report provided an update on key aspects of our organisation, which including Workforce Composition, Recruitment, Learning and Development, EDI, Absence Management, and Supporting our People.

- We are collaborating with the GLA, MOPAC, and LLDC to procure a provider to run all aspects of our staff survey. The aim is to launch a staff survey in Q1 of 2024-25.

**Embed equity, diversity and inclusion in everything we do**

*Social Value Working Group*

- OPDC has established a Social Value Working Group. The Group is currently developing a process to ensure that social value outcomes, including EDI, are effectively embedded into projects and procurement activity at an early stage.

- To deliver our ambitions for inclusive and fair employment, we have joined the Ealing London Living Wage (LLW) Action Group to drive up signatories to the LLW within OPDC's red line boundary.

*Diversity and Inclusion*

- Our commitment to Equity, Diversity and Inclusion (EDI) from our Board and Senior Management Team sets the tone for fostering a diverse, inclusive, and equitable workplace culture. Embracing EDI as a strategic imperative reflects a commitment to social responsibility, ethical leadership, and creating positive societal impact beyond our legal obligations.

- During 2024 key achievements have included:
  - 100% of our interview panels were diverse
  - We were awarded the Stonewall Equality Index Gold Award, and ranked 49th out of 246 organisations
  - The Mayors Good Work Standard at Excellence Level
  - We supported 227 residents from the OPDC area into work, with 63% coming from a diverse background
  - The Small Grants Programme has provided funding of up to £7,000 for community groups, businesses, and charities to run projects in the local community. Almost £200k has been awarded to over 42 community led organisations to support foodbanks, training centres, and arts and culture programmes

    - Adoption of four supplementary planning documents (SPD's) which embed EDI considerations.
    - OPDC is now a signatory of the GLA Group Responsible Procurement Policy and is collaborating with TfL to implement changes to process stemming from the new Procurement Act. This places a greater focus on social value outcomes.

- Through our procurement processes, we continue to drive diversity in its supply chain through targeted use of pre-approved frameworks of diverse SMEs, such as the Architecture + Urbanism Framework. In addition, we have also appointed smaller suppliers within the built environment through innovative platforms like RenKap, a broker service that connects organisations with surveyors who may face challenges competing with bigger firms.

Further information on the full range of activities carried out by the Corporation can be found on our website: www.london.gov.uk/opdc .

You can also review our quarterly Q4 report, which includes further details on performance against our key metrics and milestones, and read our Management Plan, which includes our priorities for 2025-26.

**Next phase in our Strategy**

Our progress over the past year has seen us make significant strides towards reaching milestones in our two year Corporate Strategy. With that in mind, the next year will be a critical time for the organisation to ensure that we continue to deliver against the three pillars of our work: Delivery, Community and Innovation.

The current Corporate Strategy was reviewed and presented and agreed by our Board in March 2025, it has been updated to reflect the substantial progress that's been made over the last year or so, especially in the delivery programme. Our vision, mission and values continue to flow into our three pillars of Delivery, Community and Innovation, with an additional pledge within Delivery on 'A strategic approach to deliver comprehensive regeneration'. In parallel with the refresh of the Corporate Strategy, the management plan for 2025-26 sets out in some detail our operational deliverables, KPIs and milestones for the corporation. Both documents will be used to drive consistency and purpose across our programmes and workstreams, shaping our corporate goals and aligning out work.

# Financial Review

## Introduction

OPDC is the Mayor of London's statutory regeneration and planning authority for the Old Oak and Park Royal Opportunity Area. Its mission is to maximise the economic, social, and housing benefits of the new super-hub station at Old Oak Common - creating one of the largest regeneration projects in the UK, harnessing major improvements for local communities and stimulating growth for the wider London economy.

The scope and ambition of this can only be achieved through a masterplanned scheme delivered through a partnership between the public and private sectors to achieve the comprehensive regeneration of the area. In this early phase, it is essential we assemble private land through commercial negotiations and then amalgamate with publicly owned land in the area to ensure the long-term success of this new, urban district for West London.

## 2024-25 Review

This year has been another very busy year for OPDC, building on the capital acquisitions programme begun in 2023-24, adding significant assets and subsidiaries to our existing portfolio in line with our priorities as set by the Mayor.

Revenue expenditure grew by £1.3m to £11.5m (2023-24: £10.2m) in the year as the Corporation recruited permanent staff and ramped up delivery. The Corporation spent a further £105.4m in capital development (2023-24: £78.6m), investing in a mixture of property and companies (which themselves own property) in line with the strategy of acquiring parcels of private land in the area as they become available and then integrating them into the comprehensive regeneration scheme.

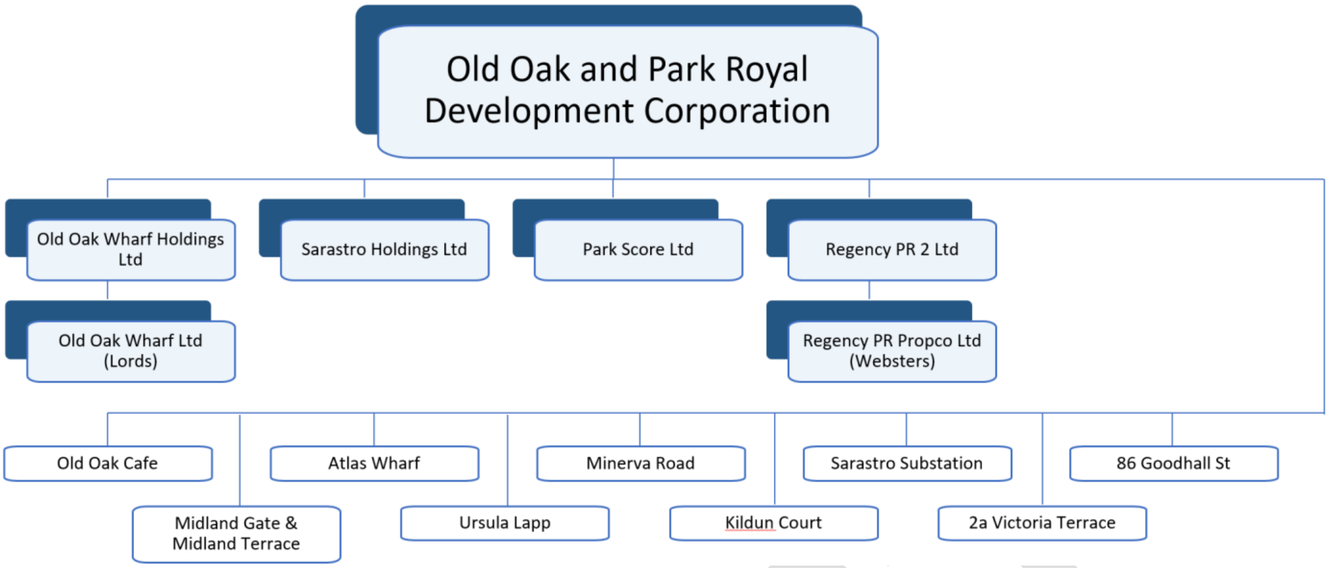
The land acquisition programme commenced in the financial year 2023-24 and has continued in 2024-25. OPDC has now acquired through negotiation the freehold interests of the vast majority of the land required. Negotiations with the owners of the small number of remaining sites are ongoing.

OPDC now owns a portfolio of assets and subsidiaries with a purchase cost £184m, including:

- 3 residential assets,
- a number of commercial and office units including a bus depot, a large car park, a café,
- an electricity substation, a telecoms mast and solar panels.

We administer 400,000sq ft (7 football pitches) of space in total in the area.

**OPDC Group Structure at 31 March 2025.**




All of this expansion has been added since 1 April 2023 and OPDC is on track to complete the private land assembly and negotiate the public land agreement in line with our approved business plan.

All assets were acquired at market rates with professional valuation advice from Deloitte's to ensure value for money in our expenditure. The acquisitions are in line with strategy and represent the value to the scheme overall rather than just the individual asset value. The consideration paid includes professional fees, and advice and, in some cases, compensation and other costs due in the shadow of a compulsory purchase, as required by Government guidance.

The assets are all acquired to assemble the development scheme in the regeneration area, and so the acquisition values represent the synergies that can be delivered by combining the private plots with the public land in the area, something which only this scheme can deliver. The financial modelling, approved as a part of the Outline Business Case, shows that the cash cost paid is recoverable from future land sales to development partners.

The external valuers are required by accounting standards and by the Royal Institution of Chartered Surveyors (the "Red Book") to view each property independently, in the absence of an approved scheme, and so the figure makes no allowance for any effect that combining areas of the scheme, including associated public realm and infrastructure, would have on the overall value, compared to developing single sites in isolation.

In addition, on 24 March 2025, OPDC subscribed for a single share in OPEN ESCO LTD, a special purpose vehicle incorporated on 11 March 2025 to develop the Heat Network. OPDC has only 1 share out of 101 in issue, has no board members or voting rights and as such has no control over the SPV and does not share in the risks and rewards of ownership. As such the investment is only held at its nominal value of £1.

The previous accounts were issued with a disclaimed audit opinion as a part of the guidance governing the Local Government reset, so the external auditors were unable to provide assurance over comparative figures in the 2023-24 accounts as well as 2023-24 opening balances and in year movements. To address the issues raised in previous years, the Corporation has implemented a series of improvements as discussed in the Governance Statement.

## Revenue

The financial performance of the Corporation is regularly monitored and reviewed throughout the year, with strong financial management and control being a cornerstone of management practices, contributing to the effectiveness and efficiency of programme and service delivery across the organisation.

The approved Revenue Budget was £11.8m for 2024-25 (2023-24: £10.7m). The outturn net expenditure was £11.5m, resulting in an underspend of £0.3m against budget.

Successful budget monitoring and forecasting enabled budgets to be reallocated to Delivery activities over the course of the year.

| 2024-25 Outturn | Outturn £m | Budget £m | Variance £m |
|---|---|---|---|
| Chief executive office | 1.0 | 1.1 | (0.1) |
| Corporate operations | 3.5 | 3.0 | 0.5 |
| Delivery | 8.6 | 8.1 | 0.5 |
| Planning | 1.9 | 2.2 | (0.3) |
| Planning and other income | (1.1) | (1.2) | (0.1) |
| Rental income | (2.3) | (1.4) | (0.9) |
| **Net cost of services** | **11.5** | **11.8** | **(0.3)** |

The Corporation generated £0.9m of additional commercial income with the acceleration in the asset acquisition programme, with 13 sites directly owned rather than the 4 in the budget.

Corporate costs were also ahead of budget caused by the relocation to dedicated offices from Brent Civic Centre and a large increase in audit fees caused by the increased scope and complexity of the group.

These figures are presented at a group level, in line with the approved budget for 2024-25. There are other rental earnings in the subsidiaries, but this are not included as these are surrendered to OPDC by dividend only and none have been declared.

## Capital

Capital Accounting refers to the arrangements for recognising and measuring the value of non-current assets in the balance sheet and making charges to the comprehensive income and expenditure statement to reflect the cost of using them, that is:

i. expenditure on an asset that will provide control of the resulting economic benefit or service potential and that has a measurable cost.
ii. revenue expenditure allowed to be funded by capital under statute (REFCUS); or
iii. under a capitalisation direction in accordance with the Local Government Act 2003.

Capital expenditure totalled £105.4m in 2024-25 (2023-24: £78.6m), funded by utilisation of capital grants from the Ministry of Housing, Communities and Local Government (MHCLG) and the borrowing from the GLA for land and property acquisition.

## Value of assets

The accelerated investment in capital assets of £105.4m was split between directly purchased assets (£34.5m, 2022-23: £37.7m) and the acquisition of subsidiary companies (£70.1m, 2023-24: £41.0m). The amounts paid were supported by advice from expert independent valuers and in line with government guidance. The guidance states the purchase price should be at open market value, plus compensation for disturbance as you would expect to pay under the shadow of a potential compulsory purchase scheme and include stamp duty land tax and contribution to sellers' professional advisor fees. This is normal practise in government backed regeneration programmes, it does not mean the assets are overvalued and still reflects value for money.

### Impairment of assets

As required by accounting standards, at year end OPDC has commissioned independent valuers to assess the market value for accounting purposes of the portfolio. In many cases this will be significantly different from the acquisition cost as it purely assesses the potential of the site to deliver future benefits rather than viewing it as a part of the wider plan or any enhancements from its capacity to be combined with the public land, as well as discounting all of the associated fees and taxes incurred in buying properties and companies.

An impairment has been recognised in these accounts of £33.5m (2023-24: £14.5m). It does not affect the underlying market value of the properties acquired, nor its benefit to the overall OPDC development scheme and is normal practice in large-scale public sector regeneration schemes involving land and property acquisitions.

### Comprehensive Income and Expenditure Statement

This statement shows both the revenue recognised and the costs incurred in the year of providing services, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice.

Income and expenditure, as reported in the management accounts, shows an underspend of £350k against the agreed budget. The Comprehensive Income and Expenditure Statement (CIES) shows surplus of £11.2m (2023-24: £23.1m).

The CIES now accounts for the receipt of the grant from MHCLG (£25m) which is accounted for as income but was spent as capital to acquire a number of investment sites as a prelude to combining them with the public land when available, in addition to £18.8m of similar grant income from the prior year spent in 2024-25.

A dividend of £1.1m was received from Sarastro Holdings Ltd, a group company. Other earnings are still held in group entities and will be remitted by dividend in 2025-26.

In addition, a number of contracts issued under S106 arrangements in prior years do not contain any provision for return of the money under specified conditions or after an amount of time has elapsed. These are now treated as income and passes through the CIES and is held as a useable reserve, but with restrictions on the expenditure relating to the terms of the individual contracts. The interest amount also passes to useable reserves but without restriction.

This was adjusted in the prior year's figures as explained in Note 1 of the financial statements.

### Statement of Financial Position

The balance sheet shows the value, as at the balance sheet date, of the assets and liabilities recognised by the Corporation. They are matched by the reserves, which are reported in two categories. The first category is usable reserves, being those that the Corporation may use to provide services, subject to the need to maintain a prudent level. The second category is those that the Corporation is not able to use to provide services.

The balance sheet shows a net asset position of £45.0m (2023-24: £33.8m), demonstrating the change in focus of the Corporation and the high level of investment activity.

### Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the Corporation, analysed between usable reserves and unusable reserves. The statement shows how the movement in the Corporation's reserves is broken down between gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts chargeable to council tax for the year.

### Statement of Cash Flows

The cash flow statement shows the movements in cash and cash equivalents of the Corporation during the financial year. The statement shows how the Corporation generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities.

The cash flow statement shows a decrease in cash balances by £22.3m to £32.9m (2023-24: £55.2m), mainly caused by the use of the 2023-24 funding from MHCLG (£18m) for capital acquisitions.

### Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to the user of the accounts how the funding available to the Corporation for the year has been used in providing services, in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### Financial accounts

In a Ministerial Statement on 30 July 2024, the Minister of State for Local Government and English Devolution set out the actions to be taken to address the backlog in all local government audits and put them onto a sustainable future.

To clear the backlog in unaudited accounts and where auditors have been unable to complete audits for the years ended 31 March 2023 and before, the accounts have presented with a 'disclaimed' opinion. This does not mean that they have not been prepared to a high standard, just that an audit has not been possible and that the auditors are unable to form an opinion on them.

An unaudited draft of the 2022-23 annual report and accounts for OPDC was published before the 31 May 2023 deadline and has now been finalised with a 'disclaimed' opinion and published on 13 December 2024.

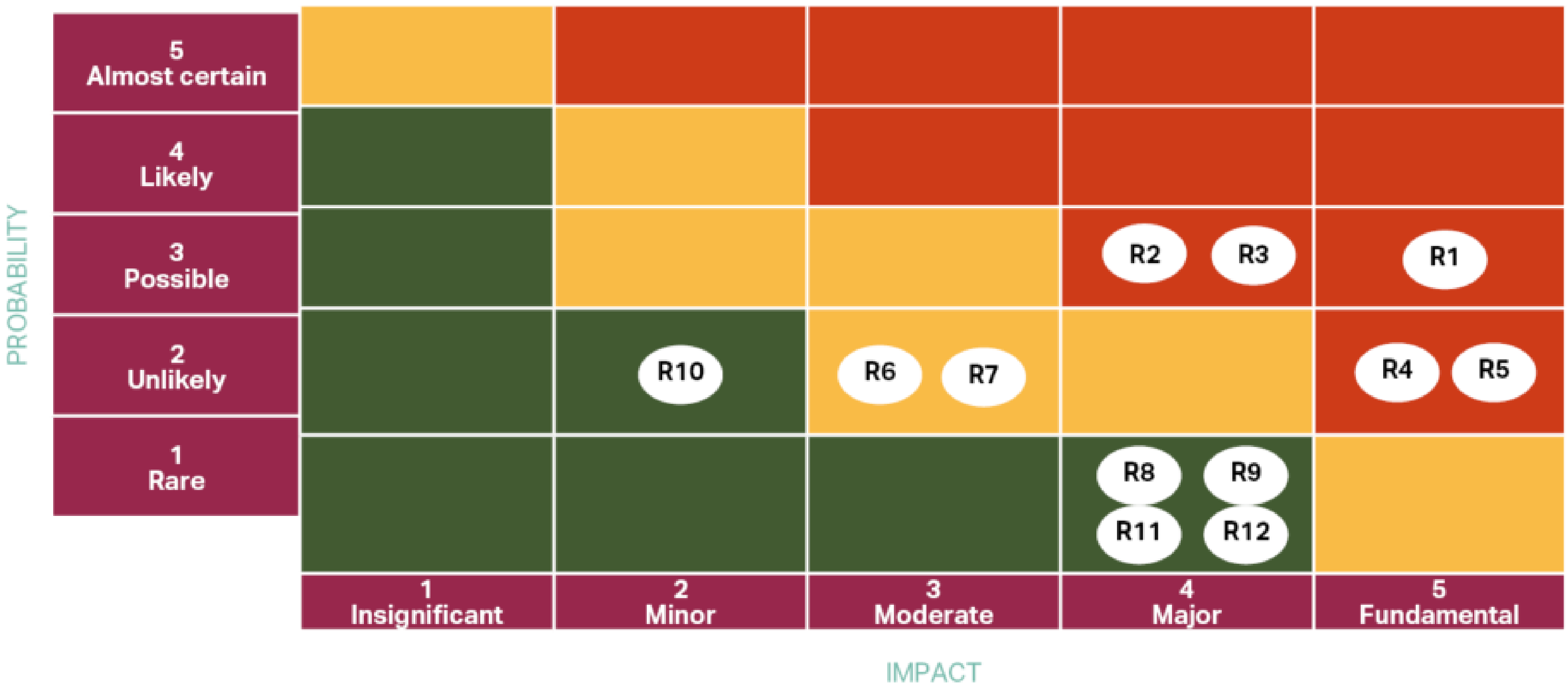
Audited accounts for 2023-24 were published with a disclaimed opinion on 27 February 2025.

# Corporate Risks

OPDC regularly reviews risks at a project, directorate and corporate level. The Corporate Risk Register is brought to the Audit and Risk Committee every six months with the compiled register reviewed by OPDC's Senior Management Team ahead of the Committee.

The table below shows the current strategic risks identified, their potential impact, and what mitigating action is being taken.

Further details about the risks and how they are scored are found in the report presented to Audit and Risk Committee in March 2024. Noting that in each quarter notable risks across the directorates feed through into our quarterly dashboards and can be found on the Committee's page on our website.



| ID | Description | Score | Mitigation Commentary |
|---|---|---|---|
| R1 | Old Oak: Inability to complete activities (e.g. public land agreements) and secure approvals necessary to launch public procurement | 15 | OPDC continues to work closely with public sector partners on the collaboration and public land agreement. |
| R2 | HS2 Station: Delays to the delivery of the HS2 Station could result in delays to the delivery of homes and jobs targets in the OPDC area | 12 | OPDC continues to engage with HS2 on key programme updates at an officer level and through senior governance. |
| R3 | Construction: Impacts of supply side challenges & material/labour inflation and challenges around Building Safety on the construction industry may adversely affect the viability of schemes and speed of delivery of new homes & jobs | 12 | OPDC as a local planning authority thoroughly assesses viability assessments submitted with each planning application. |
| R4 | Cyber security: OPDC relies on a number of shared services, including IT. This has the potential to significantly impact OPDC critical processes should a cyber attack take place. | 10 | OPDC continues to work closely with TfL and wider GLA Group to ensure effective mitigations are in place. |
| R5 | Asset management: Asset failure from OPDC owned land and buildings | 10 | OPDC is managing its assets as a responsible landlord, and has engaged professional support to do this. |
| R6 | Old Oak - Economic uncertainty / Market shocks: Inflation, values and funding uncertainty will impact Old Oak, but may benefit site acquisitions | 6 | OPDC's long term proposition and approach should mitigate the above. Ongoing market engagement is helping to mitigate any uncertainty by understanding the market. |
| R7 | Infrastructure: Failure to plan, fund and deliver the requisite infrastructure needed to support development at Old Oak and surrounding area. | 6 | As the Old Oak scheme develops so will the work around infrastructure requirements and delivery. The infrastructure Delivery Plan provides a list of key infrastructure and OPDC will work with partners and stakeholders on funding and delivery. |
| **ID** | **Description** | **Score** | **Mitigation Commentary** |

| | | | |
|---|---|---|---|
| R8 | Stakeholder and policy misalignment: Maintain resourcing and stakeholder alignment including work on land pooling, as well as alignment and appetite for Old Oak project, funding, support and delivery with external government departments, partners and the GLA. | 4 | OPDC continues to work closely with stakeholders across Government to make efficient and effective use of public land to secure development and bring forward much needed homes and economic benefits. |
| R9 | Procurement: Formal challenges to public and market facing processes such as procurement, town planning and compulsory purchase | 4 | OPDC will follow good industry practice and work in line with prevailing statutory requirements. |
| R10 | Old Oak: Adequate resourcing to maintain delivery momentum (OPDC, Public Bodies & wider supply chains). | 4 | OPDC is working closely with GLA and its partners to ensure that the right level of resources continue to be deployed to deliver at pace. |
| R11 | Heat Network: Failure to deliver proposed heat network in line with the strategic plan | 4 | OPDC is working closely with the appointed heat network development and funding provider (Hemiko) to ensure that the proposals are delivered in line with the strategic plan. |
| R12 | Scheme phasing and land release: Failure to secure vacant possession for development and infrastructure delivery | 4 | OPDC will create and maintain scheme phasing and align asset leasing / occupancy plan to this. |

**Gurdip Juty, Chief Finance Officer, 30 June 2025**

# Purpose of major schedules within the financial statements

## The nature and purpose of the primary schedules included within the financial statements are set out below:

### Comprehensive Income and Expenditure Statement

This statement shows both the revenue received and the costs incurred in the year of providing services, in accordance with International Financial Reporting Standards (IFRS).

### Statement of Financial Position

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by OPDC. The net assets of OPDC (assets less liabilities) are matched by the reserves held by OPDC. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that OPDC may use to provide services. OPDC is funded by the GLA; therefore, its level of usable reserves in the statutory accounts does not fully determine its ability to meet current and future financial challenges. The second category of reserves is those that OPDC is not able to use to provide services (Unusable Reserves). This category of reserves is brought about by accounting entries and includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'. They are not cash-backed reserves or an additional source of funding for OPDC.

### Cash Flow Statement

The cash flow statement shows the movements in cash and cash equivalents of OPDC during the financial year. The statement shows how OPDC generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing, and financing activities.

### Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by OPDC analysed between usable reserves and unusable reserves, Gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts being recognised within OPDC's General Fund are reflected in the usable reserves. In Local Authorities, the General Fund governs the amounts chargeable to council tax for the year, however this is not relevant in the context of OPDC. The unusable reserves include the pensions reserve, accumulated absences reserve and the capital adjustment account, which absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction, or enhancement elements of those assets under statutory provisions.

# Statement of Responsibility for the Accounts

## The Development Corporation's responsibilities

The Development Corporation is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Development Corporation, that officer is the Chief Finance Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

## The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Statement of Accounts for the Development Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Code.
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Certificate of the Chief Finance Officer

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Development Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2025.

**Gurdip Juty**
Chief Finance Officer
30 June 2025

**Dame Karen Buck**
Chair
30 June 2025

# Independent Auditor's Report to Members of the Old Oak

# Core Financial statements

## Corporation Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

| | Note | Gross income | Gross expenditure | Net (income)/ expenditure |
|---|---|---|---|---|
| | | £000 | £000 | |
| Chief executive office | | - | 974 | 974 |
| Corporate operations | | (16) | 3,852 | 3,836 |
| Delivery | | (4,381) | 11,910 | 7,529 |
| Planning | | (1,180) | 1,976 | 796 |
| REFCUS | | - | - | - |
| GLA grant | 1 / 2 | (11,476) | - | (11,476) |
| **Net cost of services** | **1 / 2** | **(17,053)** | **18,712** | **1,659** |
| Financing income – lease interest | 15 | - | 30 | 30 |
| Financing and investment income | 5 | (3,595) | 1,817 | (1,778) |
| Dividend income | 5 | (1,100) | - | (1,100) |
| Impairment | 9 | - | 33,436 | 33,436 |
| Depreciation of right of use assets | 15 | - | 201 | 201 |
| Taxation and non-specific grant income | 6 | (44,232) | - | (44,232) |
| **Surplus on provision of services before tax** | | **(65,980)** | **54,196** | **(11,784)** |
| Corporation tax | | - | - | - |
| Remeasurement of the net defined asset | 14 | - | 402 | 402 |
| **Total comprehensive income and expenditure for the year ended 31 March** | | **(65,980)** | **54,598** | **(11,382)** |

## Corporation Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

| | Note | Gross income | Gross expenditure | Net (income)/ expenditure |
|---|---|---|---|---|
| | | £000 | £000 | |
| Chief executive office | | - | 942 | 942 |
| Corporate operations | | - | 2,809 | 2,809 |
| Delivery | | (1,822) | 8,016 | 6,194 |
| Planning | | (1,222) | 1,672 | 450 |
| REFCUS | | (671) | 671 | - |
| GLA grant | 1 / 2 | (10,207) | - | (10,207) |
| **Net cost of services** | **1 / 2** | **(13,922)** | **14,110** | **188** |
| Financing and investment income | 5 | (1,680) | - | (1,680) |
| Impairment | 9 | - | 14,519 | 14,519 |
| Taxation and non-specific grant income | 6 | (35,890) | - | (35,890) |
| **Surplus on provision of services before tax** | | **(51,492)** | **28,629** | **(22,863)** |
| Corporation tax | | - | 430 | 430 |
| Remeasurement of the net defined asset | 14 | (606) | - | (606) |
| **Total comprehensive income and expenditure for the year ended 31 March** | | **(52,098)** | **29,059** | **(23,039)** |

## Corporation Statement of Financial Position as at 31 March 2025

| | Note | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Right of use assets | 10 | 381 | |
| Investment property | 8a | 33,564 | 35,054 |
| Investment in subsidiaries | 8b | 84,400 | 29,091 |
| Financial assets | 11 | 18,832 | 48 |
| Retirement benefit obligation | 14 | - | 503 |
| Trade & other receivables | 12 | 5 | - |
| **Total non-current assets** | | **137,182** | **64,696** |
| **Current assets** | | | |
| Trade & other receivables | 12 | 2,028 | 6,171 |
| Cash & cash equivalents | 21 | 32,845 | 55,179 |
| **Total current assets** | | **34,873** | **61,350** |
| **Total assets** | | **172,055** | **126,046** |
| **Current liabilities** | | | |
| Trade & other payables | 13 | (11,056) | (5,608) |
| Lease liabilities | 15 | (299) | - |
| Receipts in advance | 20 | (100) | (18,855) |
| **Total current liabilities** | | **(11,455)** | **(24,463)** |
| **Total assets less current liabilities** | | **160,600** | **101,583** |
| **Non-current liabilities** | | | |
| Trade & other payables | 13 | (267) | - |
| Lease liabilities | 15 | (94) | - |
| Retirement benefit obligation | 14 | - | - |
| Borrowings | 13 | (97,842) | (50,000) |
| Receipts in advance | 20 | (17,176) | (17,744) |
| **Total non-current liabilities** | | **(115,379)** | **(67,744)** |
| **Total liabilities** | | **(126,834)** | **(92,207)** |
| **Net assets/(liabilities)** | | **45,221** | **33,839** |
| **Reserves** | | | |
| Usable reserve | 17 | 13,905 | 12,346 |
| Unusable reserve | 17 | 31,316 | 21,493 |
| **Total reserves** | 17 | **45,221** | **33,839** |

The unaudited accounts were issued on 30 June 2025

Gurdip Juty
Chief Financial Officer, 30 June 2025

# Corporation Movement in Reserves Statement for the year ended 31 March 2025

## 2024–25

| | Note | General Fund | Total Usable Reserves | Unusable Reserves | Total Reserves |
|---|---|---|---|---|---|
| | | £000 | £000 | | |
| Balance as at 1 April 2024 | | (12,346) | (12,346) | (21,493) | (33,839) |
| **Movement in reserves during 2024-25** | | | | | |
| Surplus or deficit on the provision of services | | (11,784) | (11,784) | - | (11,784) |
| Other comprehensive income and expenditure | | - | - | 402 | 402 |
| **Total comprehensive income and expenditure** | | **(11,784)** | **(11,784)** | **402** | **(11,382)** |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis | 1a | 10,225 | 10,225 | (10,225) | - |
| **Increase for 2024-25** | | **(1,559)** | **(1,559)** | **(9,823)** | **(11,382)** |
| **Balance as at 31 March 2025** | | **(13,905)** | **(13,905)** | **(31,316)** | **(45,221)** |

## 2023–24

| | Note | General Fund | Total Usable Reserves | Unusable Reserves | Total Reserves |
|---|---|---|---|---|---|
| | | £000 | £000 | | |
| Balance as at 1 April 2023 | | (10,914) | (10,914) | 114 | (10,800) |
| **Movement in reserves during 2023-24** | | | | | |
| Surplus or deficit on the provision of services | | (22,433) | (22,433) | - | (22,433) |
| Other comprehensive income and expenditure | | - | - | (606) | (606) |
| **Total comprehensive income and expenditure** | | **(22,433)** | **(22,433)** | **(606)** | **(23,039)** |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis | 1a | 21,001 | 21,001 | (21,001) | - |
| **Increase for 2023-24** | | **(1,432)** | **(1,432)** | **(21,607)** | **(23,039)** |
| **Balance as at 31 March 2024** | | **(12,346)** | **(12,346)** | **(21,493)** | **(33,839)** |



The adjustment between the accounting basis and funding under regulation is the same as that for the EFA (note 1), but the signage is opposite to the EFA.

## 2024–25

| | General fund balances | Movement in Unusable Reserves |
|---|---|---|
| | £000 | £000 |
| **Adjustments to the Revenue Resources** | | |
| Holiday pay (transferred to the Accumulated Absences reserve) | 7 | (7) |
| Pension cost (transferred to (or from) the Pensions Reserve | (101) | 101 |
| Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account | 10,319 | (10,319) |

| | | |
|---|---|---|
| **Total adjustments** | **10,225** | **(10,225)** |

| 2023–24 | General fund balances £000 | Movement in Unusable Reserves £000 |
|---|---|---|
| **Adjustments to the Revenue Resources** | | |
| Holiday pay (transferred to the Accumulated Absences reserve) | (81) | 81 |
| Pension cost (transferred to (or from) the Pensions Reserve | (96) | 96 |
| Reversal of entries included in the surplus or deficit on the provision of services in relation to capital expenditure (these items are charged to the capital adjustment account | 21,178 | (21,178) |
| **Total adjustments** | **21,001** | **(21,001)** |

## Corporation Statement of Cash Flows for the year ended 31 March 2025

| | Note | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|---|
| Net surplus or (deficit) on the provision of services | | 11,784 | 22,433 |
| Adjustment to surplus or deficit on the provision of services for noncash movements | 15 | 72,037 | 88,626 |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | 15 | (47,388) | (73,777) |
| **Net cash flows from operating activities** | | **36,433** | **37,282** |
| Net cash flows from investing activities | 15 | (105,534) | (78,594) |
| Net cash flows from financing activities | 15 | 46,767 | 73,873 |
| **Net increase or (decrease) in cash and cash equivalents** | | **(22,334)** | **32,561** |
| Cash and cash equivalents at the beginning of the reporting period | | 55,179 | 22,618 |
| **Cash and cash equivalents at the end of the reporting period** | | **32,845** | **55,179** |

# Accounting Policies

## a. General principles

The Corporation is required to prepare an annual Statement of Accounts by the Audit and Accounts (England) Regulations 2015. These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (“the Code”), supported by the International Financial Reporting Standards (“IFRS”) and statutory guidance issued under section 12 of the Local Government Act 2003.

The Statement of Accounts summarises the Corporation’s transactions for the 2024-25 financial year and its position as at 31 March 2025. The Corporation’s financial statements have been prepared in accordance with the Code and IFRS.

## b. Basis of accounting

The Accounts are made up to 31 March 2025.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Corporation's performance.

## c. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular,

- Revenue from the provision of services is recognised when the Corporation can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Corporation.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

## d. Going concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The financial statements have been prepared on a going concern basis as the Corporation's Chief Finance Officer considers that the Corporation will continue in operational existence to 31 March 2026 following the date of the auditor's report, and it will be able to meet its liabilities as they fall due for payment. with ongoing funding confirmed by the GLA.

There is a degree of uncertainty about future levels of funding for the Corporation, as the resources required to deliver housing and economic growth in the area are yet to be identified. However, the Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved. It is considered that the Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment, with ongoing funding confirmed by the GLA.

## e. The application of new and revised standards

The Code requires OPDC to disclose any accounting standards that are issued but have yet to be adopted and could have a material impact on the Statement of Accounts.

At the date of authorisation of the financial statements, the following amendments to the Code, standards and interpretations, which are not applied in these financial statements, were in issue but not yet effective:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

OPDC does not consider the above-mentioned amendments to the Code and standards, amendments or interpretations issued by the International Accounting Standards Board to be applicable or have a material impact in 2024-25.

## f. IAS 8: Accounting policies, changes in accounting policies and errors

This specifies the treatment of prior period errors discovered after the financial statements are authorised for issue. An entity is required to correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

a. restating the comparative amounts for the prior period(s) presented in which the error occurred; or
b. if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Any errors are disclosed in the notes to the accounts and present the following information:

- the nature of the prior period error,
- for each prior period presented, to the extent practicable, the amount of the correction,
- for each financial statement line item affected,
- the amount of the correction at the beginning of the earliest prior period presented; and
- if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

## g. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions within the wider GLA Group repayable without penalty on notice of not more than 24 hours.

## h. Critical judgements on applying accounting policies

In applying the accounting policies, the Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

### Classification between investment properties and inventories

OPDC considers the intention at the outset when each property is acquired to classify the property as either an investment property or an inventory.

Where the intention is to trade or dispose the property within the ordinary course of business, the property is classified as inventories.

Where the intention is to hold the property for its long-term rental yield or capital appreciation (or both), the property is classified as an investment property.

Where there is a change in use of the property, a transfer between investment property and inventory property takes place. A change in use occurs when the property ceases to meet the definition of investment property and there is evidence of the change in use. The transfer will take place when there are observable actions toward effecting a change in use, for example the commencement of development with a view to a sale.

The classification of properties is a significant judgement which directly impacts the net asset position and reported financial performance, as inventories are held at the lower of cost and net realisable value or, when appropriate, at lower of cost and current replacement cost, whilst investment properties are held at fair value, with gains or losses taken through the Comprehensive Income and Expenditure Statement. Refer to notes 13 and 17 for further information.

### Property acquisition acquired through purchase of share capital

The Corporation is required under IFRS 3 Business combinations to assess whether any acquisition is of a business or of a set of assets. Management has applied the optional test in IFRS 3 B7A of concentration of assets and concluded that the acquisitions of Old Oak Wharf (Holdings) Ltd and Sarastro Holdings Ltd met that test in that substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Therefore, these acquisition transactions are outside the scope of IFRS 3 because the assets acquired, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business and so did not meet the definition of a business as defined in IFRS 3. Instead, the total purchase consideration has been allocated to the identifiable assets acquired based on their relative fair values at the acquisition date and then these acquisition transactions have been accounted for in accordance with IAS 40 Investment Property.

## i. Assumptions made about the future and major sources of estimation uncertainty

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements and specifically to note 14 to the Accounts is disclosed below:

| Item | What this means - Uncertainties | Effect if actual results differ from assumptions |
|---|---|---|
| Investment Property | Investment property valuations are based on a variety of assumptions to estimate the potential income to be generated by the assets. Should evidence emerge that causes the Corporation to amend these estimates, the estimated fair value of its investment properties could change. | Significant changes in the valuation assumptions would result in significantly lower or higher valuations and, therefore, valuation movement being recorded in the Comprehensive Income and Expenditure Statement (CIES). |
| Pensions liability | The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. | The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the accounts. Sensitivity analysis is detailed in Note 14. |

## j. Revenue recognition

The core principle of IFRS 15 is applied and revenue reflects the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled. The recognition of such revenue is in accordance with five steps to: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price to the performance obligations and recognise revenue when the performance obligations are satisfied.

## k. Grants

Whether paid on account, by instalments or in arrears, grants are recognised as due to the Corporation when there is reasonable assurance that:

- the Corporation will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Corporation are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by the Corporation and which if not met require the grant to be returned to the transferor.
Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors.

When conditions are satisfied, the grant is credited to the relevant service line, or non-ringfenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Funding by the GLA is provided to the Corporation to match revenue (running) costs and spend profile; therefore, the Corporation does not hold significant grant surpluses.

## l. Corporation and chargeable gains taxation

The Corporation is subject to corporation tax and complies with the Corporation Tax Acts.

## m. Value added tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is payable to HMRC and is excluded from income.

## n. Property, plant and equipment

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Corporation and the cost of the item can be reliably measured.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

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

- assets under construction – depreciated historical cost.
- non-property assets – depreciated historical cost as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

### Disposals

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

## o. Investment property

Investment property is property held solely either to earn rental income or for capital appreciation (prior to disposal) or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date.

As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year end.

Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance.

The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

If the use of an investment property changes such that it requires a transfer to inventories, then the property's deemed cost in accordance IAS 2 (Inventories) shall be its fair value at the date of change in use.

Where there is a change in use of a property, this may result in a reclassification of an investment property to inventories, or vice versa. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

As set out in IAS 40, a change in management's intentions for the use of a property does not, in isolation, provide evidence of a change in use. However, an example of a change in use is the commencement of development with a view to sale. In this context, management defines 'commencement of development' as the start of work on site, which could be on a phased basis and (with reference to Section 56 of the Town and Country Planning Act 1990) includes:

- any work of construction in the course of the erection of a building
- any work of demolition of a building
- the digging of a trench which is to contain the foundations, or part of the foundations, of a building
- the laying of any underground main or pipe to the foundations, or part of the foundations, of a building
- the course of laying out or constructing a road or part of a road

Where the Corporation decides to dispose of an investment property (e.g. land) without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of financial position) and does not reclassify it as inventory.

## p. Investment in subsidiaries

The Corporation has material interests in companies and other entities that have the nature of subsidiaries and require it to prepare group accounts. In the Corporation's single-entity accounts, the interest is recorded as financial assets at cost, less any provision for losses incurred by the entity to the extent they are likely to be borne by the Corporation.

## q. Leases

IFRS 16 Leases represents a significant change in lessee accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introducing a single lessee accounting model. IFRS 16 requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments.

### Corporation as lessee

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The Corporation has applied the standard to arrangements with other organisations. The definition of a contract is expanded to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, the Memorandum of Terms of Occupation (MOTO) and License to Occupy (LTO) agreements.

**Initial recognition**

At the commencement of a lease, the Corporation recognises a right-of-use asset at an amount equal to the lease liability.

The lease liability is measured at the present value of the remaining lease payments, net of value added tax, using the Corporation's incremental cost of borrowing rate where interest rates implicit in the lease cannot be readily determined.

### Measurement of right-of-use assets

**Initial measurement**

At the commencement date, the Corporation measures the right-of-use asset at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions.

**Subsequent measurement**

Right-of-use assets are subsequently measured in line with the cost model for IFRS 16 which is used as a proxy for valuation except where:

- A longer term contract which lacks clauses for the reassessment of lease payments in response to fluctuations in market conditions.
- There is a significant period of time between these assessments

- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

**Depreciation of right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis from commencement date to the end of the lease term or the end of the asset's useful economic life, whichever is shorter.

**Impairment of right-of-use assets**

The Corporation applies IAS 36 'Impairment of Assets' to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

## Measurement of lease liabilities

**Initial measurement**

At the commencement date, the Corporation measures the lease liability at the present value of the lease payments that Are not paid at that date. Lease payments are discounted using the Corporation's incremental cost of borrowing rate where interest rates implicit in the lease cannot be readily determined.

At the commencement date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the term not paid at the commencement date:

- Fixed payments, including any in-substance fixed payments less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date, for example, payments linked to a consumer price index or a benchmark interest rate
- Amounts expected to be payable by the Corporation under a residual value guarantee
- The exercise price of a purchase option if the Corporation is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lease term reflects the Corporation exercising the option to terminate the lease and the Corporation is reasonably certain to exercise this option.

**Subsequent measurement**

The lease liability is remeasured to reflect changes to the lease payments. The Corporation remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in:

Lease term

- The Corporation's assessment of an option to purchase the underlying asset, assessed considering events and circumstances in the context of a purchase option. The

Corporation determines the revised lease payments to reflect the change in amounts payable under the purchase option
- Amounts expected to be payable by the Corporation under a residual value guarantee
- Future lease payments resulting from a change in the index or rate used to determine these future lease payments, including a change to reflect changes in market rental rates following a market rent review. The Corporation remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows (this will be when the adjustment to the lease payments takes effect).

The amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset, where there is a balance on the right-of-use asset. However, if the carrying amount of the right-of-use asset is £nil and there is a further reduction in the measurement of the lease liability, the Corporation recognises the remaining amount of the remeasurement of the lease liability in the Statement of Comprehensive Income and Expenditure.

### Corporation as lessor

#### Classification

The Corporation classifies leases where it is lessor as either an operating lease or a finance lease. The Corporation classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If it does not, then the lease is classified as an operating lease.

#### Finance leases: recognition and measurement

At the commencement date, the Corporation recognises assets held under a finance lease within the Statement of Financial Position and presents them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease. Initial direct costs are included in the net investment in the lease. Finance lease income is allocated over the lease term so as to reflect a constant periodic rate of return on the Corporation's net investment outstanding in respect of the leases.

#### Operating leases: recognition and measurement

The Corporation recognises lease payments from operating leases as income on a straight-line basis. The Corporation recognises costs, including depreciation incurred in earning the lease income as an expense. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and these are expensed over the lease term on the same straight-line basis as the rental income.

## r. Employee benefits

### Benefits payable during employment

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include benefits such as salaries, other remuneration, paid annual leave and paid sick leave – these are recognised as an expense for services in the year in which employees render service to the Corporation. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year end that employees can carry forward into the next financial year. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

## Termination benefits

Termination benefits are amounts payable as a result of a decision by the Corporation to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged to the relevant service when the Corporation can no longer withdraw the offer of those benefits.

## Post-employment benefits

Employees of the Corporation are members of the Local Government Pension Scheme.

## The Local Government Pension Scheme

The Local Government Pension Scheme in respect of the Corporation's employees is administered by the London Pensions Fund Authority (LPFA) and is accounted for as a defined benefits scheme:

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

The discount rate is the annualised yield at the 25-year point on the Merrill Lynch AA- rated corporate bond yield curve which has been chosen to meet the requirements of IAS 19 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

**The assets of the LPFA pension fund attributable to the Corporation are included in the Balance Sheet at their fair value as follows:**

- quoted securities – current bid price.
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value

The change in the net pensions' liability is analysed into the following components:

**Service cost, comprising:**

- current service cost – the increase in liabilities, as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- any gain or loss on settlement of a defined benefit plan when the settlement occurs; and
- interest on the net defined benefit liability, i.e., net interest expense for the Corporation –

- the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

**Re-measurements comprising:**

- the return on plan assets, excluding amounts included in the interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses, changes in the net pensions liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/asset.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable to the pension fund in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### Reserves

Reserves consist of two elements, usable and unusable. Usable reserves are those that can be applied to fund expenditure. Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the pension reserve, the capital adjustments account and the accumulated absences reserve.

## s. Financial Instruments

OPDC recognises and measures financial instruments in accordance with IFRS 9 Financial Instruments.

**Classification and measurement**

Financial assets are classified at initial recognition based on the business model for managing the asset and the contractual cash flow characteristics. OPDC primarily holds financial assets at amortised cost, as they are managed to collect contractual cash flows that represent solely payments of principal and interest.

Financial liabilities are classified as measured at amortised cost, which includes borrowings from the GLA and other payables.

**Initial recognition**

All financial instruments are initially recognised at fair value. For instruments not measured at fair value through profit or loss, directly attributable transaction costs are added to the initial measurement.

**Subsequent measurement**

Financial assets at amortised cost are measured using the effective interest method. Interest income, impairment losses, and gains or losses on derecognition are recognised in the Surplus or Deficit on the Provision of Services.

Financial liabilities at amortised cost are measured using the effective interest method, with interest expense recognised in the Surplus or Deficit on the Provision of Services.

**Impairment**
OPDC applies the expected credit loss (ECL) model to financial assets measured at amortised cost. For trade receivables, the simplified approach is used, recognising lifetime expected credit losses. For other financial assets, a three-stage approach is applied based on changes in credit risk since initial recognition.

At the reporting date, OPDC assessed that the credit risk associated with its financial assets remained low, and no impairment losses were recognised.

**Soft Loans**

Where OPDC issues loans at nil interest rates or below-market interest rates (soft loans), such as those provided to small businesses, the fair value is calculated as the present value of future cash flows discounted at a market rate of interest. The difference between the fair value and the loan amount is recognised in the Surplus or Deficit on the Provision of Services and subsequently unwound over the life of the loan through interest income.

Given the immaterial value of such loans, no statutory adjustment is currently made to the General Fund, and no Financial Instruments Adjustment Account is maintained. The impact of these loans is not considered significant to OPDC's financial position or performance.



## t. Trade and other receivables

The Corporation received planning application income in 2024-25 and there are no year-end trade receivables relating to this as funds are received at the point where a planning application is submitted along with S106 income, which is yet to be recognised as income as there are conditions attached which may require the monies to be returned to the contributor. The Corporation received GLA grant funding which is recognised as and when the grant is due to be paid to the Corporation. Other income received during the course of the year contributed towards specific pieces of work.

## u. Trade and other payables

Trade and other creditors are recognised at amortised cost and are the agreed amounts owed to suppliers.

## v. Collection of Mayoral CIL

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. The Levy was ratified on 29th February 2012 and applies to developments agreed after 1st April 2012. The collection of the CIL is delegated to the relevant planning authority in each administrative area and the planning authority is able to retain 4% of the levy to cover the costs of administration and collection. The value recognised is disclosed in the income section of note 2.

## w. Provisions, contingent liabilities and contingent assets

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

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

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

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

Contingent liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Corporation.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## x. Revenue expenditure funded from capital under statute (REFCUS)

Revenue expenditure funded from capital under statute is expenditure that may be capitalised under statutory provisions, but which does not result in the creation of a fixed asset for the Corporation. For example, grant paid to a third party for the purchase or creation of a fixed asset.

REFCUS is charged as expenditure to the relevant service revenue account in the year. Where such expenditure is funded from capital grants or contributions, the grant or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contribution are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

## y. Fair value

OPDC measures some of its non-financial assets such as investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or
b) in the absence of a principal market, in the most advantageous market for the asset or liability.

OPDC measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, OPDC takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

OPDC uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Corporation's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

## z. Events after the reporting period

Events may occur between the year-end and the date that the statement of accounts is issued that might have a bearing upon the financial results of the past year and the financial position presented in the balance sheet.

The Code defines two types of events after the reporting period:

- adjusting events: those that provide evidence of conditions that exist at the Balance Sheet
- date, where material, the financial statements and notes in the statement of accounts are required to be amended to reflect the impact of the events.
- non-adjusting events: those that are indicative of conditions that arose after the Balance
- Sheet date, the financial statements and the note in the statement of accounts are not amended to reflect the events, but additional explanatory notes may need to be added.

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

# Notes to the financial statements

## 1. Expenditure and funding analysis (EFA)

### 2024–25

| | Net Expenditure Chargeable to the General Fund Balances | Adjustments between Funding and Accounting Basis | Net Expenditure Chargeable to the General Fund Balances |
|---|---|---|---|
| | £000 | £000 | £000 |
| Corporation | 1,659 | - | 1,659 |
| **Net cost of services** | **1,659** | **-** | **1,659** |
| Other Income and expenditure | (1,659) | (10,225) | (11,884) |
| **Subtotal** | **-** | **(10,225)** | **(10,225)** |
| Opening general fund balance at 1 April | - | | |
| Less deficit on general fund balance in year | - | | |
| **Closing general fund balance at 31 March** | **-** | | |

### 2023–24

| | Net Expenditure Chargeable to the General Fund Balances | Adjustments between Funding and Accounting Basis | Net Expenditure Chargeable to the General Fund Balances |
|---|---|---|---|
| | £000 | £000 | £000 |
| Corporation | 188 | - | 188 |
| **Net cost of services** | **188** | **-** | **188** |
| Other Income and expenditure | (188) | (21,001) | (21,189) |
| **Subtotal** | **-** | **(21,001)** | **(21,001)** |
| Opening general fund balance at 1 April | - | | |
| Less deficit on general fund balance in year | - | | |
| **Closing general fund balance at 31 March** | **-** | | |

## 1a. Adjustment between funding and accounting basis

### 2024–25

| | IAS 19 Pension Adjustment | Accumulated Absences Adjustment | Capital Adjustment Account | Total Adjustments |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Corporation | - | - | - | - |
| **Net cost of services** | **-** | **-** | **-** | **-** |
| Other Income and expenditure from the funding analysis | 101 | (7) | (10,319) | (10,225) |
| **Difference between general fund (surplus) or deficit and CIES (surplus) or deficit** | **101** | **(7)** | **(10,319)** | **(10,225)** |

### 2023–24

| | IAS 19 Pension Adjustment £000 | Accumulated Absences Adjustment £000 | Capital Adjustment Account £000 | Total Adjustments £000 |
|---|---|---|---|---|
| Corporation | - | - | - | - |
| **Net cost of services** | **-** | **-** | **-** | **-** |
| Other Income and expenditure from the funding analysis | 96 | 81 | (21,178) | (21,001) |
| **Difference between general fund (surplus) or deficit and CIES (surplus) or deficit** | **96** | **81** | **(21,178)** | **(21,001)** |

The adjustment between the accounting basis and funding under regulation is the same note as that for the Movement in Reserves Statement (MIRS), but the signage is opposite to the MIRS.

## 2. Gross income and expenditure summary

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| **Income** | | |
| GLA income | (11,476) | (10,207) |
| Planning application fees | (919) | (781) |
| Mayoral CIL administration | (35) | (154) |
| Other income | (4,623) | (2,780) |
| **Total income** | **(17,053)** | **(13,922)** |
| **Expenditure** | | |
| Employee benefits expenses | 7,194 | 6,470 |
| Other service expenses | 3,384 | 367 |
| Revenue expenditure funded from capital under statute | - | 671 |
| Consultancy and professional fees | 7,612 | 5,805 |
| Support service recharges | 522 | 796 |
| **Total expenditure** | **18,712** | **14,110** |

Amounts included in the costs of services within the Comprehensive Income and Expenditure Statement but not reported to management within the in-year budget monitoring reports include pension service costs and corporation tax.

Other income includes property rental revenue of £1,767k, miscellaneous external income of £45k and government grants totalling £2,560k.

## 3. External audit fees

External audit fees are made up as follows:

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| Fees payable to external auditors with regard to external audit services carried out by the appointed auditor | 335 | 67 |
| **Total** | **335** | **67** |

Due to the increased scope of the 2023-24 and 2024-25 external audits, there are additional scale fee variations added to the audit fee. At present the total anticipated audit fee, including scale fee, is £215k (2023-24: £187k).

# 4. Remuneration

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

### 2024-25

| OPDC Staff | Name of post holder | Date of service | Salary (including fees and allowances) | Compensation for loss of office | Employer pension contributions | Total remuneration including pension contributions |
|---|---|---|---|---|---|---|
| | | | £ | £ | £ | £ |
| Chief Executive Officer | David Lunts | | 193,895 | - | 18,643 | 212,539 |
| Chief Operating / Finance Officer | Gurdip Juty | | 161,975 | - | 15,575 | 177,550 |
| Executive Director – Delivery | Gareth Blacker | | 172,077 | - | 16,545 | 188,623 |
| Director of Communications and Strategy | Rosalind Henville | | 108,392 | - | 10422 | 118,814 |
| Director of Projects | Davena Wilson | | 124,414 | - | 11,963 | 136,377 |
| Director of Planning | Emma Williamson | | 135,503 | - | 13,029 | 148,532 |
| Director of Development | Marianne Brook | May 2025 | 138,253 | - | 14,378 | 152,631 |

### 2023–24

| OPDC Staff | Name of post holder | Date of service | Salary (including fees and allowances) | Compensation for loss of office | Employer pension contributions | Total remuneration including pension contributions |
|---|---|---|---|---|---|---|
| | | | £ | £ | £ | £ |
| Chief Executive Officer | David Lunts | | 184,756 | - | 19,205 | 203,971 |
| Chief Operating / Finance Officer * | Gurdip Juty | | 9,506 | - | 989 | 10,495 |
| Executive Director – Delivery ** | Gareth Blacker | | 133,806 | - | 13,916 | 147,722 |
| Director of Communications and Strategy | Rosalind Henville | | 91,274 | - | 9,492 | 100,766 |
| Director of Projects | Davena Wilson | | 101,229 | - | 11,269 | 112,498 |
| Director of Planning | Emma Williamson | | 119,916 | - | 12,471 | 132,387 |
| Chief Finance Officer *** | Jasbir Sandhu | | 17,960 | 41,861 | - | 59,821 |

* From 01/02/2024
** From 01/06/2023
*** Left 31/10/2023

The Code requires disclosure of remuneration for the Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. In line with the Code, entries are banded according to actual payments in the year (excluding employer's pension contributions), rather than annual equivalent salaries.

The following table discloses permanent Officers on the Corporation's payroll who earn above £50,000, but excludes seconded staff, agency staff and contractors.

| Remuneration Band (£) | 2024-25 | 2023-24 |
|---|---|---|
| | Number of employees | Number of employees |
| 50,000 - 54,999 | 6 | 8 |
| 55,000 - 59,999 | 6 | 2 |
| 60,000 - 64,999 | 8 | 15 |
| 65,000 - 69,999 | 15 | 4 |
| 70,000 - 74,999 | 1 | - |
| 75,000 - 79,999 | - | 3 |
| 80,000 - 84,999 | - | 8 |
| 85,000 - 89,999 | 8 | 3 |
| 90,000 - 94,999 | 6 | 1 |
| 95,000 - 99,999 | 2 | 1 |
| 100,000 - 104,999 | - | - |
| 105,000 - 109,999 | 1 | - |
| 110,000 - 114,999 | - | 1 |
| 115,000 - 119,999 | 2 | 2 |
| 120,000 - 124,999 | 1 | - |
| 125,000 - 129,999 | - | 1 |
| 130,000 - 134,999 | - | - |
| 135,000 - 139,999 | 1 | - |
| 140,000 - 144,999 | - | - |
| 145,000 - 149,999 | - | - |
| 150,000 - 154,999 | - | - |
| 155,000 - 159,999 | 1 | 1 |
| 160,000 - 164,999 | 1 | 1 |
| 165,000 - 169,999 | - | - |
| 170,000 - 174,999 | 1 | 1 |
| 175,000 - 179,999 | - | - |
| 180,000 - 184,999 | - | 1 |
| 185,000 - 189,999 | - | - |
| 190,000 - 194,999 | 1 | - |
| **Total** | **61** | **52** |

## Termination benefits

The code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. There were two compulsory or voluntary severance termination packages agreed during the year.

| Exit packages (£) | 2024-25 | 2023-24 |
|---|---|---|
| | Number of employees | Number of employees |

| | | |
|---|---:|---:|
| 0 - 9,999 | 1 | - |
| 10,000 - 19,999 | - | 1 |
| 20,000 - 29,999 | 1 | - |
| 30,000 - 39,999 | - | - |
| 40,000 - 49,999 | - | 1 |
| **Total** | **2** | **2** |

## Members’ remuneration

### 2024–25

| Title | Name | Notes | Salary (including fees and allowances) | Expenses | Total remuneration |
|---|---|---|---:|---:|---:|
| | | | £000 | £000 | £000 |
| Board Chair and Development, Investment & Sustainability Committee Member | Liz Peace CBE | | 21 | | |
| Board Chair and Development, Investment & Sustainability Committee Member | Dame Karen Buck | | 7 | | |
| Board Member and Audit and Risk Committee member | Muhammed Butt | | 14 | - | |
| Board Member | Stephen Cowan | | 14 | - | |
| Board Member, Chair Planning Committee | William Hill | | 18 | - | |
| Board Member and Audit and Risk Committee member | Shevaughn Rieck | | 14 | - | |
| Board Member - Borough leader | Peter Mason | | 14 | - | |
| Board Member - Chair Audit & Risk Committee | Aman Dalvi OBE | | 18 | - | |
| Board Member- Chair Development, Investment & Sustainability Committee | Jonathan Milward | | 18 | - | |
| Board Member, Development, Investment & Sustainability Committee Member | Mathew Carpen | | 16 | - | |
| Planning Committee Member | Saray Coutts | | 2 | - | |
| Planning Committee Member | Wesley Harcourt | | 2 | - | |
| Planning Committee Member | Natalia Perez | | 2 | - | |
| Planning Committee Member | Gary Rice | | 2 | - | |
| Planning Committee Member | Steve Quartermain CBE | | 2 | - | |
| Planning Committee Member | Anna Ogundiya | | 2 | - | |
| Board Member | Wilda El-Hadad | | 16 | - | |
| Board Member, Mayoral representative | Jules Pipe CBE | Unremunerated | - | - | - |
| Board Member, Development, Investment & Sustainability Committee Member | Victoria Quinlan | Unremunerated | - | - | - |

### 2023–24

| Title | Name | Notes | Salary (including fees and allowances) | Expenses | Total remuneration |
|---|---|---|---|---|---|
| | | | £000 | £000 | £000 |
| Board Chair and Development, Investment & Sustainability Committee Member | Liz Peace CBE | | 29 | - | 29 |
| Board Member and Audit and Risk Committee member | Muhammed Butt | | 14 | - | 14 |
| Board Member | Stephen Cowan | | 14 | - | 14 |
| Board Member | Natalie Campbell | | 16 | - | 16 |
| Board Member and Audit and Risk Committee Member | Rahul Gokhale | | 16 | - | 16 |
| Board Member, Chair Planning Committee | William Hill | | 18 | - | 18 |
| Board Member and Audit and Risk Committee member | Shevaughn Rieck | | 16 | - | 16 |
| Board Member - Borough leader | Peter Mason | | 14 | - | 14 |
| Board Member - Chair Audit & Risk Committee | Aman Dalvi OBE | | 18 | - | 18 |
| Board Member- Chair Development, Investment & Sustainability Committee | Jonathan Milward | | 17 | - | 17 |
| Board Member, Development, Investment & Sustainability Committee Member | Mathew Carpen | | 16 | - | 16 |
| Planning Committee Member | Ray Wall | | 1 | - | 1 |
| Planning Committee Member | Saray Coutts | | 2 | - | 2 |
| Planning Committee Member | Wesley Harcourt | | 2 | - | 2 |
| Planning Committee Member | Natalia Perez | | 2 | - | 2 |
| Planning Committee Member | Matthew Kelcher | | 2 | - | 2 |
| Planning Committee Member | Hitesh Tailor | | - | - | - |
| Planning Committee Member | Gary Rice | | 2 | - | 2 |
| Planning Committee Member | Steve Quartermain CBE | | 2 | - | 2 |
| Planning Committee Member | Anna Ogundiya | | 2 | - | 2 |
| Board Member | Wilda El-Hadad | | 4 | - | 4 |
| Board Member, Mayoral representative | Jules Pipe CBE | Unremunerated | - | - | - |
| Board Member, Development, Investment & Sustainability Committee Member | Victoria Quinlan | Unremunerated | - | - | - |

Members of the OPDC Board, Committees, who are the Mayor or a member of the London Assembly, a member of staff of the GLA, or an employee of another statutory or public body may claim expenses but shall not be eligible to claim the Basic Board Allowance or any Committee Allowance. These are Cllr Muhammed Butt, Cllr Stephen Cowan and Cllr Peter Mason.

## 5. Financing and investment income and expenditure

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Net interest on the net defined benefit liability | (29) | (9) |
| Other bank and finance charges/(credits) | (3,061) | (1,719) |
| Dividend income | (1,100) | - |
| Interest cost on GLA borrowing | 1,628 | - |
| Interest income from subsidiary companies | (505) | - |
| Small business loan | 189 | 48 |
| Other | - | - |
| **Total** | **(2,878)** | **(1,680)** |

## 6. Taxation and non-specific grant Income

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| S106 receipts | (477) | (193) |
| Capital grants and contributions | (43,755) | (35,697) |
| **Total** | **(44,232)** | **(35,890)** |

## 7. Taxation

## a) Corporation tax

The corporation tax charge or credit for the year to 31 March 2025 will be calculated prior to final audit and publication of the certified accounts.

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Net (surplus)/deficit on provision of services | (45,451) | (37,381) |
| **Corporation tax at 25%** | **11,363** | **9,345** |
| **Effect of:** | | |
| Disallowable items | X | (8,915) |
| Fixed asset timing differences | X | - |
| Remeasurement of deferred tax for changes in tax rates | X | - |
| Movement in deferred tax not recognised | X | - |
| Pension Scheme adjustments | X | - |
| Losses | X | - |
| **Corporation tax** | **X** | **430** |

## b) Deferred tax

The Corporation has potential deferred tax assets as shown in the table below. No deferred tax assets have been recognised in view of the uncertainty of future taxable profits.

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Assets due to:** | | - |
| Pension scheme liabilities | - | - |
| Timing differences on fixed assets | - | - |
| Tax losses | - | - |

# 8. Investments

## a) Investment properties

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| Opening balance as at 1 April | 35,054 | 118 |
| Additions | 16,302 | 37,586 |
| Impairment reversal | 2,650 | - |
| Impairment in year | (20,442) | (2,560) |
| **Closing balance as at 31 March** | **33,564** | **35,054** |

## b) Investment in subsidiaries

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| Opening balance as at 1 April | 29,091 | - |
| Additions | 89,043 | 40,960 |
| Settlement of subsidiary loans | (18,090) | - |
| Impairment reversal | 11,869 | - |
| Impairment in year | (27,513) | (11,869) |
| Return of excess funds held by solicitors | - | - |
| **Closing balance as at 31 March** | **84,400** | **29,091** |

## Application of accounting policy

In applying the Investment Property accounting policy, OPDC has made the following judgements:

- OPDC's role to develop has a clear commercial focus, which is embedded in its corporate strategy and the way that the organisation is funded and structured. OPDC therefore deems it appropriate to classify its investment properties as one overall balance (on the face of the Balance Sheet).
- OPDC's investment properties are all held for capital appreciation and/or rental income and each is judged to meet the definition of IAS 40 as at the reporting date.
- In reaching the above conclusion, OPDC has considered other alternative accounting treatments should apply – for example, whether:

- any of the assets are being used solely for service delivery held for use in the production or supply of goods and services or because of regeneration policy and should therefore be classified as Property, Plant and Equipment under the Code; or
- they meet the criteria for requiring a transfer to inventories.

- OPDC's conclusion at the reporting date is that none of these alternative treatments apply (see table below).
- OPDC is not involved nor exposed to significant variations in cashflows to any operations being undertaken in any of our properties.

| Asset | Management determination of the classification of investment properties |
|---|---|
| Investment in directly owned land and buildings | OPDC's property portfolio has been assembled in line with the regeneration programme strategy and can be classified as investment property as<br>the properties are all held for capital appreciation and/or rental income and, in the absence of an approved scheme, cannot be considered to be acquired solely for regeneration purposes or for service delivery. |
| Investment in subsidiaries | The subsidiaries have been acquired solely to gain title to the land and property held in them, so the same reasons apply as above in the Group accounts. |

## Investment property basis of valuation

OPDC's portfolio was acquired over the course of the year using professional advice, both on the acquisition of directly owned property and the investment in subsidiaries. The valuation report included an estimate of the value in accordance with "rule (2)" of section 5 of the Land Compensation Act 1961. Rule (2) states that:

*"the value of land shall, subject as hereinafter provided, be taken to be the amount which the land if sold in the open market by a willing seller might be expected to realise."*

In addition, the professional advisers provided estimates on the development value of each site to further support this.

Management has engaged external valuers, Colliers Ltd to revalue all properties whether directly owned or held in the subsidiaries as at 31 March 2025.

## Fair value hierarchy

The external valuers have considered all of these assets as a Level 3 input, defined as:

*"Level 3 inputs are unobservable inputs for the asset or liability. [IFRS 13:86]"*

## Investment in subsidiaries

In the year OPDC acquired 100% of the share capital of two more subsidiaries in addition to those already held, all of which held title to land and buildings in line with the land acquisition strategy.

## Old Oak Wharf (Holdings) Ltd

On 28 February 2024, OPDC acquired 100% of the share capital of Old Oak Wharf (Holdings) Ltd, a private limited company incorporated on 5 October 2023, which in turn owns 100% of Old Oak Wharf Ltd, also a private limited company incorporated on 5 October 2023.

## Old Oak Wharf Ltd

The company owns land and buildings on Old Oak Lane which it leases to Lords Builders Merchant to carry on their trade. OPDC does not participate in any of the operations of Lords and has no exposure to any trading gains or losses from its operations.

The total purchase consideration at acquisition was £27m. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

## Sarastro Holdings Ltd

On 15 March 2024, OPDC acquired 100% of the share capital of the company which holds the freehold interest in Units 2-6 Pinnacle House and the Observatory, 260 Old Oak Common Lane. The property comprises an HG-style mixed-use industrial warehouse and associated office building arranged over four storeys known as the Observatory and the interconnecting industrial warehouses referred to as Units 2-6 Pinnacle House. It was built in 1969 and is let to a variety of occupiers.

Sarastro profits from these leasehold arrangements with the occupiers and these profits will be available to OPDC by way of dividends in future years.

The total purchase consideration was £13.1m. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

## Park Score Ltd

On 6 June 2024, OPDC acquired 100% of the share capital of Park Score Ltd, a company that holds the freehold interest in the land and buildings at the northern end of Atlas Road, London NW10 6DN. Part of the land is leased out under two, commercial leases to HS2 and RATP Ltd.

The total purchase consideration was £34.4m, including associated tax and professional fees. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

## Regency PR 2 Ltd

On 25 March 2025, OPDC acquired 100% of the share capital of Regency PR 2 Ltd, a holding company which owns Regency PR PropCo Ltd.

## Regency PR PropCo Ltd

The company owns an area known as the Victoria Road land, comprising the site of the former Boards Head Building and Websters Yard, Victoria Road, London NW10 6NR. The Property extends to approximately 3.36 acres and formerly comprised a waste transfer station and concrete batching plant but is currently occupied by High Speed Two Limited who have removed all structures and buildings.

The Property now comprises a fully concrete surfaced open storage yard. The site is equipped with water and electricity connections, bounded by secure fencing and is easily accessible for heavy goods vehicles.

The total purchase consideration was £33.1m, including associated tax and professional fees. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

In every case, Gareth Blacker and Gurdip Juty, Executive Directors of OPDC are the only directors of the companies owned.

# 9. Impairments

Every site that OPDC has acquired has been bought by applying MHCLG, a government department, guidance on asset acquisition under the shadow of a CPO. The guidance states the purchase price should be at open market value, plus compensation for disturbance as you would expect to pay under a formal CPO.

To inform the purchases, OPDC obtains an independent specialist valuation report to ensure cost efficiency and appropriate value for money; and each proposal receives rigorous scrutiny at OPDC's Development Investment and Sustainability Committee which has delegated authority to approve all acquisitions.

Within the proposed redevelopment area most relevant properties are commercial, and where vacant are valued at Open Market Value with minimal compensation payment, professional fees and SDLT connected to the sale. However, some key strategic sites are operating businesses where the purchase price is valued at existing use plus compensation for disturbance costs, relocation if continuing business, professional fees and any losses. The overriding principle is that the purchase price should be the same as you would have to pay in any prospective CPO scheme.

In keeping with the approach above, management has revalued the properties held by the subsidiaries to the amount determined by the independent valuers. The following impairments have been charged through the CIES:

**2024–25**
**Cumulative impairment**

| | Payment | Valuation | Impairment |
|---|---|---|---|

| | £000 | £000 | £000 |
|---|---|---|---|
| **Investment properties** | | | |
| Old Oak Café | 938 | 850 | (88) |
| Midland Gate & Terrace | 7,777 | 5,000 | (2,777) |
| Atlas Wharf | 26,490 | 17,250 | (9,240) |
| Ursula Lapp | 21,073 | 17,950 | (3,123) |
| Minerva Road | 4,785 | 4,200 | (585) |
| Kildun Court | 8,550 | 4,650 | (3,900) |
| Sarastro Substation | 192 | 30 | (162) |
| 2a Victoria Terrace | 341 | 275 | (66) |
| 1&2 Goodhall Street | 1.976 | 1,475 | (501) |
| **Total** | **72,122** | **51,860** | **(20,442)** |
| | | | |
| **Investment in subsidiaries** | | | |
| Sarastro Holdings Ltd | 13,434 | 10,250 | (3,184) |
| Lords Builders Merch | 27,530 | 17,600 | (9,930) |
| Atlas Road Bus Depot (Park Score Ltd) | 34,359 | 26,450 | (7,909) |
| Websters Yard (Regency PR2 Ltd) | 33,090 | 26,600 | (6,490) |
| Boden (Dinemill Ltd) | 3,500 | 3,500 | - |
| **Total** | **111,913** | **84,400** | **(27,513)** |
| **Grand total** | **184,135** | **136,080** | **(47,955)** |

## 2023–24

| | Payment £000 | Valuation £000 | Impairment £000 |
|---|---|---|---|
| **Investment properties** | | | |
| Old Oak Café | 938 | 855 | (83) |
| Midland Gate & Terrace | 7,777 | 6,700 | (1,077) |
| Atlas Wharf | 26,490 | 25,000 | (1,490) |
| Ursula Lapp | 2,007 | 2,007 | - |
| Minerva Road | 492 | 492 | - |
| **Total** | **37,704** | **35,054** | **(2,650)** |
| | | | |
| **Investment in subsidiaries** | | | |
| Old Oak Wharf (Holdings) Ltd | 27,542 | 17,350 | (10,193) |
| Sarastro Holdings Ltd | 13,417 | 11,741 | (1,676) |
| **Total** | **40,960** | **29,091** | **(11,869)** |
| **Grand total** | **78,664** | **64,145** | **(14,519)** |

Investments in subsidiaries do not meet the test required for inclusion as business combinations under IFRS 3 and so are accounted for at fair value through the profit and loss, with any movements in asset values passing through the CIES.

## Highest and best use of investment properties

In estimating the fair value of the Corporation's investment properties, the highest and best use of the properties is their current use.

## 10. Right of use assets

| Right of use assets | 2024-25 | | 2023-24 | |
|---|---|---|---|---|
| | Buildings | Total | Buildings | Total |
| | £000 | £000 | £000 | £000 |
| **Cost or valuation:** | | | | |
| Balance at 1 April | - | - | - | - |
| Additions | 582 | **582** | - | - |
| Remeasurement | - | - | - | - |
| Disposals | - | - | - | - |
| **Balance at 31 March** | **582** | **582** | - | - |
| **Depreciation:** | | | | |
| Balance at 1 April | - | - | - | - |
| Charged in year | (201) | (201) | - | - |
| Disposals | - | - | - | - |
| **Balance at 31 March** | **(201)** | **(201)** | - | - |
| **Carrying amount at 31 March** | **381** | **381** | - | - |
| **Asset financing:** | | | | |
| Finance leased | 381 | 381 | - | - |
| **Carrying amount at 31 March** | **381** | **381** | - | - |

## 11. Financial assets

OPDC has a number of intercompany loans held at fair value through the profit and loss in the OPDC accounts. As, in each case, the loans do not exceed the fair value of the subsidiary, management has decided there is no potential impairment needed. These are reviewed on an annual basis, following the external valuation of the properties held in the subsidiaries.

Intragroup and small businesses loans are shown in the table below:

### 2024–25

| | Websters Limited | Old Oak Wharf Limited | Park Score Limited | Small Businesses | Total OPDC |
|---|---|---|---|---|---|
| | | | £ | £ | £ |
| Value as at 1 April | - | - | - | 48 | - |
| Additions | 8,075 | 3,974 | 6,546 | 203 | 18,798 |
| Repayments | - | - | - | (14) | (14) |
| **Value as at 31 March** | **8,075** | **3,974** | **6,546** | **237** | **18,832** |

### 2023–24

| | Websters Limited | Old Oak Wharf Limited | Park Score Limited | Small Businesses | Total OPDC |
|---|---|---|---|---|---|
| | | | £ | £ | £ |

| | | | | | |
|---|---|---|---|---|---|
| Value as at 1 April | - | - | - | - | - |
| Additions | - | - | - | 48 | 48 |
| Repayments | - | - | - | - | - |
| **Value as at 31 March** | **-** | **-** | **-** | **48** | **48** |

## 12. Trade and other receivables

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Debtor (GLA) | 7 | - |
| Local government | - | - |
| Central government | - | 26 |
| Prepaid expenses | - | 7 |
| GLA functional bodies | - | - |
| Taxation debtor (HMRC) | 401 | 5,691 |
| Other entities and individuals | 1,620 | 447 |
| **Total current trade and other receivables** | **2,028** | **6,171** |
| **Amounts falling due after more than one year** | | |
| Prepayments and accrued income | 5 | - |
| **Total non-current trade and other receivables** | **5** | **-** |
| **Total trade and other receivables** | **2,033** | **6,171** |

## 13. Trade and other payables

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Tax liabilities (HMRC) | (607) | (575) |
| Local authorities & GLA functional bodies | (1,904) | (1,942) |
| Deferred consideration | (1,100) | (1,100) |
| Other entities and individuals | (7,047) | (1,934) |
| Receipts in advance | - | - |
| Accruals and deferred income | (398) | (57) |
| **Total current trade and other payables** | **(11,056)** | **(5,608)** |
| **Amounts falling due after more than one year** | | |
| Retirement benefit obligation | - | - |
| GLA Land Fund | (97,842) | (50,000) |
| Intercompany loans | - | - |
| Accruals and deferred income | (17) | - |
| Other payables | (250) | - |
| **Total non-current trade and other payables** | **(98,109)** | **(50,000)** |
| **Total trade and other payables** | **(109,165)** | **(55,608)** |

OPDC has a long-term loan arrangement with the GLA for borrowing to support the land acquisition strategy. This borrowing attracts interest payable at the Public Works Loan Fund rate at the time of drawdown, and interest is settled annually. GLA give budget and cash cover to OPDC for this settlement. The borrowing is repayable over the maturity of the development scheme and is shown at fair value, which is the same as the initial transaction value. No impairment is currently required as the amount remains repayable in full through the development of the scheme over the long term.

## 14. Pensions

### Local Government Pension Scheme

The Corporation provides the opportunity for its employees to participate in the Local Government Pension Scheme. The LGPS is administered by the London Pensions Fund Authority (LPFA) and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013).

The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2019. Employer's and employees' contributions to the Scheme were determined by the actuary following this valuation and the value of the liabilities as at this date has been rolled forward. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The primary rate of contribution as defined by Regulation 62(5) for each employer, for the period 1 April 2019 to 31 March 2022, is 12%. Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the fund would lead to an adjustment to the contribution rates, which are reviewed every three years.

| Life expectancy from age 65 (years) | 31 March 2025 | 31 March 2024 |
|---|---|---|
| **Retiring today** | | |
| Males | 21.8 | 21.8 |
| Females | 23.9 | 23.9 |
| **Retiring in 20 years** | | |
| Males | 22.2 | 22.3 |
| Females | 25.3 | 25.3 |

| Financial assumptions | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Discount rate | 5.95 | 4.95 |
| Pension increases | 2.85 | 2.90 |
| RPI inflation | 3.05 | 3.10 |
| Salary increases | 3.85 | 3.90 |

The assumptions used to measure events in the accounting period from 1 April 2024 to 31 March 2025 are set with reference to market conditions at 31 March 2025.

The estimate of the employer's past service liability duration is 29 years.

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The calculation of the asset ceiling has followed the actuaries interpretation of IFRIC14. Produced the following result:

| Reconciliation of change in impact of asset ceiling | Year to 31 March 2025 £'000 | Year to 31 March 2024 £'000 |
|---|---|---|
| Opening impact | - | - |
| Interest impact | - | - |
| Actuarial losses (gains) | 2,285 | - |
| Closing impact | **2,285** | - |

## Amounts charged to the Comprehensive Income and Expenditure Statement

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Service cost | 664 | 471 |
| Administration expenses | 2 | 2 |
| **Total included in net cost of services** | **666** | **473** |
| Net interest on the defined liability | (29) | (9) |
| **Total included in deficit on provision of services before tax** | **(29)** | **(9)** |
| Remeasurement of the net defined benefit asset / liability | 402 | (606) |
| **Total** | **1,039** | **(142)** |

## Reconciliation of present value of the defined benefit obligation

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening defined benefit obligation | (6,368) | (5,783) |
| Current service cost | (588) | (471) |
| Interest cost | (334) | (281) |
| Change in financial assumptions | 1,985 | 288 |
| Change in demographic assumptions | 15 | 64 |
| Experience gain/(loss) on defined benefit obligation | 18 | (20) |
| Liabilities extinguished/(assumed) on settlements | - | - |
| Estimated benefits paid net of transfers in | 34 | 148 |
| Past service costs, including curtailments | (76) | - |
| Contribution by Scheme participants | (417) | (313) |
| **Closing defined benefit obligation** | **(5,731)** | **(6,368)** |

## Reconciliation of fair value of fund assets

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening fair value of fund assets | 6,871 | 5,776 |
| Interest on assets | 363 | 290 |

| | | |
|---|---|---|
| Return on assets less interest | (135) | 274 |
| Other actuarial gains/(losses) | - | - |
| Administration expenses | (2) | (2) |
| Contributions by employer including unfunded | 536 | 368 |
| Contribution by Scheme participants | 417 | 313 |
| Estimated benefits paid plus unfunded net of transfers in | (34) | (148) |
| Settlement prices received | - | - |
| **Closing fair value of fund assets** | **8,016** | **6,871** |

The amount included in the Balance Sheet arising from the Corporation's asset/(obligation) in respect of its defined benefit plans is as follows:

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Present value of the defined benefit obligation | (5,731) | (6.368) |
| Fair value of fund assets | 8,016 | 6,871 |
| **Deficit/(Surplus)** | **2,285** | **503** |
| Impact of asset ceiling | (2,285) | - |
| **Net (liability) / asset arising from defined benefit obligation** | **-** | **503** |

## Local Government Pension Scheme assets comprised:

| | 31 March 2025 | | 31 March 2024 | |
|---|---|---|---|---|
| | £000 | % | £000 | % |
| **Employer asset share - bid value** | | | | |
| Equities | 4,728 | 59 | 4,160 | 61 |
| Target return portfolio | 1,456 | 18 | 1,185 | 17 |
| Infrastructure | 914 | 11 | 789 | 11 |
| Property | 731 | 9 | 629 | 9 |
| Cash | 187 | 2 | 108 | 2 |
| **Total** | **8,016** | **100** | **6,871** | **100** |

## Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

| | 2024–25 | | | 2023–24 | | |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **Adjustment to discount rate** | **+0.5%** | **+0.1%** | **0.0%** | **+0.5%** | **+0.1%** | **0.0%** |
| Present value of total obligation | 5,019 | 5,579 | 5,731 | 5,519 | 6,186 | 6,368 |
| Projected service cost | 216 | 293 | 314 | 324 | 406 | 428 |
| **Adjustment to long term salary increase** | **+0.5%** | **+0.1%** | **0.0%** | **+0.5%** | **+0.1%** | **0.0%** |
| Present value of total obligation | 5,764 | 5,737 | 5,731 | 6,424 | 6,379 | 6,368 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Projected service cost | 314 | 314 | 314 | 430 | 429 | 428 |
| **Adjustment to pension increases and deferred revaluation** | **+0.5%** | **+0.1%** | **0.0%** | **+0.5%** | **+0.1%** | **0.0%** |
| Present value of total obligation | 6,567 | 5,887 | 5,731 | 7,346 | 6,550 | 6,368 |
| Projected service cost | 435 | 336 | 314 | 556 | 451 | 428 |
| **Adjustment to life expectancy assumptions** | **+1 Year** | **None** | **-1 Year** | **+1 Year** | **None** | **-1 Year** |
| Present value of total obligation | 5,861 | 5,731 | 5,604 | 6,536 | 6,368 | 6,205 |
| Projected service cost | 330 | 314 | 298 | 447 | 428 | 410 |

# 15. Leases

## Corporation as a lessee

See note 1 Accounting Policies for further information.

Total future minimum lease payments are given in the table below:

| | **31 March 2025** | 31 March 2024 |
|---|---|---|
| | **£000** | £000 |
| **Buildings:** | | |
| Not later than one year | 319 | - |
| Later than one year and not later than five years | 99 | - |
| Later than five years | - | - |
| **Sub-total** | **418** | - |
| Less interest element | (25) | - |
| **Present value of obligations** | **393** | - |
| | | |
| **Of which:** | | |
| Current | 299 | - |
| Non-current | 94 | - |

Notes:

**City & Docklands OWP Limited - Unit 3501, London and One West Point, London**
In July 2024, the Corporation entered into a lease agreement with the City & Docklands OWP Limited for staff use at 7 Portal Way, London. The occupation of the building commenced on 22 July 2024 and is due to expire on 21 July 2026.

In July 2024, the Corporation entered into a lease agreement with the City & Docklands OWP Limited for office accommodation at 6 Portal Way, London. The occupation of the building commenced on 22 July 2024 for a term of 2 years.

## Corporation as a lessor

At the end of the reporting period, the entity had contracted with tenants for the following minimum lease payments:

| | **31 March 2025** | 31 March 2024 |
|---|---|---|
| | **£000** | £000 |

| | | |
|---|---:|---:|
| **Buildings:** | | |
| Not later than one year | 944 | 944 |
| Later than one year and not later than five years | 687 | 1,612 |
| Later than five years | 36 | 54 |
| **Total undiscounted lease payments receivable** | **1,667** | **2,610** |

Details of property leases include:

- Old Oak Café is leased to Mr A and Mr A Lambarky under an 18-year agreement.
- Midland Gate is leased to Everest Stone Ltd under a 4-year lease arrangement.
- Ursula Lapp (Lapp House) is leased to La Maison International over a 4-year lease.
- Ursula Lapp (Unit 1) is leased to Savoir Beds Ltd under a 14-year lease agreement.
- Ursula Lapp (Unit 2) is leased to Orange Business Holdings UK Ltd under a 3-year lease arrangement.
- Ursula Lapp (Unit 3) is leased to Dynergy Ltd over a 9-year lease.
- Kildun Court is leased to HS2 Ltd over a 5-year period at a peppercorn rent.
- 86 Goodhall Street (Unit 2) is leased to Euro Bijoux Ltd under a 4-year agreement.
- Nadi (Units 1A, 1B and Suites 1-6) is leased to Pinnacle Palhouse Ltd at a peppercorn rent with an lease end date of 1 July 2027.

## Lease costs

At the end of the reporting period, the entity had charged the following costs to the Comprehensive Income and Expenditure Statement:

| | **31 March 2025** | 31 March 2024 |
|---|---:|---:|
| | **£000** | £000 |
| **Costs:** | | |
| Finance lease interest charges | 30 | - |
| Depreciation charges | 201 | - |
| **Total** | **231** | **-** |

# 16. Cash flow

## Cash flow statement – operating activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

| | **31 March 2025** | **31 March 2024** |
|---|---:|---:|
| | **£000** | **£000** |
| (Increase) / decrease in trade and other receivables | 4,138 | (528) |

| | | |
|---|---|---|
| Increase / (decrease) in grants receipts in advance | (19,323) | 23,873 |
| Increase / (decrease) in trade and other payables including borrowings | 53,587 | 50,762 |
| Other non-cash transactions (including depreciation and impairment) | 33,132 | 14,519 |
| Movements in pension asset | 503 | - |
| **Adjustment to net deficit for non-cash movement** | **72,037** | **88,626** |

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Any other items for which the cash effects are investing or financing cash flows | (47,388) | (73,777) |
| **Adjustment to investment and financing activities** | **(47,388)** | **(73,777)** |

## Cash flow statement – investing activities

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Other receipts from investing activities | 14 | - |
| Purchase of property, plant and equipment and investments | (87,255) | (78,546) |
| Loans advanced to subsidiary companies and small businesses | (18,293) | (48) |
| **Net cash flows from investing activities** | **(105,534)** | **(78,594)** |

## Cash flow statement – financing activities

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Receipts from other financing activities | 46,987 | 73,873 |
| Capital element of payments in respect of finance leases | (220) | - |
| **Net cash flows from financing activities** | **46,767** | **73,873** |

## 17. Reserves

## Usable reserves

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Opening balance | (12,346) | (10,914) |
| S106 receipts with no refund clause | (477) | (192) |
| Interest on balances held | (1,082) | (1,240) |
| Capital and revenue grants unapplied | - | - |
| Other | - | - |
| **Closing balance** | **(13,905)** | **(12,346)** |

The Corporation has restated its prior year accounts to recognise amounts received under S106 for which the agreement does not provide for any refund or time limit. As such, the amounts should have been recognised as income in the prior years in which they were collected. They are therefore now restated as usable reserves but carry restrictions on the activities that they can be spent on under the various agreements.

## Unusable reserves

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Pension Reserve | - | (503) |
| Accumulated Absences Account | 181 | 188 |
| Capital Adjustment Account | (31,497) | (21,178) |
| **Total unusable reserves** | **(31,316)** | **(21,493)** |

## Pensions reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Corporation accounts for post-employment benefits, in the Comprehensive Income and Expenditure Statement, as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Corporation makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The nil balance on the Pensions Reserve therefore shows the impact of the asset ceiling as the reserve belongs to the members, not the corporation.

The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening balance | (503) | 7 |
| Remeasurement of the net defined benefit liability/asset | 402 | (606) |
| Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement | 637 | 464 |
| Employer's pensions contributions and direct payments to pensioners payable in the year | (536) | (368) |
| Other | - | - |
| **Closing balance** | **-** | **(503)** |

## Accumulated absences

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. As there was no settlement or cancellation of accrual made at the end of the preceding year, amounts accrued in this year are the same as the amount by which officer remuneration is charged to the Comprehensive Income and Expenditure Statement on an accrual basis. A further breakdown within pension reserves is shown in the table below.

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening balance | 188 | 112 |
| Settlement or cancellation of accrual made at the end of the preceding year | (188) | (112) |

| | | |
|---|---|---|
| Amounts accrued at the end of the current year | 181 | 188 |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements | - | - |
| **Closing balance** | **181** | **188** |

## Capital and revenue grants unapplied

This reserve absorbs grants to be used for capital purposes that contain restrictions on their use or on the period they are to be used in after which they would need to be returned.

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Capital grants unapplied | - | - |
| Revenue grants unapplied | (11,644) | (11,644) |
| **Total** | **(11,644)** | **(11,644)** |

## Capital adjustment account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangement for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Corporation for the costs of acquisition, construction and enhancement.

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening balance | (21,178) | - |
| Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement | - | 492 |
| Revenue expenditure funded from capital under statute (REFCUS) | - | 671 |
| Capital financing applied in the year | - | (492) |
| Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | - | (671) |
| Grant income for capital acquisition | (10,319) | (21,178) |
| Other | - | - |
| **Closing balance** | **(31,497)** | **(21,178)** |

## 18. Related party transactions

The Corporation is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Corporation or to be controlled or influenced by the Corporation. Disclosure of these transactions allows readers to assess the extent to which the Corporation might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Corporation.

The related parties to the Corporation are:

- central government;
- other public bodies (including the Greater London Authority and other local authorities);
- The subsidiaries acquired in the year; and
- its Members and Executive Management Team.

## Central government and other public bodies – income and expenditure

All relationships were as delivery partners to the Corporation and significant transactions for the year ended 31 March 2025 were as follows:

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Income** | | |
| Greater London Authority | (11,476) | (10,207) |
| Department for Levelling Up, Housing and Communities | (25,177) | (35,697) |
| **Expenditure** | | |
| Local Government | 109 | 64 |
| Grant income for capital acquisition | 645 | 645 |
| Functional Bodies of the GLA | 233 | 196 |

Grants and funding received from the GLA is detailed in note 14.
Year-end outstanding balances are detailed in notes 9 and 10.

## Members and executive management team – income and expenditure

Members of the Corporation have direct control over the Corporation's financial and operating policies. The total of members' allowances paid in the year is shown in note 4. Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with the Corporation, which are subject to external audit. There were no disclosures by Members or the Executive Management Team in the year under the related party transactions declaration.

## 19. Capital expenditure and capital financing

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| Opening capital finance requirement | 42,774 | - |

| | | |
|---|---|---|
| **Capital investment** | | |
| Plant, property and equipment (assets under construction) | - | 2,499 |
| Investment properties | 16,302 | 35,205 |
| Investment in subsidiaries | 89,043 | 40,960 |
| Settlement of subsidiary loan | - | - |
| Return of excess funds | - | - |
| **Total capital spending** | **105,345** | **78,664** |
| **Sources of finance** | | |
| Government grants and contributions | (44,232) | (35,890) |
| **Total sources of finance** | **(44,232)** | **(35,890)** |
| **Closing capital finance requirement** | **103,887** | **42,774** |

## 20. Grants

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| **Capital grants receipts in advance - long term liabilities** | | |
| S106 grant | (17,176) | (17,744) |
| **Total** | **(17,176)** | **(17,744)** |
| | | |
| ***Capital grants receipts in advance - short term liabilities** | | |
| Capital grant | - | (18,855) |
| **Total** | **-** | **(18,855)** |
| | | |
| ***Revenue grants receipts in advance - short term liabilities** | | |
| Functional bodies contributions | (100) | (100) |
| Other government grants | - | - |
| **Total** | **(100)** | **(100)** |
| | | |
| **Grants credited to services** | | |
| Functional bodies contributions | (11,476) | (10,225) |
| Other government grants | (2,560) | (1,351) |
| **Total** | **(14,036)** | **(11,576)** |
| | | |
| **Grant income credited to taxation and non-specific grant income and expenditure** | | |
| S106 grant | (477) | (192) |
| Capital grant | (43,755) | (35,697) |
| **Total** | **(44,232)** | **(35,889)** |

*Capital and revenue grants receipts in advance - short term liabilities add up to the receipts in advance current account in
the balance sheet.

## 21. Cash and cash equivalents

Cash is represented by cash in hand and deposits with the Greater London Authority (GLA) repayable without penalty on notice of not more than 24 hours.

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| Balance at 1 April | 55,179 | 22,618 |
| Net change in cash and cash equivalents | (22,334) | 32,561 |
| **Balance at 31 March** | **32,845** | **55,179** |
| | | |
| The following balances at 31 March were represented by: | | |
| Bank current accounts | (32) | 283 |
| Other deposits | 32,877 | 54,896 |
| **Total** | **32,845** | **55,179** |

## 22. Contingent assets - contingent receivable

The Corporation has accepted a commercial offer from UKPN in relation to the variation of a Connection Agreement for a new 15MVA power supply at Atlas Road. This offer resulted in income being due to the Corporation from UKPN. Whilst most of the receivable balance has been settled in the Corporation's accounts, there remains a receivable of £285,479, which will become due when a future event in relation to the offer has been met. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets this amount has been treated as a Contingent Asset and thus not recognised in the Balance Sheet.

## 23. Financial instruments

### Categories of financial instruments

The following categories of financial instruments are carried in the Statement of Financial Position:

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| **Financial assets** | | |
| **Non-current** | | |
| Financial assets at amortised cost | 18,832 | 48 |
| Net cash and cash equivalents | 32,845 | 55,179 |
| **Total financial assets** | **51,677** | **55,227** |
| | | |
| **Financial liabilities** | | |
| **Non-current** | | |
| Financial liabilities at amortised cost | (97,842) | (50,000) |
| **Total financial liabilities** | **(97,842)** | **(50,000)** |

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude
items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in

advance and statutory debts.

## Fair values of assets and liabilities

Financial liabilities and financial assets represented by financial assets at amortised cost and long-term creditors are carried in the Balance Sheet at amortised cost. Under the Code, OPDC is required to disclose information comparing the fair values and carrying values for those financial instruments whose carrying value is not a reasonable approximation for fair value. The following table gives this information:

| | 2024-25 Carrying amount £000 | 2024—25 Fair value £000 | 2023-24 Carrying amount £000 | 2023—24 Fair value £000 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Financial assets at amortised cost | 18,832 | 18,832 | 48 | 48 |
| Cash and cash equivalents | 32,845 | 32,845 | 55,179 | 55,179 |
| **Total financial assets** | **51,677** | **51,677** | **55,227** | **55,227** |
| | | | | |
| **Financial liabilities** | | | | |
| Borrowings | (97,842) | (97,842) | (50,000) | (50,000) |
| **Total financial liabilities** | **(97,842)** | **(97,842)** | **(50,000)** | **(50,000)** |

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value. Hence, short term debtors and creditors are carried at cost as this is a fair approximation of their value (Fair Value Level 2).

Borrowings consist entirely of capital loan funding provided by the Greater London Authority. In accordance with IFRS 9, financial liabilities are measured at amortised cost unless they are required to be measured at fair value through profit or loss. OPDC's loans are not traded in an active market and are not subject to external valuation.

The fair value of these borrowings is considered to be equal to their carrying value. This assessment reflects the fact that the loans are held at amortised cost, bear interest rates similar to those of the Public Works Loan Board as expected for public sector lending, and are repayable to the GLA under terms that are not expected to change. As such, no separate fair value assessment has been undertaken.

OPDC has reviewed its Financial Instruments for impairment in line with IFRS 9 and has deemed the level of impairment as at 31 March 2025 as immaterial.

## Nature and extent of risks arising from financial instruments

OPDC's activities expose it to a variety of financial risks, primarily:

- Treasury management risk – the risk of cash deposits not actually being secure or earning appropriate interest.
- Credit risk – the possibility other parties might fail to pay amounts due to OPDC.
- Liquidity risk – the possibility that OPDC may not have the funds available to meet its commitments to make payments as they arise
- Market risk – the possibility that financial loss might arise as a result of changes in interest rates

## Treasury Management Risk

OPDC's treasury management activities are governed by the principles of prudence, security, and liquidity. The primary objectives are to ensure the affordability of borrowings, preserve the capital value of investments, and maintain sufficient liquidity to meet operational requirements.

Given the nature of OPDC's funding model, treasury operations are currently focused on the management of short-term cash balances. Investment decisions prioritise the security of capital, followed by liquidity and yield, in that order. All financial instruments are assessed in accordance with IFRS 9, with a focus on minimising exposure to credit, market, and liquidity risks.
OPDC does not engage in complex financial instruments and does not expect to incur losses on its current investment holdings.

## Credit Risk

Credit risk is the risk that counterparties to financial instruments may fail to meet their contractual obligations, resulting in a financial loss to OPDC. This risk arises primarily from deposits with financial institutions, trade receivables, and loans issued to subsidiaries and third parties.

OPDC manages credit risk by investing only with institutions that meet approved creditworthiness criteria and by monitoring the financial position of counterparties. For trade receivables, OPDC applies the simplified approach under IFRS 9, recognising lifetime expected credit losses. At the reporting date, there was no evidence of material credit deterioration in trade receivables, and no impairment losses have been recognised.

OPDC has issued interest-bearing loans to its subsidiary undertakings. These loans are assessed for impairment in accordance with IFRS 9. Based on the current operational and financial position of the subsidiaries, no impairment loss has been recognised.

In addition, OPDC has issued interest-free soft loans to small businesses. These are considered immaterial in value. At 31 March 2025, the credit risk associated with these loans was assessed as low, and the expected credit loss was determined to be nil.

Overall, OPDC considers the credit risk associated with its financial assets to be low, and no material losses are expected.

## Liquidity Risk

Liquidity risk is the risk that OPDC may be unable to meet its financial obligations as they fall due. OPDC manages this risk by maintaining a prudent approach to cash flow planning and ensuring that sufficient liquidity is available to meet both expected and unforeseen demands.

Cash flow forecasts are regularly prepared and submitted to the GLA to inform the timing and amount of cash drawdowns. An arrangement is also in place with the GLA to allow for emergency cash drawdowns within 24 hours, should the need arise. In addition, OPDC maintains an appropriate balance of cash with its banking provider to support day-to-day operational requirements.

While OPDC is permitted to borrow within prescribed limits where it is considered prudent, direct borrowing from third parties for capital expenditure is not currently authorised. OPDC may also lend to its subsidiaries, subject to approval from the Mayor of London.

Interest is payable on borrowings from the GLA. Although the applicable interest rate may vary, the GLA provides grant funding to meet the annual interest liability, ensuring that OPDC is not exposed to interest rate risk in respect of these borrowings.

### Market Risk

Market risk is the risk that changes in market variables, such as interest rates, foreign exchange rates, or other financial market prices, could adversely affect OPDC's financial position. OPDC's exposure to market risk is limited, as it does not engage in trading or hold complex financial instruments.

The principal element of market risk relevant to OPDC is interest rate risk, which arises from borrowings from the GLA. While the interest rates on these borrowings may be subject to periodic review, the GLA provides grant funding to meet the annual interest liability. As a result, OPDC is not exposed to fluctuations in interest rates in a way that would result in a direct financial loss.

OPDC does not have exposure to foreign currency risk or other forms of price risk, as all financial transactions are conducted in pounds sterling and investments are held in low-risk, short-term instruments.

Given the nature of its operations and funding arrangements, OPDC considers its overall exposure to market risk to be low.

## 24. Adjustments between accounting basis and funding under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to OPDC to meet capital and revenue expenditure.

| | 2024-25 | 2023-24 |
|---|---|---|
| | £000 | £000 |
| Balance at 1 April | (35,697) | - |
| Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement: | - | 492 |
| Revenue expenditure funded from capital under statue (REFCUS) | - | 671 |
| Capital financing applied in the year | - | (492) |
| Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing | - | (671) |
| Grant income for capital acquisition | (43,755) | (35,697) |

| | | |
|---|---|---|
| **Balance at 31 March** | **(79,452)** | **(35,697)** |

## 25. Events after the reporting period

On 13 December 2024, it was announced that David Lunts would be stepping down as CEO of OPDC in 2025 and on 3 April 2025, it was announced that Matt Carpen had been appointed to the post.

On 7 April 2025, OPDC has acquired 100% of the share capital of Dinemill Ltd, a holding company owning 100% of the share capital of Osbourne Investments Ltd which in turn owns the site occupied by Boden Ltd for £31.6m, again in line with the land acquisition strategy.

# Group Financial Statements

## Basis of preparation of group accounts

The Code requires local authorities with material interests in joint ventures or subsidiaries to prepare Group financial statements. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venture's unanimous consent for strategic financial and operating decisions. In contrast, subsidiaries are those entities over whose activities the Group has control by itself.

Subsidiaries are consolidated into the Group accounts (from the date of acquisition) by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of these companies has been determined by management to not be an acquisition of business per IFRS 3 and so the carrying value of the investment has been fair valued at year end. Assets which are readily realisable, such as debtors, creditors and cash are consolidated at their cash value and the properties have been impaired to their market value.

## Old Oak Wharf (Holdings) Ltd

On 28 February 2024, OPDC acquired 100% of the share capital of Old Oak Wharf (Holdings) Ltd, a private limited company incorporated on 5 October 2023, which in turn owns 100% of Old Oak Wharf Ltd, also a private limited company incorporated on 5 October 2023.

Old Oak Wharf Ltd owns the site currently occupied by Lords Builders Merchant and leases the whole site to Carboclass Ltd, a private company with no relation to OPDC. The company has been acquired for its ownership of land inside the development area and the expected future synergies from combining land interests in the redevelopment area.

The group was acquired for £27.0m, paid in cash and, outside of the property, no other assets or liabilities were acquired. As disclosed above, the market value included significant amounts equivalent to the compensation due under a compulsory purchase, and at year end the carrying value of property has been impaired by £9.9m in 2023-24. In 2024-25, an addition of £0.3m was made to the investment property, bringing the carrying value to £17.6m at year end.

The company was incorporated just prior to OPDC's purchase therefore has no trading history. It has signed a lease which has a peppercorn rent for three years.

## Sarastro Holdings Ltd

On 15 March 2024, OPDC acquired 100% of the share capital of Sarastro Holdings Ltd (Sarastro), a private limited company incorporated on 13 December 2001. Sarastro owns a site and leases out property to third party tenants on commercial terms.

The company has been acquired for the interest it has in land in the redevelopment area and the expected future synergies from combining land interests in the redevelopment area.

The total consideration transferred was £13.1m of which £1.1m was deferred until OPDC had control of the bank account. The investment property was initially recognised at £12.0 million. An impairment of £1.4m was recognised in 2023–24 to reflect the fair value of the property at acquisition. In 2024–25, a further impairment of £0.4m was recognised following a revaluation. These adjustments have been reflected in the Group accounts through the Surplus or Deficit on the Provision of Services.

## Park Score Ltd

On 6 June 2024, OPDC acquired 100% of the share capital of Park Score Ltd, a company that holds the freehold interest in the land and buildings at the northern end of Atlas Road, London NW10 6DN. Part of the land is leased out under commercial leases to HS2 and RATP Ltd.

The total purchase consideration was £34.4m, including associated tax and professional fees. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

A subsequent valuation has produced a fair value for the property of £26.5m and the revaluation has been taken at fair value through the profit and loss.

The major assets and liabilities acquired are Property: £22m, Debtors: £0.3m, Cash £1.3m and Liabilities £4.0m.

## Regency PR 2 Ltd

On 25 March 2025, OPDC acquired 100% of the share capital of Regency PR 2 Ltd, a holding company which owns Regency PR PropCo Ltd.

## Regency PR PropCo Ltd

The company owns an area known as the Victoria Road land, comprising the site of the former Boards Head Building and Websters Yard, Victoria Road, London NW10 6NR. The Property extends to approximately 3.36 acres and formerly comprised a waste transfer station and concrete batching plant but is currently occupied by High Speed Two Limited who have removed all structures and buildings.
The Property now comprises a fully concrete surfaced open storage yard and the site is equipped with water and electricity connections, bounded by secure fencing and is easily accessible for heavy goods vehicles.

The total purchase consideration was £33.1m, including associated tax, compensation and professional fees. This transaction did not meet the definition of a business combination under IFRS 3 because the acquired assets, while capable of generating outputs, lacked the integrated set of activities necessary for the conduct of a business.

A subsequent valuation has produced a fair value for the property of £26.6m and the impairment has been taken at fair value through the profit and loss.

In every case, Gareth Blacker and Gurdip Juty, Executive Directors of OPDC are the only directors of the companies owned.

# Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2025

| | Note | Gross income | Gross expenditure | Net (income)/ expenditure |
|---|---|---|---|---|
| | | **£000** | £000 | |
| Chief executive office | | - | 974 | 974 |
| Corporate operations | | (16) | 3,852 | 3,836 |
| Delivery | | (5,627) | 12,081 | 6,454 |
| Planning | | (1,180) | 1,976 | 796 |
| REFCUS | | - | - | - |
| GLA grant | | (11,476) | - | (11,476) |
| **Net cost of services** | G1 | **(18,299)** | **18,883** | **584** |
| Finance expense | | - | 30 | 30 |
| Financing and investment income | G4 | (3,595) | 2,427 | (1,168) |
| Dividend income | G4 | (1,100) | - | (1,100) |
| (Impairment) / impairment reversal | 9 | - | 33,827 | 33,827 |
| Revaluations | | (4,700) | - | (4,700) |
| Depreciation | | - | 201 | 201 |
| Taxation and non-specific grant income | 6 | (44,232) | - | (44,232) |
| **Surplus on provision of services before tax** | | **(71,926)** | **55,368** | **(16,558)** |
| Corporation tax | | - | 100 | 100 |
| Deferred tax | | - | 2,748 | 2,748 |
| **Surplus on provision of services after tax** | | **(71,926)** | **58,216** | **(13,710)** |
| Remeasurement of the net defined asset | 14 | - | 402 | 402 |
| **Total comprehensive income and expenditure for the year ended 31 March** | | **(71,926)** | **58,618** | **(13,308)** |

All note numbers below refer to notes from the entity accounts, except the note numbers starting with G, which are specific to the Group accounts and can be found in the notes to the Group Financial Statements section.

Regency PR PropCo was acquired on 25 March 2025, and so only the net assets are shown as there were no earnings during the period of OPDC ownership.

## Group Comprehensive Income and Expenditure Statement for the year ended 31 March 2024

| | Note | Gross income | Gross expenditure | Net (income)/ expenditure |
|---|---|---|---|---|
| | | £000 | £000 | |
| Chief executive office | | - | 942 | 942 |
| Corporate operations | | - | 2,809 | 2,809 |
| Delivery | | (1,822) | 8,016 | 6,194 |
| Planning | | (1,222) | 1,672 | 450 |
| REFCUS | | (671) | 671 | - |
| GLA grant | | (10,207) | - | (10,207) |
| **Net cost of services** | G1 / 1 / 2 | **(13,922)** | **14,110** | **188** |
| Finance expense | | - | - | - |
| Financing and investment income | G4 | (1,680) | - | (1,680) |
| Impairment | 9 | - | 14,519 | 14,519 |
| Depreciation | | - | - | - |
| Taxation and non-specific grant income | 6 | (35,890) | - | (35,890) |
| **Surplus on provision of services before tax** | | **(51,492)** | **28,629** | **(22,863)** |
| Corporation tax | | - | 430 | 430 |
| Remeasurement of the net defined asset | 14 | (606) | - | (606) |
| **Total comprehensive income and expenditure for the year ended 31 March** | | **(52,098)** | **29,059** | **(23,039)** |

## Group Statement of Financial Position as at 31 March 2025

| | Note | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Right of use assets | 10 | 381 | - |
| Property, plant and equipment | | - | - |
| Investment property | 8 / 9 / G5 | 137,404 | 63,044 |
| Investment in subsidiaries | 8 / 9 / G5 | - | - |
| Financial assets | 11 | 237 | 48 |
| Retirement Benefit Obligation | 14 | - | 503 |
| Trade and other receivables | | 5 | - |
| **Total non-current assets** | | **138,027** | **63,595** |
| **Current assets** | | | |
| Trade & other receivables | G7 | 2,308 | 6,242 |
| Cash & cash equivalents | G6 | 34,414 | 56,590 |
| **Total current assets** | | **36,722** | **62,832** |
| **Total assets** | | **174,749** | **126,427** |
| **Current liabilities** | | | |
| Trade & other payables | G8 | (11,748) | (5,945) |
| Lease liabilities | | - | - |
| Receipts in advance | 20 | (100) | (18,855) |
| Lease liabilities | G8 | (299) | - |
| **Total current liabilities** | | **(12,147)** | **24,800** |
| **Total assets less current liabilities** | | **162,602** | **101,627** |
| **Non-current liabilities** | | | |
| Trade & other payables | | (299) | |
| Lease liabilities | | (94) | - |
| Retirement Benefit Obligation | 14 | - | - |
| Borrowings | G8 | (97,842) | (50,000) |
| Receipts in advance | 20 | (17,176) | (17,744) |
| **Total non-current liabilities** | | **(115,411)** | **(67,744)** |
| **Total liabilities** | | **(127,558)** | **(92,544)** |
| **Net assets/(liabilities)** | | **47,191** | **33,883** |
| **Reserves** | | | |
| Usable reserve | G10 | 26,653 | 13,555 |
| Unusable reserve | G10 | 20,538 | 20,328 |
| **Total reserves** | G10 | **47,191** | **33,883** |

The unaudited accounts were issued on 30 June 2025 and the audited accounts were authorised for issue on XX XXXX 2025.

Gurdip Juty
Chief Financial Officer, 30 June 2025

## Group Movement in Reserves Statement for the year ended 31 March 2025

## 2024–25

| | Note | General Fund | Total Usable Reserves | Unusable Reserves | Total Reserves |
|---|---|---|---|---|---|
| | | £000 | £000 | | |
| Balance as at 1 April 2024 | | (13,555) | (13,555) | (20,328) | (33,883) |
| **Movement in reserves during 2024-25** | | | | | |
| Surplus or deficit on the provision of services | | (13,710) | (13,710) | - | (13,710) |
| Other comprehensive income and expenditure | | - | - | 402 | 402 |
| **Total comprehensive income and expenditure** | | **(13,710)** | **(13,710)** | **402** | **(13,308)** |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis | 1a | 10,225 | 10,225 | (10,225) | - |
| **(Increase)/decrease for 2024-25** | | **(3,485)** | **(3,485)** | **(9,823)** | **(13,308)** |
| **Usable reserves acquired in subsidiaries:** | | | | | |
| Ordinary share capital | G10 | (29) | (29) | - | (29) |
| Share premium account | G10 | (7,331) | (7,331) | - | (7,331) |
| Distributable reserves | G10 | (5,055) | (5,055) | - | (5,055) |
| Less: dividend paid | G10 | 1,100 | 1,100 | - | 1,100 |
| **Total usable reserves acquired in subsidiaries** | | **(11,315)** | **(11,315)** | **-** | **(11,315)** |
| **Unusable reserves acquired in subsidiaries:** | | | | | |
| Undistributable reserves | G10 | - | - | (55,196) | (55,196) |
| Revaluation reserve | G10 | - | - | (14,389) | (14,389) |
| **Total unusable reserves acquired in subsidiaries** | | **-** | **-** | **(69,585)** | **(69,585)** |
| **Total reserves acquired in subsidiaries** | | **(11,315)** | **(11,315)** | **(69,585)** | **(80,900)** |
| Transfer between reserves | | 1,702 | 1,702 | (1,702) | - |
| Other | | - | - | - | - |
| Elimination of investment in subsidiary companies | | - | - | 80,900 | 80,900 |
| **Balance as at 31 March 2025** | | **(26,653)** | **(26,653)** | **(20,538)** | **(47,191)** |

# Group Movement in Reserves Statement for the year ended 31 March 2024

## 2023–24

| | Note | General Fund | Total Usable Reserves | Unusable Reserves | Total Reserves |
|---|---|---|---|---|---|
| | | £000 | £000 | | |
| Balance as at 1 April 2023 | | (10,914) | (10,914) | 114 | (10,800) |
| **Movement in reserves during 2023-24** | | | | | |
| Surplus or deficit on the provision of services | | (22,433) | (22,433) | - | (22,433) |
| Other comprehensive income and expenditure | | - | - | (606) | (606) |
| **Total comprehensive income and expenditure** | | **(22,433)** | **(22,433)** | **(606)** | **(23,039)** |
| Adjustments from income and expenditure charged under the accounting basis to the funding basis | 1a | 21,001 | 21,001 | (21,001) | - |
| **Increase for 2023-24** | **1a** | **(1,432)** | **(1,432)** | **(21,607)** | **(23,039)** |
| **Usable reserves acquired in subsidiaries:** | | | | | |
| Ordinary share capital | G10 | (28) | (28) | - | (28) |

| | | | | | |
|---|---|---|---|---|---|
| Share premium account | G10 | - | - | - | - |
| Distributable reserves | G10 | (7,321) | (7,321) | - | (7,321) |
| Less: dividend paid | G10 | 6,140 | 6,140 | - | 6,140 |
| **Total usable reserves acquired in subsidiaries** | | **(1,209)** | **(1,209)** | **-** | **(1,209)** |
| **Unusable reserves acquired in subsidiaries:** | | | | | |
| Undistributable reserves | G10 | - | - | (27,926) | (27,926) |
| Revaluation reserve | G10 | - | - | - | - |
| **Total unusable reserves acquired in subsidiaries** | | **-** | **-** | **(27,926)** | **(27,926)** |
| **Total reserves acquired in subsidiaries** | | **(1,209)** | **(1,209)** | **(27,926)** | **(29,135)** |
| Transfer between reserves | | - | - | - | - |
| Other | | - | - | - | - |
| Elimination of investment in subsidiary companies | | - | - | 29,091 | 29,091 |
| **Balance as at 31 March 2024** | | **(13,555)** | **(13,555)** | **(20,328)** | **(33,883)** |

The adjustment between the accounting basis and funding under regulation is the same as that for the EFA (note 1), but the signage is opposite to the EFA.

## Group Statement of Cash Flows for the year ended 31 March 2025

| | Note | 31 March 2025 | 31 March 2024 |
|---|---|---|---|
| | | £000 | £000 |
| Net surplus or (deficit) on the provision of services | | 16,458 | 22,433 |
| Adjustment to surplus or deficit on the provision of services for noncash movements | G9 | 97,907 | 90,252 |
| Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities | G9 | (88,535) | (73,992) |
| **Net cash flows from operating activities** | | **25,830** | **38,693** |
| Net cash flows from investing activities | G9 | (87,442) | (78,594) |
| Net cash flows from financing activities | G9 | 39,436 | 73,873 |
| **Net increase or (decrease) in cash and cash equivalents** | | **(22,176)** | **33,972** |
| Cash and cash equivalents at the beginning of the reporting period | G6 | 56,590 | 22,618 |
| **Cash and cash equivalents at the end of the reporting period** | G6 | **34,414** | **56,590** |

# Notes to the Group financial statements

## G1. Gross income and expenditure summary

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| **Income** | | |
| GLA income | 11,476 | 10,207 |
| Planning application fees | 542 | 781 |
| Mayoral CIL administration | 35 | 154 |
| Other income | 6,246 | 2,780 |
| **Total income** | **18,299** | **13,922** |
| **Expenditure** | | |
| Employee benefits expenses | 7,194 | 6,470 |
| Other service expenses | 3,455 | 367 |
| Revenue expenditure funded from capital under statute | - | 671 |
| Consultancy and professional fees | 7,712 | 5,806 |
| Support service recharges | 522 | 796 |
| **Total expenditure** | **18,883** | **14,110** |

## G2. External audit fees

External audit fees are made up as follows:

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| Fees payable to external auditors with regard to external audit services carried out by the appointed auditor | 335 | 67 |
| **Total** | **335** | **67** |

## G3. Remuneration

In the period of ownership of the subsidiary companies the group had no employees other than those employed and reported by OPDC in note 4 of the single entity statements.

## G4. Financing and investment income and expenditure

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Net interest on the net defined benefit liability | (29) | (9) |
| Other bank and finance charges/(credits) | (2,948) | (1,719) |
| Dividend income | (1,100) | - |
| Interest cost on GLA borrowing | 1,628 | - |
| Interest income from subsidiary companies | (8) | - |
| Small business loan | 189 | 48 |
| **Total** | **(2,268)** | **(1,680)** |

## G5. Investments

The group acquired the following investments in 2024-25.

## a) Investment properties

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening balance as at 1 April | 63,044 | 118 |
| Additions | 103,486 | 77,445 |
| Reversal of prior year impairment | 14,519 | - |
| Impairment in year | (48,345) | (14,519) |
| Revaluations | 4,700 | - |
| **Closing balance as at 31 March** | **137,404** | **63,044** |

## b) Investment in subsidiaries

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Opening balance as at 1 April | - | - |
| Additions | - | - |
| Reversal of prior year impairment | - | - |
| Impairment in year | - | - |
| Net assets acquired | - | - |
| Settlement of subsidiary loan | - | - |
| Return of excess funds from solicitors | - | - |
| **Closing balance as at 31 March** | **-** | **-** |

# G6. Cash and cash equivalents

Cash is represented by cash in hand and deposits with the Greater London Authority (GLA) repayable without penalty on notice of not more than 24 hours.

| | 2024-25 £000 | 2023-24 £000 |
|---|---|---|
| Balance at 1 April | 56,590 | 22,618 |
| Net change in cash and cash equivalents | (22,176) | 33,972 |
| **Balance at 31 March** | **34,414** | **56,590** |
| | | |
| The following balances at 31 March were represented by: | | |
| Bank current accounts | 1,259 | 1,694 |
| Other deposits | 33,155 | 54,896 |
| **Total** | **34,414** | **56,590** |

# G7. Trade and other receivables

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Debtor (GLA) | 7 | 71 |
| Local government | - | - |
| Central government | - | 26 |
| Prepaid expenses and accrued income | 53 | 7 |
| GLA functional bodies | - | - |
| Taxation debtor (HMRC) | 416 | 5,691 |
| Other entities and individuals | 1,832 | 447 |
| **Total** | **2,308** | **6,242** |
| **Amounts falling due after more than one year** | | |
| Prepayments and accrued income | 5 | - |
| **Total non-current trade and other receivables** | **5** | **-** |
| **Total trade and other receivables** | **2,313** | **6,242** |

## G8. Trade and other payables

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| **Current liabilities** | | |
| Tax liabilities (HMRC) | (892) | (912) |
| Local authorities & GLA functional bodies | (1,904) | (1,942) |
| Deferred consideration | (1,100) | (1,100) |
| Other entities and individuals | (7,454) | (1,934) |
| Deferred income | (398) | (57) |
| Receipts in advance | - | - |
| **Total current liabilities** | **(11,748)** | **(5,945)** |
| **Non-current liabilities** | | |
| Retirement benefit obligation | - | - |
| GLA Land Fund | (97,842) | (50,000) |
| Receipts in advance | - | - |
| Accruals and deferred income | (49) | - |
| Borrowings | (250) | - |
| Other payables | - | - |
| **Total non-current liabilities** | **(98,141)** | **(50,000)** |
| **Total current and non-current liabilities** | **(109,889)** | **(55,945)** |

## G9. Cash flow

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| (Increase) / decrease in trade and other receivables | 3,529 | (599) |
| Increase / (decrease) in grants receipts in advance | (19,323) | 23,873 |
| Increase / (decrease) in trade and other payables including borrowings | 79,536 | 51,099 |
| Other non-cash transactions (including depreciation and impairment) | 33,662 | 15,879 |
| Movement in pension asset | 503 | - |
| **Adjustment to net deficit for non-cash movement** | **97,907** | **90,252** |

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Any other items for which the cash effects are investing or financing cash flows | (88,535) | (73,992) |
| **Adjustment to investment and financing activities** | **(88,535)** | **(73,992)** |

## Cash flow statement – investing activities

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Other receipts from investing activities | 14 | - |
| Purchase of property, plant and equipment and investments | (87,255) | (78,546) |
| Loans advanced to subsidiary companies and small businesses | (201) | (48) |
| **Net cash flows from investing activities** | **(87,442)** | **(78,594)** |

## Cash flow statement – financing activities

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Receipts from other financing activities | 46,987 | 73,873 |
| Capital element of payments in respect of finance leases | (220) | - |
| Dividends paid to parent | (7,331) | - |
| **Net cash flows from financing activities** | **39,436** | **73,873** |

## G10. Reserves

## Usable reserves

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Opening balance | (13,555) | (10,914) |
| S106 receipts with no refund clause | (477) | (193) |
| Interest on balances held | (1,082) | (1,239) |
| Ordinary share capital | (29) | (28) |
| Share premium account | (7,331) | - |
| Distributable reserves | (5,055) | (7,321) |
| Dividends | 1,100 | 6,140 |
| Transfer between reserves in subsidiary companies | 1,702 | - |
| Subsidiaries profit for the year | (1,926) | - |
| Other | - | - |
| **Closing balance** | **(26,653)** | **(13,555)** |

## Unusable reserves

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Pension Reserve | - | (503) |
| Accumulated Absences Account | 181 | 188 |
| Capital Adjustment Account | (31,497) | (21,178) |
| Transfer between reserves in subsidiary companies | (1,702) | - |
| Undistributable reserves acquired in subsidiary companies | (68,420) | (27,926) |
| Elimination of investment in subsidiary companies | 80,900 | 29,091 |
| **Total unusable reserves** | **(20,538)** | **(20,328)** |

## Unusable reserves acquired in subsidiaries

These reserves represent non-distributable balances acquired through the consolidation of subsidiary entities. They include amounts held in revaluation reserves and other reserves that are not available for distribution.

| | 31 March 2025<br>£000 | 31 March 2024<br>£000 |
|---|---|---|
| Balance as at 1 April | (27,926) | - |
| Non-distributable reserves | (27,807) | (27,926) |
| Revaluation reserve | (14,389) | - |
| **Balance as at 31 March** | **(70,122)** | **(27,926)** |

## G11. Leases

At the end of the reporting period, the group had contracted with tenants for the following minimum lease payments:

## Group as a lessor

| | 31 March 2025 | 31 March 2024 |
|---|---:|---:|
| | £000 | £000 |
| **Buildings:** | | |
| Not later than one year | 2,301 | 1,395 |
| Later than one year and not later than five years | 4,596 | 3,357 |
| Later than five years | 695 | 1,123 |
| **Total undiscounted lease payments receivable** | **7,592** | **5,875** |

Details of land and property leases in the subsidiary companies include:

- Lords Builders Merchant is leased to Carboclass Ltd under a 3-year agreement.
- Sarastro (Units 2 and 3) is leased to Southern Drapes Ltd under a 7-year lease arrangement.
- Sarastro (Unit 4) is leased to Healthy Asian Kitchen Ltd over a 6-year lease.
- Sarastro (Unit 5) is leased to Hollyland Bakery Ltd under a 9-year agreement.
- Sarastro (Unit 6) is leased to Hollyland Bakery Ltd under a 9-year lease arrangement.
- Sarastro (Pinnacle House) is leased to Biercraft Ltd over a 9-year lease.
- Atlas Road Bus Depot is leased to RATP Dev UK Ltd under a 9-year agreement.
- A proportion of Atlas Road Bus Depot is leased to HS2 Ltd under a 3-year lease arrangement.

  Websters Yard is lease to HS2 Ltd over a 3-year lease.

# Annual Governance Statement

## The OPDC's governance responsibilities and framework

The Old Oak and Park Royal Development Corporation is a Mayoral Development Corporation (MDC), established on 1 April 2015, under the provisions of the Localism Act 2011. Its fundamental purpose is to secure the regeneration of the area within its 650 boundaries. It is also the Local Planning Authority within this development area.

The Corporation is a functional body of the Mayor of London, which operates within the overall legislative and governance framework provided by the Greater London Authority (GLA) Acts of 1990 and 2007. The Mayor of London appoints members to OPDC's Board and allocates its budget. The Mayor of London is also able to direct the Corporation in the exercise of its functions, and to delegate powers to it.
The OPDC is responsible for conducting its business in accordance with the law and proper standards; safeguarding and properly accounting for public money; and using resources economically, efficiently and effectively. It must publish an Annual Governance Statement (AGS) that reflects how, in the previous financial year, it has discharged this responsibility.

The OPDC's governance framework is consistent with the principles of the 2016 Chartered Institute of Public Finance and Accountancy (CIPFA)/Solace document, *'Delivering Good Governance in Local Government'*. This AGS has been prepared in reference to that document.

The governance framework describes the systems and processes, culture, and values by which OPDC is directed and controlled; and the activities through which it is accountable to its stakeholders and communities, and how it monitors the achievements of its strategic objectives and provides value for money. It ensures that the OPDC directs its resources towards its priorities and in accordance with policies; there is sound and inclusive decision-making; and there is clear accountability to achieve sustainable outcomes.

The system of internal control is a significant part of that framework and is designed to manage risk effectively. It cannot eliminate all risk of failure to achieve policies, aims and objectives and therefore can only provide reasonable and not absolute assurance of effectiveness. The systems of internal control are based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at OPDC for the year ended 31 March 2025 and up to the date of approval of the statement of Accounts. The draft AGS will be published first on 30 June 2025 and will be updated to reflect any changes needed as a result of the Final Audited Accounts.

## Board and committees

OPDC's Board and Committees operate within the governance and openness framework prescribed by the Local Government Act 1972 which includes a requirement for public meetings and rights of attendance by the press and public. OPDC holds its Board and Committee meetings in public, except when confidential, personal or financial information or matters containing exempt information are being discussed. These items are marked on the agenda.
Our Scheme of Delegation allows for urgent action to be taken by the Chair of the Board, Chairs of other committees or the Chief Executive Officer in certain specific circumstances. If a matter

is deemed to be urgent and it is not possible and / or practicable to (i) convene an urgent meeting of the Board or the appropriate Committee or (ii) use the Remote Decision-Making Procedures, decisions can be take using the Chair's Urgent Action protocol.

During the year ended 31 March 2025 OPDC's committee structure was as follows:

## Board

To ensure the efficient and effective discharge of OPDC's functions, through the advocacy and delivery of regeneration, business and community engagement, environmental sustainability, housing and transport programmes. The Board will take decisions in accordance with law, its Standing Orders and (where applicable) the Scheme of Delegations. The Board will monitor and advocate the delivery of
OPDC's delivery programme and objectives.

## Audit and Risk Committee

To ensure the efficient and effective discharge of the functions of OPDC, through the proper financial administration of the Corporation's financial affairs including, but not limited to, proper arrangements in place for securing value for money, the maintenance, preparation and audit of accounts, internal controls, risk management, and oversight of internal and external audits.

## Planning Committee

To enable transparent, efficient and effective discharge of OPDC's functions to determine planning applications and respond to consultation on applications when OPDC is a consultee.

## Development, Investment and Sustainability Committee

To ensure the transparent, efficient, and effective discharge of OPDC's functions to facilitate delivery of development and investment projects as well as approving expenditure of OPDC's Land Fund up to a delegated value of £20million.

## Governance and Nominations Committee

In February 2025, the Board approved the establishment of this committee which will provide advice on corporate governance, succession planning and strategic organisational development and on specific matters as requested by the Board, particularly in relation to resources and remuneration.
To note, Committee members must be members of OPDC's Board, except where the Mayor of London has approved the appointment of additional members. This is the case for the Planning Committee, which is comprised of one Board member, four elected Councillors from the local boroughs of Ealing, Brent, Hammersmith and Fulham and six independent members of the Committee appointed following advertisement.

Attendance at Board and committee meetings in 2024-25 by members is shown below:

| | Board Meetings | Audit and Risk Committee | Planning Committee | Development, Investment and Sustainability Committee | Governance and Nominations Committee |
|---|---|---|---|---|---|
| **Total number of meetings in the Period** | 5 | 5 | 9 | 8 | 1 |
| | Attendance | Attendance | Attendance | Attendance | Attendance |
| Liz Peace CBE (Chair)[1] | 3 | - | - | 4 | - |
| Dame Karen Buck[2] | 2 | - | - | 1 | 1 |
| Muhammed Butt | 3 | 4 | - | - | - |
| Matthew Carpen | 5 | - | - | 7(+1)[3] | - |
| Stephen Cowan | 3 | - | - | - | 1 |
| Aman Dalvi[4] | 5 | 5 | - | - | 1 |
| Wilda Haddad[5] | 5 | 4 | - | - | 1 |
| William Hill | 5 | - | 9 | - | - |
| Peter Mason | 3 | - | - | 1 | - |
| Jon Milward[6] | 4 | - | - | 8 | 1 |
| Jules Pipe CBE[7] | 2 | - | - | - | - |
| Shevaughn Rieck | 3 | 5 | - | - | - |
| Victoria Quinlan | 5 | - | - | 4(+2) | - |
| Praveen Anand | - | - | 7 | - | - |
| Sarah Coutts | - | - | 9 | - | - |
| Katherine Crawford | - | - | 9 | - | - |
| Wesley Harcourt | - | - | 8 | - | - |
| Matt Kelcher | - | - | 6 | - | - |
| Anne Ogundiya | - | - | 7 | - | - |
| Natalia Perez | | | 7 | - | - |
| Steve Quartermain | - | - | 7 | - | - |
| Gary Rice | - | - | 8 | - | - |

## Vision and performance

In June 2024, OPDC adopted a two-year Corporate Strategy setting out our high-level vision, mission, goals and values, as well as our strategic approach for the next two years across three key pillars of work: delivery, community and innovation. These are all underpinned by our core functions of finance, governance and HR, to ensure we operate efficiently and equitably.

Performance against measures and milestones are monitored through a robust corporate performance and financial reporting regime. This is based on quarterly performance reports, covering OPDC's pillars and pledges, risk and spend, reviewed by the Senior Management Team, the Audit and Risk Committee and then at Board.

In this financial year (2024-25), we revised our corporate reporting format, designing a more holistic and narrative-driven report. Our aim was to facilitate greater scrutiny by key internal and external stakeholders as we transition into our delivery phase, while also being easily read and understood by members of the public.

Quarterly reports are published on our website and considered by the GLA-OPDC Finance and Policy Liaison meeting. OPDC has one internal programme board that supports our business planning and performance management. The Delivery Programme Board helps with the coordination, review and monitoring of projects, programmes and workstreams within the OPDC Delivery Directorate.

In 2024, OPDC successfully launched another round of the Small Grants Programme - providing over £70k of funding to 17 local organisations, supporting a wide range of initiatives including food banks; skills and training; local schools programmes and arts, heritage, and culture programmes. As part of the application process a further five projects were awarded funding through our Creative Enterprise Zone.

## Key governance documents

Our key governance documents are:

- Standing Orders, which set out arrangements for the conduct of meetings, recording decisions and managing conflicts of interests.
- Code of Conduct for Members, which sets out expectations for standards of behaviour. Members are defined as members of the OPDC Board, committees or sub-committees.
- Scheme of Delegation, which sets out arrangements for the delegation of decisions to committees and officers.
- Scheme of Planning Delegations, which set out arrangements to discharge its planning responsibilities through delegation to the Planning Committee and planning officers.
- Financial Regulations, which set out the framework for managing our financial affairs.
- Contracts and Funding Code, which sets out policies in relation to proper procurement of goods, services, supplies and work.
- Separation of OPDC's functions protocol, to ensure we maintain an appropriate separation between our statutory planning, commercial development and infrastructure delivery functions. This means that we can maintain an unfettered planning process that takes transparent planning decisions based on planning policy.

These documents have all been in place throughout 2024-25 and are available on our website.

We continue to keep our governance arrangements under review and updated to ensure that our structures and decision-making processes remain appropriate for the organisation.

An updated Scheme of Delegations was shared with the Audit and Risk Committee (ARC) in September 2024. The changes, which included updates to the financial thresholds associated with decisions and approvals, were subsequently approved by Board.

The Financial Regulations and Standing Orders are being reviewed and updates will be shared with ARC and Board later this year.

A Staff Code of Conduct and other people management policies are published on OPDC's internal SharePoint site and issued to staff as part of their induction process.

## Decision-making

All significant decisions are subject to a rigorous process with supporting evidence and advice set out in detail in our decision forms, which include legal, finance and governance advice. To aid consistency and quality in our decision-making process, we use templates with guidance for all staff. As part of our process, the Senior Management Team has the opportunity to review all decisions before they are executed.

## Information governance

OPDC has strong arrangements in place to promote good information governance across its services, we have shared services arrangements with the Greater London Authority (GLA) and Transport for London (TfL). One of these is a general shared service agreement for supportive services, including information governance and freedom of information and we abide by the GLA's and TfL's policies and procedures.

## Risk management, fraud, and corruption

OPDC's risk management processes are based on embedding risk management in all aspects of its work programmes and ensuring that programme wide and project risks are identified, quantified, mitigated and monitored effectively.

Risks are reported by each Directorate through the quarterly reporting processes and discussed with the Executive Director of Corporate Operations/Chief Finance Officer and Chief Executive Officer. This provides a more integrated approach to risk management, identifying strategic risks for each Directorate which are included in our quarterly reports and reviewed at the Audit and Risk Committee and Board. This is also shared at our monthly liaison meetings with the GLA.

OPDC's Risk Management Framework (RMF) is being updated and refreshed to reflect the changes in the organisation from primarily Planning Authority to Delivery Agent, as well as to incorporate recommendations in *The Orange Book: Management of Risk - Principles and Concepts* (UK Government). These changes will enable OPDC officers to manage and prioritise risks in accordance with OPDC's risk appetite.

The Anti-Fraud and Corruption Policy will be shared with ARC in June 2025 with refresher training being rolled out to staff afterwards. In 2024-25, no OPDC employees raised any issues under the Anti-Fraud and Corruption Policy.

## Systems

On 1 September 2024, TfL's digital estate was the subject of a cyber-incident. This had the impact of disrupting OPDC's IT services which are provided through shared service arrangement with TfL. TfL was in continuous communication during the initial period of identification and containment, systems were proactively taken down where necessary to protect data integrity. These were reinstated in a controlled and managed way once the security of data and systems were verified.

The OPDC Business Continuity Management Team (BCMT) met to manage the immediate emergency, understand the impact on service delivery, and agree protocols for working during the outage. Further information was presented to our Board and Audit and Risk Committee in November, detailing the actions taken by the BCMT to manage the impact, along with next steps.

We notified and coordinated closely with the Information Commissioner's Office (ICO) to ensure all necessary reporting and follow-ups were handled appropriately. Following a thorough investigation both by TfL and Microsoft DART, it was confirmed that no OPDC business client's data had been compromised. The incident has been closed by the ICO.
Staff are being asked to be extra vigilant, and messages to all staff highlighted the importance of cyber security and being familiar with our cyber security and records management policies.

There are still ongoing constraints as a result of the cyber-incident, but OPDC continues to work closely with TfL to mitigate impacts across the organisation.

## Equity, Diversity and Inclusion

OPDC's commitment to supporting Equity, Diversity and Inclusion (EDI) starts with Board and the Senior Management Team setting the tone to foster a diverse, inclusive and equitable workplace culture. We continue to be ambitious and go beyond the requirements of the Equality Act 2010. OPDC's Equity, Diversity and Inclusion strategy, originally approved by Board in March 2022, sets out our commitment to build on good foundations to ensure EDI is truly embedded in all our work, striving for equity within our organisation, in the places we shape and within the communities where we work.

2024-25 marked year two of delivery against the action plan with a comprehensive annual report due to be presented to our Board in July 2025. The annual report will be a more integrated and impactful EDI reporting framework, connecting our diversity objectives with broader workforce insights and taking into account our sustainability, communications and engagement and driving accountability. All staff and managers have EDI objectives in their annual performance objectives, making it absolutely clear their expectations and responsibilities on driving forward EDI.

OPDC, as a Local Planning Authority, adopted its Public Realm and Green Infrastructure Supplementary Planning Document (SPD) on 12 June 2024. This SPD champions the delivery of equitably designed streets and spaces to meet the needs of groups with protected characteristics and other groups.

OPDC continues to be a member of Stonewall's Diversity Champions programme. Following a submission of the Stonewall workplace equality index, OPDC was ranked 49th in their top 100 employers list and won a Stonewall Gold Award.

## Modern Slavery

OPDC's Modern Slavery Statement was approved by the Audit and Risk Committee in September 2024, setting out our approach to governance in relation to employment, supply chain, sourcing practices and environmental sustainability. The Modern Slavery Statement is published on the OPDC website and on the Government database.

OPDC is also a member of TfL's Modern Slavery Delivery Group, a GLA Group-wide forum facilitating collaboration across the Functional Bodies with the principal aim of mitigating the risk of modern slavery in contractor and subcontractor supply chains.

## Financial and legal controls compliance

OPDC's financial arrangements conform to the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of OPDC (designated in accordance with Section 127 of the Greater London Authority Act 1999) is Gurdip Juty, Executive Director of Corporate Operations and Chief Finance Officer and a member of the Association of Chartered Certified Accountants.
- The Chief Finance Officer is a member of the Senior Management Team and attends all Board and committee meetings. They prepare the budget and corporate plan, lead internal review processes, and are party to all material business decisions. Financial implications are considered for all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegations.
- The Chief Finance Officer is also responsible for financial controls, for corporate programme management, for performance measurement and for supporting the Audit Committee's work (including internal audit).
- The Chief Finance Officer is supported by a suitably qualified team which provides support on budget monitoring, financial and taxation management, and which includes a Head of Finance and Head of Governance.

OPDC ensures compliance with relevant laws and regulation through a shared service with TfL, for legal and procurement services. Legal advice is required for all significant decisions. All contracts entered into by OPDC must also be approved by the TfL legal team. Legal advice is also sought on Request to Sign forms (RTS) if the project is novel, contentious or repercussive.

We ensure compliance with other legislation (e.g. employment) by the working policies, procedures and practice of the relevant OPDC team. Policies are approved by the Senior Management Team following consultation where relevant and available for employees on OPDC's SharePoint.

Although OPDC is not required to prepare a Section 25 statement, as good practice we have performed a self-assessment of our current capability against the CIPFA principles of good financial management. This self-assessment has been presented to the Audit and Risk Committee as a part of the assurance supporting this annual report.

Overall, based on the above, the Chief Finance Officer confirms OPDC's commitment to complying with the CIPFA Financial Management Code and has implemented practices to uphold the principles and standard outlined within it.

## Audit and Risk Committee, Internal Audit and External Audit

The Audit and Risk Committee (ARC) raises the profile of internal control and risk management controls within OPDC through its consideration of corporate performance, risk and finance reports, which is then reported to OPDC's Board. ARC also requests information on individual areas of concern, asks internal auditors to review particular areas of risk and periodically undertakes in-depth reviews. The following in depth reviews were undertaken in 2024-25:

- Annual Workforce Report
- OPDC's response to TfL's cyber security incident
- Management of Special Purpose Vehicles (SPVs)

ARC meetings are held in public, and the papers are made available on our website, except where exempt information is being discussed. The terms of reference of the Audit and Risk Committee, along with meeting dates, papers and minutes can be accessed using the following link: https://www.london.gov.uk/moderngovopdc/ieListMeetings.aspx?CId=379&Year=0.

The Mayor's Office for Policing and Crime (MOPAC) was appointed as OPDC's internal auditors as part of the Mayor's shared service agenda. The internal auditors work is reported to and monitored and reviewed by ARC. The internal audit plan, which is approved by ARC, includes individual audits on activities identified as areas of risk. OPDC's progress against internal audit recommendations is monitored regularly and reported to ARC. MOPAC also carry out follow up reports on previously completed audits.

The internal auditors provide an annual report summarising their findings for the year. The 2024-25 annual report is on the agenda for the June Audit and Risk Committee meeting in 2025-26.

The Head of Internal Audit's overall opinion for 2024-25 is that OPDC has an adequate internal control environment which is generally operating effectively.

The full audits carried out as part of the 2024-25 internal audit plan are listed below with assurance ratings[8]:

- Staff Development, Training, Capability & Skills – Adequate Rating
- Advisory Review of Records Management – Assurance rating not applicable for review only
- Business Case Development – Adequate Rating

Completed follow up reports are set out below:

- Material Financial Systems – Creditors – Substantial Rating
- Planning Enforcement – Substantial Rating
- Business Continuity & Disaster Recovery - Assurance rating not applicable for review only
- Staff Performance Review Framework – Adequate Rating
- Staff Development, Training, Capability & Skills – Adequate Rating

## 2023-24 annual report and accounts

The 2023-24 annual report and accounts were published on 28 February 2025, in line with the back stop date following receipt of the final audit completion report, which included a number of audit recommendations:

- Timely assessment and evaluation of accounting transactions with reference to the requirements of the CIPFA Code.
- Preparation of the financial statements including use of the CIPFA Code disclosure checklist.
- Engagement of an external valuer to provide financial reporting valuations for investment property assets.
- Evidenced regular review by OPDC of balance sheet reconciliations.

In response, the finance team has taken the following actions to address the above points and improve our financial control and reporting environment:

- Increased the capacity of the Finance team with specific capability to support our transaction accounting and build our accounting and group reporting.
- Contracted external valuers to perform a full review of all properties and a final report will be delivered to the Audit and Risk Committee and inform year end accounts.
- Engaged third party accountants to deliver audited financial accounts of the subsidiaries to prepare the consolidated accounts.
- Worked with GLA Finance to ensure our treatment of group and capital accounting is consistent within the GLA Group.
- Begun a series of reviews of all balance sheet accounts and will have a full balance sheet reconciliation file with CFO sign off and yearend and on a quarterly basis going forward.

## Greater London Authority Corporate Governance

OPDC is a functional body of the GLA and complies with its annual budget process, engages with the London Assembly and its committees as required and also fulfils the requirements of any Mayoral directions given. There is an on-going dialogue with the Mayor's office to ensure that the activities of OPDC are aligned with the Mayor's policy framework.
OPDC complies with the requirements of the GLA Group Corporate Governance Framework agreement, to ensure that common standards and procedures, in relation to governance and transparency are in place and appropriately adhered to.

## Whistleblowing and complaints

OPDC's Whistleblowing Policy is available on our SharePoint and website and sets out how colleagues, members of the public and partners can report any issues, concerns, or wrongdoing which they believe should be brought to the attention of management. The policy sets the standards that apply throughout the Corporation, its entities and subsidiaries and incorporates the Corporation's legal obligation. In 2024-25, no OPDC employees raised any issues under the whistleblowing policy.
The policy is currently under review and will be brought to the Audit and Risk Committee in 2025 with refresher training rolled out to staff afterwards.
OPDC's complaints procedure can be found on our website and sets out how we handle complaints, and how complaints can be made to the Local Government Ombudsman if the complainant is not satisfied with our response.

## Meeting development needs of members and senior staff

Our staff are core to our success, and we want to enable our teams to perform to the best of their ability in their role at OPDC, while also helping to drive their own individual development. The development of the skills and capacity of staff, managers and teams to perform effectively and respond to the ongoing organisational change is incorporated within OPDC's performance management framework for staff.

We have established a Learning and Development Steering Group. The group's remit is to ensure that OPDC continuously improves our learning and development offer for staff. Around 40% of staff have accessed specialist training throughout 2024-25.

## Health and Wellbeing for Staff

We held a Practical Health and Safety session for staff, and Legal Health and Safety training for all staff and Board members in November 2024 delivered by Eversheds, covering overarching health and safety duties, risk and driving the right behaviours.
In 2024-25 we trained 10 Fire Marshalls, 5 First Aiders, and staff were offered the opportunity to arrange flu vaccinations. We enrolled a new provider in 2024, offering a refreshed health assessment programme designed to support our staff with their health and wellbeing.

## Community engagement and partnership

OPDC's communications and engagement team manage a programme of active engagement with local people using a variety of channels and forums. Partnership arrangements are in place with a number of bodies, including local authorities, community groups and other stakeholders. We will continue to work closely and develop relations with resident groups and the business community, our three local boroughs and other key partners including High Speed Two (HS2) and local politicians.
OPDC held 17 community led consultation events, inviting the local community to have their say on number of public improvement projects. These events also included three focused workshops with young women around the use of public open spaces with Make Space for Girls.
Using direct feedback from the local community and in partnership with 8 local artists, OPDC has created the Old Oak Ideas Book. Due to launch in April 2025, the Ideas Book shows how the community envisage the future of Old Oak.

We continue to deliver our EDI and social value objectives by engaging with local residents community groups/organisations and businesses, regularly. As well as the partnership arrangements noted above, our activity also includes fortnightly community drop-in surgeries at The Lab Oaklands Rise and regular meetings with key housing associations contacts. We also have a dedicated OPDC 'Have your say' website, with consultations, public realm projects and Old Oak updates all hosted in on place.

In total, throughout 2024–25, OPDC staff have completed 105 volunteering days across the OPDC area, including the Brent food bank, making food and care packages for the local community, supporting employment and skills at local schools and supporting an older people's festival party.

## Special purpose vehicles

As part of its approach to land assembly, OPDC has acquired land interests both by directly purchasing land interests within the area, and by purchasing a number of companies (special purpose vehicles, "SPVs") which in turn hold the land interest.

To date, OPDC has acquired four SPVs, with a purchase price of £74m. The purchase of SPVs incurs additional costs and can be complex, however this is only done when it is a vendor's condition of sale and there is a financial saving for OPDC. As far as possible, processes and controls for the assets owned by SPVs fall under OPDC's normal course of business, with asset management, rent collection, insurance and health and safety following the same processes as those assets held directly by OPDC. In some areas, additional processes and controls are required for both statutory reasons and to better manage the assets.

Company secretarial services are provided by an external service. These services include filing the annual accounts, confirmation statement, corporation tax returns and VAT returns.

## Significant changes in the Board

Liz Peace CBE's term as Chair of the Board ended in December 2024. Dame Karen Buck was appointed Chair of Board and took up the role in January 2025. There will be an exercise to recruit four new Board members in Spring/Summer 2025 to start by November 2025. Board member Aman Dalvi was also appointed to the role of Board Deputy Chair of the Board.

## Significant governance developments

Following David Lunts decision to step down from the role of OPDC's Chief Executive Officer, there was a competitive recruitment campaign. After an extensive process it was announced on 3rd April, with Board agreement and Mayoral approval, that Matthew Carpen was appointed as OPDC's new Chief Executive Officer. At the time of writing Matthew will take up the position of CEO later this year, with David Lunts continuing in post until this date.

The first full external Board Effectiveness Review was carried out in Autumn 2024. The findings were reported to Board at its meeting in November 2024 with a detailed action plan setting out activity to address each of the 37 recommendations presented to Board in February 2025. Progress is being reported to Board and our aim is to have addressed all of the recommendations by Q3 of 2025-2026.

## Review of effectiveness of internal control

As part of the AGS, all members of the Senior Management Team are required to confirm that proper governance and internal control arrangements are in place for their Directorates. To ensure this is documented efficiently an assurance statement was used across the Senior Management Team. The assurance statement also allows Directorates to identify any significant areas of concern or weakness within each Directorate. This underpins the 2024-25 AGS.
The feedback from the statements received show that there are no significant weaknesses or concerns in the Corporation's governance and control framework.

## 2024-25 action plan

OPDC's updated 2024-25 action plan, which was reported to the September 2024 Audit and Risk Committee can be found below, with the governance actions for 2025-26 also set out below.

| No. | Area to improve | Actions |
|---|---|---|
| 1 | Scheme of Delegations and Financial Regulations | Reviewed OPDC's spending limits, signatory authorisation and financial variations |
| 2 | Quarterly Performance Reporting | Embedded and refined new quarterly performance reporting |
| 3 | Asset Management Strategy | Provided assurance on monitoring, reporting, oversight of the Asset Management strategy. |

| | | |
|---|---|---|
| 4 | Loans for Small Businesses | Reviewed governance and decision processes on managing, reporting and monitoring loans to small businesses |
| 5 | Board Effectiveness Review | Completed the Board Effectiveness Review, identifying recommendations for improvement |

## 2025-26 action plan

| No. | Area to improve | Actions | Timescales |
|---|---|---|---|
| 1 | Workforce Report | Conduct a workforce report and incorporate other key strategic documents | Quarter 1 |
| 2 | Adoption of Letters of Delegations | Circulate Letters to directorates – outlining and confirming delegated authority limits | Quarter 1 |
| 3 | Governance Framework | A review and refresh of the Corporation's Governance documents, ensuring they up to date and aligned with practice at the GLA | Quarter 2 |
| 4 | Adoption of updated Risk Management Framework | Implementing the new Risk Management Framework across the organisation | Quarter 3 |
| 5 | Implementation of Board Effectiveness Review | Implement recommendations following the Board Effectiveness Review | Quarter 3 |
| 6 | Corporate Plan | Review and implement a new Corporate Plan | Quarter 4 |
| 7 | Continue to enhance the internal control environment | Continuous enhancement and review of budgeting and financial quarterly reporting | Quarter 4 |

## Conclusion and disclosure

OPDC has sound arrangements in place for corporate governance during 2024-25. No significant developments of events relating to the governance systems have occurred between the end of the financial year and the signing off of the draft Annual Governance Statement.

OPDC is committed to keeping its governance arrangements under review, proactively identifying where and how they can be improved. Their efficacy will be monitored throughout 2025-26 and the next statement will reflect on how the challenges highlighted in this year's statement have been addressed.

Dame Karen Buck
Chair (on behalf of the Board)

David Lunts
Chief Executive Officer

# Glossary of terms

## Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

## Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because;

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

## Balances

The balances of the Corporation represent the accumulated surplus of income over expenditure on any of the funds.

## Carrying amount

The balance sheet value recorded of either an asset or a liability.

## Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

## Creditors

Amounts owed by the Corporation for work done, goods received, or services rendered, for which payment has not been made at the date of the balance sheet.

## Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e., the ultimate pension benefits 'earned' by employees in the current year's employment.

## Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

## Debtors

These are sums of money due to the Corporation that have not been received at the date of the Balance Sheet.

## Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

## External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Corporation has made proper arrangements to secure value for money in its use of resources.

## Expenditure

This is amounts paid by the Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

## Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

## Financial regulations

These are the written code of procedures approved by the Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

## General fund

This is the main revenue fund of the Corporation and includes the net cost of all services financed by Government and other trading income.

## Income

These are amounts due to the Corporation for goods supplied or services rendered. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Corporation).

## Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively.

## International Financial Reporting Standard

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

## Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

## Materiality

Information is material if including, omitting or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority. In other words, materiality is an authority-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual authority's financial statements.

## Non-cash

These are entries on the Comprehensive Income and Expenditure Statement or Cash Flow Statement correlating to expenses that are essentially just accounting entries rather than actual movements of cash.

## Provisions

Amounts set aside to meet liabilities or losses which are anticipated to be incurred but where the amount and/or the timing of such costs is uncertain.

## Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

## Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards, International Accounting Standards and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

## Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

## Revenue expenditure

Expenditure incurred on the day-to-day running of the Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

## Treasury management

This is the process by which the Corporation controls its cash flow and its borrowing and lending activities.

## Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Corporation.