

# **Greater London Authority**

**Statement of Accounts 2025-26**

**DRAFT**

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## **Narrative Report**

The GLA's accounts provide detail on the Authority's financial position. They are a critical part of our stewardship of large sums of public money. This narrative draws out the key issues from these accounts to make them clearer and more understandable to all interested parties.

## **Structure**

This narrative sets out the:

- GLA's context
- Performance against the Mayor's vision
- Total expenditure and funding 2025-26
- Financial performance in 2025-26
- GLA's Balance Sheet at 31 March 2026, and
- Main financial issues and risks facing the Authority
- Core accounting statements

## **Context**

The GLA is the strategic authority for London and sits between the national Government and the London boroughs. It consists of:

- the Mayor of London, who is responsible for making London a better place for all those who visit, live or work in the city; and
- the London Assembly, which holds the Mayor to account.

To make London an even better city the Mayor and the GLA's key objectives are:

- to build thousands of more genuinely affordable homes to buy and rent
- to make transport more affordable, better and greener
- to tackle air pollution to make the air safe for everyone
- to ensure Londoners from all walks of life can enjoy arts and culture
- to fight for London's economy – supporting business, protecting jobs, boasting skills provision and increasing the standard of living for all Londoners
- to ensure the safety and security of London
- to encourage London's diverse communities to come together

The Mayor delivers this vision for London principally through the activities of:

- the GLA itself and its wide network of partnerships, including the London Partnership Board which the Mayor co-chairs with the chair of London Councils. Although much of the GLA's work is strategic – setting frameworks for London's boroughs and

others to work within in areas like the environment, urban planning and economic development – the GLA now has significant delivery budgets for affordable homes and adult education

- London Fire Brigade, which provides the city’s fire and rescue service, under the oversight of the London Fire Commissioner
- three Mayoral Development Corporations (MDCs) – London Legacy Development Corporation (LLDC), Old Oak and Park Royal Development Corporation (OPDC) and Oxford Street Development Corporation (OSDC) – responsible, respectively, for regeneration centred on the Queen Elizabeth Olympic Park, the Old Oak and Park Royal area and Oxford Street.
- the Metropolitan Police Service, which provides the capital’s police service, under the oversight of the Mayor’s Office for Policing and Crime; and
- Transport for London, which provides London’s transport service.

The Mayor is responsible for setting an annual revenue and capital budget of some £22 billion (2025-26) for the GLA and its functional bodies. However, these accounts are limited to the GLA itself, GLA subsidiaries and the three MDCs which are treated as part of the GLA’s Group Accounts. See note 2(iii) Basis of Preparation for the Group Accounts for further information on the entities included in the GLA group accounts.

The accounts also include any fund transfers in respect of council tax and retained business rates and as reflected in the Fund Account, certain grants the GLA passports to functional bodies including the Home Office police grant.

During 2025-26, the Greater London Authority (GLA) continued to operate within a challenging economic and social environment across the capital, with ongoing cost of living pressures, housing affordability constraints and wider economic uncertainty continuing to affect residents, businesses and development activity. In response, the Authority maintained a strong focus on investment in affordable housing, regeneration, skills provision, support for the homeless and for young Londoners and environmental sustainability.

The 2025-26 GLA Mayoral budget included a £1.8 billion GLA capital programme, with the majority allocated to housing and regeneration priorities, including continued delivery of the Affordable Homes Programme and associated housing investment across London. The Authority also continued to support strategic regeneration and place-based investment, including ongoing activity through the Old Oak and Park Royal Development Corporation and the London Legacy Development Corporation, alongside investment in the Royal Docks and Thames Estuary growth corridors.

Environmental sustainability and climate resilience remained central to the GLA’s priorities during the year. Investment continued in programmes supporting London’s transition to net zero, improved air quality and reduced fuel poverty, including energy efficiency and home retrofitting initiatives delivered through the Warmer Homes London programme. The 2025-26 GLA Mayoral budget also provided for approximately £904.7 million of gross revenue expenditure to support a range of strategic services and initiatives across housing, economic development and environmental programmes aimed at improving outcomes for London’s residents, businesses and visitors.

## **Performance against the Mayor's vision**

The 2025-26 [Annual Report](#) was published in May 2026 and provides information on performance and achievements across the following Mayoral themes:

- Children, young people, equalities and inclusion
- Policing, crime and public safety
- Transport, infrastructure and natural environment
- Housing and built environment
- Economic growth and opportunity
- Governance, partnerships and engagement
- The Old Oak and Park Royal Development Corporation (OPDC)
- The London Legacy Development Corporation (LLDC)

## Total Expenditure and Funding 2025-26

The Comprehensive Income and Expenditure Statement reports on the Authority's total expenditure on revenue grants, services, funding paid to functional bodies, capital grants and non-cash items such as depreciation and impairment of equity investments.

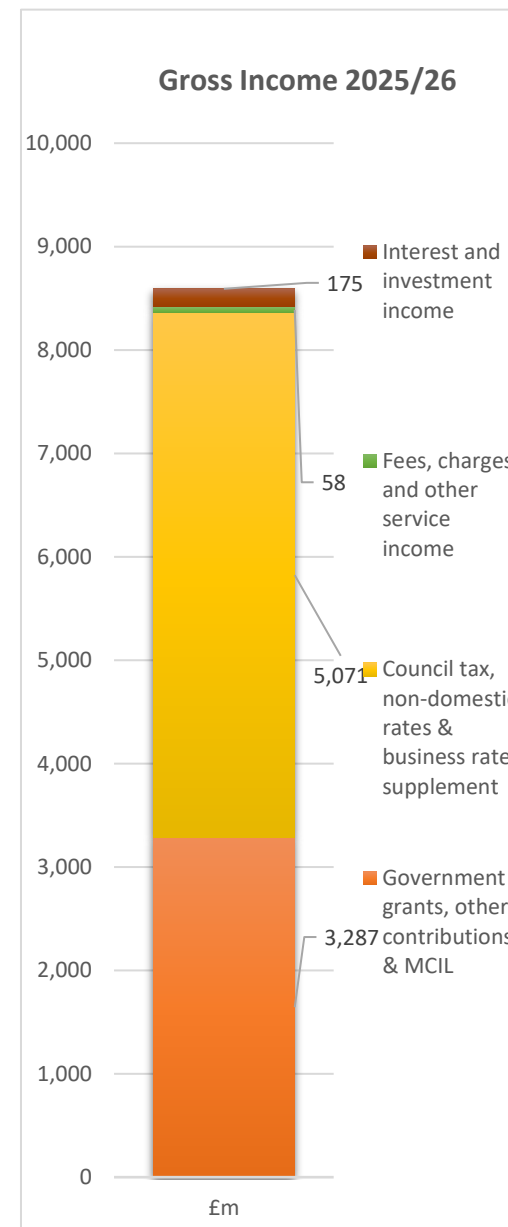
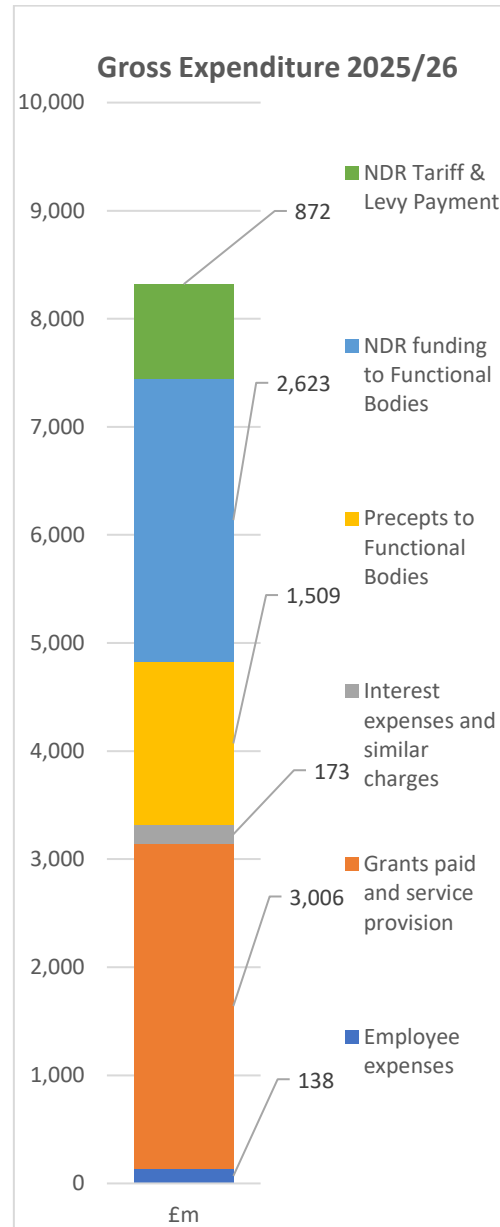
The Authority incurred gross expenditure of £8.3 billion in 2025-26 (£7.5 billion in 2024-25).

Of the Authority's 2025-26 gross expenditure, 50 per cent (£4.1 billion) comprised business rates and council tax funding provided to the functional bodies. A further 36 per cent (£3.0 billion) related to the provision of services, including £2.1 billion of capital grants paid to third parties, primarily to support affordable housing.

The Authority received gross income of £8.6 billion in 2025-26 (£7.5 billion in 2024-25). The largest source of income was council tax, retained business rates and business rate supplement (£5.1 billion), representing 59 per cent of total income. Government grants, other contributions and Mayor's Community Infrastructure Levy (MCIL) accounted for 38 per cent of total income.

This gave an overall surplus of £0.2 billion on the provision of services in 2025-26.

The Expenditure and Funding Analysis (Note 8) provides more detail on expenditure and income incurred in 2025-26.



## Financial Performance 2025-26

### Revenue

The GLA's financial position on revenue services is set out below: Revenue - £38.7 million underspend against a net budget of £378.1 million. The GLA budget includes £587.6 million of specific grant income.

There have been underspends against a range of programmes, the larger underspends are included in the following programmes: Reducing inequalities (a range of delays in projects), Accommodation and wider support for those who need it most (delayed start to the Ending Homelessness Hubs and Floating Hubs), Reducing non-residential emissions (delays in the Future Accelerators project), Delivering a greener, more climate-resilient London (delays in the Green Roots project), Supporting and inspiring young London (fewer eligible children for Universal Free School Meals), Boosting London's Growth Sectors (delays in the Oxford Street Development Corporation (OSDC) becoming the Local Planning Authority, leading to a deferral of expenditure into the 2026-27 financial year), as well as in the Core budget.

A table summary of the main reasons for this variance is set out below:

### Revenue Outturn - overall variance £38.7 million underspend

Directorate	Revised Net Budget	Net Outturn	Variance	Main reasons for (underspends)/overspends
	£m*	£m	£m	
Chief Officer	2.7	(0.2)	(2.9)	This underspend was mostly driven by Election expense claims from boroughs being less than originally forecast.
Chief Finance Officer	25.0	13.1	(11.9)	Underspends against the corporate budgets, Group collaboration and Treasury costs.
Communities & Skills	178.1	169.4	(8.7)	Underspend mainly due to and underspend on the Universal Free School Meals programme, due to fewer eligible children than forecast.
Corporate Resources & Business Improvement	39.2	39.8	0.6	Overspend mainly relates to increased staff costs within the People Function.

Good Growth	87.5	74.8	(12.7)	Underspends against environment-related projects due to delays in project mobilisation, and Future Accelerators project.
Housing & Land	17.7	15.8	(1.9)	Main underspend on the Rough Sleeping programme due to delayed start to the Ending Homelessness Hubs and Floating Hubs.
Mayor's Office	6.9	6.9	(0.0)	Minor staffing underspends
Strategy & Communications	30.0	28.8	(1.2)	Main underspend against events due to increased income.
<b>Total</b>	<b>387.1</b>	<b>348.4</b>	<b>(38.7)</b>	

\*£m-million

Budget monitoring reports are published quarterly and report on the forecast, and at year-end the actual, surplus or deficit position on the General Fund balance. They compare budget for the year against annual expenditure and funding from government grants, rents, council tax and business rates and other funding sources.

The Comprehensive Income and Expenditure Statement (CIES) in the financial statements differs from the budget monitoring report. The CIES reports on the basis of expenditure measured under proper accounting practices. Proper accounting practices measure the resources that have been generated and consumed in the year including such things as the use of property (depreciation) and the value of pensions benefits earned by the employees, which alongside other charges, are not included in the budget monitoring reports as statutory provisions determine how much of the authority's expenditure needs to be met from council tax each year.

The Expenditure and Funding Analysis in Note 8 provides a reconciliation between spend as reported for budget monitoring purposes and spend reported in the CIES.

### Capital

The year-end position is an underspend of £31.7 million on a budget of £2,072.0 million. The largest element of which has arisen from a reduction in expenditure for the Building Safety programme which was largely attributable to significant delays from the Building Safety Regulator (BSR) across twenty-two projects.

A table summary of the main reasons for this variance is set out below:

**Capital Programme Outturn** – overall variance £31.7 million underspend.

<b>Programme</b>	<b>Revised Net Budget</b>	<b>Net Outturn</b>	<b>Variance</b>	<b>Main reasons for (underspends)/overspends</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Chief Finance Officer	103.5	89.4	(14.1)	The underspend mainly relates to two borrowers delaying their draw down of loans from the Green Finance Fund until 2026-27.
Communities & Skills	15.4	8.5	(6.9)	The underspend was mainly due to delays in the Skills Capital schemes.
Good Growth	81.0	78.0	(3.0)	The underspend is due to the following key factors: <ul style="list-style-type: none"> <li>• slower contractor delivery in the first part of the year for the Warmer Homes programme</li> <li>• extension of the UKSPF capital grant funding which has meant that some payments will now be made in 2026-27 and</li> <li>• slippages in the Creative Enterprise Zone and Regeneration Unit programmes.</li> </ul>
Housing & Land	1,868.2	1,863.3	(4.9)	The net underspend partly arises from an underspend on the Building Safety programme due to delays in obtaining building control approval from the Building Safety Regulator across twenty-two projects; partly offset by an overspend on the Affordable Homes Programme.
Corporate Resources and Business Improvements	4.0	1.2	(2.8)	The underspend is due to delays in works at Trafalgar Square and delays in the procurement process for the Palestra office relocation project.
<b>Total</b>	<b>2,072.0</b>	<b>2,040.4</b>	<b>(31.7)</b>	

## Balance Sheet

The Authority's Balance Sheet shows what the Authority owns (assets) and owes (liabilities) at the end of the financial year.

As at 31 March 2026, the Authority's Balance Sheet shows net liabilities of £1,080.2 million, consisting of £5,057.9 million assets and £6,138.1 million liabilities.

The Authority's net liability position is driven by the borrowing undertaken to fund infrastructure assets held in Transport for London's balance sheet; this includes the Elizabeth Line (Crossrail) and the Northern Line Extension.

### Authority Balance Sheet

<b>As at 31 March:</b>	<b>2026</b>	<b>2025</b>
	<b>£m</b>	<b>£m</b>
Assets	5,058	5,054
Liabilities	(6,138)	(6,402)
<b>Net Liabilities</b>	<b>(1,080)</b>	<b>(1,348)</b>

The net liabilities decreased by £267.9 million year on year and significant in-year movements to note are:

- £289.4 million reduction was primarily driven by the repayment of £294.0 million of borrowing related to the construction of the Elizabeth line, the maturity of a £19.8 million European Investment Bank loan that funded the Northern line extension, and the £21.0 million maturity on a Housing Bank loan. These reductions were partly offset by a net increase of £40.4 million in borrowing to finance Green Fund initiatives.
- £183.8 million increase in capital loan investments, primarily relating to Green Finance funded schemes and regeneration and place-based investment activity undertaken by the Old Oak and Park Royal Development Corporation and the London Legacy Development Corporation
- £255.1 million decrease in cash and cash equivalents from £2.6 billion to £2.3 billion. This reduction was mainly driven by net cash outflows from investing activities of £339.3 million, primarily reflecting the placement of surplus cash into short and long-term investments, capital loans to third parties and net financing outflows of £303.7 million arising largely from the repayment of borrowing and interest payable. These outflows were partially offset by positive cash inflows from operating activities during the year.

## Group Balance Sheet

<b>As at 31 March:</b>	<b>2026</b>	<b>2025</b>
	<b>£m</b>	<b>£m</b>
Assets	5,194	5,195
Liabilities	(6,424)	(6,681)
<b>Net Liabilities</b>	<b>(1,230)</b>	<b>(1,486)</b>

The £255.8 million reduction in the Group's net liability position is driven by the GLA's reduction in borrowing.

## Reserves

Set out below is a summary of the GLA's usable and unusable reserves at 31 March 2026, comparing the position to a year ago.

### Authority Reserves

<b>As at 31 March:</b>	<b>2026</b>	<b>2025</b>
	<b>£m</b>	<b>£m</b>
Usable Reserves	(2,835)	(2,726)
Unusable Reserves	3,915	4,074

The Authority's usable reserves increased by £109.4 million during the year, comprising a £10.7 million increase in revenue reserves and a £100.9 million increase in the Capital Receipts Reserve primarily arising from the recovery of housing capital grants; offset by a £2.2 million reduction in Capital Grants Unapplied reserve. Further details of movements in earmarked revenue reserves are provided in Note 10.

The Authority's unusable reserves are set aside for specific accounting purposes. They do not represent available funds and therefore cannot be used for investment or spending purposes. The balance relates largely to capital grants paid to TfL for the Northern Line extension (NLE) to Nine Elms and Battersea Power Station (NLE) and Crossrail (the Elizabeth line) which are financed from external borrowing but where TfL,

rather than the GLA, holds these assets. These unusable reserves will be written down over time as the GLA's Crossrail and NLE borrowing is repaid over the next two decades.

### Group Reserves

<b>As at 31 March:</b>	<b>2026</b>	<b>2025</b>
	<b>£m</b>	<b>£m</b>
Usable Reserves	(3,047)	(2,956)
Unusable Reserves	4,276	4,441

As the majority of the usable and unusable reserves are held by the Authority the explanations in the preceding two paragraphs apply equally to the Group reserves.

### Borrowing

#### Authority Borrowing

Set out below is a summary of the Authority's net decrease in overall level of debt.

<b>As at 31 March</b>	<b>2026</b>	<b>2025</b>
	<b>£m</b>	<b>£m</b>
Overall level of debt	4,951	5,240

There has been an overall reduction in borrowing of £289.4 million during the year. This was primarily driven by the repayment of £294.0 million of borrowing related to the construction of the Elizabeth line, the maturity of a £19.8 million European Investment Bank loan that funded the Northern line extension, and the £21.0 million maturity on a Housing Bank loan. These reductions were partly offset by a net increase of £40.4 million in borrowing to finance Green Fund initiatives.

The borrowing undertaken is within CIPFA's Prudential Code and financed by discrete income streams i.e., the Crossrail business rate supplement and the Mayor's Community Infrastructure Levy (MCIL) in respect of Crossrail and business rates growth and developer

contributions, collected by the London Boroughs of Lambeth and Wandsworth in the Nine Elms and Battersea Power station statutory designated area, in relation to the NLE.

## **Pensions**

The GLA's pensions arrangements are set out in detail in Note 21 in these statements. These statements show that the GLA holds a net pensions asset (a surplus of plan assets over its liabilities) of £115.3 million (£123.8 million at 31 March 2025), a decrease of £8.5 million on the previous year. However, as the present value of the minimum funding requirement contributions exceeds the future service costs, the Authority is not expected to benefit from any economic return from the surplus through either a refund or a reduction in future contributions. Accordingly, in accordance with IAS 19 and IFRIC 14 the net defined benefit asset has been restricted to nil on the balance sheet.

The Pension Fund is revalued every three years by an independent actuary to assess future liabilities and set employers' contribution rates. The most recent triennial actuarial valuation covers the period 2026-27 to 2028-29 and sets the employer contribution rate at 10.3%.

## **Main financial issues and risks facing the Authority**

Details of the main risks facing the GLA are set out in the Authority's Risk Register and the Going Concern note (Note 2 iv). Further, the Annual Governance Statement published alongside these accounts also sets out many of the issues facing the GLA.

The main financial issues and risks facing the Authority are:

- Reliance on income from government – around 60% of the Authority's revenue and capital income for the 2025-26 financial year comes from central government grants - from April 2026 many of these have been consolidated into a single multi-year integrated settlement. Therefore, the scope of the work that these grants fund is reliant on continued support from government. In addition, around 27% of the income for the 2025-26 financial year comes from business rates, council tax income and the Mayoral community infrastructure levy. In the case of business rates, the GLA has some greater degree of certainty than in previous years from 2026-27 onwards as the government has introduced a multi-year Local Government Finance Settlement covering the next three financial years. There is greater clarity as to how the business rates retention system will operate moving forward. To mitigate any risks, the Authority continues to work closely with the Functional Bodies and Mayoral Development Corporations to ensure that a balanced budget will be set for future years.
- Exposure to the housing and land market – the Authority has financial exposure/interest in a range of significant housing and infrastructure projects across London, as the ultimate funder for GLAH, GLAP, LLDC and OPDC. These projects are subject to potential

fluctuations in land values and are impacted by increased construction costs. These projects include the regeneration of the Queen Elizabeth Olympic Park, overseen by LLDC, which continues to build out its masterplan over the next few years, with the GLA as the ultimate funder, reliant on a range of factors such as the housing market and other commercial developments on the site that could impact repayment of loans made to LLDC; the operation of the London Stadium, which continues to require long-term support; and a range of development projects through GLAP, including the joint venture at Barking Riverside Limited. All of these risks remain substantial over the medium term and measures are in place to continually review financial and market risks.

- Indirectly exposed to wider economic conditions – this could include the impact on the wider GLA Group, via Functional Bodies, whose overall impact can be impacted by factors such as Transport for London fares income. For the Authority itself, around 9% of budgeted income for the 2026-27 financial year comes from interest income on cash balances, which are impacted by a range of factors including future movements in interest rates. The Authority operates a robust Treasury management strategy, through London Treasury Limited, to forecast and manage such risks.

## **London Environment Strategy**

The Mayor is responsible for producing a London Environment Strategy which takes account of strategic environmental issues including climate change mitigation and adaptation.

The Mayor has set a goal of London being net zero by 2030 and has published his preferred pathway for achieving this goal. As part of that ambition, the GLA is working with the functional bodies of the GLA to develop and implement their own plans to achieve net zero emissions across their estate and fleet by 2030. The Mayor has a number of programmes and policies to tackle emissions across London and improve the resilience of the city in the face of a changing climate.

The climate emergency funding earmarked reserve supports the delivery of an estimated £500 million of projects across the GLA Group and strategic partners (such as the London Boroughs, the Corporation of London and the NHS), through the Green Finance Fund (GFF).

At 31 March 2026, £72 million is available to support projects and the cost of finance associated with £500 million and will be spent in the coming years; £8.5 million was drawn down during the financial year.

During the financial year, £346.8 million borrowing facilities were allocated from the GFF to low carbon and environmental projects, and of that amount £219.2 million was drawn.

The Mayor's agreed 2026-27 budget included a climate budget that sits alongside the financial budget. The London Climate budget sets out actions being taken across the group to cut emissions both in its own estate and fleet and across London. It also outlines measures to support climate adaptation in the city. The purpose of the climate budget is to mainstream climate considerations into decision making via the budget allocation process and highlight progress towards delivering long-term climate targets.

### **Business Rates and Council tax income**

In respect of the 2025-26 financial year, the GLA received around £3.2 billion in business rates income from London billing authorities in instalments (i.e. 37 per cent of the total receipts the billing authorities estimated they would receive). Gross of section 31 grants for multiplier cap compensation and government funded reliefs and net of the tariff, levy on growth and other minor adjustments, around £2.9 billion of estimated retained business rates income was allocated to spend on services in the Mayor's originally approved 2025-26 budget. In addition, £36.1 million was received through the net estimated surplus for 2024-25 and prior years.

The actual outturn based on the National Non-Domestic Rating 3 returns for 2025-26 submitted in April 2026 was a £6.9 million surplus resulting in the total business rates income recognised for accounting purposes being £3.2 billion (as set out in Note 15).

Just under £1.6 billion was raised through the GLA's council tax precept in 2025-26 of which £1.0 billion was applied to fund policing through the Mayor's Office for Policing and Crime. In addition, £0.2 billion was allocated to Transport for London and £0.2 billion for the London Fire Commissioner. The remainder was allocated to the GLA and the London Assembly.

The 2023-24 Mayor's budget also introduced a free school meals programme for all state school primary children in London which was continued in 2025-26 funded through Business Rates and use of reserves.

The Chief Finance Officer is committed to maintaining the Business Rates Reserve (BRR) at a level that reflects the risks to future tax revenues. This target balance equates to the shortfall the GLA would need to meet were it to be in a safety net position for a single year within the business rates retention system based on the 92.5% threshold in place for the GLA and the majority of English local authorities. In the 2025-26 budget, the target balance was set at £103.6 million after meeting approved budget commitments in line with this safety net estimate taking into account the latest local government finance settlement.

Following the introduction of funding reforms to local government finance from April 2026, this target balance increased to £229.0 million for 2026-27, as all of GLA's business rates income is now included within the levy and safety net arrangements, whereas under the previous system rolled-in investment grants were excluded.

## Core Accounting Statements

The **core accounting statements** covering the Authority and the Group are the:

**Comprehensive Income and Expenditure Statement:** this records the income and expenditure for the year. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.

**Movement in Reserves Statement:** this is a summary of the changes to reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable' which must be set aside for specific accounting purposes and do not exist for investment or spending purposes.

**Balance Sheet:** This is a 'snapshot' of the assets, liabilities, cash balances and reserves at the year-end date; and

**Cash Flow Statement:** This shows the reason for changes in the cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities) .

**Fay Hammond, CPFA**

Chief Finance Officer

30 June 2026

## **Statement of Responsibilities for the Statement of Accounts**

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

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, 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 Authority's statement of accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025-26* (the Code) and IFRS as adopted in the United Kingdom.

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; and
- complied with the local authority Code.

The Chief Finance Officer has also:

- 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 for the Greater London Authority, gives a true and fair view of the financial position of the Greater London Authority as at 31 March 2026 and its income and expenditure for the year ended 31 March 2026.

**Fay Hammond, CPFA**

Chief Finance Officer

30 June 2026

## **Approval of the Statement of Accounts by the Mayor of London**

In accordance with Regulation 9(2) of the Accounts and Audit Regulations 2015, I approve the accounts of the Greater London Authority.

**Sadiq Khan**  
Mayor of London

**INDEPENDENT AUDITOR'S REPORT TO THE MAYOR OF THE GREATER LONDON AUTHORITY**

<< Audit Opinion to be inserted >>

## Consolidated Comprehensive Income and Expenditure Statement

2024-25	2024-25	2024-25		2025-26	2025-26	2025-26
Gross Exp*	Gross	Net Exp*		Gross Exp*	Gross Income	Net Exp*
£000	Income	£000		£000	£000	£000
			Note			
9,166	(6)	9,160	Assembly & Secretariat	9,459	(7)	9,452
12,126	(645)	11,481	Chief Finance Officer	17,610	(797)	16,813
37,201	(812)	36,389	Chief Officer	425	(644)	(219)
35,607	(1,309)	34,298	Corporate Resources & Business Improvement	42,585	(1,260)	41,325
273,600	(57,831)	215,769	Communities & Skills	244,876	(68,430)	176,446
348,462	(352,264)	(3,802)	Adult Education	351,216	(339,101)	12,115
190,598	(50,322)	140,276	Good Growth	185,452	(56,431)	129,021
1,172,902	(118,026)	1,054,876	Housing & Land	2,106,210	(97,016)	2,009,194
6,074	-	6,074	Mayor's Office	6,941	(50)	6,891
37,802	(7,924)	29,878	Strategy & Communications	35,017	(6,239)	28,778
175,812	(27,265)	148,547	Olympic Legacy	54,974	(25,422)	29,552
3,216	(4,845)	(1,629)	Funding London SMEs	3,166	(3,091)	75
19,724	(11,904)	7,820	Old Oak & Park Royal regeneration	21,461	(6,715)	14,746
-	-	-	Oxford Street regeneration	7,400	(37)	7,363
24,852	(80)	24,772	Corporate & Group Items	23,291	(8)	23,283
<b>2,347,141</b>	<b>(633,233)</b>	<b>1,713,908</b>	<b>Cost of Services</b>	<b>3,110,083</b>	<b>(605,248)</b>	<b>2,504,835</b>
		4,137,419	Other Operating Expenditure			4,170,133
		(25,083)	Financing and Investment Income and Expenditure			4,543
		(10,955)	Impairment of financial instruments			(5,619)
		14,296	Movement in the fair value of investment properties			43,255
		(5,901,989)	Taxation and Non-Specific Grant Income			(6,989,922)
		<b>(72,403)</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>(272,775)</b>
		11,403	Share of the (surplus) or deficit on the provision of services of joint ventures			11,185
		(5,066)	Share of the (surplus) or deficit on the provision of services of associates			1,320
		0	Impairment of equity investments in GLAH and London Stadium			(1)
		22,000	Uncertain corporation tax liability			-
		2,206	Tax expense/(credit) of subsidiaries			719
		<b>(41,861)</b>	<b>Consolidated (Surplus) or Deficit</b>			<b>(259,552)</b>
			<b>Items that will never be reclassified to the surplus or deficit on the provision of services</b>			
		123	(Surplus) or deficit on revaluation of non-current assets			1,061
		61,209	Remeasurements of the net defined benefit liability			2,879
		3,547	(Increase)/ decrease in Members Capital			(891)
		(486)	Deferred tax asset on net defined benefit liability and on revalued property, plant and equipment			-
		<b>64,393</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>3,049</b>
		<b>22,532</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(256,503)</b>

\*Expenditure

## Authority Comprehensive Income and Expenditure Statement

2024-25	2024-25	2024-25			2025-26	2025-26	2025-26
Gross Exp	Gross Inc	Net Exp	Gross expenditure, gross income and net expenditure	Note	Gross Exp	Gross Inc	Net Exp
£000	£000	£000			£000	£000	£000
9,166	(6)	9,160	Assembly & Secretariat		9,459	(7)	9,452
14,025	(645)	13,380	Chief Finance Officer *		17,610	(797)	16,813
37,201	(812)	36,389	Chief Officer		425	(644)	(219)
38,029	(1,309)	36,720	Corporate Resources & Business Improvement *		38,605	(1,260)	37,345
273,600	(57,831)	215,769	Communities & Skills*		244,876	(68,430)	176,446
348,462	(352,264)	(3,802)	Adult Education		351,216	(339,101)	12,115
190,598	(50,322)	140,276	Good Growth*		192,883	(56,431)	136,452
1,145,780	(55,688)	1,090,092	Housing & Land		2,094,931	(72,178)	2,022,753
6,074	-	6,074	Mayor's Office		6,941	(50)	6,891
37,802	(7,924)	29,878	Strategy & Communications*		35,017	(6,239)	28,778
109,696	(38,099)	71,597	Corporate and Group Items		91,126	(5,810)	85,316
<b>2,210,433</b>	<b>(564,900)</b>	<b>1,645,533</b>	<b>Cost of Services</b>		<b>3,083,089</b>	<b>(550,947)</b>	<b>2,532,142</b>
		4,137,419	Other operating expenditure	11			4,170,136
		93,120	Impairment of financial instruments	50h			18,143
		(50,527)	Financing and investment income and expenditure	12			(25,398)
		(5,066)	Share of the associate's profit or loss				1,320
		(5,815,888)	Taxation and non-specific grant income and expenditure	13			(6,967,752)
		<b>4,591</b>	<b>(Surplus) or Deficit on Provision of Services</b>				<b>(271,409)</b>
			<b>Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services</b>				
		123	(Surplus) or deficit on revaluation of non-current assets	43			1,061
		58,974	Remeasurements of the net defined benefit liability	21			2,356
		<b>59,097</b>	<b>Other Comprehensive Income and Expenditure</b>				<b>3,417</b>
		<b>63,688</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(267,992)</b>

The following directorates in the CIES are comprised of:

Chief Finance Officer - Finance, Treasury and Governance

Corporate Resources & Business Improvement - People Function, Facilities Management (FM), Technology Group (TG), Digital and Shared Services

Communities & Skills - Health, Skills & Employment, Communities & Social Policy, Children & Young Londoners and Sport

Good Growth - Culture, Environment, Planning & Regeneration, Economic Development and Transport & Infrastructure

Strategy & Communications - External Relations, Events, City Intelligence, London Resilience and Public Affairs & Strategic Partnerships

## Consolidated Movement in Reserves Statement

2025/26	Note	-----Authority-----							-----Group-----					
		Non-Earmarked Reserves	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Usable Reserves	Unusable Reserves	Total Authority Reserves	Adj between Authority and Group Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves		Group Usable	Group Unusable	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000	£000	Usable £000	Unusable £000	£000	£000
<b>Balance at 1 April 2025</b>		<b>(10,000)</b>	<b>(1,047,702)</b>	<b>(814,157)</b>	<b>(853,833)</b>	<b>(2,725,692)</b>	<b>4,073,839</b>	<b>1,348,147</b>	<b>(21,263)</b>	<b>(208,700)</b>	<b>367,143</b>	<b>(2,955,654)</b>	<b>4,440,983</b>	<b>1,485,329</b>
<b>Movement in reserves in year</b>														
(Surplus) or deficit after tax		(271,409)	-	-	-	(271,409)	-	(271,409)	23,943	(26,296)	14,210	(273,762)	14,210	(259,552)
Other Comprehensive Expenditure and Income		-	-	-	-	-	3,417	3,417	-	-	(368)	-	3,049	3,049
<b>Comprehensive Expenditure and Income</b>		<b>(271,409)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(271,409)</b>	<b>3,417</b>	<b>(267,992)</b>	<b>23,943</b>	<b>(26,296)</b>	<b>13,842</b>	<b>(273,762)</b>	<b>17,259</b>	<b>(256,503)</b>
Adjustment between authority accounts and group accounts		-	-	-	-	-	-	-	-	22,159	(22,159)	22,159	(22,159)	-
Other adjustments		-	-	-	-	-	-	-	-	1,317	(630)	1,317	(630)	687
Adjustments between accounting basis and funding basis under regulations	9	260,672	-	(100,925)	2,243	161,990	(161,990)	-	-	(4,669)	4,669	157,321	(157,321)	-
<b>Net (Increase)/ Decrease before Transfers to Earmarked Reserves</b>		<b>(10,737)</b>	<b>-</b>	<b>(100,925)</b>	<b>2,243</b>	<b>(109,419)</b>	<b>(158,573)</b>	<b>(267,992)</b>	<b>23,943</b>	<b>(7,489)</b>	<b>(4,278)</b>	<b>(92,965)</b>	<b>(162,851)</b>	<b>(255,816)</b>
Transfers (to)/from Earmarked Reserves	10	10,137	(10,137)	-	-	-	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in year</b>		<b>(600)</b>	<b>(10,137)</b>	<b>(100,925)</b>	<b>2,243</b>	<b>(109,419)</b>	<b>(158,573)</b>	<b>(267,992)</b>	<b>23,943</b>	<b>(7,489)</b>	<b>(4,278)</b>	<b>(92,965)</b>	<b>(162,851)</b>	<b>(255,816)</b>
<b>Balance at 31 March 2026</b>		<b>(10,600)</b>	<b>(1,057,839)</b>	<b>(915,082)</b>	<b>(851,590)</b>	<b>(2,835,111)</b>	<b>3,915,266</b>	<b>1,080,155</b>	<b>2,680</b>	<b>(216,190)</b>	<b>362,865</b>	<b>(3,048,620)</b>	<b>4,278,132</b>	<b>1,229,513</b>
<b>2024/25</b>														
2024/25	Note	-----Authority-----							-----Group-----					
		Non-Earmarked Reserves	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Usable Reserves	Unusable Reserves	Total Authority Reserves	Adj between Authority and Group Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves		Group Usable	Group Unusable	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000	Usable £000	Unusable £000	£000	£000	£000
<b>Balance at 31 March 2024</b>		<b>(10,000)</b>	<b>(1,238,259)</b>	<b>(665,653)</b>	<b>(994,977)</b>	<b>(2,908,889)</b>	<b>4,193,347</b>	<b>1,284,458</b>	<b>(39,147)</b>	<b>(105,861)</b>	<b>331,291</b>	<b>(3,053,896)</b>	<b>4,524,638</b>	<b>1,470,742</b>
<b>IFRS 16 Adoption</b>	1	-	-	-	-	-	-	-	-	4,822	-	4,822	-	4,822
<b>Balance at 1 April 2024</b>		<b>(10,000)</b>	<b>(1,238,259)</b>	<b>(665,653)</b>	<b>(994,977)</b>	<b>(2,908,889)</b>	<b>4,193,347</b>	<b>1,284,458</b>	<b>(39,147)</b>	<b>(101,039)</b>	<b>331,291</b>	<b>(3,049,074)</b>	<b>4,524,638</b>	<b>1,475,564</b>
<b>Movement in reserves in year</b>														
(Surplus) or deficit after tax		4,591	-	-	-	4,591	-	4,591	17,884	(59,270)	(5,066)	(36,795)	(5,066)	(41,861)
Tax on Other Comprehensive Income		-	-	-	-	-	-	-	-	-	(486)	-	(486)	(486)
Other Comprehensive Expenditure and Income		-	-	-	-	-	59,097	59,097	-	(23)	5,804	(23)	64,902	64,879
<b>Comprehensive Expenditure and Income</b>		<b>4,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,591</b>	<b>59,097</b>	<b>63,688</b>	<b>17,884</b>	<b>(59,293)</b>	<b>252</b>	<b>(36,818)</b>	<b>59,350</b>	<b>22,532</b>
Adjustment between authority accounts and group accounts		-	-	-	-	-	-	-	-	(130,074)	89,315	(130,074)	89,315	(40,760)
Other adjustments		-	1	-	-	1	-	1	-	-	27,995	1	27,995	27,996
Adjustments between accounting basis and funding basis under regulations	9	185,965	-	(148,504)	141,144	178,605	(178,605)	-	-	81,706	(81,709)	260,311	(260,314)	(3)
<b>Net (Increase)/ Decrease before Transfers to Earmarked Reserves</b>		<b>190,556</b>	<b>1</b>	<b>(148,504)</b>	<b>141,144</b>	<b>183,197</b>	<b>(119,508)</b>	<b>63,689</b>	<b>17,884</b>	<b>(107,661)</b>	<b>35,853</b>	<b>93,420</b>	<b>(83,654)</b>	<b>9,766</b>
Transfers (to)/from Earmarked Reserves	10	(190,556)	190,556	-	-	-	-	-	-	-	-	-	-	-
<b>(Increase)/Decrease in year</b>		<b>-</b>	<b>190,557</b>	<b>(148,504)</b>	<b>141,144</b>	<b>183,197</b>	<b>(119,508)</b>	<b>63,689</b>	<b>17,884</b>	<b>(107,661)</b>	<b>35,853</b>	<b>93,420</b>	<b>(83,654)</b>	<b>9,766</b>
<b>Balance at 31 March 2025</b>		<b>(10,000)</b>	<b>(1,047,702)</b>	<b>(814,157)</b>	<b>(853,833)</b>	<b>(2,725,692)</b>	<b>4,073,839</b>	<b>1,348,147</b>	<b>(21,263)</b>	<b>(208,700)</b>	<b>367,143</b>	<b>(2,955,654)</b>	<b>4,440,983</b>	<b>1,485,329</b>

## Consolidated and Authority Balance Sheet

	Note	Authority 31 March 2026 £000	Group 31 March 2026 £000	Authority 31 March 2025 £000	Group 31 March 2025 £000
Property, plant & equipment	25	28,921	54,902	23,894	50,947
Right of Use Assets	35	18,854	34,996	20,968	35,220
Investment property	26	-	394,107	-	305,860
Intangible assets	28	385	388	902	903
Net pensions asset	21	-	72	-	-
Long term investments	30,50	10,450	364,581	10,476	349,286
Equity investment in limited partnership	30	-	2	-	2
Investments in joint ventures and associates	31	52,439	59,912	55,625	60,848
Long term debtors	33,50	1,259,657	323,288	1,075,891	270,617
Finance lease receivables - non-current	34	-	23,049	272	28,565
<b>Long Term Assets</b>		<b>1,370,706</b>	<b>1,255,297</b>	<b>1,188,028</b>	<b>1,102,248</b>
Short term investments	50	177,951	209,450	20,058	52,449
Finance lease receivables - current	34	272	15,866	289	9,975
Inventories	37	-	222,976	-	219,907
Trade and other receivables	38	1,163,040	1,074,299	1,244,540	1,164,801
Cash and cash equivalents	39	2,345,969	2,405,148	2,601,069	2,640,099
Current tax asset		-	10,924	-	5,610
<b>Current Assets</b>		<b>3,687,232</b>	<b>3,938,663</b>	<b>3,865,956</b>	<b>4,092,841</b>
Short term borrowing	50,51	(554,489)	(409,790)	(530,520)	(408,251)
Short term creditors	40	(905,393)	(937,159)	(834,016)	(868,376)
Receipts in advance - revenue	16,40	(15)	(10,271)	(15)	(3,644)
Receipts in advance - capital	16,40	-	(5,754)	-	(8,054)
Lease liabilities - current	35	(2,090)	(3,824)	(2,052)	(3,758)
Provisions - current	41	(115,965)	(131,306)	(129,358)	(147,713)
Uncertain Corporation Tax Liability		-	(22,000)	-	(22,000)
<b>Current Liabilities</b>		<b>(1,577,952)</b>	<b>(1,520,104)</b>	<b>(1,495,961)</b>	<b>(1,461,796)</b>
Long term creditors		-	(8,018)	-	(14,636)
Provisions - non-current	41	(143,478)	(365,234)	(174,015)	(403,412)
Long term borrowing	50,51	(4,395,878)	(4,407,525)	(4,709,281)	(4,725,255)
Lease liabilities - non-current	35	(20,785)	(34,296)	(22,874)	(35,805)
Receipts in advance - revenue		-	(15,076)	-	(13,584)
Receipts in advance - capital		-	(62,186)	-	(17,806)
Deferred tax liability	52	-	(11,034)	-	(8,124)
<b>Long Term Liabilities</b>		<b>(4,560,141)</b>	<b>(4,903,369)</b>	<b>(4,906,170)</b>	<b>(5,218,622)</b>
<b>Net Assets/(Liabilities)</b>		<b>(1,080,155)</b>	<b>(1,229,513)</b>	<b>(1,348,147)</b>	<b>(1,485,329)</b>
Usable reserves		(2,835,111)	(3,048,620)	(2,725,692)	(2,955,654)
Unusable reserves	43	3,915,266	4,278,132	4,073,839	4,440,983
<b>Total Reserves</b>		<b>1,080,155</b>	<b>1,229,513</b>	<b>1,348,147</b>	<b>1,485,329</b>

## Consolidated and Authority Cash Flow Statement

	Note	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Net surplus or (deficit) on the provision of services		271,409	259,552	(4,591)	41,861
Adjustments to net surplus or deficit on the provision of services for non-cash movements	44	116,498	228,169	192,568	164,342
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	45	(2,122,515)	(2,183,959)	(1,101,511)	(1,178,859)
<b>Net cash flows from Operating Activities</b>		<b>(1,734,608)</b>	<b>(1,696,238)</b>	<b>(913,534)</b>	<b>(972,656)</b>
Investing Activities	46	1,783,193	1,755,400	1,118,125	1,184,558
Financing Activities	47	(303,685)	(294,113)	(128,046)	(252,579)
<b>Net increase or (decrease) in cash and cash equivalents</b>		<b>(255,100)</b>	<b>(234,951)</b>	<b>76,545</b>	<b>(40,678)</b>
<b>Cash and cash equivalents at 1 April</b>	39	<b>2,601,069</b>	<b>2,640,099</b>	<b>2,524,524</b>	<b>2,680,777</b>
<b>Cash and cash equivalents at 31 March</b>	39	<b>2,345,969</b>	<b>2,405,148</b>	<b>2,601,069</b>	<b>2,640,099</b>

## Notes to the Core Financial Statements

### 1. Changes in accounting policies, prior period restatements and reclassifications

There have been no changes in accounting policies, prior period restatements or reclassifications in the 2025-26 financial year.

### 2. Accounting Policies

- i. Code of Practice
- ii. Basis of Accounting
- iii. Basis of Preparation of Group Accounts
- iv. Going Concern
- v. Prior Period Adjustments, Changes in Accounting Policies and Errors and Estimates
- vi. Exceptional Items
- vii. Events after the Balance Sheet Date
- viii. Accruals of income and expenditure
- ix. Government Grants and Third-Party Contributions
- x. Council Tax Accounting
- xi. Non-domestic rates
- xii. Crossrail Business Rate Supplement
- xiii. Community Infrastructure Levy (CIL)
- xiv. Charges to Revenue for Non-Current Assets
- xv. Employee Benefits
- xvi. Fair Value
- xvii. Financial Instruments
- xviii. Cash and cash equivalents
- xix. Foreign Currency Translation
- xx. Interests in Companies and Other Entities
- xxi. Inventories
- xxii. Leases
- xxiii. Intangible Assets
- xxiv. Property, Plant and Equipment
- xxv. Heritage Assets
- xxvi. Investment Property
- xxvii. Provisions, Contingent Liabilities and Contingent Assets
- xxix. Reserves
- xxx. VAT
- xxxi. Corporation Tax

### **i. Code of Practice**

The Statement of Accounts summarises the Greater London Authority's ("GLA"/ "the Authority") and the GLA Group's ("the Group") transactions for the 2025-26 financial year and its position at 31 March 2026. As required by the Accounts and Audit (England) Regulations 2015, the Authority has prepared the 2025-26 Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the CIPFA/LASSAC Code of Practice on Local Authority Accounting in the United Kingdom 2025-26 ("the Code") and the International Financial Reporting Standards ("IFRS") adopted by the United Kingdom ("Adopted IFRS").

### **ii. Basis of Accounting**

The accounts are prepared as at 31 March.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where items are considered 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 Authority and Group's financial performance.

### **iii. Basis of Preparation of Group Accounts**

The Code requires local authorities with, in aggregate, material interests in subsidiary and associated companies and joint ventures, to prepare group financial statements.

The Group's financial statements incorporate the financial statements of the Greater London Authority and its subsidiaries prepared as at the year-end date. Where significant, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with other GLA Group entities.

### **Subsidiaries**

The Group accounts presented with the Authority's accounts consolidate the individual accounts of the Greater London Authority and its subsidiaries. A subsidiary is an entity over which the Authority exercises or has the potential to exercise control. The Authority controls an

entity when the Authority is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenditure, assets and liabilities of subsidiaries have been consolidated on a line-by-line basis, except for London Travel Watch, London Treasury Limited, LTLF GP, London Power Co. Limited and Stratford East London Holdings Limited which have been excluded on materiality grounds. Material intragroup transactions and balances between the remaining GLA Group entities are eliminated.

The Oxford Street Development Corporation (OSDC) was established on 1 January 2026. It was established to lead the regeneration and long-term stewardship of Oxford Street and the surrounding area. The Mayoral Development Area covers Oxford Street and adjoining land, predominantly within the City of Westminster, with a small area extending into the London Borough of Camden.

OSDC has been consolidated into these financial statements from 1 January 2026. The accounts therefore reflect OSDC's transactions and balances for the period 1 January 2026 to 31 March 2026.

GLA Housing Investments (Silvertown) Limited (GLAHIS) was incorporated on 21 November 2025 and remained dormant throughout the 2025-26 financial year. During the year, negotiations were undertaken regarding its participation as a partner in The Silvertown Partnership (TSP). The joint venture agreement was signed on 1 June 2026. Through its interest in TSP, GLAHIS will contribute to the delivery of the mixed-use regeneration of the Royal Docks – Silvertown Quays site.

Old Oak and Park Royal Development Corporation (OPDC) acquired the following subsidiaries in 2025-26 as it continues the land assembly required to facilitate the comprehensive redevelopment and regeneration of the Old Oak and Park Royal area:

- Dinemill Ltd (Holding company)
- Osbourne Investments Ltd
- Victoria Road Holdco Ltd (Holding company)
- Victoria Road SPV Ltd

The Authority's subsidiaries are:

<b>Subsidiaries and sub-subsidiaries</b>	<b>Principal Activities</b>
<b>Greater London Authority Holdings Limited (GLAH)</b>	Holding company
◦ GLA Land and Property Limited (GLAP)	Development, sale and rental of land and buildings
◦ GLA Housing Investments (Silvertown) (GLAHIS)	Development of land (incorporated 21 November 2025)
◦ London Power Co. Limited (LPC)*	Energy services
◦ London Treasury Limited (LTL)*	Fund management services
◦ LTLF GP Limited (subsidiary of LTL)*	Fund management services

◦ Stratford East London Holdings Limited (SELH)*	Holding company and member of E20 Stadium LLP
◦ London Stadium LLP (formerly E20) (GLAH & SELH are members)	Running the London Stadium
◦ London Stadium 185 Limited (LS185) (subsidiary of London Stadium)	London Stadium operator
<b>London Legacy Development Corporation (LLDC)</b>	Regeneration of the Queen Elizabeth Olympic Park
◦ Stratford Waterfront Retail Management Co Ltd (RetailCo)	RetailCo is the subsidiary of LLDC which has taken a peppercorn lease of the retail units. Manages the sublet retail units.
◦ Stratford Waterfront Management Co Ltd (owned by East Bank Partners)	Manage the public realm of Stratford Waterfront. RetailCo has a non-controlling interest in this entity
◦ Stratford East London Developments Limited (SELD)	Property development
◦ Stratford East London Partners LLP (Joint Venture)	SELD 50/50 joint venture with Ballymore Stratford East (2)
◦ Pudding Mill Legacy Developments Limited (PMLD)	Established to participate in a joint venture for delivering the Pudding Mill residential development.
◦ Pudding Mill Lane LLP (Joint Venture)	PMLD holds 50% equity holding in the Pudding Mill Lane joint venture
<b>Old Oak and Park Royal Development Corporation (OPDC)</b>	Regeneration of Old Oak and Park Royal
◦ Old Oak Wharf Holdings Limited	Holding company
◦ Old Oak Wharf Limited	Other letting and operating of own or leased real estate
◦ Sarastro Holdings Limited	Other letting and operating of own or leased real estate
◦ Park Score Limited	Other letting and operating of own or leased real estate
◦ Regency PR2 Limited	Holding company
◦ Regency PR Propco Limited	Buying and selling of own real estate
◦ Dinemill Ltd	Holding company
◦ Osbourne Investments Ltd	Other letting and operating of own or leased real estate
◦ Victoria Road Holdco Ltd	Holding company
◦ Victoria Road SPV Ltd	Other letting and operating of own or leased real estate
<b>SME Wholesale Finance Limited (SMEWFL) t/a Funding London</b>	Financing of small and medium businesses
◦ London Co-Investment Fund LLP (LCIF)	Financing of small and medium businesses
◦ Greater London Investment Fund Limited (GLIF)	Financing of small and medium businesses
<b>Oxford Street Development Corporation (OSDC)</b>	Transformation of Oxford Street (incorporated 1 January 2026)
<b>London Travel Watch (LTW)*</b>	Transport watchdog

\*On materiality grounds, LTL, LTLF GP, LTW, SELH and LPC are not consolidated in the GLA's group accounts.

## **Investments in associates and joint venture**

### **GLA single entity policy**

Associates are accounted for using the equity method as permitted in IAS 27 Separate Financial Statements and as described in IAS 28 Investments in Associates and Joint Ventures.

### **Group policy**

Joint ventures are accounted for using the equity method and are initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the investee after the date of acquisition. The Group's share of the investee's profit or loss is recognised in the Group's profit or loss.

When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to £nil and the remaining loss is offset against any loans to the investee after which any recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Associates are accounted for using the equity method, if the net assets of the associates are material to the Group.

London Treasury Liquidity Fund LP (the Fund) is accounted for as an associate. The GLA is one of six partners but the GLA exerts significant influence over the key financial and operating activities of the Fund. For additional information on this judgement see note 5 Use of estimates and judgements, section 5.7 London Treasury Limited Fund LP (LTLF LP).

### **Climate Change Considerations**

In preparing the financial statements, management has considered the impact of climate change, particularly in the context of the disclosure made in the Narrative Report and the sustainability goals. Management has considered the impact of climate change on a number of key estimates within the financial statements including estimates of future cashflows, the useful economic life of PPE, the impairment of PPE, inventory and provisions. The assessment of the London Stadium LLP onerous contracts provision includes assumptions on the cost and consumption of utilities, the latter reflecting reductions as a result of investment in energy reduction/sustainability measures at the Stadium (e.g., LED lights).

These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 31 March 2028.

#### **iv. Going Concern**

The financial statements have been prepared on a going concern basis as the GLA's statutory Chief Finance Officer considers that the activities of the GLA and the GLA Group will continue in operational existence to 31 March 2028 following the date of the auditor's report, and it will be able to meet its liabilities as they fall due for payment.

#### **GLA reserves**

The GLA's general fund balances, at 31 March 2026 include: non-earmarked reserves totalling £10.6 million and revenue earmarked reserves totalling some £1,057.8 million (£578.1 million Core GLA and £479.7 million in respect of reserves available to support the wider GLA Group). In addition, there are substantial capital usable reserves (totalling £1,766.7 million) available to support capital expenditure. This means there is a total of £2,835.1 million usable reserves for the Authority to draw upon. Whilst there are wider Group reserves, the GLA's entity level reserves would be the first resource to deal with any financial challenges and account for the majority of the available balances.

The approved GLA budget for 2026-27 and indicative budgets for later years reflect a strong level of projected reserves, with forecast revenue reserves of £759.7 million at 31 March 2027 and £719.3 million at 31 March 2028.

At 31 March 2026, the Authority's General Fund reserve (non-earmarked) totals £10.6 million. This remains at the minimum level of General Fund balances as set by the Chief Finance Officer, as set out in the GLA budget for the 2026-27 year. This reserve is not expected to be utilised during the 2026-27 financial year but will, going forward, aim to be 3% of GLA net expenditure budgets (excluding one-off funding allocations).

The updated reserves policy, published in the GLA 2026-27 budget, has recategorised reserves into the following categories:

- restricted use and ring-fenced reserves are reserves where funding is held for a restricted purpose, and is not available for GLA: Mayor budget general purposes
- smoothing reserves are used to manage cyclical and uneven cost pressures, supporting long-term financial sustainability by avoiding sharp expenditure shocks or unsustainable pressures within any single financial year
- Mayoral priorities earmarked reserves are held to support the delivery of specific Mayoral priorities in a controlled and transparent manner, where one-off or time-limited funding is required and ongoing commitments are avoided
- organisational transformation reserves are used to fund transformational change and investment on a non-recurrent basis, delivering long-term efficiency, capability and service improvements
- asset reserves – these cover the Estates and Dilapidation reserves.

At 31 March 2026, total reserves earmarked for Mayoral priorities (excluding Revenue Grants Unapplied reserve £82.3 million) total £147.7

million.

### **Forecast cash balances**

The GLA's projected cash flow remains strong, with cash balances forecast to be £2.0 billion at the end of 2026-27, increasing further to £2.3 billion by the end of 2027-28.

### **Authority funding**

The government has implemented reforms to local government funding from 2026-27 including a multi-year settlement, a review of needs and distribution and a business reset alongside significant changes to business rates taxation (i.e. the replacement of the two existing multipliers by five) and a national revaluation of non-domestic properties in England introduced from 1 April 2026. The GLA's fairer funding assessment or FFA (previously settlement funding assessment or SFA) was increased from £2,451.0 million in 2025-26 to £3,052.7 million in 2026-27 reflecting the impact of additional funding provided for TfL capital expenditure, an uplift via formula and data changes for the fire and rescue services component and the rolling in of the majority of the GLA's accumulated business rates growth. Alongside the indicative allocations for 2027-28 and 2028-29, this multi-year settlement provides greater certainty in funding terms that existed previously. In 2026-27 the government has also provided a 100% safety net guarantee to all local authorities meaning that irrespective of their business rates income receipts their funding will be no lower than their FFA.

There remain risks associated with managing prior year and current year volatility in revenues but these are less impactful in 2026-27 in terms of any potential downside due to the safety net guarantee. The GLA still has to plan the use of its share of Business Rates income based on estimated returns from all of the London Boroughs and the City of London Corporation. As a result, there is always an inherent risk that the forecast returns are not as high as anticipated, leading to deficits in the sums available. Due to delays in signing off final accounts across many local authorities, there is an additional layer of risk that assumptions may lead to overestimates of available resources. In order to manage this uncertainty, the GLA maintains a Business Rate Reserve.

The GLA received £4.8 billion in business rates and council tax in 2025-26 gross of tariff and levy payments to the government and section 31 grants received from the government for funded reliefs (e.g. for the retail, hospitality and leisure sectors) and multiplier cap compensation. This has increased to just under £5.8 billion based on the estimates set out in the Mayor's budget for 2026-27.

The GLA Business Rate Reserve exists to manage volatility in business rates and council tax income. This includes a provision for the losses GLA would need to meet were it to be in a safety net position within the rates retention system assuming this is set at 92.5% of its FFA in that financial year (as was the case in 2025-26 and is expected to be again by 2028-29).

The actual balance on the BRR at 31 March 2026 was £319.9 million. This is £50.6 million above the £269.3 million 2025-26 balance forecast

in the Mayor's Final Budget for 2025-26. This reflects caution that was built into the assumption underlying the budget forecasts due to the wider risks. If these risks were to crystallise, the Business Rate Reserve balance would be utilised to bridge the period during which budget plans would need to be revised. At that time a review would need to be undertaken to start to reduce or defer spend on discretionary activity.

Much of the GLA's day to day activities are funded through other mechanisms, such as the grants for Housing and Adult Education provision, so this risk would impact the core funding only.

## **Group financial risks and uncertainties**

### **Crossrail – Elizabeth Line**

The key elements of the GLA's loan repayments relate to Crossrail – now called the Elizabeth Line – and the Northern Line Extension to Battersea Power Station. The costs associated with this borrowing are recovered via special funding mechanisms, i.e. the Crossrail Business Rate Supplement and the Mayoral Community Infrastructure Levy. There is a risk that over time these will not yield sufficient income to cover the costs of borrowing. If that were the case, there are mechanisms by which the time limited arrangements can be extended until the debt is repaid. Some further detail on these arrangements is provided below.

The balance of the GLA's residual borrowing for the Crossrail project is c£3.5 billion as at 31 March 2026. The interest and principal repayment of this borrowing is being funded from Crossrail Business Rates Supplement (Note 55) and Mayoral Community Infrastructure Levy (Note 24). In 2026-27 combined revenues from MCIL and BRS are budgeted to be around £410 million – which exceeds the budgeted capital financing costs of c£111 million by around £300 million. Any surplus is set aside to repay the GLA's remaining Crossrail debt.

### **Northern Line Extension**

The GLA agreed in 2014 to make a £1 billion contribution towards the Northern Line Extension (NLE), primarily funded using borrowing from the European Investment Bank and other sources. The extension to Nine Elms and Battersea Power station opened in September 2021 with a second step free tube station entrance opening at Battersea Power station in October 2025. This borrowing is being financed and repaid using the business rates growth in the local designated area and by local developer contributions collected by the London Boroughs of Lambeth and Wandsworth. The GLA's residual debt associated with the project at 31 March 2026 was c£0.9 billion. In 2025-26 there was a net revenue surplus of £3.0 million on the NLE revenue account which has been transferred to the NLE volatility reserve to fund the future repayment of the remaining debt. Further growth is anticipated once the associated developments linked to the additional western station tube entrance at Battersea Power station are completed and added to the valuation list.

## **Functional Bodies**

The LFC, MOPAC and TfL are ordinarily required to meet any additional unforeseen expenditure themselves although volatility in council tax and business rates income from the Mayor is managed initially through the GLA's business rates reserve. Where these are a consequence of Mayor policy announcements, GLA funding will be identified in advance of such an announcement. In the Mayor's 2025-26 budget additional sums were identified from council tax and business rates to support the LFC's and MOPAC's budget and reduce the level of savings required. TfL also received additional funding for projects including to support its costs associated with the Oxford Street transformation project. Additional sums were also provided in the Mayor's 2026-27 Budget for several programmes. Funding was also included for the OSDC following its establishment on 1 January 2026.

### **Mayoral Development Corporations**

An area of risk remains around the support to the LLDC long term plan, which has been impacted by volatility in the wider economy. LLDC has a borrowing limit capped at £550 million. If there is a need to spend more than this can support, additional resources must be provided from within the GLA group, effectively from Business Rates. LLDC's borrowing from the GLA is forecast to reduce by £6.5 million in 2026-27. Once the East Bank development has been fully completed - the final building (the BBC building) is expected to be handed over in 2026-27- the probability of additional support being required will significantly diminish.

The GLA's cash balances continue to mean that all LLDC cashflow requirements during the going concern period can be met. The Capital Funding Reserve available for LLDC has a forecast balance of £22.1 million at the end of March 2028. The adequacy of this reserve is assessed regularly to ensure that sufficient resources are in place to fund cost pressures arising from the completion of the East Bank development and other emergent risks.

OPDC continues to work closely with government to regenerate the Old Oak and Park Royal Opportunity Area, one of the largest regeneration schemes in the UK. As the Local Planning Authority, they have land assembly, housing and infrastructure delivery powers that span the area. In 2025-26, OPDC has continued to acquire private land to ensure full control of the site. At the end of 2025-26, 29 hectares of land is in public ownership of the circa. 31 hectares required for development. The £225 million capped borrowing limit in 2025-26 will increase to £250 million in 2026-27 to ensure OPDC has sufficient funds to facilitate all remaining private land purchases required, including those subject to a Compulsory Purchase Order (CPO) - the CPO Order is expected to be submitted to the Secretary of State in quarter two of 2026-27. Similar to LLDC, if there is a need to spend more than this can support, additional resources must be provided from within the GLA group, effectively from Business Rates. OPDC and the GLA have a shared understanding of the future financial position relating to this borrowing via OPDC's long term financial model which is subject to regular review and used to inform its annual budget submission to the Mayor.

The GLA's cash balances continue to mean that all OPDC cashflow requirements during the going concern period can be met. The OPDC

flexibility reserve has a forecast balance of £21.7 million at the end of March 2028. The adequacy of this reserve is assessed regularly to ensure that sufficient resources are in place to fund revenue cost pressures arising from the regeneration of the Old Oak and Park Royal Opportunity Area and other emergent risks.

The Oxford Street Development Corporation (OSDC) was established on 1 January 2026. OSDC is a Mayoral Development Corporation (MDC) with the statutory purpose and powers to regenerate the Oxford Street Mayoral Development Area (MDA) in a way that delivers the Mayor's vision for the transformation of Oxford Street.

OSDC's revenue and capital budgets have been incorporated into the Mayor's Consolidated Budget for 2026-27. As a Mayoral Development Corporation, OSDC's revenue expenditure is funded by Business Rates; and the Corporation has an authorised borrowing limit of £250 million. Similar to the other Mayoral Development Corporations, if there is a need to spend more than this can support, additional resources must be provided from within the GLA group, effectively from Business Rates.

The GLA's cash balances continue to mean that all OSDC's cashflow requirements during the going concern period can be met.

### **GLA Land and Property Limited (GLAP)**

For the period to 31 March 2026, GLAP reported a profit after tax of £26.1 million (£31.1 million profit after tax in 2024-25) and had net assets of £250.6 million at the reporting date (£224.4 million at 31 March 2025).

Forecasts indicate that GLAP is expected to maintain sufficient liquidity over the assessment period, including forecast cash balances of £88.0 million at 31 March 2027 and £54.3 million at 31 March 2028. These forecasts incorporate an anticipated equity injection of approximately £42 million from the GLA in the 2026-27 financial year.

In addition, GLAP's liquidity position is assured as the GLA has provided written assurances to GLAP's directors that, so long as GLAP is a subsidiary of the GLA, the GLA will continue to make sufficient monies available to enable it to meet all its debts as they fall due.

Accordingly, the GLAP's directors consider that this should enable GLAP to continue in operational existence during the going concern period.

### **Conclusion**

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of any additional external borrowing being required. This covers the period to 31 March 2028.

Having assessed the funding challenges and other uncertainties faced by the GLA Group over the period to the 31 March 2028, the Mayor considers it appropriate to adopt the going concern basis in preparing these financial statements given the Group's liquidity and reserves position and the ongoing action taken by the Authority to reduce spend commensurate with the funding pressures.

#### **v. Prior Period Adjustments, Changes in Accounting Policies and Errors and Estimates**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of a transaction, other events and conditions on the Group's financial position or financial performance. Where a change is made, it is applied retrospectively as if the new policy had always been applied (unless stated otherwise), by adjusting the comparative amounts for the prior period and the opening balances, if the adjustments have had a material effect on the financial position at the beginning of the comparative period. See note 1.

Material errors discovered in prior period figures or reclassifications are corrected retrospectively by adjusting the comparative amounts for the prior period and the opening balances, if the adjustments have had a material effect on the financial position at the beginning of the comparative period, see note 1.

Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

#### **vi. Exceptional Items**

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the CIES or in the notes to the accounts, depending on how significant the items are to an understanding of the Group's financial performance.

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

#### **vii. Events after the Balance Sheet Date**

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue (see Note 6 and Note 54). Two types of events can be identified:

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

- those that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

### **viii. Accruals of Income and Expenditure**

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

- Revenue is recognised when the Group has a contract with a customer and a performance obligation has been satisfied, at the transaction price allocated to that performance obligation. Where payment is deferred, the transaction price is adjusted for the time value of money.
- Development properties and land sales - Revenue is recognised in the income statement when control has been transferred to the purchaser. It is considered that control passes on legal completion. Revenue is recognised at the fair value of the consideration received or receivable on legal completion.
- Contributions from East Bank partners towards the cost of constructing their buildings will not be recognised until the buildings are complete and handed over to the partners. Any revenue received in advance of that will be treated as deferred income on the balance sheet.
- Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Election Expenditure - The Authority works with Local Authorities to deliver the Mayoral and Assembly Elections. Expenditure directly attributable to the delivery of the Mayoral and Assembly Elections are reimbursed to Local Authorities on the submission of claims for expenditure incurred.
- Property held for sale during the normal course of business is recorded as expenditure when control transfers to the purchaser. It is considered that control passes on legal completion. The properties are carried as inventories on the Balance Sheet, see Inventories accounting policy xxi for further details.

- 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
- Interest receivable on investments and payable on borrowings are accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and
- Where revenue and expenditure have been recognised but the 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 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance, is applied and the resulting changes to impairment loss is written off to the Comprehensive Income and Expenditure Statement (CIES).

## **ix. Government Grants and Third-Party Contributions**

### **Revenue grants**

Whether paid on account, by instalments or in arrears, revenue government grants and third-party revenue contributions and donations are recognised as due to the Group when there is reasonable assurance that:

- the Group will comply with the conditions attached to the payments; and
- the revenue grants or contributions will be received.

Amounts recognised as due to the Group are not credited to the CIES until conditions, attached to the revenue grant or contribution, have been satisfied. Conditions are stipulations that specify how the revenue grant should be used by the Group, and which if not met require the grant to be returned to the transferor.

Monies advanced as revenue grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors (receipts-in-advance). When conditions are satisfied, the revenue grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Where revenue grant income has been received that has no conditions attaching to it, but where the grant has yet to be applied and there are restrictions as to how the monies are to be applied, the Group recognises this income in the CIES and then earmarks it until it is applied.

### **Capital grants**

Capital grants recognised as due are not credited to the CIES until conditions attached to the capital grant have been satisfied. They are carried in the Balance Sheet as creditors (receipts-in-advance) until the conditions have been met.

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

#### **x. Council Tax Accounting**

Within the bounds of Greater London, the 32 London Boroughs and the City of London Corporation are responsible for collecting and distributing council tax income both for themselves and on behalf of the GLA. They are known as “billing authorities” and the GLA, drawing funding from them, is known as a “preceptor” and is the only major preceptor on these authorities.

Since the collection of council tax is in substance an agency arrangement, the cash collected by the boroughs and the City of London Corporation from council tax debtors belongs proportionately to them and the GLA. A debtor/creditor position between these billing authorities and the GLA is recognised since the net cash paid to the GLA in the year will not be its share of cash collected from council taxpayers.

The council tax income included in the CIES for the year is the accrued income for that year. In other words, the sum due to the precepting authority in respect of that year only. The amount included in the General Fund is this sum plus the proportionate share of any surplus or deficit arising from previous financial years. The difference between the two sums is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement. These transactions are laid out in statute.

#### **xi. Non-domestic rates (or Business Rates)**

In their capacity as billing authorities, the 32 boroughs and the City of London Corporation, act as the Greater London Authority and the Secretary of State’s agent: they collect and distribute non-domestic rates income on behalf of themselves, the Secretary of State and the GLA in proportion to the agreed shares set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.

Since the collection of non-domestic rates is in substance an agency arrangement, the cash collected by the boroughs and the City of London Corporation from non-domestic rates debtors belongs proportionately to them, the GLA and, for prior years, notionally in respect of their centrally retained share the Secretary of State. A debtor/creditor position between these billing authorities and the GLA is recognised since the net cash paid to the GLA in the year will not be its share of cash collected from non-domestic rate payers.

The non-domestic rates income included in the CIES for the year will be the GLA's share of accrued income for that year. The sum included in the General Fund is this sum plus the proportionate share of any surplus or deficit arising from previous years. The difference between the two sums is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement (see Note 15). These sums are laid out in statute.

The amounts reflected in these accounts are based on official returns (NNDR3) (and amended versions) approved by section 151 officers, which are the statutory Chief Finance Officers within the billing authorities. These statements include the sums officially submitted to MHCLG (and GLA) by the date at which the entries in the accounts were prepared.

## **xii. Crossrail Business Rate Supplement**

The GLA is empowered to levy a Business Rate Supplement (BRS) under the Business Rate Supplements Act 2009. The revenue collected can only be applied in respect of Crossrail related expenditure. The Crossrail project was renamed the Elizabeth line in 2016 but for legal purposes the term Crossrail BRS is retained in line with the final prospectus published in 2010 (<http://london.gov.uk/crossrail-brs>).

BRS income is presented within "Taxation and Non-Specific Grant Income". As the GLA is required to refund BRS levies that have not been used to finance the project (e.g. where the imposition of the Business Rate Supplement has come to an end) any BRS income is therefore subject to a condition, and therefore all BRS receipts are initially recognised as a creditor.

The GLA receives amounts in respect of BRS from billing authorities during the year based on a provisional estimate at the start of the year net of allowable costs. After the financial year end, each billing authority calculates the actual amount collected using a different methodology, as specified in section 7 to Schedule II of the BRS Transfers to Revenue Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009. A debtor or creditor is raised depending on whether the amount calculated as having been collected is higher or lower than the amount paid in instalments based on the provisional estimate.

The GLA recognises its BRS revenue as income in the CIES only at the point the conditions it has set out in the Crossrail BRS final prospectus published in January 2020 are satisfied.

The GLA recognises all revenue expenditure relating to its contribution towards the Crossrail project as expenditure in the relevant service revenue account(s) as it is incurred. Its contributions paid to Transport for London in respect of Crossrail have been recognised as Revenue Expenditure Funded from Capital under Statute ("REFCUS").

Interest payable on the associated borrowing is recognised within financing and investment income.

Further details on the BRS can be found in note 55. The Crossrail revenue account sets out the sums receivable in respect of the current year's BRS and how they have been applied.

### **xiii. Community Infrastructure Levy (CIL)**

The Authority has elected to charge a Mayoral CIL (MCIL). The levy is charged on new builds (chargeable developments for the Authority) with appropriate planning consent. Under existing legislation, the GLA's CIL may only be applied to fund transport projects and the income from the levy is currently being used to fund Crossrail.

The Authority is the chargeable body and the London Boroughs and City of London Corporation – the 33 collecting authorities – collect the levy on the Authority's behalf. Transport for London manages the administration of CIL on behalf of the GLA under an agency arrangement.

Prior to 2019-20 MCIL income was paid into the Crossrail Sponsor Funding Agreement Account held by Transport for London before being applied by it to fund the Crossrail project.

From 2019-20 the GLA has been permitted under regulations approved by Parliament (The Community Infrastructure Levy (Amendment) (England) Regulations 2019) to apply MCIL for capital financing purposes for Crossrail. MCIL income retained by GLA from 1 April 2019 is now reported as part of the Crossrail revenue account which includes the statutory BRS revenue account. This ensures that all the funds received and applied to fund the GLA's contributions to Crossrail and its associated financing costs are reported in one account. The Community Infrastructure Levy (Amendment) (England) Regulations 2021 laid before Parliament in March 2021 following the November 2020 Crossrail funding deal permit the Mayor to apply MCIL revenues to finance and repay the GLA's Crossrail debt up to 31 March 2043.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges has been used to fund revenue expenditure. Further details on the CIL can be found in note 24.

The Crossrail revenue account sets out the sums receivable from MCIL and how they have been applied to meet the GLA's expenditure on Crossrail including financing costs on its debt.

#### **xiv. Charges to Revenue for Non-Current Assets**

Services and support services are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off and
- amortisation of intangible assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the annual contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

#### **xv. 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 such benefits as salaries, other remuneration, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Group. 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 made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to 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 Group to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service in the CIES at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Group to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

### **Post-Employment Benefits**

Group employees are members of the following pension schemes:

- *Local Government Pension Scheme (LGPS)*: Authority, LLDC, OPDC and OSDC staff
- *AVIVA*: GLA elected members

### **The Local Government Pension Scheme**

The Local Government Pension Scheme in respect of GLA, LLDC, OPDC and OSDC 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 Authority, LLDC, OPDC and OSDC 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.
- Liabilities are discounted to their value at current prices, at a discount rate of 6.2%. An estimate of the Authority's future cashflows is made using notional cashflows based on an estimated service liability of 20 years. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30-year point). The assets of the LPFA pension fund attributable to the Authority, LLDC and OPDC are included in the Balance Sheet at their fair value as follows:
  - Quoted securities- bid value to bid value basis
  - Unquoted securities-professional estimate
  - Unitised securities- bid value to bid value basis
  - Property-market value

The change in the net pensions asset/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 CIES 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 CIES as part of Non-Distributed Costs; and
  - interest on the net defined benefit asset/liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit asset/liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – 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 asset/liability at the beginning of the period – taking into account any changes in the net defined benefit asset/liability during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
  - the return on plan assets – excluding amounts included in the interest on the net defined benefit asset/liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
  - actuarial gains and losses – changes in the net pensions asset/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.

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 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.

### **Discretionary benefits**

Discretionary awards of retirement benefits are sometimes made in the event of early retirements. Any liabilities estimated to arise as a result of an award to a member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **Greater London Authority AVIVA master trust scheme**

The Greater London Authority AVIVA master trust scheme is a defined contribution scheme open to the Mayor and Assembly Members. As it is a defined contribution scheme no liability for future payments is recognised in the balance sheet and revenue is charged with the employer's contributions payable in the year. The scheme commenced on 1 March 2018.

### **Allianz Pensions Scheme (Brussels staff)**

On 1 January 2020, Brussels staff pensions transferred from the LGPS to a group insurance scheme operated by Allianz. This is a defined contributions scheme open solely to the one staff member employed in the Authority's Brussels office. As it is a defined contribution scheme, no liability for future payments is recognised in the balance sheet and revenue is charged with the employer's contributions payable in the year.

## **xvi. Fair Value**

The Group measures some of its non-financial assets such as investment properties and some of its financial instruments such as equity mortgages 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 knowledgeable 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 in the principal market or in its absence, in the most advantageous market for the asset or liability.

The Authority 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 best economic interests.

When measuring the fair value of a non-financial asset, the authority 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.

The authority 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 authority'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 authority 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.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

## **xvii. Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Group has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premia and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. Where material, the Group has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial

assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVTPL), and
- fair value through other comprehensive income (FVOCI)

### **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Group, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Group has made a number of loans to organisations at less than market rates (soft loans). When soft loans are made, and there is a material difference between the loan interest rate and the market rate, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### **Expected Credit Loss Model**

The Authority recognises expected credit losses on all of its financial assets held at amortised cost and at FVOCI, either on a 12-month or

lifetime basis. For trade receivables and finance lease receivables, the Authority applies the simplified approach which allows entities to recognise lifetime expected losses on trade receivables without the need to identify significant increases in credit risk.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

The Authority has advanced loans to its subsidiaries and the Group has a portfolio of loans advanced to property developers. Losses have been assessed on an individual instrument basis. The code excludes amounts receivable from local authorities unless those amounts are credit impaired. At balance sheet date no loans to local authorities are credit impaired.

The agreements and the financial standing of the counterparties are reviewed annually by an external credit rating agency and credit risk grades are determined using qualitative and quantitative factors that are indicative of risk of default and are aligned to external credit ratings definitions from Moody's. Expected credit losses are calculated as an unbiased and probability-weighted estimate using an appropriate probability of default, adjusted to take into account a range of possible future economic scenarios, and applying this to the estimated exposure at the point of default after taking into account the value of any collateral held.

Where loans are secured via collateral, an estimate of loss given default of 35% (35% at 31 March 2025) is applied, for unsecured loans an estimate of loss given default of 45% (45% at 31 March 2025) is applied.

At initial recognition, allowance is made for expected credit losses resulting from default events that are possible within the next 12 months (12-month expected credit losses). In the event of a significant increase in credit risk since origination, allowance is made for expected credit losses resulting from all possible default events over the expected life of the financial instrument (lifetime expected credit losses). Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1; financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are in Stage 2; and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. In determining whether there has been a significant increase in credit risk, the Group reviews credit ratings and qualitative indicators such as watchlists and other indicators of historical delinquency, credit weakness or financial difficulty. Where the credit risk subsequently improves such that it no longer represents a significant increase in credit risk since origination, the asset is transferred back to Stage 1. Assets are transferred to Stage 3 when they have defaulted or are otherwise considered to

be credit impaired. Default is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to affect significantly the ability to repay the amount due.

### **Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets measured at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method and losses and impairment are recognised in the CIES. Other net gains and losses are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the CIES within Financing and Investment Income and Expenditure.

### **Financial Assets Measured at Fair Value through Profit of Loss (FVTPL)**

Financial assets that do not meet the tests to be measured at amortised cost or at FVOCI are measured at FVTPL. They are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- instruments that do not have fixed and determinable payments – stated at fair value based on the Group's share of the fair value of the underlying investments.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date.

Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### **xviii. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in ninety days or less from the date of acquisition, that are readily convertible to known amounts of cash with insignificant risk of change in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

### **xix. Foreign Currency Translation**

Where the Group has entered into a transaction denominated in a foreign currency, the transaction is converted to sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the CIES.

### **xx. Interests in Companies and Other Entities**

The Authority has material interests in companies and other entities that have the nature of subsidiaries and associates that require it to prepare group accounts. See accounting policy iii for further information.

## **xxi. Inventories**

### **Greater London Authority Holdings Ltd and London Legacy Development Corporation**

Land and buildings held for sale in the normal course of business are classified as inventories (IAS 2) and valued annually, by external professionally qualified valuers, at the lower of cost and net realisable value or the lower of cost and current replacement cost where they are held for distribution at no charge or nominal charge (IPSAS 12). Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

Expenditure, of £10,000 and above, on direct materials, direct labour costs and those overheads which have been incurred in bringing the inventories to their present location and condition, is capitalised. Expenditure below £10,000 may be grouped and capitalised where it is practicable to do so.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. For LLDC, where its residential developments are undertaken on its behalf by third parties (for example, via a Development Agreement), LLDC uses its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution). For East Bank properties classified as inventories, LLDC uses its forecast contributions from the East Bank partners and the estimated costs to complete (based on the anticipated final cost as determined in conjunction with its project management partner, Mace) to determine the net realisable value.

Land is de-recognised when control has been transferred to the purchaser, i.e., on legal completion. In relation to the East Bank development, the inventory balance will be derecognised upon completion of the development when the asset is handed over. Upon derecognition the remaining provision recognised as the estimate of the expenditure required to settle LLDC's present obligation towards the cost of the buildings will be released and offset against the partner contributions which are treated as deferred income until building completion.

Non-refundable land option payments are initially recognised in inventory and are written off to the income statements when it is probable that they will not be exercised.

## **xxii. Leases**

### **Lease giving rise to a right-of-use asset and lease liability (the Group as lessee)**

The Group classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain

substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### **Lease giving rise to a right-of-use asset and lease liability (the Group as lessee)**

#### **Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date of 1 April 2024). The leases are typically for fixed periods in excess of one year but may have extension options. The Group initially recognises lease liabilities measured at the present value of lease payments, discounting by applying each Group body's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group body is reasonably certain to exercise
- lease payments in an optional renewal period if the Group body is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Group body is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

#### **Classification**

The Group presents right-of-use assets as a distinct asset class on the face of the balance sheet.

### **Lease giving rise to a right-of-use asset and lease liability (the Group as lessee) - Subsequent measurement**

Right-of-use assets arising from leases are measured initially at cost and subsequently at cost less accumulated depreciation and impairment losses. In accordance with the CIPFA Code, the Authority has adopted the practical expedient not to revalue right-of-use assets held under commercial leases where rent reviews occur at intervals of five years or less and reflect prevailing market conditions, as the carrying amount of such assets is not considered to be materially different from their current value.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the Group body changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement. When such a remeasurement occurs from a change in the index or rate,

- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment

a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

#### **Lease giving rise to a right-of-use asset and lease liability (the Group as lessee) - Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

#### **Finance Leases (the Group as lessor)**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. The net

investment in the lease is the gross investment (aggregate of the minimum lease payments receivable and any guaranteed and unguaranteed residual value) discounted at the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

### **Operating Leases (the Group as lessor)**

Rental income from operating leases and initial direct costs are recognised in the CIES on a straight-line basis over the term of the relevant lease.

### **xxiii. Intangible Assets**

Expenditure, of £10,000 and above, on non-monetary assets that do not have physical substance but are controlled by the Group as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible assets to the Group.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible, is intended to be completed and will generate future economic benefits or deliver service potential through use of the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise services or goods.

Intangible assets are measured initially at cost and are subsequently measured at amortised cost less impairment. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service lines in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

The useful lives and amortisation methods for software costs are as follows:

Software costs: Straight line – 3 to 5 years

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted 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 on Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve.

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

Assets that have physical substance and are held for use in the supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### **Recognition**

Expenditure, of £10,000 and above, 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 Authority 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 (i.e. repairs and maintenance) is charged as an expense when it is incurred. Expenditure below £10,000 may be grouped and capitalised where practicable to do so.

### **De-recognition**

Where expenditure is incurred in the direct replacement of an existing asset or a significant component of an existing asset – that component is de-recognised prior to the recognition of any subsequent expenditure.

### **Initial Measurement and Valuations**

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- Borrowing costs incurred are not capitalised whilst assets are under construction.

Assets are then measured on the Balance Sheet date using a current value basis:

- Specialised properties with no active market – measured at depreciated replacement cost (DRC), being the present value of the assets' remaining service potential, which can be assumed equal to the cost of replacing that service potential;
- Non-specialised operational properties – measured at existing use value, being the market value based on the assumption that the property is sold as part of the continuing enterprise;

- Surplus assets – measured at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants; and
- Plant and equipment – measured at cost less accumulated depreciation and accumulated impairment losses as a proxy for current value.

Assets under construction are measured at cost less accumulated impairment losses.

### **Valuations**

Assets included in the Balance Sheet at current and fair value are revalued annually to ensure that their carrying amount is not materially different from their current or fair value at the year-end. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Account in order to reverse a loss charged to services in a prior year.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is an insufficient balance in the revaluation reserve, the revaluation reserve is written down to nil and the remaining amount of the decrease in value is written down against the relevant service line(s) in the CIES.

Where there is no balance in the Revaluation Reserve, the whole amount of the decrease in value is written down against the relevant service line(s) in the CIES.

### **Impairment**

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

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains); and
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against

the relevant service line(s) in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

### **Depreciation**

Depreciation is provided on all Property, Plant and Equipment assets by systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets that are not yet available for use (i.e. assets under construction).

Depreciation is provided according to the following policy:

- Newly acquired assets are depreciated when they are brought into use or on an average basis; and
- Depreciation is calculated using the straight-line method and over the following useful lives:
  - Buildings – up to 60 years
  - Plant and equipment – 3 to 40 years
  - IT infrastructure and development – 3 years
  - Furniture, fixtures and fittings – 5 to 10 years
  - Motor vehicles – 3 years

Where an item of Property, Plant and Equipment has major components with significantly different useful lives and the cost of which is significant in relation to the total cost of the item, the components are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

### **Disposals**

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of the disposal).

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts are apportioned to the Capital Receipts Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of the disposal is not a charge against the Council Tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **xxv. Heritage Assets**

Heritage assets are assets that are held principally for their contribution to knowledge or culture and may be carried at cost or fair value based on market value.

Two heritage assets were transferred on 1 April 2012 from the Homes and Community Agency both had depreciated to a nil carrying value. The assets held are of a unique nature and there is no historical cost information available and no comparable market value information.

The Group considers the cost of obtaining such information outweighs the benefits to the users of the financial statements. As a result, the assets have not been recognised on the Balance Sheet. The appropriate disclosures have been made in Note 29.

## **xxvi. Investment Property**

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

Investment property is measured initially at cost, including transaction costs, and subsequently measured 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 and on disposal are recognised in the CIES. As statutory arrangements do not allow these gains and losses to impact the General Fund, they are subsequently reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and the Capital Receipts Reserve (sales proceeds). When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

External, professionally qualified valuers are used to measure fair value.

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 a group entity 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.

### **xxvii. 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 to the Authority/Group. For example, grant paid to a third party for the purchase or creation of a fixed asset. This will include capital grants paid to Transport for London in respect of Crossrail, housing capital funding paid to London boroughs, developers and housing associations; and regeneration funding paid to London boroughs and other organisations.

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 grants or contributions (or the portions that relate to the expenditure) are recognised as revenue grants or contributions. Both the expenditure and the grant or contributions are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account so there is no impact on the level of the precept.

## **xxviii. Provisions, Contingent Liabilities and Contingent Assets**

### **Provisions**

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 CIES in the year that the Group 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.

### **Onerous contracts**

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract.

### **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 Group. 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 Group. 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.

### **xxix. Reserves**

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by earmarking amounts in the General Fund Balance and showing these as transfers between the earmarked and non-earmarked General Fund reserves in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the non-earmarked portion of the General Fund reserves in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Capital reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the Group – these reserves are explained in the relevant accounting policies.

### **xxx. VAT**

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

### **xxxi. Corporation Tax**

Corporation tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the CIES except to the extent that it relates to a business combination, or to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set off.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

(a) the initial recognition of goodwill; or

(b) the initial recognition of an asset or liability in a transaction which:

(i) is not a business combination; and

(ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and

(iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

A deferred tax asset shall be recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that: (a) is not a business combination; and (b) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and (c) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **xxxii. Minimum Revenue Provision**

A minimum revenue provision (MRP) is a requirement to spread the revenue cost of capital expenditure over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The provision is in respect of capital financed by borrowing or credit arrangements. The scheme for calculating MRP is set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

The GLA's relevant capital expenditure primarily relates to major infrastructure projects, namely Crossrail and the Northern Line Extension (NLE) incurred since the 2010-11 financial year. Due to the scale of the GLA commitment to these projects (c£7.0 billion and £1.0 billion total contributions respectively predominantly funded by borrowing), the GLA considers it prudent to maintain ringfenced project accounts for each. In the case of Crossrail, the requirement to present a separate revenue account is prescribed by statute due to the fact that a Business Rate Supplement has been raised and applied to fund the project.

In both cases, the GLA's expenditure takes the form of grants to TfL to fund all or part of the project costs. Various statutory or contractual income streams are available to the GLA to meet these costs, and are credited to the relevant ringfenced project accounts, either to fund grants directly or meet associated financing costs, including repayment of borrowing.

- In the case of Crossrail, the principal income stream is Crossrail Business Rates Supplement (BRS), supplemented from 2019-20 (as a source of revenue to finance and repay debt following changes made to legislation) by the Mayoral Community Infrastructure Levy (MCIL)
- For the NLE, the funding is collected by the London Boroughs of Lambeth and Wandsworth and comprises a share of the ring-fenced business rates growth in the Battersea and Nine Elms statutory designated area and contributions from local developers.

For each project, the annual MRP is set at the surplus of income credited to the project account over the net financing and other revenue expenditure, including the making good of prior year project account deficits. On a temporary basis, for the NLE only, has been supplemented by the creation of an NLE volatility reserve to which surpluses or deficits are transferred until the GLA is confident that the ongoing business rates growth in the Battersea and Nine Elms designated regeneration area is sufficient to cover its in year capital financing and associated costs on an ongoing basis. Any excess held in the NLE reserve at that point will be released to repay the GLA's outstanding NLE debt.

This represents a prudent policy for both projects, since it will fully fund the costs attributable to each project over a period of time reasonably commensurate with the benefits of that project.

Where the GLA incurs capital expenditure as a result of making a loan to another entity for purposes that, had the GLA undertaken these directly, would be treated as capital expenditure, then the capital financing requirement element arising from such loans shall be excluded from the minimum revenue provision calculations to reflect the policy that the capital receipt arising from the repayment of the loan will be applied in full to meet the initial expenditure.

The Chief Finance Officer may override this exemption on the grounds of prudence, directing a provision to be made in accordance with the methodology set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. However, the impact of such direction on the revenue account shall be accounted for as a voluntary revenue provision (VRP).

Capital loans provided by the Authority from 7 May 2024 will be subject to the requirement to include in the MRP an amount equal to the ECL or impairment recognised in the CIES from that date onwards.

### **3. Accounting Standards issued but not yet effective**

At the balance sheet date, the following IFRS Accounting Standards and amendments had been issued but were not yet effective for the financial year ended 31 March 2026 and have not been adopted early by the Authority:

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures relating to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after 1 January 2026); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2026).

The Authority has undertaken an initial assessment of the impact of these new and amended standards. The amendments to IFRS 9 and IFRS 7, together with the Annual Improvements, are not expected to have a material impact on the Authority's financial statements. IFRS 18 will introduce new presentation and disclosure requirements, including revised structures for the statement of financial performance and enhanced disclosures of management-defined performance measures; however, it is not expected to have a material impact on the recognition or measurement of transactions. The Authority will assess the detailed disclosure implications as implementation approaches.

### **4. Explanatory notes to the CIES**

There were no material complex, unusual or exceptional transactions during the year requiring additional disclosure to aid understanding of the Group's financial performance.

### **5. Use of estimates and judgements**

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 Group'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 are disclosed below:

#### **Estimates**

## 5.1 Inventory (Development Property)

The Group holds land and buildings for sale and for development and subsequent sale as Inventory. Annual valuation reviews are undertaken to identify property held for sale or developments in progress to ensure that the carrying value is the lower of cost or net realisable value (IAS 2) or for inventory being distributed at no or nominal charge, the lower of cost or current replacement cost (IPSAS 12).

The net realisable value is based upon the potential income to be generated by the various assets. Should evidence emerge that causes the Group entities to amend these estimates, the carrying value of inventories could change.

For GLAP, the assumption that has the most significant impact on the valuation of inventory is the discount rate used in the calculation of the present value of future land payments under development agreements. All other factors being equal, a higher discount rate would lead to a decrease in the valuation of inventory. For a sample of inventory assets, a 1% increase in the discount rate would result in a 8.4% decrease in the fair value of inventory for GLAP.

Other changes to inputs that could impact the potential future income used in the valuation are the percentage of affordable housing in a planned development and construction price inflation assumptions on developments, including on LLDC's development sites under construction.

Where there is a transfer to inventories from investment properties arising from a change of use, the inventory's deemed cost is its fair value at the date of change in use. For residential development inventories, the fair value at the date of transfer will be based upon the potential income to be generated by the various assets. Again, any change in these estimates could impact the carrying value of the inventories, which could result in a write-down in value to the CIES.

In the period to 31 March 2026, this valuation of inventories resulted in a write down to net realisable value of £3.5 million. See note 37 for further details.

## 5.2 Investment Property

Investment properties (IAS 40), requires that properties are classified as investment properties where they are held for the purpose of capital appreciation or to earn rentals. To comply with IAS 40, judgement needs to be exercised in determining whether these properties should be classified as investment properties. As investment properties are valued at fair value, with movements in the fair value being recorded in the income statement, this could have a significant effect on the reported surplus or deficit of the Group.

Investment property valuations are based on the estimated potential income to be generated by the various assets. Should evidence emerge

that requires amendments to these estimates, the estimated fair value of investment properties could change. This includes changes to future rental income, yields, comparable market land values; and for development sites within Investment Properties, key estimates are the affordable housing percentage and build cost inflation.

The carrying value of investment properties at Group level, at 31 March 2026, totalled £394.1 million see note 26 for further details.

### **5.3 Loan Investments held at amortised cost – Allowances for Impairment Losses**

Expected credit loss allowances (ECL) reflect past performance, current conditions and the Group's view of economic conditions over the expected lives of financial assets, notably loan investments and trade receivables held at amortised cost. It is the product of the loan investment balance, the borrower's probability of default and an assessment of the percentage risk of loss in the event of a default. The loss given default is currently assumed at 35% for collateral backed loans and 45% for non-collateral backed loans.

The probability of default (PD) of an exposure, both over a 12-month period and over its lifetime, is a key input to the measurement of the ECL allowance.

Default is deemed to have occurred when there is evidence that the customer is experiencing significant financial difficulty which is likely to affect the ability to repay amounts due or has failed to comply with key financial covenants and other performance obligations in development agreements.

### **5.4 London Stadium LLP Onerous Contract Provision**

The methodology used to estimate the onerous contract provision is based on a variety of judgements regarding the cash flows associated with the West Ham United and UK Athletics agreements. Key judgements include the following:

Revenue and costs included in the calculation are based on current knowledge and are assumed to continue in a similar trend for the remaining period of the terms of the onerous contract. Not all revenue streams have been secured as at the reporting date, but management has a reasonable expectation that these will be secured in the future. Similarly, it is assumed that the cost base will not change significantly over the remaining period.

Within the calculation, certain revenues and costs are phased to commence in future financial years. The value of individual revenue and cost items are in line with current forecasts and are assumed to stay at a similar level for the remaining period.

The onerous contract provision is currently estimated at £235.9 million at 31 March 2026 (£241.5 million at 31 March 2025) (Note 41).

## 5.5 Post-retirement benefits

The estimation of the net pensions asset or liability is based on the requirements of IAS 19 *Employee Benefits* and relies on complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied.

In accordance with the requirements of IAS 19 Employee Benefits and IFRIC 14 – The Limit on a Defined Benefit Asset, an asset ceiling assessment has been performed. This assessment considers the availability of the surplus to the Authority in the form of either a refund or a reduction in future contributions.

As the Authority is not expected to benefit from any economic return from the surplus, the net defined benefit asset has been restricted to nil on the balance sheet.

Details of the assumptions made and related sensitivity analysis, are provided in Note 21.

At 31 March 2026, the carrying value of the Group's net pensions assets is £0.07 million at 31 March 2026 (£nil as at 31 March 2025) (Note 21).

## Judgements

### 5.6 London Stadium LLP (LS LLP)

GLAH holds a 99% interest in LS LLP and SELH (in which GLAH holds 100% of the shares), holds the remaining 1% in LS LLP.

The Authority is the parent of Greater London Authority Holdings Ltd. (GLAH), holding 100% of GLAH's share capital. The Mayor and the GLA's Chief Finance Officer are able to exert control over LS LLP's key operating decisions as set out in the reserved matters section of the LLP members' agreement. In light of this, a control assessment was undertaken to determine whether the GLA exerted direct control over London Stadium LLP group and could therefore directly consolidate the LS LLP group directly into the GLA group accounts.

Control under IFRS 10 is assessed on the basis of:

1. Power over the investee's relevant activities,
2. Exposure, or rights, to variable returns from its involvement, and

### 3. The ability to use its power to affect those returns

GLA, funds the LS LLP group (LS LLP and its subsidiary LS185 Limited), and is therefore exposed to the variable returns of the London Stadium LLP group and funding for LS LLP is included in the GLA's annual budget. The GLA would be required to fund any spend in excess of the budgeted funding.

The London Stadium LLP Members Agreement sets out in the list of Reserved Matters the decisions requiring the Mayor's approval (Type 1) and decisions requiring the approval of a GLA Chief Finance Officer (Type 2). The Articles of Association of Stratford East London Holdings Limited and of London Stadium 185 also include these reserved matters. GLAH does not play a role in key decision making of London Stadium LLP.

The key Decisions or matters that require the Mayor's approval and which point to GLA control as defined in IFRS 10 Consolidated Financial Statements are:

- any changes to the Members' Agreement including changes to the Reserved Matters, LLP name or change to form of legal entity
- any borrowing by the LLP
- the appointment and/or dismissal of the chair, deputy chair and any member of the board and any payment for loss of office and the Members have agreed to vest management, operation and the business of the LLP in the board
- the annual business plan and any subsequent amendments and/or updates to this plan, an annual operational budget for the forthcoming financial year

### **5.7 London Treasury Limited Fund LP (LTLF LP)**

LTLF LP is an investment fund, the principal activities of which are the making of investments and collecting investment returns for distribution to its partners.

At 31 March 2026, the limited partners of LTLF LP are the Greater London Authority (GLA), Mayor's Office for Policing and Crime (MOPAC), London Fire Commissioner (LFC), London Legacy Development Corporation (LLDC), London Pensions Fund Authority (LPFA) and Transport for London (TfL). A control assessment was required to determine the accounting treatment of LTLF LP in the GLA's Group accounts.

Each limited partner has the right to appoint a single individual as its representative on the Limited Partnership Advisory Committee (LPAC). The LPAC makes key operational and strategic decisions that drive the fund's activity. Governance and oversight of the General Partner and Alternative Investment Fund Manager (AIFM) are conducted principally through the forum of the LPAC. The AIFM is responsible for appointing the LTLF LP portfolio and asset managers.

The control assessment focussed on the relevant activities that drive LTLF LP's returns and on how key operating and financial decisions are made. In management's opinion, the most significant and relevant activities that drive LTLF's returns are managing financial assets during their life as well as selecting, acquiring and disposing of financial assets. The ability to direct these relevant activities sits with the LPAC and the Part 8 and Part 9 decisions of the limited partnership agreement (including changes to the investment strategy) are the decisions that have the most material impact on relevant activities of LTLF and the returns on the fund.

The investment strategy has the most significant influence on the returns of the fund, the LPAC approves the investment strategy and this strategy directs and constrains the activity of the general partner and the AIFM. After considering all aspects it was concluded that the LPAC has effective control of LTLF LP.

The assessment then considered the extent to which the GLA can exert significant influence over LTLF LP as defined in *IAS 28 Investments in Associates and Joint Ventures*.

The quorum required for a duly convened meeting of the LPAC is seventy five percent (75%) by number of voting members, representing at least fifty percent (50%) of the total core account balances held by all limited partners. The requirement for 50% of the core contribution balance to be present for the meeting to be quorate, means in practice, that the GLA must be present at all LPAC meetings as the GLA holds on average 80% or more of the core contribution balance. Also, in the case of deadlock the voting member appointed by Greater London Authority has the casting vote.

In light of the above, management concluded that the GLA has significant influence as it holds a significant share of the investments held by LTLF LP and it is required to vote in all decisions taken by LTLF LP. The Authority therefore has the power to participate in the financial and operating policy decisions but it does not control LTLF LP as the GLA will always be voting alongside the other LPs via the LPAC. The GLA does not therefore meet the IFRS 10 control criteria as the GLA, on its own, cannot direct the relevant activities of LTLF LP, and though the GLA is exposed to the profits/losses of the LTLF LP, it does not control the decision-making processes, that affect or influence these returns.

## **5.8 Council tax accounting**

The Authority's share of the actual 2025-26 council tax surplus is £7.9 million (£3.0 million deficit in 2024-25) (Note 14). This is based on unaudited figures from the 32 London boroughs and the City of London Corporation. Any post audit amendments on Council Tax are incorporated into the following year's accounts.

The *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025-26* sets out the methodology for determining the Authority's attributable share of council tax and non-domestic debtors and creditors. It is an estimate based on the demand/precept proportions for the next financial year. Any post audit amendments on Council Tax are incorporated into the following year's accounts.

## **5.9 Business rates accounting**

The Authority's share of the actual 2025-26 business rates surplus is £6.9 million (£26.6 million surplus in 2024-25) (Note 15). The amounts recorded for retained business rates in respect of 2025-26 are derived from the National Non-Domestic Rates 3 (NNDR3) outturn returns which have been received by the GLA from the capital's 33 local billing authorities and certified by their section 151 officers by the date the entries in these accounts were prepared. It is possible that billing authorities may amend their NNDR3 returns during or following the auditing of their final accounts.

The GLA's audited accounts will incorporate material amendments made compared to these draft figures where these are advised to the GLA on a timely basis in advance of its publication. Any variations arising from the final NNDR3 returns not received by the date the authority's accounts are approved will generally be incorporated in the cumulative balances, accruals, non-domestic rating income figures and provisions in the following year's statutory accounts.

The assumption is that the data used will be materially consistent with the GLA's share of the income, expenditure and balances reported in the collection fund statements within the draft statutory accounts of each billing authority.

Under statutory regulations the aggregate sums reported by billing authorities provide the source data for these estimates and provisions and determine the income and potential levy and safety net payments to or from the Secretary of State that the GLA is required to provide for and recognise. The instalments payable to the GLA during the financial year and used for budgeting purposes are calculated based on the National Non-Domestic Rates 1 estimates submitted by the 31 January prior to the start of the financial year.

The most significant provision relates to the estimate for potential refunds to ratepayers arising from successful non-domestic rating appeals and other changes to the valuation list relating both to the 2025-26 financial year and for backdated amounts for prior accounting periods. In estimating their provision, each London billing authority will have had regard to the settlement rates of historical appeals and the level of challenges unresolved at the financial year end as well as risks of future challenges which have a backdated impact including those arising from material changes of circumstances (MCC) in relation to a hereditament or its locality. Billing authorities have also generally considered the case for incorporating an estimate for the potential impact of challenges and appeals not lodged by the balance sheet date and made an assessment as to their potential materiality as part of the determination of their final provision estimates.

The GLA has considered the possibility that billing authorities may have under or over provided for the impact of challenges to valuations. Over provisions may arise where the Valuation Office and Valuation Tribunal rejects a greater proportion of challenges than anticipated because it considers that the rating list is generally accurate or successful appeals are backdated to an earlier reference date. Under provisions may occur if a higher proportion of the rating list is ultimately challenged successfully by ratepayers or there may be changes to national rating policies for certain business sectors which have a greater material impact in some billing authorities.

In addition, there is also a provision for non-collection of NNDR income (i.e., the impairment of doubtful debts). Billing authorities will have had regard to proper accounting practice and guidance in relation to the calculation of these provisions taking into account their local circumstances.

The GLA considers that based on its initial assessment the appeals provisions made appear reasonable having regard to the risks associated with business rates retention, the fact that it is supported by Valuation Office data on checks, challenges and assessment reviews against the 2017 and 2023 local rating lists at 31 March 2026, and that billing authorities have had regard to accounting standards and their knowledge of historic trends in relation to the variation in the rating list in preparing their estimates.

The GLA has also made an estimate as to the levy on business rates growth it will be required to pay to the government in respect of 2025-26 and has accrued for this as a creditor in its accounts.

#### **5.10 Classification between investment properties and inventories**

The intention for which a property is held, is considered at the outset when each property is acquired, to inform the classification of 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 inventory property. 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 the intention cannot be determined with any certainty, and the asset is land, this is classified as an investment property.

Where there is a demonstrable 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, by the Group entity, 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

inventory properties 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 26, 27 and 37 for further information.

### **5.11 Leases (Group as lessor)**

The Group applies judgement in determining whether leases are classified as operating or finance leases in accordance with IFRS 16. The assessment considers whether substantially all of the risks and rewards incidental to ownership of the property have transferred to the lessee.

In making this judgement, management considers the lease term relative to the asset's economic life, the value of lease payments compared to the fair value of the asset at lease commencement, the extent to which the lessee bears asset-related risks (including repairs, maintenance and insurance), and the degree of residual value risk retained by the Group.

Where these factors indicate that substantially all risks and rewards have transferred, the lease is classified as a finance lease and a lease receivable is recognised. Otherwise, the lease is treated as an operating lease and rental income is recognised in the Comprehensive Income and Expenditure Statement over the lease term. This judgement is significant as it affects the assets recognised in the Group Balance Sheet.

At 31 March 2026 the carrying value of finance lease receivables at Group level is significant, totalling £38.9 million (£38.5 million at 31 March 2025), see note 34 for further details.

### **5.12 Determining whether an arrangement contains a lease (Group as lessee)**

In determining whether a contract contains a lease in accordance with IFRS 16, the Group is required to exercise judgement in assessing whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This assessment includes evaluating whether the Group has the right to obtain substantially all of the economic benefits from use of the asset and the right to direct how and for what purpose the asset is used.

This judgement is significant as contracts identified as containing a lease give rise to the recognition of right-of-use assets and lease liabilities on the Group Balance Sheet, which can have a material impact on the Group's reported financial position.

### **5.13 Financial instruments – Classification**

The classification decision for non-equity financial assets under IFRS 9, is dependent on two key criteria:

- The business model within which the asset is held (the business model test), and
- The contractual cash flows of the asset (the SPPI test).

Determining the appropriate business model and assessing whether the cash flows generated by an asset consist solely of payments of principal and interest requires management judgement as does the determination on whether the business model under which financial instruments are held are held to maturity, held for trading or a mix of both. These are decisions which affect whether the financial instrument is held at amortised cost or fair value and whether changes in fair value are recognised in the Income and Expenditure Account or in Other Comprehensive Income.

## **6. Authorisation of the Statement of Accounts**

The Statement of Accounts was authorised for issue on the date the Chief Finance Officer certified that the accounts give a true and fair view of the financial position of the Authority at the year-end; and its income and expenditure, see the “Statement of Responsibilities for the Statement of Accounts”. This is the date up to which events after the balance sheet date have been considered (Note 54).

## 7. Expenditure and Income analysed by nature

The Authority's expenditure and income is analysed as follows:

The Authority's expenditure and income analysed as follows:

	2025-26	2024-25
	£000	£000
<b>Expenditure</b>		
Employee benefits expenses	137,720	127,426
Other service expenses	3,005,934	2,201,445
Depreciation, amortisation and impairment of PPE	5,076	5,685
Interest payments and similar charges	149,680	135,232
Impairment of financial instruments	18,143	111,228
Business rate funding to functional bodies	2,622,563	2,632,012
Precept funding to functional Bodies	1,509,354	1,419,188
Non-domestic rates levy and pool contribution	38,580	38,525
BRR Tariff Payment	833,165	807,878
<b>Total Expenditure</b>	<b>8,320,215</b>	<b>7,478,619</b>
<b>Income</b>		
Government grants and other contributions	(3,287,235)	(2,359,962)
Income from council tax and non-domestic rates	(5,071,223)	(4,794,617)
Fees, charges and other service income	(58,012)	(110,516)
Interest and investment income	(175,154)	(208,933)
<b>Total Income</b>	<b>(8,591,624)</b>	<b>(7,474,028)</b>
<b>(Surplus)/Deficit on Provision of Service</b>	<b>(271,409)</b>	<b>4,591</b>

The following 2024-25 figures have been presented differently from those reported in the audited 2024-25 Statement of Accounts to provide a more detailed breakdown of expenditure:

- Business rate funding to functional bodies is presented as a separate line item. In the audited 2024-25 Statement of Accounts, this expenditure was included within Other service expenses.
- Impairment of financial instruments is presented on a separate line item. In the audited 2024-25 Statement of Accounts, this expenditure was included within Interest payments and similar charges

Other service expenses includes £2.1 billion (£1.2 billion in 2024-25) in capital grants paid to third parties, of which £1.7 billion (£1.1 billion in 2024-25) were affordable housing grants.

The £2.6 billion (£2.6bn in 2024-25) NDR funding to functional bodies relates to business rates, collected from London business rate payers, paid to Transport for London, the London Fire Brigade and the Mayor's Office for Policing and Crime to part fund their budget requirements.

The £1.5 billion (£1.4 billion in 2024-25) Precepts payments to Functional Bodies relates to the council tax income, collected from London residents, paid to Transport for London, the London Fire Brigade and the Mayor's Office for Policing and Crime to part fund their budget requirements.

## 8. Expenditure and Funding Analysis

The Expenditure and Funding Analysis (“EFA”) shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices.

2024-25			Authority	2025-26			
Net Exp Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Exp in the CIES*		Note	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting Basis	Net Exp in the CIES*
£000	£000	£000			£000	£000	£000
9,108	52	9,160	Assembly & Secretariat		9,592	(140)	9,452
12,200	1,180	13,380	Chief Finance Officer		14,329	2,484	16,813
36,339	50	36,389	Chief Officer		(150)	(69)	(219)
36,522	198	36,720	Corporate Resources & Business Improvement		37,643	(299)	37,344
198,567	17,202	215,769	Communities & Skills		168,290	8,156	176,446
(3,915)	113	(3,802)	Adult Education		12,180	(65)	12,115
57,944	82,332	140,276	Good Growth		59,122	77,329	136,451
33,933	1,056,158	1,090,091	Housing & Land		28,646	1,994,107	2,022,753
5,928	146	6,074	Mayor’s Office		6,965	(74)	6,891
29,639	239	29,878	Strategy & Communications		29,045	(266)	28,779
494,538	(422,941)	71,597	Corporate and Group Items		326,034	(240,718)	85,316
<b>910,803</b>	<b>734,729</b>	<b>1,645,532</b>	<b>Net Cost of Services</b>		<b>691,696</b>	<b>1,840,445</b>	<b>2,532,141</b>
(720,257)	(1,031,912)	(1,752,169)	Other Income and Expenditure		(702,595)	(2,119,098)	(2,821,693)
10	111,218	111,228	Impairment of Financial Instruments		162	17,981	18,143
<b>190,556</b>	<b>(185,965)</b>	<b>4,591</b>	<b>Surplus/Deficit</b>	8a	<b>(10,737)</b>	<b>(260,672)</b>	<b>(271,409)</b>
(1,248,261)			<b>Opening General Fund Balance</b>		(1,057,702)		
190,556			<b>Less Surplus/Deficit</b>		(10,737)		
3			<b>Adjustment</b>				
<b>(1,057,702)</b>			<b>Closing General Fund Balance</b>		<b>(1,068,439)</b>		

\*CIES-Comprehensive Income and Expenditure Account

The following 2024-25 figures have been presented differently from those reported in the audited 2024-25 Statement of Accounts to

provide a more detailed breakdown of expenditure:

- Impairment of financial instruments is presented as a separate line item. In the audited 2024-25 Statement of Accounts, this expenditure was included within Other income and expenditure.

The £2.1 billion net income (£1.0 billion net income in 2024-25) in Other Income and Expenditure line consists largely of capital grant income and capital receipts, capital grant payments to TfL and the accounting entries required to recognise council tax and business rates income on an accrued basis.

## 8a. EFA – Adjustments between funding and accounting basis

### Authority 2025-26

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes	Net change for the Pensions Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Assembly & Secretariat	-	(93)	(48)	(141)
Chief Finance Officer	-	2,483	-	2,483
Chief Officer	-	(30)	(40)	(70)
Corporate Resources & Business Improvement	-	(241)	(58)	(299)
Communities & Skills	8,547	(294)	(97)	8,156
Adult Education	-	(103)	38	(65)
Good Growth	77,837	(476)	(32)	77,329
Housing & Land	1,994,489	(360)	(22)	1,994,107
Mayor's Office	-	(118)	44	(74)
Strategy & Communications	-	(309)	44	(265)
Corporate and Group Items	26,420	-	(267,137)	(240,717)
<b>Net Cost of Services</b>	<b>2,107,293</b>	<b>459</b>	<b>(267,308)</b>	<b>1,840,444</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(2,114,612)	(991)	14,487	(2,101,116)
<b>Difference between surplus or deficit on the General Fund and the CIES</b>	<b>(7,319)</b>	<b>(532)</b>	<b>(252,821)</b>	<b>(260,672)</b>

## Authority 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statements amounts	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments £000
Assembly & Secretariat	-	47	5	52
Chief Finance Officer	-	1,215	(35)	1,180
Chief Officer	-	30	20	50
Corporate Resources & Business Improvement	-	103	95	198
Communities & Skills	16,978	154	70	17,202
Adult Education	-	46	67	113
Good Growth	81,967	225	140	82,332
Housing & Land	1,055,881	177	100	1,056,158
Mayor's Office	-	54	92	146
Strategy & Communications	(81)	151	169	239
Corporate and Group Items	5,685	-	(428,626)	(422,941)
<b>Net Cost of Services</b>	<b>1,160,430</b>	<b>2,202</b>	<b>(427,903)</b>	<b>734,729</b>
Other Income and Expenditure from the Expenditure and Funding Analysis	(1,022,684)	(3,980)	105,970	(920,694)
<b>Difference between surplus or deficit on the General Fund and the CIES</b>	<b>137,746</b>	<b>(1,778)</b>	<b>(321,933)</b>	<b>(185,965)</b>

## 9. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Group in the year in accordance with proper accounting practice, and to the resources that are specified by statutory provisions as being available to the Group.

### Group

#### Adjustments between Accounting Basis and Funding Basis under Regulations

2025-26

	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000
<b>Adjustments to Revenue Resources</b>				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	1,396	-	-	1,396
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	1,390	-	-	1,390
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	(19,015)	-	-	(19,015)
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	206	-	-	206
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)	(2,210,191)	-	-	(2,207,531)
<b>Total Adjustments to Revenue Resources</b>	<b>(2,226,214)</b>	<b>-</b>	<b>-</b>	<b>(2,223,554)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of capital grant reclaims and non-current asset sale proceeds from revenue to the Capital Receipts Reserve	337,504	(290,696)	-	46,808
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,870,803	-	(1,834,474)	36,329
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	218,336	-	-	218,336
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	48,801	-	-	48,801
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>2,475,444</b>	<b>(290,696)</b>	<b>(1,834,474)</b>	<b>350,274</b>
<b>Adjustments to Capital Resources</b>				
Application of capital grants to finance capital expenditure	-	-	1,844,073	1,841,413
Capital grant and borrowing financing swap	-	583	(583)	-
Cash receipts in relation to long term capital debtors	-	(23,580)	-	(23,580)
Use of the Capital Receipts Reserve to finance new capital expenditure	-	218,057	-	218,057
Cash receipts in relation to deferred capital receipts	-	(5,289)	-	(5,289)
<b>Total Adjustments to Capital Resources</b>	<b>-</b>	<b>189,771</b>	<b>1,843,490</b>	<b>2,030,601</b>
<b>Total Adjustments</b>	<b>249,230</b>	<b>(100,925)</b>	<b>9,016</b>	<b>157,321</b>

## Group Adjustments between Accounting Basis and Funding Basis under Regulations

2024/25

	USABLE RESERVES			Total Usable Reserves £000
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	
<b>Adjustments to Revenue Resources</b>				
Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:				
Pension Costs transferred to/(from) the Pensions Reserve	1,565	-	-	1,565
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	2,934	-	-	2,934
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	(29,455)	-	-	(29,455)
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	(790)	-	-	(790)
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)	(1,255,448)	-	-	(1,255,448)
<b>Total Adjustments to Revenue Resources</b>	<b>(1,281,194)</b>	<b>-</b>	<b>-</b>	<b>(1,281,194)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of capital grant reclaims and non-current asset sale proceeds from revenue to the Capital Receipts Reserve	242,313	(242,313)	-	-
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	873,399	-	(830,401)	42,998
Statutory provision for the repayment of debt (transfer to the Capital Adjustment Account)	250,998	-	-	250,998
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	177,638	-	-	177,638
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>1,544,348</b>	<b>(242,313)</b>	<b>(830,401)</b>	<b>471,634</b>
<b>Adjustments to Capital Resources</b>				
Application of capital grants to finance capital expenditure	-	-	975,073	975,073
Cash receipts in relation to long term capital debtors	-	(46,182)	-	(46,182)
Use of the Capital Receipts Reserve to finance new capital expenditure	678	139,991	-	140,669
<b>Total Adjustments to Capital Resources</b>	<b>678</b>	<b>93,809</b>	<b>975,073</b>	<b>1,069,560</b>
Other adjustments	-	-	314	314
<b>Total Adjustments</b>	<b>263,832</b>	<b>(148,504)</b>	<b>144,986</b>	<b>260,314</b>

## Authority Adjustments between Accounting Basis and Funding Basis under Regulations

2025-26

	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Usable Reserves £000
<b>Adjustments to Revenue Resources</b>				
<b>Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:</b>				
Pension Costs transferred to/(from) the Pensions Reserve	532	-	-	<b>532</b>
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	459	-	-	<b>459</b>
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	(19,015)	-	-	<b>(19,015)</b>
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	168	-	-	<b>168</b>
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)	(2,111,119)	-	-	<b>(2,111,119)</b>
<b>Total Adjustments to Revenue Resources</b>	<b>(2,128,975)</b>	-	-	<b>(2,128,975)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of capital grant reclaims & other capital receipts from revenue to the Capital Receipts Reserve	290,696	(290,696)	-	-
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	1,831,814	-	(1,831,814)	-
Statutory provision for the repayment of debt (transfer to/(from) the Capital Adjustment Account)	218,336	-	-	<b>218,336</b>
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	48,801	-	-	<b>48,801</b>
				-
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>2,389,647</b>	<b>(290,696)</b>	<b>(1,831,814)</b>	<b>267,137</b>
<b>Adjustments to Capital Resources</b>				
Application of capital grants to finance capital expenditure	-	-	1,834,640	<b>1,834,640</b>
Capital receipt and capital grant financing swap	-	583	(583)	(0)
Capital receipts used to finance capital expenditure	-	212,990	-	<b>212,990</b>
Capital receipts used to finance prior year capital expenditure	-	67	-	<b>67</b>
Capital receipts applied to reduce the capital financing requirement	-	5,000	-	<b>5,000</b>
Cash receipts in relation to capital debtors	-	(23,580)	-	<b>(23,580)</b>
Cash receipts in relation to deferred capital receipts	-	(5,289)	-	<b>(5,289)</b>
<b>Total Adjustments to Capital Resources</b>	-	<b>189,772</b>	<b>1,834,057</b>	<b>2,023,829</b>
<b>Total Adjustments</b>	<b>260,672</b>	<b>(100,924)</b>	<b>2,243</b>	<b>161,991</b>

## Authority

### Adjustments between Accounting Basis and Funding Basis under Regulations

2024/25

	USABLE RESERVES			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Usable Reserves £000
<b>Adjustments to Revenue Resources</b>				
<b>Amounts by which income and expenditure included in the CIES differ from revenue for the year calculated in accordance with statutory requirements:</b>				
Pension Costs transferred to/(from) the Pensions Reserve	1,778	-	-	<b>1,778</b>
Financial instruments (transferred to/(from) the Financial Instruments Adjustments Account)	2,003	-	-	<b>2,003</b>
Council tax and NDR (transfers to/(from) Collection Fund Adjustment Account)	(29,455)	-	-	<b>(29,455)</b>
Holiday pay (transferred to/(from) the Accumulated Absences Reserve)	(724)	-	-	<b>(724)</b>
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)	(1,288,221)	-	-	<b>(1,288,221)</b>
<b>Total Adjustments to Revenue Resources</b>	<b>(1,314,619)</b>	-	-	<b>(1,314,619)</b>
<b>Adjustments between Revenue and Capital Resources</b>				
Transfer of capital grant reclaims & other capital receipts from revenue to the Capital Receipts Reserve	242,313	(242,313)	-	-
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	829,644	-	(829,644)	-
Statutory provision for the repayment of debt (transfer to/(from) the Capital Adjustment Account)	250,998	-	-	<b>250,998</b>
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	177,629	-	-	<b>177,629</b>
<b>Total Adjustments between Revenue and Capital Resources</b>	<b>1,500,584</b>	<b>(242,313)</b>	<b>(829,644)</b>	<b>428,627</b>
<b>Adjustments to Capital Resources</b>				
Application of capital grants to finance capital expenditure	-	-	970,788	<b>970,788</b>
Capital receipts used to finance capital expenditure	-	139,991	-	<b>139,991</b>
Cash receipts in relation to capital debtors	-	(46,182)	-	<b>(46,182)</b>
<b>Total Adjustments to Capital Resources</b>	-	<b>93,809</b>	<b>970,788</b>	<b>1,064,597</b>
<b>Total Adjustments</b>	<b>185,965</b>	<b>(148,504)</b>	<b>141,144</b>	<b>178,605</b>

## 10. Transfers to/from Earmarked Reserves – Authority

	Balance at 31 March 2024 £000	Transfers In	Transfers Out	Balance at 31 March 2025 £000	Transfers In	Transfers Out	Balance at 31 March 2026 £000
<b>GLA Reserves</b>							
<b>Risk &amp; Financial Resilience Reserves</b>							
Contractual Risk Reserve	-	-	-	-	72,800	-	72,800
Interest Smoothing	87,492	20,000	(29,500)	77,992	-	-	77,992
London Stadium LLP reserve	-	-	-	-	34,700	(27,716)	6,984
	<b>87,492</b>	<b>20,000</b>	<b>(29,500)</b>	<b>77,992</b>	<b>107,500</b>	<b>(27,716)</b>	<b>157,776</b>
<b>Restricted use &amp; Ringfenced Reserves</b>							
Capital Programme	106,001	63,017	(91,900)	77,118	17,500	(2,891)	91,727
Compulsory Purchase Orders	1,329	-	-	1,329	-	-	1,329
Programme Reserves	20,000	1,315	(898)	20,417	11,670	(18,170)	13,917
Environment Drainage	728	-	(584)	144	-	-	144
Land Fund	6,964	67	(554)	6,477	-	(1,167)	5,310
London and Partners	2,245	-	-	2,245	-	-	2,245
London Green Fund Reserve	217	169	-	386	144	-	530
New Homes Bonus LEP grant reserve	730	-	-	730	-	-	730
Recycled Capital Grant Fund Interest reserve	144	10,903	(6,227)	4,820	12,506	-	17,326
Right to Buy Revenue Grant	14,979	4,024	-	19,003	-	(7,554)	11,449
The Royal Docks Enterprise Zone Reserve	1	423	-	424	778	(1,063)	139
	<b>153,338</b>	<b>79,918</b>	<b>(100,163)</b>	<b>133,093</b>	<b>42,598</b>	<b>(30,845)</b>	<b>144,846</b>
<b>Smoothing &amp; Cyclical Reserves</b>							
Election	17,853	15,715	(33,568)	-	21,789	(227)	21,562
Planning Smoothing	199	301	-	500	-	-	500
Pre-Application Planning	2,545	-	(1,214)	1,331	-	-	1,331
	<b>20,597</b>	<b>16,016</b>	<b>(34,782)</b>	<b>1,831</b>	<b>21,789</b>	<b>(227)</b>	<b>23,393</b>

<b>GLA Reserves</b>	<b>Balance at 31 March 2024 £000</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Balance at 31 March 2025 £000</b>	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Balance at 31 March 2026 £000</b>
<b>Mayoral Priority Earmarked Reserves</b>							
Climate Emergency Funding Reserve	88,082	-	(7,431)	80,651	-	(8,472)	72,179
Major Events	8,233	4,000	(5,712)	6,521	22,100	(1,465)	27,156
Young Londoners Fund Reserve	22,701	-	(10,851)	11,850	-	(5,070)	6,780
Revenue Grants Unapplied	179,698	180,427	(203,502)	156,623	148,147	(222,466)	82,304
Sport Unites	3,829	-	(1,638)	2,191	-	(1,457)	734
Universal Free School Meals Reserve	32,490	140,000	(137,752)	34,738	63,700	(57,538)	40,900
	<b>335,033</b>	<b>324,427</b>	<b>(366,886)</b>	<b>292,574</b>	<b>233,947</b>	<b>(296,468)</b>	<b>230,053</b>
<b>Reserves to support organisational change &amp; transformation</b>							
Organisational Transformation Reserve	3,346	677	(589)	3,434	14,372	(5,350)	12,456
	<b>3,346</b>	<b>677</b>	<b>(589)</b>	<b>3,434</b>	<b>14,372</b>	<b>(5,350)</b>	<b>12,456</b>
<b>Reserves to support on-going asset management</b>							
Asset Management Reserve	7,332	-	-	7,332	6,941	(7,332)	6,941
	<b>7,332</b>	<b>-</b>	<b>-</b>	<b>7,332</b>	<b>6,941</b>	<b>(7,332)</b>	<b>6,941</b>
<b>Other Reserves</b>							
Group Collaboration Reserve	1,944	8,495	(4,904)	5,535	8,000	(13,535)	-
Assembly Development & Resettlement	2,621	167	(219)	2,569	65	-	2,634
New Museum Project	25,000	-	(25,000)	-	-	-	-
	<b>29,565</b>	<b>8,662</b>	<b>(30,123)</b>	<b>8,104</b>	<b>8,065</b>	<b>(13,535)</b>	<b>2,634</b>
<b>Sub-Total</b>	<b>636,703</b>	<b>449,700</b>	<b>(562,043)</b>	<b>524,360</b>	<b>435,212</b>	<b>(381,473)</b>	<b>578,098</b>
<b>GLA Group Reserves</b>							
Business Rates Reserve	269,825	254,461	(199,207)	325,079	121,754	(126,937)	319,895
Development Corporations (MDC*)	35,200	37,298	(41,215)	31,283	38,970	(36,827)	33,426
Environment Improvement reserve	84,997	-	(82,324)	2,673	2,673	(5,346)	-
LLDC Capital Funding Reserve	2,360	83,018	(60,218)	25,160	17,169	(24,746)	17,583
Northern Line Extension Reserve	71,548	20,504	-	92,052	3,024	-	95,076
OPDC Flexibility Reserve	14,896	6,428	(5,895)	15,429	3,306	(4,974)	13,761
Strategic Investment Fund	34,230	7,468	(17,532)	24,166	-	(24,166)	-
Transport Services funding reserve	88,500	-	(81,000)	7,500	-	(7,500)	-
<b>Sub-Total</b>	<b>601,556</b>	<b>409,176</b>	<b>(487,390)</b>	<b>523,342</b>	<b>186,896</b>	<b>(230,496)</b>	<b>479,741</b>
<b>Total Earmarked Reserves</b>	<b>1,238,259</b>	<b>858,876</b>	<b>(1,049,433)</b>	<b>1,047,702</b>	<b>622,108</b>	<b>(611,969)</b>	<b>1,057,840</b>

\*MDC-Mayoral Development Corporation

N.B. The Mayoral Resettlement Reserve was presented separately in the table above in previous years. During 2025-26, the £77k balance held

in the Mayoral Resettlement Reserve was transferred to the Revenue Grants Unapplied Reserve. As a result, the Revenue Grants Unapplied Reserve balance reported in the table above has increased by £77k at both 31 March 2024 and 31 March 2025 to reflect this reclassification. A £1.5m allocation for Mayoral resettlement is now contained in the Contractual risk reserve.

The earmarked reserves note sets out the amounts set aside, by the Authority, from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in year.

The purpose of each reserve is detailed below:

## **GLA Reserves**

The **Assembly Development and Resettlement Reserve** exist to ensure adequate funding is built up for future costs and resettlement grants for the Assembly and Secretariat directorate.

The **Asset Management Reserve** brings together the previously held **Estates** and **Dilapidations** reserves. These relate to potential costs across the buildings and public spaces that the GLA is responsible for, including, funding exceptional repairs and maintenance works across the GLA Estate, works undertaken at Parliament and Trafalgar Squares and the development of land and property schemes. In addition, this reserve exists to fund repairs required at the end of the GLA tenancy lease at the current City Hall.

The **Capital Programme Reserve** provides a source of funding for those capital projects falling outside the programmes in housing and regeneration which are directly funded by Government grant. This reserve holds ringfenced funding for specific capital projects and, where required, additional revenue contributions or reserve transfers to cover other corporate GLA capital projects.

The **Climate Change Reserve** (previously the Climate Emergency Funding Reserve) has been renamed the and provides a source of funding for high-impact green investment opportunities for the public and private sector; and support for the GLA Green Finance Fund, financing direct decarbonisation investment by the GLA Group and its strategic partners.

The **Compulsory Purchase Orders Reserve** has been created to provide for estimated future costs related to the settlement of several significant programmes inherited by a statutory transfer scheme from the London Development Agency.

The **Contractual Risk Reserve** sets aside funding for potential future legal and contractual risks related to major projects.

The **Development Reserve** exists to fund organisational change and business improvement projects.

The **Dilapidations Reserve** exists to fund repairs required at the end of the GLA tenancy lease at the current City Hall. In 2025-26, this

reserve has been merged with the Estates reserve to create the Asset Management Reserve.

The **Directorate Reprofitting Reserve** (previously the Programme Reserve) represents underspends on directorate and budgets carried forward to fund projects that were delayed and are due to start or be completed within the next financial year.

The **Election Reserve** exists to fund the Mayor and Assembly elections when they fall due every four years. A contribution is made each year to the reserve, to spread the funding of the elections.

The **Environment Drainage Reserve** has been created to earmark the funding received from central government for the preparation of surface water management plans.

The **Estates Reserve** has been created to fund exceptional repairs and maintenance works across the GLA Estate, works undertaken at Parliament and Trafalgar Squares and the development of land and property schemes. In 2025-26, this reserve has been merged with the Dilapidations reserve to create the Asset Management Reserve.

The **Group Collaboration Reserve** sets aside funding for the collaborative projects of the Authority and its functional bodies, in areas such as implementation of shared services, talent retention and development across the GLA Group.

The **Interest Smoothing Reserve** manages fluctuations in interest receipts that could result from a range of risks, including a potential reduction in the GLA's cash balance and interest rate changes.

The **Land Fund Reserve** has been created to hold the fund for future revenue works required where it does not meet the conditions of the capital grant receipts from MHCLG approved under MD2396.

The **London & Partners Reserve** ensures that adequate funding is built up for any future reviews of the organisation.

The **London Green Fund Reserve** exists to fund schemes that cut London's carbon emission.

The **Major Events Reserve** represents sums set aside to build up resources for future large-scale events in London.

The **New Deal for Young People Reserve** (previously the Young Londoners' Fund Reserve) exists to fund future years' expenditure in the Mayor's £45 million Young Londoners' Fund, supporting a range of education, sport, cultural and other activities for young Londoners.

The **New Homes Bonus LEP grant reserve** consists of New Homes Bonus grant that has been set aside to fund revenue expenditure that will be incurred by London Boroughs on regeneration schemes in future years.

The **New Museum Project Reserve** has been created to ensure adequate funding is accumulated to meet future costs relating to the proposed relocation of the Museum of London. It was fully drawn down in 2024-25.

The **Organisational Transformation Reserve** is set up to fund organisational change and business improvement projects. It includes the balances previously held under the Development reserve and the Redundancy reserve.

The **Planning Smoothing Reserve** smooths the funding of the Examination in Public of the London Plan and other planning functions.

The **Pre-Application Planning Reserve** carries forward surplus pre-application planning income to fund the running costs of the Pre-Application Planning service in future years.

The **Recycled Capital Grant Fund (RGCF) Interest** reserve holds interest received on unutilised capital grants that have been returned for redistribution.

The **Redundancy Reserve** has been created to fund restructuring costs. In 2025-26 this total balance on this reserve has been transferred to the Organisational Development reserve.

The **Revenue Grants Unapplied Reserve** contains grants and contributions received that have no repayment conditions attached. Where expenditure has not yet been incurred this income is rolled forward and will be released when expenditure is incurred on the relevant project or initiative.

The **Right to Buy (RTB) Revenue Grant Reserve** holds grants received for expenditure towards the Mayor's Homes for Londoners: Affordable Homes Programme.

The **Sport Unites Reserve** exists to support future years' expenditure on the Mayor's Sport Unites project.

The **Stadium Reserve** manages potential cost increases, risks or other developments at London Stadium.

The **Royal Docks Enterprise Zone Reserve** manages the funding flows of the Royal Docks Programme, which is a joint initiative from the Mayor and the London Borough of Newham to develop the Royal Docks area in the east of London. The project will create jobs and new homes and promote cultural and economic development of the Docks on a local, regional and international level over the coming years.

The **Universal Free School Meals** Reserve will fund the future provision of free school meals to primary school children in London. This reserve exists to factor-in timing differences on the funding of this programme, as funding is given out for a financial year (April to March) but spent across an academic year (September to August).

## GLA Group Reserves

The **Business Rates Reserve** (formerly the Resilience Reserve) has been created to manage special risks to which the GLA is exposed as a result of the timing and the potential quantum of changes to the council tax base, retained business rates income, relative collection fund shares for both council tax and business rates, and government grant settlements as well as wider volatility in those key income streams such as the timing and phasing of the repayment of collection fund surpluses and deficits including those arising from the business rates relief schemes funded by the government and the potential impact of future reforms to the local government funding regime to be introduced from April 2026.

The **Development Corporation Reserve (MDC)** has been created to ensure that adequate contingency funding is available for unexpected costs relating to Mayoral Development Corporations.

The **Environment Improvement Reserve** was created to fund the ULEZ scrappage funding and other environmental initiatives.

The **LLDC Capital Funding Reserve** provides a source of funding for revenue grants to LLDC for the financing of future LLDC capital expenditure.

The **Northern Line Extension Reserve** (NLE reserve) manages volatility in revenues from business rates growth and developer contributions from the Battersea and Nine Elms regeneration area relating to the financing and repayment of the Authority's NLE related borrowing.

The **OPDC Mayoral Development Corporation (MDC) Flexibility Reserve** has been created to ensure that adequate contingency funding is available for unexpected costs relating to Old Oak and Park Royal Corporation (OPDC).

The **Strategic Investment Fund Reserve** exists to support the Mayor's commitment to spend additional income generated from the London business rates retention pooling arrangements in 2018-19 and 2019-20 on strategic investment projects which will contribute to the sustainable growth of London's economy. This has been allocated in full to fund various strategic investment projects and is therefore due to be reduced to a nil balance as the approved funding is drawn down.

The **Transport Services Funding Reserve** (TSFR) manages the phasing of certain funds raised in business rates and council tax which have been approved by the Mayor for transport services prior to their application for this purpose.

## 11. Other Operating Expenditure

Sections 102 and 103 of the Greater London Authority Act 1999 (as amended) require the Greater London Authority to pay over to the functional bodies, their share of government grants and precepts required to fund their budget requirements, as calculated under section 85(4) to (7) of the Act. The table below sets out the allocation of the council tax precepts and retained business rates to the functional bodies. The allocation of specific and general government grants to the functional bodies is shown in the Fund Account. Business rates payments to the Functional Bodies form part of the cost of services analysis in the CIES.

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Precept payable to the Functional Bodies	1,509,354	1,509,354	1,419,188	1,419,188
Fire Services	307,556	307,556	285,395	285,395
Police Services	130,654	130,654	184,556	184,556
Transport Services	2,222,569	2,222,569	2,248,280	2,248,280
<b>Total</b>	<b>4,170,133</b>	<b>4,170,133</b>	<b>4,137,419</b>	<b>4,137,419</b>

## 12. Financing and Investment Income and Expenditure

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Interest payable and similar charges	162,740	163,478	157,320	122,018
Net interest on the net defined liability	(991)	(1,207)	(3,980)	(4,231)
Interest receivable and similar income	(164,635)	(145,702)	(189,274)	(133,989)
Other investment Income/Gain/Expenditure/Loss	151	721	(963)	(830)
Net (gain)/loss from financial assets at fair value through profit and loss	-	(2,656)	(13,630)	(20,132)
Unwinding of loan and debtor discounting	(1,855)	(3,177)	-	(1,187)
Fair value adjustment to loan advanced	(20,807)	(20,807)	-	-
Unwinding of provision discount	-	20,183	-	13,940
Income in relation to investment properties	-	(25,615)	-	(18,112)
Expenditure in relation to investment properties	-	19,325	-	17,440
<b>Total</b>	<b>(25,397)</b>	<b>4,543</b>	<b>(50,527)</b>	<b>(25,083)</b>

### 13. Taxation and Non-Specific Grant Income and Expenditure

	Note	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Precept receivable from Council Tax payers	14	(1,589,782)	(1,589,782)	(1,489,402)	(1,489,402)
Precept receivable from Council Tax payers-prior year income		-	-	2,196	2,196
Non-domestic rate income	15	(3,237,076)	(3,237,076)	(3,057,384)	(3,057,384)
Non-domestic rate tariff payment		871,145	871,145	807,878	807,878
Non domestic rate levy and pool contribution		600	600	38,526	38,526
Business Rate Supplement - Crossrail		(244,357)	(244,357)	(250,020)	(250,020)
Community Infrastructure Levy - Crossrail		(95,570)	(95,570)	(121,115)	(121,115)
Non-ringfenced revenue government grants	16	(550,201)	(550,201)	(674,610)	(674,610)
Other non-ringfenced grants and contributions		-	(1,774)	-	(812)
Capital grants and contributions	16	(2,122,511)	(2,142,907)	(1,071,957)	(1,157,246)
<b>Total</b>		<b>(6,967,752)</b>	<b>(6,989,922)</b>	<b>(5,815,888)</b>	<b>(5,901,989)</b>

## 14. Council Tax Precepts

The CIES contains the 2025-26 council tax precept issued by the Greater London Authority on the 32 London boroughs and the City of London Corporation and the Authority's share of the actual net surplus or deficit on their collection funds in respect of Council Tax. In the Movement in Reserves Statement the 2025-26 share of the council tax net surplus or deficit on their collection funds is reversed from the General Fund balance and taken to the Collection Fund Adjustment account and the cash received in 2025-26 for the Authority's estimated share of the 2024-25 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2025 – is brought in as the amount required by statute to be credited to the General Fund. An analysis of these amounts is contained in this table:

	2025-26 Precept Demand	2025-26 (surplus) / deficit	2025-26 Precept recognised in CIES	Share of 2024-25 Estimated (Surplus) /	2024-25 Precept Demand	2024-25 (surplus) / deficit	2024-25 Precept recognised in CIES	Share of 2023-24 Estimated (Surplus)
	£000	£000	£000	£000	£000	£000	£000	£000
Corporation of London	(1,643)	(257)	(1,900)	(44)	(1,425)	(52)	(1,477)	7
Barking & Dagenham	(28,514)	819	(27,695)	(2)	(25,888)	190	(25,698)	717
Barnet	(77,685)	(1,307)	(78,992)	2,401	(73,458)	1,742	(71,716)	117
Bexley	(41,785)	447	(41,338)	479	(39,594)	(1,041)	(40,635)	(884)
Brent	(53,264)	101	(53,163)	2,089	(48,826)	2,658	(46,168)	(31)
Bromley	(67,422)	(3,177)	(70,599)	(1,286)	(63,780)	(646)	(64,426)	(763)
Camden	(46,963)	452	(46,511)	(254)	(43,216)	(2,378)	(45,594)	633
Croydon	(67,869)	127	(67,742)	309	(64,601)	(40)	(64,641)	(432)
Ealing	(61,030)	227	(60,803)	(733)	(58,034)	(631)	(58,665)	(488)
Enfield	(51,142)	(94)	(51,236)	0	(48,533)	225	(48,308)	237
Greenwich	(44,668)	(1,098)	(45,766)	0	(40,843)	(655)	(41,498)	(1,583)
Hackney	(38,619)	(1,170)	(39,789)	(1,153)	(36,659)	(1,241)	(37,900)	(543)
Hammersmith & Fulham	(43,303)	(1,444)	(44,747)	(1,387)	(40,594)	(331)	(40,925)	767
Haringey	(40,500)	(430)	(40,930)	(710)	(38,596)	(845)	(39,441)	(726)
Harrow	(44,548)	201	(44,347)	31	(42,131)	(66)	(42,197)	(494)
Havering	(44,208)	(52)	(44,260)	0	(42,897)	264	(42,633)	0
Hillingdon	(51,697)	(636)	(52,333)	685	(49,340)	3,604	(45,736)	327
Hounslow	(46,146)	(69)	(46,215)	(534)	(42,756)	(486)	(43,242)	(61)
Islington	(40,541)	(483)	(41,024)	(726)	(38,450)	(266)	(38,716)	738
Kensington & Chelsea	(48,354)	(48)	(48,402)	(143)	(46,611)	(110)	(46,721)	261
Kingston Upon Thames	(32,971)	(319)	(33,290)	(861)	(30,877)	(260)	(31,137)	(748)
Lambeth	(58,024)	1,147	(56,877)	0	(53,968)	(372)	(54,340)	0
Lewisham	(45,402)	206	(45,196)	531	(42,621)	(20)	(42,641)	(595)
Merton	(38,756)	(525)	(39,281)	(326)	(36,891)	(719)	(37,610)	(505)
Newham	(45,404)	(522)	(45,926)	(1,726)	(41,499)	(531)	(42,030)	(841)
Redbridge	(45,597)	(392)	(45,989)	(631)	(43,027)	(492)	(43,519)	(130)
Richmond Upon Thames	(44,203)	(10)	(44,213)	309	(42,274)	108	(42,166)	(561)
Southwark	(55,098)	5,380	(49,718)	2,501	(52,875)	2,889	(49,986)	1,017
Sutton	(37,174)	160	(37,014)	(56)	(35,189)	(76)	(35,265)	(433)
Tower Hamlets	(57,439)	1,807	(55,632)	3,673	(54,092)	3,451	(50,641)	518
Waltham Forest	(40,595)	108	(40,487)	204	(38,335)	271	(38,064)	(231)
Wandsworth	(71,896)	(1,039)	(72,935)	(79)	(67,652)	(1,310)	(68,962)	(1,825)
City of Westminster	(69,423)	(6,013)	(75,436)	(231)	(64,721)	213	(64,508)	1,423
<b>Total receivable</b>	<b>(1,581,883)</b>	<b>(7,903)</b>	<b>(1,589,786)</b>	<b>2,330</b>	<b>(1,490,253)</b>	<b>3,047</b>	<b>(1,487,206)</b>	<b>(5,112)</b>

## 15. Non-Domestic Rates income (NDR)

The CIES contains the Authority's share of 2025-26 non-domestic rates estimated collectable by the 32 London boroughs and the City of London Corporation when the 2025-26 original budget was set and the Authority's share of the actual net surplus or deficit on their collection funds in respect of non-domestic rates. In the Movement in Reserves Statement the 2025-26 share of the actual net surplus or deficit in respect of non-domestic rates is reversed from the General Fund balance and taken to the Collection Fund Adjustment account and the Authority's estimated share of the 2024-25 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2025 used for budgeting purposes - is brought in as the amount required by statute to be credited to the General Fund. An analysis of the NDR income received in is contained in this table:

	2025-26 NDR Income	2025-26 (Surplus) / Deficit	2025-26 NDR income recognised in CIES	Share of 2024-25 Estimated (Surplus) / Deficit	2024-25 NDR Income	2024-25 (Surplus) / Deficit	2024-25 NDR income recognised in CIES	Share of 2023-24 Estimated (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000	£000	£000
Corporation of London	(480,090)	(8,042)	(488,132)	(23,703)	(443,347)	(29,851)	(473,198)	(25,404)
Barking & Dagenham	(29,514)	1,084	(28,430)	695	(28,209)	(211)	(28,420)	(3,021)
Barnet	(42,008)	(7)	(42,015)	1,436	(38,261)	333	(37,928)	(2,673)
Bexley	(35,221)	2,052	(33,169)	(646)	(35,459)	1,300	(34,159)	3,343
Brent	(55,407)	213	(55,194)	761	(52,743)	5,345	(47,398)	(429)
Bromley	(35,779)	51	(35,728)	2,140	(32,587)	(1,046)	(33,633)	(991)
Camden	(242,193)	(3,588)	(245,781)	(38,537)	(228,741)	17,007	(211,734)	20,950
Croydon	(44,706)	(27)	(44,733)	(2,328)	(40,857)	(811)	(41,668)	2,242
Ealing	(67,778)	960	(66,818)	701	(62,835)	(390)	(63,225)	(2,294)
Enfield	(48,884)	(1,245)	(50,129)	1,967	(47,273)	1,253	(46,020)	(2,273)
Greenwich	(38,293)	(493)	(38,786)	(3,477)	(35,414)	(5,368)	(40,782)	5,094
Hackney	(68,107)	219	(67,888)	(8,946)	(63,066)	(3,603)	(66,669)	(3,143)
Hammersmith & Fulham	(88,526)	(9,834)	(98,360)	(12,329)	(81,933)	(10,444)	(92,377)	(10,830)
Haringey	(29,205)	1,891	(27,314)	(2,203)	(25,554)	(2,010)	(27,564)	(2,618)
Harrow	(19,153)	1,166	(17,987)	57	(16,306)	533	(15,773)	1,452
Havering	(33,666)	2,689	(30,977)	1,522	(30,986)	2,224	(28,762)	(5,348)
Hillingdon	(153,966)	5,849	(148,117)	492	(142,985)	7,259	(135,726)	(7,198)
Hounslow	(79,855)	(5,721)	(85,576)	(6,728)	(67,915)	(8,585)	(76,500)	8,615
Islington	(106,707)	(2,315)	(109,022)	(3,923)	(100,458)	(5,325)	(105,783)	(8,864)
Kensington & Chelsea	(103,298)	(7,403)	(110,701)	(10,302)	(91,521)	(8,763)	(100,284)	16,044
Kingston Upon Thames	(30,374)	(46)	(30,420)	(1,132)	(27,243)	(1,778)	(29,021)	(287)
Lambeth	(69,297)	2,435	(66,862)	(1,723)	(64,719)	190	(64,529)	5,526
Lewisham	(22,082)	(1,426)	(23,508)	802	(21,557)	(43)	(21,600)	1,072
Merton	(40,446)	602	(39,844)	(503)	(36,609)	(272)	(36,881)	(1,911)
Newham	(68,425)	46	(68,379)	180	(64,205)	1,888	(62,317)	(3,631)
Redbridge	(21,882)	265	(21,617)	746	(19,687)	1,069	(18,618)	(1,129)
Richmond Upon Thames	(33,112)	773	(32,339)	(1,808)	(30,403)	1,359	(29,044)	3,461
Southwark	(128,269)	(5,365)	(133,634)	12,364	(126,755)	10,189	(116,566)	2,371
Sutton	(25,933)	258	(25,675)	(1,021)	(24,498)	51	(24,447)	1,663
Tower Hamlets	(162,192)	7,114	(155,078)	15,667	(160,283)	4,110	(156,173)	11,993
Waltham Forest	(24,792)	(239)	(25,031)	761	(22,718)	(482)	(23,200)	(361)
Wandsworth	(44,199)	(1,390)	(45,589)	(490)	(40,703)	(3,506)	(44,209)	7,237
City of Westminster	(756,854)	12,610	(744,244)	43,399	(724,930)	1,753	(723,177)	(56,581)
<b>Amounts receivable</b>	<b>(3,230,213)</b>	<b>(6,864)</b>	<b>(3,237,077)</b>	<b>(36,109)</b>	<b>(3,030,760)</b>	<b>(26,625)</b>	<b>(3,057,385)</b>	<b>(47,923)</b>

## 16. Grant Income

The Authority credited the following grants and contributions to the CIES:

<b>Credited to Taxation &amp; Non Specific Grant Income</b>	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Non-ringfenced government grants (Revenue):</b>		
MHCLG* - S31 grant NDR reliefs	538,209	638,204
MHCLG - NDR losses grant	(6,866)	-
MHCLG - Employers NIC grant	18,803	-
MHCLG - NDR national levy account surplus	-	4,430
MHCLG - Minimum Funding Guarantee	-	24,238
MHCLG - General Services grant	56	3,708
MHCLG - Right to Buy revenue	-	4,024
MHCLG - Other revenue grants	-	8
<b>Total Non-ringfenced government grants (Revenue)</b>	<b>550,201</b>	<b>674,610</b>
	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Capital grants and contributions</b>		
BEIS - Sustainable Warmth	-	358
DESNZ Warm Homes	8,037	-
DOH*- Care & Support Fund	9,730	6,701
ERDF Grant	-	6,511
Housing Grant reclaims	202,459	140,066
London Boroughs contributions for Elephant & Castle roundabout	2,008	4,800
MHCLG - Cladding remediation grant-Private Sector	31,375	26,119
MHCLG - Cladding remediation grant-Social Sector	47,382	-
MHCLG - Local Authority Housing Grant	-	(74,286)
MHCLG - London Estate Regeneration Fund	25,000	25,000
MHCLG - Building Safety Fund	96,498	114,269
MHCLG - Capital grants (Housing)	1,570,536	654,016
MHCLG - Housing Infrastructure Fund - Marginal Viability Funding	766	4,274
MHCLG - Shared Prosperity Fund	20,095	19,122
MHCLG - Single Homelessness Accommodation Programme	-	41,771
Other Contributions	20,687	1,773
Recycled Capital Grant	87,938	101,463
<b>Total Capital grants and contributions</b>	<b>2,122,511</b>	<b>1,071,957</b>
<b>Total grants credited to Taxation &amp; Non Specific Grant Income</b>	<b>2,672,712</b>	<b>1,746,567</b>

<b>Credited to Services</b>	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
DBT Made Smarter Programme	1,251	-
DCMS UEFA Champions League Final	-	1,402
DESNZ Warm Homes LG 25-28	2,674	-
DfE Adult Education	339,086	339,033
DfE Careers Hubs Funding	2,214	-
DfE Multiply	-	14,283
DWP European Social Fund	-	(5)
DWP GBW Trailblazer	29,889	-
LEIB London Estates Dev Unit	3,260	-
MHCLG Atlas London	4,984	-
MHCLG Building Safety - Non ACM	3,921	3,828
MHCLG Domestic Abuse Duty	26,813	21,560
MHCLG Homelessness & Rough Sleeping	30,121	20,873
MHCLG New Towns research	1,033	-
MHCLG Shared Prosperity Fund	38,507	36,714
MHCLG Skills Bootcamp	25,630	9,934
Home Office	-	382
Other contributions	9,454	10,164
<b>Total grants credited to services</b>	<b>518,837</b>	<b>458,168</b>

The following receipt is repayable and is held as a creditor in the balance sheet.

#### **Grants Receipts In Advance (Revenue Grants)**

Other grants and contributions	15	15
<b>Total</b>	<b>15</b>	<b>15</b>

\*BEIS Department for Business, Energy & Industrial Strategy; DBT Department for Business and Trade; DESNZ Department for Energy Security and Net Zero; DfE Dept for Education; DOH Department of Health; DWP Dept for Works and Pensions; ; MHCLG Ministry of Housing Communities and Local Government; LEIB London Estates and Infrastructure Board ; DBT Department for Business and Trade DCMS Department of Culture Media and Sport

## 17. Elections

The table below contains a summary of the expenditure and income incurred in year relating to the delivery of the Mayor of London and London Assembly elections in May 2024. Most 2024-25 election costs comprised payments to boroughs for operating polling stations and counting ballot papers at fourteen count centres across London. In 2024-25, the estimated costs payable to boroughs were overstated, resulting in an over-accrual at the year end. This over-accrual has been reversed in 2025-26, leading to a reduction in election expenditure in the current year. The GLA is obliged by law to reimburse all reasonable costs incurred by boroughs in respect of these activities.

	2025/26	2024/25
	£000	£000
<b>Gross Income</b>	<b>(12)</b>	<b>(240)</b>
<b>Gross Expenditure</b>		
Staff	238	398
Premises	8	129
Reimbursement of London Borough costs	(2,277)	27,450
Fees and charges	(13)	-
Supplies and Services	-	5,816
<b>Gross Expenditure</b>	<b>(2,043)</b>	<b>33,792</b>
<b>Net Expenditure</b>	<b>(2,056)</b>	<b>33,552</b>
Net contribution to/ (from) Reserves	11,556	(26,752)
<b>Amount to be met by Grant and Taxpayer</b>	<b>9,500</b>	<b>6,800</b>

## 18. Operating Leases

### Group as Lessor

Details of some of the properties leased out as operating leases include:

#### **GLA Land and Property Limited's key lease arrangements where it acts as lessor:**

- Thames Wharf – Dock Road and Scarab Close - the site is currently occupied by a number of industrial type occupiers comprising waste management, aggregate storage and a concrete batching facility
- Wick Lane, Poplar London - a 3 bedroomed semi-detached house
- North Middlesex Hospital – rented to an NHS Trust
- The Crystal Building – rented to the GLA
- Charles Street – occupied by an industrial type business and
- Royal Docks – Albert Island and Thames Barrier Park – various properties currently occupied by a number of commercial and industrial type businesses

#### **London Legacy Development Corporation's key lease arrangements where it acts as lessor:**

- Copper Box Arena - Greenwich Leisure Limited was appointed as the operator of the Copper Box Arena, in March 2024, under a 10-year arrangement
- Stadium Island - leased to London Stadium LLP under a 102-year lease arrangement until 2115
- Here East - leased to iCITY (London) Limited over a 200-year lease
- Multi Storey Car Park - a proportion of spaces leased to iCITY (London) Limited
- On and Off Park rentals - currently leased by a mixture of industrial, commercial and residential tenants under varying terms
- Riverside East, Kiosks and Timber Lodge - all leased on short-term arrangements
- ArcelorMittal Orbit - leased to Zipworld in January 2025 on a 10-year lease agreement
- Retail Units - LLDC's wholly owned subsidiary Stratford Waterfront Retail Management Company manages six units of which four units are leased on short term arrangements.
- Public Realm Office – LLDC is the freeholder of East Bank Public Realm. An office space is leased to Stratford Waterfront Management Company (made up of East Bank tenants) who are responsible for maintaining and running the Public Realm.

The total undiscounted minimum lease payments receivable under non-cancellable leases in future years are:

<b>The total future minimum lease payments receivable under non-cancellable leases in future years are:</b>	<b>Group 31 March 2026 £000</b>	<b>Group 31 March 2025 £000</b>
Not later than one year	8,502	8,108
Later than one year and not later than two years	6,904	6,246
Later than two years and not later than three years	5,751	5,355
Later than three years and not later than four years	4,268	3,472
Later than four years and not later than five years	4,138	3,447
Later than five years	115,245	89,377
	<b>144,808</b>	<b>116,005</b>

The income credited to the CIES during the year in relation to these leases amounted to:

	<b>Group 2025-26 £000</b>	<b>Group 2024-25 £000</b>
Rent receivable in year	17,641	14,028
	<b>17,641</b>	<b>14,028</b>

## 19. Mayor and Assembly Members' remuneration and expenses

The table below shows the total amount of remuneration and expenses reclaimed by the Mayor and Assembly members during the year. The amount for travel cards is the cash value of travel cards issued during the year.

		Salary	Resettlement Grant	Employer Pension Contributions	Travel Card	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Hotels	Other	Total
		£	£	£	£	£	£	£	£	£	£
<b>Mayor</b>	Khan, Sadiq	168,580	-	20,230	-	-	166	6,290	890	907	197,062
<b>Statutory Deputy Mayor</b>	McCartney, Joanne	117,635	-	14,116	2,568	-	236	370	-	-	134,925
<b>Current Assembly Members</b>											
Assembly Member	Ahmad, Marina	66,115	-	7,934	3,264	-	-	-	-	-	77,313
Assembly Member	Bailey, Shaun	66,115	-	-	3,264	-	-	-	-	-	69,379
Assembly Member	Baker, Elly	66,115	-	7,934	3,264	-	-	370	-	-	77,683
Assembly Member	Best, Emma	66,115	-	-	-	-	-	-	-	-	66,115
Assembly Member	Boff, Andrew	67,678	-	8,121	-	-	-	-	-	-	75,799
Assembly Member	Bokhari, Hina	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Clarke, Anne	66,115	-	7,934	2,568	-	-	-	-	-	76,617
Assembly Member	Cooper, Leonie	66,115	-	7,934	2,568	-	-	-	-	-	76,617
Assembly Member	Desai, Unmesh	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Duvall, Len	77,725	-	9,327	-	-	-	-	-	-	87,052
Assembly Member	Garbett, Zoë	66,115	-	7,934	-	-	120	-	80	-	74,249
Assembly Member	Garratt, Neil	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Georgiou, Alessandr	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Hall, Susan	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Hirani, Krupesh	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Mahfouz, Bassam	66,115	-	7,934	3,264	-	-	370	-	-	77,683
Assembly Member	Moema, Sem	66,115	-	7,934	3,056	-	-	-	-	-	77,105
Assembly Member	Polanski, Zack	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Prince, Keith	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Roberts, Gareth	66,115	-	-	-	-	-	-	-	-	66,115
Assembly Member	Russell, Caroline	66,115	-	7,934	-	-	370	-	-	-	74,419
Assembly Member	Small-Edwards, Jame	66,115	-	7,934	-	-	-	-	-	-	74,049
Assembly Member	Turrell, Thomas	66,115	-	7,934	3,264	-	-	-	-	-	77,313
Assembly Member	Wilson, Alex	66,115	-	7,934	2,568	-	-	-	-	36	76,653
<b>Total 2025/2026</b>		<b>1,886,148</b>	<b>-</b>	<b>202,536</b>	<b>29,648</b>	<b>-</b>	<b>892</b>	<b>7,400</b>	<b>970</b>	<b>943</b>	<b>2,128,537</b>
<b>Total 2024/2025</b>		<b>1,829,077</b>	<b>228,649</b>	<b>185,183</b>	<b>27,767</b>	<b>22</b>	<b>812</b>	<b>1,717</b>	<b>1,443</b>	<b>758</b>	<b>2,275,428</b>

## 20. Senior Officers' Remuneration

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

2025/26

Post	Name of Post Holder	Salary (Including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
		£	£	£	£
<b>GLA Staff</b>					
<b>Chief Officer</b>	Mary Harpley	220,381	-	20,936	<b>241,318</b>
<b>Chief Finance Officer</b>	Fay Hammond	182,643	-	-	<b>182,643</b>
<b>Executive Director, Assembly Secretariat</b>	Helen Ewen	148,849	-	14,141	<b>162,989</b>
<b>Executive Director, Good Growth</b>	Philip Graham	165,388	-	15,712	<b>181,099</b>
<b>Executive Director, Housing and Land</b>	Tim Steer	165,374	-	15,712	<b>181,086</b>
<b>Executive Director, Corporate Resources &amp; Business Improvement</b>	Dianne Tranmer	165,388	-	15,712	<b>181,099</b>
<b>Interim Executive Director, Strategy &amp; Communications</b> (until 27/06/2025) Note 1	Rachael Hickman	146,269	-	13,895	<b>160,164</b>
<b>Executive Director, Strategy &amp; Communications</b> (from 02/06/2025)	Chandru Dissanayeke	133,657	-	12,697	<b>146,355</b>
<b>Executive Director, Communities &amp; Skills</b>	Tunde Olayinka	165,388	-	15,712	<b>181,099</b>
<b>Mayoral Team</b>					
<b>Statutory Deputy Mayor/ Deputy Mayor for Children and Families</b>	Joanne McCartney	See note 19			
<b>Chief of Staff</b>	David Bellamy	159,737	-	15,175	<b>174,912</b>
<b>Deputy Chief of Staff</b>	Richard Watts	155,025	-	14,727	<b>169,752</b>
<b>Deputy Mayor for Business and Growth</b>	Howard Dawber OBE	150,861	-	14,332	<b>165,192</b>
<b>Deputy Mayor for Housing and Residential Development</b>	Tom Copley	150,861	-	14,332	<b>165,192</b>
<b>Deputy Mayor for Planning, Regeneration and the Fire Service</b>	Jules Pipe CBE	150,861	-	14,332	<b>165,192</b>
<b>Deputy Mayor for Environment and Energy</b>	Metee Coban MBE	150,861	-	-	<b>150,861</b>
	Debbie Weekes-				
<b>Deputy Mayor for Communities and Social Justice</b>	Bernard	150,861	-	14,332	<b>165,192</b>
<b>Deputy Mayor for Transport</b>	Seb Dance	150,861	-	-	<b>150,861</b>
<b>Deputy Mayor for Culture and the Creative Industries</b>	Justine Simons OBE	150,861	-	14,332	<b>165,192</b>
<b>Mayoral Director for Communications and Strategy</b>	Sarah Brown	150,280		14,277	<b>164,557</b>
<b>Mayoral Director for Operations</b>	Ali Picton	151,409	-	14,384	<b>165,792</b>
<b>Mayoral Director for Government, Political and Strategic Engagement</b>	Felicity Appleby	150,861	-	14,332	<b>165,192</b>
<b>Mayoral Director of Global Relations &amp; Communities</b>	Nadeem Javaid MBE	150,861	-	14,332	<b>165,192</b>
<b>Deputy Mayor for Policing and Crime</b>	Kaya Comer-Shwartz	Remuneration paid by the Mayor's Office for Policing and Crime			

Note 1: Full year salary includes previous post as Head of Housing Delivery & Compliance

2024/25

Post	Name of Post Holder	Salary (Including fees and allowances)	Compensation for loss of office	Employer Pension Contributions	Total Remuneration including pension contributions
		£	£	£	£
<b>GLA Staff</b>					
<b>Chief Officer</b>	Mary Harpley	244,948	-	23,270	<b>268,218</b>
<b>Chief Finance Officer</b> (from 30/09/2024)	Fay Hammond	85,942	-	5,552	<b>91,494</b>
<b>Executive Director, Assembly Secretariat</b>	Helen Ewen	154,213	-	14,650	<b>168,863</b>
<b>Executive Director, Good Growth</b>	Philip Graham	166,833	-	15,849	<b>182,682</b>
<b>Executive Director, Housing and Land</b>	Tim Steer	166,833	-	15,849	<b>182,682</b>
<b>Executive Director, Corporate Resources &amp; Business Improvement</b> (from 01/07/2024)	Dianne Tranmer	117,979	-	11,208	<b>129,187</b>
<b>Interim Executive Director, Strategy &amp; Communications</b> (from 06/01/2025) Note 1	Rachael Hickman	137,544	-	13,067	<b>150,611</b>
<b>Executive Director, Communities &amp; Skills</b>	Tunde Olayinka	166,833	-	15,849	<b>182,682</b>
<b>Former GLA Staff</b>					
<b>Interim Chief Finance Officer</b> (to 25/10/2024)	Enver Enver	104,376	-	9,936	<b>114,312</b>
<b>Executive Director, Strategy and Communications</b> (to 31/01/2025)	Niran Mothada	152,080	-	14,448	<b>166,528</b>
<b>Mayoral Team</b>					
<b>Statutory Deputy Mayor/ Deputy Mayor, Education and Childcare</b>	Joanne McCartney	See note 19			
<b>Chief of Staff</b>	David Bellamy	155,789	-	14,972	<b>170,761</b>
<b>Deputy Chief of Staff</b>	Richard Watts	151,203	-	14,364	<b>165,567</b>
<b>Deputy Mayor for Business</b>	Howard Dawber	147,142	-	13,978	<b>161,120</b>
<b>Deputy Mayor for Housing and Residential Development</b>	Tom Copley	147,142	-	13,978	<b>161,120</b>
<b>Deputy Mayor for Planning, Regeneration and the Fire Service</b>	Jules Pipe	147,142	-	13,978	<b>161,120</b>
<b>Deputy Mayor for Environment and Energy</b> (from 25/07/2024 )	Mete Coban	97,420	-	7,103	<b>104,523</b>
	Debbie Weekes-				
<b>Deputy Mayor for Communities and Social Justice</b>	Bernard	147,142	-	13,978	<b>161,120</b>
<b>Deputy Mayor for Transport</b>	Seb Dance	147,142	-	-	<b>147,142</b>
<b>Deputy Mayor for Culture and the Creative Industries</b>	Justine Simons	147,142	-	13,978	<b>161,120</b>
<b>Mayoral Director for Communications</b>	Sarah Brown	146,467	-	13,914	<b>160,381</b>
<b>Mayoral Director for Operations</b>	Ali Picton	145,390	-	13,812	<b>159,202</b>
<b>Mayoral Director for Political and Public Affairs</b>	Felicity Appleby	145,390	-	13,812	<b>159,202</b>
<b>Mayoral Director of Global Relations &amp; Communities</b> (from 01/12/2024) Note 2	Nadeem Javaid	121,417	-	11,535	<b>132,952</b>
<b>Deputy Mayor for Policing and Crime</b> (from 24/10/2024)	Kaya Comer-Shwartz	Remuneration paid by the Mayor's Office for Policing and Crime			
<b>Former Mayoral Appointee</b>					
<b>Deputy Mayor for Environment and Energy</b> (to 05/05/2024)	Shirley Rodrigues	19,051	73,885	1,810	<b>94,746</b>
<b>Deputy Mayor for Fire and Resilience</b> (to 05/05/2024)	Fiona Twycross	12,574	44,330	1,195	<b>58,099</b>
<b>Deputy Mayor for Policing and Crime</b> (to 18/10/2024)	Sophie Linden	Remuneration paid by the Mayor's Office for Policing and Crime			

Note 1: Full year salary includes previous post as Head of Housing Delivery &amp; Compliance

Note 2: Full year salary includes previous post as Senior Advisor to Mayor

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions but including termination payments) were paid the following amount

<b>Remuneration Band</b>	<b>2025/26</b>	<b>2024/25</b>
£	<b>Number of</b>	<b>Number of</b>
	<b>Employees</b>	<b>Employees</b>
50,000 - 54,999	165	181
55,000 - 59,999	206	194
60,000 - 64,999	180	161
65,000 - 69,999	188	150
70,000 - 74,999	106	68
75,000 - 79,999	40	25
80,000 - 84,999	35	55
85,000 - 89,999	53	28
90,000 - 94,999	36	36
95,000 - 99,999	29	22
100,000 - 104,999	9	15
105,000 - 109,999	8	9
110,000 - 114,999	6	0
115,000 - 119,999	6	0
120,000 - 124,999	2	4
125,000 - 129,999	6	9
130,000 - 134,999	6	9
135,000 - 139,999	9	1
140,000 - 144,999	3	1
145,000 - 149,999	-	3
150,000 - 154,999	3	-
155,000 - 159,999	-	-
160,000 - 164,999	-	1
165,000 - 169,999	1	1
170,000 - 174,999	1	-
175,000 - 179,999	-	1
230,000 - 234,999	-	1
	<b>1,098</b>	<b>975</b>

## Termination Benefits

The table below details the number and cost of compulsory and voluntary severances packages agreed during the year for staff.

Exit package cost band  (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2025/2026	2024/2025	2025/2026	2024/2025	2025/2026	2024/2025	2025/2026 £	2024/2025 £
£0 - £20,000	6	2	24	12	30	14	287,364	125,475
£20,001 - £40,000	2	2	11	2	13	4	383,362	114,653
£40,001 - £60,000	2	-	4	1	6	1	317,073	56,394
£60,001 - £80,000	-	-	3	1	3	1	202,855	78,543
£80,001 - £100,000	-	-	-	2	-	2	-	175,705
£100,001 - £150,000	-	1	-	-	-	1	-	138,125
£150,000+	-	-	1	1	1	1	324,709	240,423
<b>Total amount included in the CIES</b>	<b>10</b>	<b>5</b>	<b>43</b>	<b>19</b>	<b>53</b>	<b>24</b>	<b>1,515,363</b>	<b>929,318</b>

The total cost of exit packages includes pension strain payments (made to the pension fund, not the exiting member of staff) of £0.3 million in 2025-26 (£0.2 million in 2024-25).

## 21. Pensions

As part of the terms and conditions of employment of its elected members, officers and other employees, the Group makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the group has a commitment to make the payments that needs to be disclosed at the time the employees earn their future entitlement.

### Local Government Pension Scheme (LGPS)

The LGPS, administered by the London Pensions Fund Authority, is a defined benefit statutory scheme – from 1 April 2014 the LGPS became a career average revalued earnings scheme (benefits built up to 31 March 2014 are protected under the final salary scheme) – meaning that the GLA, OPDC, LLDC and OSDC employees and elected officers pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. OSDC became a participating employer in the LGPS pension scheme on 1 January 2026,

The employer contributions payable to the London Pension Fund Authority are paid in at a percentage of employees’ pensionable earnings. The contribution rate is determined by the pension fund’s actuary based on triennial actuarial valuations, the latest triennial valuation at 31 March 2025 set the employer contribution rate for the period 1 April 2026 to 31 March 2029 for GLA, OPDC and LLDC as set out in the table below. OSDC’s employer contribution rate was determined on 1 January 2026 on becoming a participating employer.

Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The value of in-year employer contributions and the applicable contribution rates are set out in the table below.

	2025/26	2024/25	1 April 2026 - 31 March 2029	1 April 2023 - 31 March 2026
	£m	£m	%	%
GLA	8.8	7.3	10.3%	9.5%
OPDC	0.6	0.5	12.0%	10.4%
LLDC	2.5	3.0	12.0%	12.0%
OSDC	0.0	n/a	12.0%	-

## Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge made against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year:

2024/25 Authority £000	2024/25 Group £000	Cost of Retirement Benefits	2025/26 Authority £000	2025/26 Group £000
<b>Comprehensive Income and Expenditure Statement</b>				
<b>Cost of Services</b>				
9,119	11,278	Current service costs	6,781	7,905
130	146	Administration Fee	418	473
285	2,120	(Gain)/loss from settlements	272	1,484
<b>9,534</b>	<b>13,544</b>		<b>7,471</b>	<b>9,862</b>
<b>Financing and Investment Income and Expenditure</b>				
(3,979)	(4,230)	Net Interest Expense	(991)	(1,207)
<b>5,555</b>	<b>9,314</b>	<b>Total Post-employment Benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>6,480</b>	<b>8,655</b>
<b>Other Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>				
Remeasurement of the net defined benefit liability comprising:				
8,966	10,041	Return on plan assets (excluding the amount included in the net interest expense)	8,046	9,151
(71,975)	(82,909)	Actuarial (gains)/losses arising on changes in financial assumptions	(15,575)	(18,991)
(832)	(945)	Actuarial (gains)/losses arising on changes in demographic assumptions	3,978	4,535
(941)	(1,052)	Experience (gains)/losses on defined benefit obligation	17,800	21,322
-	-	Other actuarial (gains)/losses on assets	3,893	1,703
123,755	136,073	Changes in effect of asset ceiling	(15,786)	(14,555)
-	(486)	Deferred tax asset on the net defined benefit liability	-	-
<b>64,528</b>	<b>70,036</b>	<b>Total Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement</b>	<b>8,836</b>	<b>11,820</b>
<b>Movement in Reserves Statement</b>				
(5,555)	(9,314)	Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(6,480)	(8,655)
<b>Actual amount charged against the General Fund Balance for pensions in the year</b>				
<b>7,332</b>	<b>10,878</b>	Employers' contributions payable to the Local Government Pension Scheme	<b>8,836</b>	<b>11,892</b>

## Pensions Asset and Liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the GLA, OPDC, LLDC and OSDC's obligations in respect of their defined benefit plans is as follows:

2024/25	2024/25		2025/26	2025/26
Authority	Group		Authority	Group
£000	£000		£000	£000
(325,922)	(372,867)	Present value of the defined benefit obligation	(356,812)	(410,701)
449,677	508,940	Fair Value of scheme assets (bid value)	472,146	540,391
(123,755)	(136,073)	Impact of the asset ceiling	(115,334)	(129,618)
-	-	<b>Net (liability)/asset arising from defined benefit obligation</b>	-	<b>72</b>

## Reconciliation of fair value of the scheme (plan) assets:

2024/25	2024/25		2025/26	2025/26
Authority	Group		Authority	Group
£000	£000		£000	£000
<b>432,118</b>	<b>485,395</b>	<b>Opening fair value of scheme assets</b>	<b>449,677</b>	<b>508,940</b>
22,488	25,288	Interest Income	26,995	30,653
		<i>Remeasurement gain/(loss):</i>		
(8,966)	(10,041)	Return on plan assets, excluding the amount included in the net interest expense	(8,046)	(9,151)
(130)	(146)	Administration expenses	(418)	(473)
-	-	Other actuarial gains/(losses)	(3,893)	(1,703)
7,332	10,878	Contributions from employer	8,836	11,892
6,354	7,892	Contributions from employees into the scheme	7,662	8,996
(9,519)	(10,326)	Benefits paid	(8,667)	(8,988)
-	-	Settlement prices received/(paid)	-	225
<b>449,677</b>	<b>508,940</b>	<b>Closing fair value of scheme assets</b>	<b>472,146</b>	<b>540,391</b>

## Reconciliation of present value of the scheme liabilities (defined benefit obligation)

2024/25 Authority £000	2024/25 Group £000		2025/26 Authority £000	2025/26 Group £000
<b>(374,922)</b>	<b>(425,751)</b>	<b>Opening balance at 1 April</b>	<b>(325,922)</b>	<b>(372,867)</b>
(9,119)	(11,278)	Current service cost	(6,781)	(7,905)
(18,509)	(21,058)	Interest cost	(18,639)	(21,346)
(6,354)	(7,892)	Contributions from scheme participants	(7,662)	(8,996)
832	945	Actuarial gains/(losses) arising from changes in demographic assumptions	(3,978)	(4,535)
71,975	82,909	Actuarial gains/(losses) arising from changes in financial assumptions	15,575	18,991
941	1,052	Experience gains/(loss) on defined benefit obligation	(17,800)	(21,322)
(285)	(2,120)	Past service costs, including curtailments	(272)	(1,484)
-	-	Liabilities (assumed)/extinguished on settlements	-	(164)
9,519	10,326	Estimated benefits paid net of transfers in	8,667	8,988
<b>(325,922)</b>	<b>(372,867)</b>	<b>Closing balance at 31 March</b>	<b>(356,812)</b>	<b>(410,640)</b>

**Local Government Pension Scheme assets comprised (Bid Value):**

<b>Group</b>		<b>2025/26</b>		<b>2025/26</b>		<b>2025/26</b>	<b>2024/25</b>	<b>2024/25</b>	<b>2024/25</b>
	<b>%</b>	<b>Group Quoted Prices</b>	<b>%</b>	<b>Group Unquoted Prices</b>	<b>Total</b>	<b>Group Quoted Prices</b>	<b>Group Unquoted Prices</b>	<b>Total</b>	
		<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	
<b>Equities</b>									
<i>Basic Materials</i>	1.29%	6,971	-	-	6,971	3,156	-	3,156	
<i>Consumer Discretionary</i>	7.01%	37,881	-	-	37,881	43,820	-	43,820	
<i>Consumer Staples</i>	2.10%	11,348	-	-	11,348	14,658	-	14,658	
<i>Energy</i>	0.58%	3,134	-	-	3,134	2,239	-	2,239	
<i>Financials</i>	6.60%	35,666	-	-	35,666	40,666	-	40,666	
<i>Health Care</i>	3.47%	18,751	-	-	18,751	20,256	-	20,256	
<i>Industrial</i>	9.21%	49,770	-	-	49,770	54,894	-	54,894	
<i>Real Estate</i>	0.45%	2,433	-	-	2,433	2,138	-	2,138	
<i>Technology</i>	15.75%	85,112	-	-	85,112	79,068	-	79,068	
<i>Materials</i>	0.00%	-	-	-	-	2,203	-	2,203	
<i>Telecommunication</i>	0.40%	2,162	-	-	2,162	3,483	-	3,483	
<i>Utilities</i>	0.58%	3,134	-	-	3,134	421	-	421	
<i>Fixed Income &amp; Other</i>	0.00%	-	-	-	-	407	-	407	
Trade Cash/Pending	0.55%	2,973	-	-	2,973	3,665	-	3,665	
Private Equity	-	-	5.42%	29,289	29,289	-	29,161	29,161	
Fixed Income		20,750		-	20,750	19,289	-	19,289	
Investment/Hedge funds and Unit trusts	3.84%	-	-	-	-	102	-	102	
Credit	0.00%	-	-	93,110	93,110	-	73,035	73,035	
Infrastructure	-	-	17.23%	63,496	63,496	-	58,072	58,072	
Property Fund/Real Estate	-	-	11.75%	55,714	55,714	-	46,365	46,365	
Environmental Opportunities	-	-	10.31%	486	486	-	-	-	
Cash	0.00%	17,509	0.09%	-	17,509	11,656	-	11,656	
Cash at bank	3.24%	-	-	-	-	-	-	-	
LDI	-	-	-	-	-	-	-	-	
Currency (forward contracts)	0.00%	-	0.13%	702	702	-	186	186	
BlackRock DDG	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>55.07%</b>	<b>297,594</b>	<b>44.93%</b>	<b>242,797</b>	<b>540,391</b>	<b>302,121</b>	<b>206,819</b>	<b>508,940</b>	

**Local Government Pension Scheme assets comprised (Bid Value):**

<b>Authority</b>		<b>2025/26 Authority Quoted Prices £000</b>	<b>%</b>	<b>2025/26 Authority Unquoted Prices £000</b>	<b>2025/26 Total £000</b>	<b>2024/25 Authority Quoted Prices £000</b>	<b>2024/25 Authority Unquoted Prices £000</b>	<b>2024/25 Total £000</b>
<b>Equities</b>								
<i>Basic Materials</i>	1.29%	6,091	-	-	6,091	2,788	-	2,788
<i>Consumer Discretionary</i>	7.01%	33,097	-	-	33,097	38,717	-	38,717
<i>Consumer Staples</i>	2.10%	9,915	-	-	9,915	12,951	-	12,951
<i>Energy</i>	0.58%	2,738	-	-	2,738	1,979	-	1,979
<i>Financials</i>	6.60%	31,162	-	-	31,162	35,929	-	35,929
<i>Health Care</i>	3.47%	16,383	-	-	16,383	17,897	-	17,897
<i>Industrial</i>	9.21%	43,485	-	-	43,485	48,497	-	48,497
<i>Real Estate</i>	0.45%	2,125	-	-	2,125	1,889	-	1,889
<i>Technology</i>	15.75%	74,363	-	-	74,363	69,856	-	69,856
<i>Materials</i>	0.00%	-	-	-	-	2,203	-	2,203
<i>Telecommunication</i>	0.40%	1,889	-	-	1,889	3,193	-	3,193
<i>Utilities</i>	0.58%	2,738	-	-	2,738	-	-	-
<i>Fixed Income &amp; Other</i>	0.00%	-	-	-	-	360	-	360
Trade Cash/Pending	0.55%	2,597	-	-	2,597	3,238	-	3,238
Private Equity	-	-	5.42%	25,590	25,590	-	25,766	25,766
					-			
Fixed Income	3.84%	18,130	-	-	18,130	17,043	-	17,043
Investment/Hedge funds and Unit trusts	0.00%	-	-	-	-	90	-	90
Credit	-	-	17.23%	81,351	81,351	-	64,529	64,529
Infrastructure	-	-	11.75%	55,477	55,477	-	51,308	51,308
Property Fund/Real Estate	-	-	10.31%	48,678	48,678	-	40,966	40,966
Environmental Opportunities	-	-	0.09%	425	425	-	-	-
Cash	3.24%	15,298	-	-	15,298	10,298	-	10,298
Cash at bank	-	-	-	-	-	-	-	-
LDI	-	-	-	-	-	-	-	-
Currency (forward contracts)	-	-	0.13%	614	614	-	180	180
BlackRock DDG	0.00%	-	-	-	-	-	-	-
<b>Total</b>	<b>55.07%</b>	<b>260,011</b>	<b>44.93%</b>	<b>212,135</b>	<b>472,146</b>	<b>266,928</b>	<b>182,749</b>	<b>449,677</b>

### **Basis for Estimating Assets and Liabilities**

The actuarial valuation, undertaken by Barnett Waddingham, an independent actuarial firm, involves determining the value of pension benefits that have been accrued by LGPS members and comparing this to the value of the assets held in respect of these pension benefits.

When carrying out a funding valuation, they receive data for each individual member and information on their accrued pension benefits. They then project each members' benefits into the future based on a set of assumptions (e.g., salary increases and pension increases) and allowing for the probability that these future benefits will be paid (e.g. the probability of a death benefit being paid on a death in active service). Through an approach known as 'discounting', these projected benefit cashflows are summarised into a figure known as the "present value of obligations", or more commonly the "liability", and this represents the value of the future benefits at the current valuation date. A discount rate assumption is used which represents the future investment return on the fund's assets.

In the case of the accounting valuation used for figures reported in these statements, the full valuation of member data, as described in the preceding paragraph, is not plausible and therefore a roll forward approach is usually adopted instead. A roll-forward approach involves estimating an employer's assets and liabilities from the latest full valuation (i.e., using individual member data) which was carried out. This involves using cashflow information to estimate changes in the assets and liabilities since the latest full valuation.

The assets and the liabilities are then compared. If the assets are more than the liabilities, then there is a surplus and if they are less than the liabilities then there is a deficit. Under the rules of the Local Government Pension Scheme (LGPS), the Authority does not have an unconditional right to a refund of surplus contributions. This is due to the expectation that the Authority will continue to participate in the scheme for the foreseeable future, with no realistic prospect of exiting the fund.

In accordance with the requirements of IAS 19 Employee Benefits and IFRIC 14 – The Limit on a Defined Benefit Asset, an asset ceiling assessment has been performed. This assessment considers the availability of the surplus to the Authority in the form of either a refund or a reduction in future contributions.

As the Authority is not expected to benefit from any economic return from the surplus, the net defined benefit asset has been restricted to nil on the balance sheet.

**The principal assumptions used by the actuary in their calculations have been:**

	2025/26 Authority	2025/26 Group	2024/25 Authority	Restated 2024/25 Group*
Expected return on assets	6.20%	6.20% - 6.30%	5.90%	5.90% - 5.95%
<b>Mortality Assumptions</b>				
Longevity at 65 for current pensioners				
Men	22.5	21.5 - 23.0	22.1	22.0 - 22.6
Women	24.9	22.2 - 25.0	24.5	24.0 - 24.5
Longevity at 65 for future pensioners				
Men	23.6	23.1 - 24.1	22.6	22.3 - 23.5
Women	26.4	26.1 - 26.7	25.4	25.2 - 25.8
Rate of inflation - CPI	2.90%	2.90% - 2.95%	2.85%	2.85% - 2.90%
Rate of increase in salaries	3.90%	3.90% - 3.95%	3.85%	3.85% - 3.90%
Rate of increase in pensions	2.90%	2.90% - 2.95%	2.85%	2.85% - 2.90%
Rate for discounting scheme liabilities	6.20%	6.20% - 6.30%	5.90%	5.90% - 5.95%

\*The 2024-25 Group Expected return on assets has been restated from 4.95% to 5.90% - 5.95%.

The return on the fund (on a bid value to bid value basis) for the year to 31 March 2026 is:

GLA 4.20%  
 LLDC 4.20%  
 OPDC 4.20%  
 OSDC -3.00%

The return on the fund (on a bid value to bid value basis) for the year to 31 March 2025 was:

GLA 3.11%  
 LLDC 3.11%  
 OPDC 2.10%

## Sensitivity Analysis

The following tables report on the sensitivity of the value of the defined benefit obligation to increases or decreases in key assumptions.

### Impact on the Defined Benefit Obligation in the Scheme

	2025/26		
	Increase in Assumption £000	Actual £000	Decrease in Assumption £000
<b>Longevity (increase or decrease in 1 year)</b>			
Greater London Authority	(366,365)	(356,812)	(347,533)
London Legacy Development Corporation	(46,063)	(45,084)	(44,126)
Old Oak and Park Royal Development Corporation	(8,828)	(8,638)	(8,452)
Oxford Street Development Corporation	(170)	(167)	(164)
<b>GLA Group</b>	<b>(421,426)</b>	<b>(410,701)</b>	<b>(400,275)</b>
<b>Rate of increase in salaries (increase or decrease by 0.1%)</b>			
Greater London Authority	(357,050)	(356,812)	(356,576)
London Legacy Development Corporation	(45,125)	(45,084)	(45,043)
Old Oak and Park Royal Development Corporation	(8,643)	(8,638)	(8,633)
Oxford Street Development Corporation	(167)	(167)	(167)
<b>GLA Group</b>	<b>(410,985)</b>	<b>(410,701)</b>	<b>(410,419)</b>
<b>Rate of increase in pensions (increase or decrease by 0.1%)</b>			
Greater London Authority	(363,510)	(356,812)	(351,404)
London Legacy Development Corporation	(45,983)	(45,084)	(44,397)
Old Oak and Park Royal Development Corporation	(8,851)	(8,638)	(8,462)
Oxford Street Development Corporation	(174)	(167)	(160)
<b>GLA Group</b>	<b>(418,518)</b>	<b>(410,701)</b>	<b>(404,423)</b>
<b>Rate for discounting scheme liabilities (increase or decrease by 0.1%)</b>			
Greater London Authority	(350,457)	(356,812)	(363,345)
London Legacy Development Corporation	(44,224)	(45,084)	(45,969)
Old Oak and Park Royal Development Corporation	(8,439)	(8,638)	(8,843)
Oxford Street Development Corporation	(160)	(167)	(174)
<b>GLA Group</b>	<b>(403,280)</b>	<b>(410,701)</b>	<b>(418,331)</b>

## Impact on the Defined Benefit Obligation in the Scheme

	Increase in Assumption £000	2024/25 Actual £000	Decrease in Assumption £000
<b>Longevity (increase or decrease in 1 year)</b>			
Greater London Authority	(334,655)	(325,922)	(317,435)
London Legacy Development Corporation	(42,145)	(41,214)	(40,303)
Old Oak and Park Royal Development Corporation	(5,861)	(5,731)	(5,604)
<b>GLA Group</b>	<b>(382,661)</b>	<b>(372,867)</b>	<b>(363,342)</b>
<b>Rate of increase in salaries (increase or decrease by 0.1%)</b>			
Greater London Authority	(326,254)	(325,922)	(325,593)
London Legacy Development Corporation	(41,277)	(41,214)	(41,152)
Old Oak and Park Royal Development Corporation	(5,737)	(5,731)	(5,725)
<b>GLA Group</b>	<b>(373,268)</b>	<b>(372,867)</b>	<b>(372,470)</b>
<b>Rate of increase in pensions (increase or decrease by 0.1%)</b>			
Greater London Authority	(331,896)	(325,922)	(320,111)
London Legacy Development Corporation	(42,080)	(41,214)	(40,374)
Old Oak and Park Royal Development Corporation	(5,887)	(5,731)	(5,580)
<b>GLA Group</b>	<b>(379,863)</b>	<b>(372,867)</b>	<b>(366,065)</b>
<b>Rate for discounting scheme liabilities (increase or decrease by 0.1%)</b>			
Greater London Authority	(319,962)	(325,922)	(332,050)
London Legacy Development Corporation	(40,337)	(41,214)	(42,117)
Old Oak and Park Royal Development Corporation	(5,579)	(5,731)	(5,889)
<b>GLA Group</b>	<b>(365,878)</b>	<b>(372,867)</b>	<b>(380,056)</b>

## Impact on future cash flows

### Authority

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The latest triennial valuation has set the annual employer's contribution at 10.3% until 31 March 2029. Funding levels are monitored on an annual basis.

### Group

The total contributions expected to be made to the Local Government Pension Scheme, by the Authority and Group, in the year to 31 March 2027 are £9.6 million and £11.4 million respectively.

The weighted average duration of the defined benefit obligation for scheme members ranges from 19 to 43 years (20 to 29 years for 2024-25).

### **UK High Court (Virgin Media Limited v NTL Pensions Trustees II Limited)**

In June 2023, the UK High Court (Virgin Media Limited v NTL Pensions Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude on whether there is any impact to the liabilities or if it can be reliably estimated. As a result, the Authority, LLDC and OPDC do not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

### **Greater London Authority AVIVA master trust scheme**

The Greater London Authority AVIVA master trust scheme is a defined contribution scheme open to the Mayor and Assembly Members.

Employer contributions are payable at 12% of pensionable pay. A total of £0.18 million employer contributions were paid in 2025-26 (£0.17 million for 2024-25).

## 22. External Audit Costs

The Authority and Group have incurred the following costs in relation to the audit of the Statement of Accounts for services provided by external auditors.

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	882	1,946	721	1,737
Fees payable in respect of other services provided by the external auditors during the year	9	9	4	4
	<b>891</b>	<b>1,955</b>	<b>725</b>	<b>1,741</b>

**Authority 2025-26** – The £0.9 million Authority audit fee figure disclosed in the table above comprises the planned 2025-26 audit fee of £0.5 million, an estimated variation fee of £0.1 million for the 2025-26 audit, and an additional estimated variation fee of £0.3 million in respect of the 2024-25 audit. The latter remains subject to approval by the PSAA. Subject to such approval, the total audit fee for 2024-25 would be £0.7 million.

Additional fees of £0.01m were charged in relation to other audit work in 2024-25 in respect of 2021-22 and 2022-23 Summary Statement of Accounts.

**Authority 2024-25** – The 0.7 million Authority audit fee figure in the table above represents the £0.4 million planned fee for 2024-25 offset by a reduction of £0.03 million to the 2022-23 audit fee post Public Sector Audit Appointment (PSAA) review. An additional estimation of £0.3 million variation fee for 2023-24 has been proposed by our auditors and is subject to approval by PSAA, meaning that the total proposed 2023-24 audit fee for the Authority is £0.7 million. Additional fees of £4.5k were charged in relation to other audit work.

## 23. Agency arrangements

The GLA was the designated Intermediate Body (IB) for the management and administration of the European Regional Development Fund (ERDF) programmes in London and carried out the function on behalf of MHCLG under Article 123 of EC Regulation 1303/2013. In carrying out this function, the GLA acted as MHCLG's agent, making funding decisions and entering into contracts on behalf of MHCLG. Post the UK's withdrawal from the European Union, the Authority continues to act on behalf of MHCLG in respect of returned ERDF funds. The Authority has a duty to ensure that recycled funds continue to be used to support sustainable urban development.

### **London Green Fund (LGF) (formerly JESSICA Holding Fund London)**

The Joint European Support for Sustainable Investment in City Area (JESSICA) was a policy initiative of the European Commission, supported by the European Investment Bank (EIB), and designed to help the authorities in the Member States of the European Union to exploit financial engineering mechanisms to support investment in sustainable urban development in the context of the cohesion policy. Under this programme, Managing Authorities (MHCLG for England) were allowed to use some of their Structural Funds, principally those supported by the ERDF to invest in Urban Development Funds to accelerate investment in urban areas.

For the London region, MHCLG's ERDF investment was matched funded by the London Waste and Recycling Board (LWARB) and the London Development Agency (LDA). In October 2009, the LDA, LWARB and the EIB signed a funding agreement for the purpose of establishing the JESSICA Holding Fund, also known as the London Green Fund. On 1 July 2011, when the operational responsibilities for the ERDF transferred to the GLA, the responsibility for MHCLG's ERDF contribution transferred also.

£110 million has been invested and comprises £60 million of ERDF, £18 million of LWARB and £32 million of GLA (formerly LDA) funds. The LGF provides funding for three urban development funds that invest directly in waste, energy efficiency, decentralised energy and social housing programmes.

The Authority manages the fund on behalf of itself, LWARB and the ERDF (MHCLG).

During the year, the Authority received £1.4 million (£2.2 million in 2024-25) in interest on the balances invested and part payment of the original investment, net of fund manager fees; and at 31 March 2026, is holding balances totalling £19.8 million (£19.1 million at 31 March 2025).

During the year, ERDF receipts totalled £6.8 million (£2.2 million in 2024-25) and at 31 March 2026 the balance of ERDF cash totalled £0.4 million (£0.7 million at 31 March 2025), and is held as a creditor on behalf of the MHCLG.

### **Mayor of London's Energy Efficiency Fund (MEEF)**

The Mayor of London's Energy Efficiency Fund (MEEF) is a low carbon infrastructure fund providing repayable finance to viable projects across London. The Authority, in its role as Intermediate Body and MHCLG's agent, committed some £73.8 million of European Regional Development Fund (ERDF) funding to the MEEF (including via MD2165, MD2597 and MD3062) and on 29 June 2018 was admitted as a limited partner in the MEEF Limited Partnership.

The ERDF programme closed on 31 December 2023. The ERDF funding was paid directly from MHCLG to Amber Infrastructure Limited and was invested through the MEEF. Returns related to ERDF funding will be held as a creditor in the balance sheet.

## **24. Mayor's Community Infrastructure Levy (MCIL)**

In 2012, the Mayor agreed his MCIL charging schedule to be applied to developments consented on or after 1 April 2012 and was collected by London boroughs once development commences.

The setting of a London-wide Community Infrastructure Levy is a power given to the Mayor under the Planning Act 2008 designed to raise money for the infrastructure needed to develop an area.

The Levy was charged on most developments in London at the following rates, which were subject to annual indexation, in line with the Tender Price Index:

Zone 1 boroughs - £50 per square metre

Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames, Wandsworth

Zone 2 boroughs - £35 per square metre

Barnet, Brent, Bromley, Ealing, Greenwich, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets

Zone 3 boroughs - £20 per square metre

Barking and Dagenham, Bexley, Croydon, Enfield, Havering, Newham, Sutton, Waltham Forest

## **Mayor's Community Infrastructure Levy 2 (MCIL2)**

On 1 April 2019, following successfully passing an Examination in Public, MCIL2 replaced MCIL and the Crossrail Section 106 charge on office, retail and hotel development in certain parts of London. The MCIL2 rates apply to all planning permissions granted from 1 April 2019 and may also apply to some phased planning permissions granted before the 1 April 2019.

The new MCIL2 charges, which will also be subject to annual indexation, are as follows:

Zone 1 boroughs - £80 per square metre

Camden, City of London, City of Westminster, Hammersmith and Fulham, Islington, Kensington and Chelsea, Richmond-upon-Thames,

## Wandsworth

Zone 2 boroughs - £60 per square metre

Barnet, Brent, Bromley, Ealing, Enfield, Hackney, Haringey, Harrow, Hillingdon, Hounslow, Kingston upon Thames, Lambeth, Lewisham, Merton, Redbridge, Southwark, Tower Hamlets, Waltham Forest, London Legacy Development Corporation (LLDC), Old Oak and Park Royal Development Corporation (OPDC)

Zone 3 boroughs - £25 per square metre

Barking and Dagenham, Bexley, Croydon, Greenwich, Havering, Newham, Sutton

MCIL2 charging rates for office, retail and hotel in Central London and Isle of Dogs:

Office - £185 per square metre

Retail - £165 per square metre

Hotel - £140 per square metre

From 2019-20 the GLA has been permitted under regulations approved by Parliament (The Community Infrastructure Levy (Amendment) (England) Regulations 2019) to apply MCIL for capital financing purposes for the Elizabeth line (referred to in the legislation as 'the Crossrail project'). The Community Infrastructure Levy (Amendment) (England) Regulations 2021 laid before Parliament in March 2021 following the November 2020 Crossrail funding deal permit the Mayor to apply MCIL and MCIL2 revenues to finance and repay the GLA's Crossrail debt up to 31 March 2043.

In 2025-26, MCIL has raised £95.6 million, before deductions of £9.0 million allowable collection and administration costs – primarily relating to the work undertaken by the local collecting authorities (the 32 London boroughs, the City of London Corporation, LLDC and OPDC) - and a provision for non-collection. All residual income was directed towards financing the GLA's borrowing undertaken in relation to its contribution towards delivering the Elizabeth Line. MCIL is recognised in the CIES as income and is reported within the Taxation and Non-Specific Grant Income and Expenditure, see Note 13.

## 25. Property, Plant and Equipment

	-----Group----- 2025-26				-----Group----- 2024-25			
	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Assets Under Construction £000	Total Property, Plant and Equipment £000
<b>Cost or Valuation</b>								
<b>Balances at 31 March</b>	21,511	40,266	5,146	66,923	4,041	40,039	6,841	50,921
Reclassification of City Hall from Investment Property to PPE	-	-	-	-	17,624	-	-	17,624
<b>Balances at 1 April</b>	21,511	40,266	5,146	66,923	21,665	40,039	6,841	68,545
Additions	-	1,309	7,299	8,608	-	1,366	2,632	3,998
Revaluation increases/(decreases) recognised in the revaluation reserve	(1,061)	-	-	(1,061)	(153)	-	-	(153)
Revaluation increases/(decreases) recognised in the (Surplus)/Deficit on the Provision of Services	(628)	-	-	(628)	-	-	-	-
Derecognition- disposals	-	-	-	-	(1)	(1,139)	-	(1,140)
Derecognition- other	-	(326)	(6)	(332)	-	-	6	6
Other movements in cost or valuation	-	-	-	-	-	-	(4,333)	(4,333)
<b>At 31 March</b>	<b>19,822</b>	<b>41,249</b>	<b>12,439</b>	<b>73,510</b>	<b>21,511</b>	<b>40,266</b>	<b>5,146</b>	<b>66,923</b>
<b>Accumulated Depreciation and Impairment</b>								
<b>Balances at 1 April</b>	(892)	(15,079)	(6)	(15,977)	(94)	(13,294)	-	(13,388)
Depreciation charged to the (Surplus)/Deficit on the Provision of Services	(825)	(2,216)	-	(3,041)	(828)	(2,525)	-	(3,353)
Depreciation written out to the Revaluation Reserve	-	-	-	-	30	-	-	30
Derecognition- disposals	-	77	-	77	-	1,139	-	1,139
Derecognition- other	-	326	6	332	-	(78)	(6)	(84)
Other movements in depreciation and impairment	-	-	-	-	-	(321)	-	(321)
<b>At 31 March</b>	<b>(1,716)</b>	<b>(16,892)</b>	<b>-</b>	<b>(18,608)</b>	<b>(892)</b>	<b>(15,079)</b>	<b>(6)</b>	<b>(15,977)</b>
<b>Net Book Value</b>								
At 1 April	20,619	25,187	5,140	50,947	21,571	26,745	6,841	55,157
At 31 March	18,106	24,357	12,439	54,902	20,619	25,187	5,140	50,947

### Revaluations

Valuations of land and buildings held for operational or administrative purposes are undertaken every year at 31 March by registered RICS Valuers external valuers, JLL; the details of significant land and buildings and carrying values at 31 March 2026 are set out below:

- GLA - 639 High Road, Tottenham - a community centre facility. During 2025-26, the carrying value of the asset was reduced by £1.7 million through depreciation and impairment charges. At 31 March 2026, the asset is held at a nominal value of £1, reflecting the fact that extensive structural repairs and refurbishment works are required and the estimated cost of these works exceeds the

value of the building.

- GLA - Crystal Palace National Sports Centre (CPNSC) transferred from GLAP to GLA on 1 April 2022. It is held at existing use value (EUUV) and at 31 March 2025 had a value of £1, reflecting the extent of repair works required to restore the asset to full working order.
- Group – City Hall is owned by GLAP and recognised as an investment property in GLAP's individual financial statements. The property is leased by the GLA from GLAP and, from a group perspective, is used for operational purposes. Accordingly, on consolidation, the GLA's right-of-use asset relating to City Hall has been eliminated, and the investment property recognised by GLAP has been reclassified to property, plant and equipment within the group balance sheet. At 31 March 2026, City Hall as PPE, has a carrying value of £16.1 million.
- Group- LLDC hold land at Bridgewater Road with a carrying value of £2.0 million at 31 March 2026.

Valuations were carried out in accordance with the Practice Statements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Global Standards (effective 31 January 2022) and UK national supplement as applicable (RICS Red Book), by valuers who conform to the requirements thereof.

## 26. Investment Properties

The following table summarises the movement in the fair value of investment properties over the year:

	<b>Group 2025-26 £000</b>	<b>Group 2024-25 £000</b>
<b>Balance at 31 March</b>	<b>305,860</b>	<b>194,288</b>
Reclassification of City Hall from Investment Property to PPE	-	<b>(17,625)</b>
<b>Balance at 1 April</b>	<b>305,860</b>	<b>176,663</b>
Additions:		
Purchases	113,334	105,345
Subsequent expenditure	18,169	38,055
Net gains/(losses) from fair value adjustments	(43,256)	(14,296)
Other Changes	-	93
<b>Balance at 31 March</b>	<b>394,107</b>	<b>305,860</b>

## 27. Investment Properties - Valuations

The Group investment portfolio was valued as at 31 March 2026 by JLL Limited. The investment property portfolio is now valued at £303.6 million a net decrease in the carrying value of £2.2 million from the prior year.

In line with the Mayor's commitment to affordable housing, a portfolio approach has been adopted whereby 50% of the homes delivered across the sites at Pudding Mill, Rick Roberts Way, and the residential element of Stratford Waterfront are affordable homes. This is factored into the valuation for these development plots, which have not yet started on site (and so continue to be classified as investment properties).

Asset	31 March 2026	31 March 2025	Change	Basis
	£000	£000	£000	
<b>LLDC</b>				
London Aquatics Centre	(630)	(1,300)	670	The valuation (inclusive of the car park) is based on the 8-year service agreement where Sports and Leisure Management are responsible for all maintenance and repair of the facility with LLDC providing subsidy via an annual client rebate.
Copper Box Arena	5,580	5,355	225	The valuation (inclusive of the car park) is based on rental income of the 10-year operating lease with Greenwich Leisure Limited (GLL) entered in March 2024. The valuation also reflects the potential income from the commercial rights of the venue.
Here East	6,810	11,280	(4,470)	The valuation is based on the potential net rental income that LLDC will receive.
Multi Storey Car park	12,460	14,180	(1,720)	Valuation is based on partial redevelopment of the site as self storage whilst retaining part of the site as a Car Park and the estimated cash flow from this operation.
London Stadium freehold	1,010	960	50	The Stadium is subject to a lease with London Stadium LLP until 2115. LLDC's reversionary interest discounted back to the present day value.
ArcelorMittal Orbit	(2,350)	(2,850)	500	The ArcelorMittal Orbit valuation is based on the expected rental cash flow from the 10-year lease with Zip World, which commenced in January 2025, offset by the remaining capital expenditure to be incurred by LLDC on repairs and maintenance.
Riverside East freehold	4,545	4,485	60	The valuation is based on the rental income and potential turnover rental income share from the new 7-year lease with Peppermint Events Limited.
Development plots	77,020	83,815	(6,795)	Reflects residual valuations of residential development plots for Eastwick and Sweetwater, Pudding Mill Lane, Rick Roberts Way, Stratford Waterfront and Bridgewater where development has not yet commenced. The valuation reflects development agreements, factoring any grants to offset construction costs borne by LLDC in addition to reflecting risk to the viability of these schemes as assessed at the end of the financial year.
3 Mills Studios	11,075	13,050	(1,975)	The 3 Mills Studios site is held on a lease ending in 2103. It has been valued using a discounted cash flow based on the rental income and operating expenses associated with the lease assuming it is a going concern for the next 10 years.
5 Hancock Road	5,100	3,310	1,790	The valuation is based on the estimated rental value of the property following the new lease signed on 1 March 2025 and expiring on 31 March 2027. As LLDC is actively in sale discussions of the site, the valuation as at 31 March 2026 also factors in a hope value for the potential sale.
Other assets	404	384	20	Other sites, including Timberlodge and Kiosks, are valued using expected rental values from lease agreements applying an appropriate yield and comparable market value information from similar sites.
East Bank Retail Units	6,825	5,370	1,455	Stratford Waterfront Retail Company (SWRMC) - these are retail units at East Bank. The valuation is based on the estimated rental value of these units reflecting agreements/heads of terms for the units that are let and market terms similar to those not yet let.
East Bank (Public Realm)	74	(1,970)	2,044	The valuation reflects the remaining costings and the East Bank freehold long leases by the LLDC to SWRMC. The management company also leases a small office from LLDC located on the Public Realm; this is factored into the valuation.
<b>LLDC Total</b>	<b>127,923</b>	<b>136,069</b>	<b>(8,146)</b>	

**GLAP**

1-3 Salamons Way, Dagenham	1,506	1,408	98	The valuation of the land at 1-3 Salamons Way is based on comparable market prices offset by the cost of remediation works.
Workspace	2,020	1,875	145	The valuation is based on open market value taking into account the irregular shape and inefficiency of the site and that approximately 0.53 acres is safeguarded for a new bus lane. The cost of remediation work has also been reflected in the valuation.
Hoxton Workspaces, Hoxton	2,501	2,328	173	The property is a mid-terrace, four storey building dating from the late 1800s which has been converted into 16 office suites/workshop units. The valuation is based on the rental income streams discounted at an appropriate discount rate.
Armada Green Recreation Area	-	3,710	(3,710)	Armada Green Recreation Area is an irregular shaped piece of amenity land measuring 0.86 acres, which is used for recreation. The valuation is based on the NPV calculation of future land payments under the development agreement.
Albert Island Plots	21,520	12,755	8,765	Albert Island is an irregularly shaped island site is currently being used mainly for open storage and marina purposes. The site is broadly flat and is covered by a mixture of tarmac, concrete and vegetation, although it also contains some temporary buildings. At 31 March 2025 the valuation was based on the NPV calculation of future land payments under the development agreement. At 31 March 2026, the development agreement is no longer in place and the valuation is based on the higher market value.
Brunel St Works	5,767	5,363	404	Brunel Street Works comprises commercial units situated at the ground floor of a large residential development. The valuation is based on the discounted estimated rental income less the fit out costs required to bring the commercial units to the rental market.
Other Assets	6,327	6,272	55	Various smaller sites and reversionary interests valued using various methodologies including expected rental values discounted at an appropriate yield and comparable market value information.
<b>GLAP Total</b>	<b>39,641</b>	<b>33,711</b>	<b>5,930</b>	

**OPDC**

Old Oak Café	755	850	(95)	Single storey café with adjacent car park. Valuation based on existing use for remainder of current lease then reverts to open storage use.
Midland Gate & Midland Terrace	5,050	5,000	50	Open storage land. Valuation based on existing use having regard to the tenancy which is in place. Midland Terrace - Terraced house comprising 2x residential flats. The comparable method of valuation using nearby transactional evidence was used to determine the market value.
Atlas Wharf	17,000	17,250	(250)	Vacant car park with planning permission to build c450 residential units. The valuation is based on a residual appraisal.
Ursula Lapp	17,575	17,950	(375)	The Property has 6 industrial and office units which are subject to 4 leaseholders. The property also receives an income from photovoltaics. Valuation based on existing use having regard to the tenancies which are in place.
Minerva Road	4,150	4,200	(50)	Warehouse and office unit with access road. Valuation based on existing use assuming full vacant possession.
Kildun Court	4,145	4,650	(505)	Block of 10 residential apartments. Valuation based on residential use having regard to the existing lease to HS2.
Sarastro Substation	30	30	-	Electricity substation adjacent to Sarastro site. - Valuation based on existing use.
2a Victoria Terrace	270	275	(5)	One bedroom ground floor flat. The comparable method of valuation using nearby transactional evidence was used to determine the market value.
1 & 2 Goodhall Street	1,455	1,475	(20)	Two 2 storey business units with car parking spaces. Valuation based on existing use having regard to the tenancies which are in place.
Unit 1 Pinnacle House (Nadi)	5,500	-	5,500	Commercial and industrial units. The valuation is based on a residual appraisal.
163B Wells Road	390	-	390	Residential flat. The comparable method of valuation using nearby transactional evidence was used to determine the market value.
165 Wells Road	760	-	760	Semi-detached house. The comparable method of valuation using nearby transactional evidence was used to determine the market value.
3 & 5-9 School Road & Action Business Centre (ABC)	51,600	-	51,600	3 School Road is a commercial/industrial land plot. 5-9 School road is an industrial block. ABC is a multi-let industrial estate. The valuation is based on a residual appraisal.
Sarastro Holdings Ltd.	10,045	10,250	(205)	Land and property at Units 2-6 and The Observatory, Old Oak Common Lane, London, NW10. Valuation based on existing use having regard to the tenancies which are in place.
Lord's Builders Merchant (Old Oak Wharf (Holdings) Ltd)	17,620	17,600	20	Large industrial unit and adjacent land let to a builder's merchants. Valuation based on existing use having regard to the tenancy which is in place.
Atlas Road Bus Depot (Park Score Ltd.)	26,210	26,450	(240)	Four acre site containing a bus depot including workshop areas, vacant land and access road. Valuation based on existing use having regard to the tenancies which are in place.
Websters Yard (Regency PR2 Ltd.)	26,310	26,600	(290)	Fully concrete surfaced storage yard covering 3.3 acres. Valuation based on existing use having regard to the tenancy which is in place.
99 Victoria Road	6,500	-	6,500	Commercial and light-industrial warehouse. The valuation is based on a residual appraisal.
Boden (Dinemill Ltd.)	30,500	3,500	27,000	Substantial modern office block. Valuation based on existing use having regard to the tenancies which are in place.
Other assets	678	-	678	
<b>OPDC Total</b>	<b>226,543</b>	<b>136,080</b>	<b>90,463</b>	
<b>Total</b>	<b>394,107</b>	<b>305,860</b>	<b>88,247</b>	

### GLA Group Investment Property

In 2025-26 net losses in the fair value of investment property of £43.6 million (£14.3 million in 2024-25) are recognised in the Surplus or Deficit on the Provision of Services.

#### Amounts recognised as rental income and operating expenses

	<b>Group 2025-26 £000</b>	<b>Group 2024-25 £000</b>
Rental Income	(19,415)	(17,847)
Operating Expenditure	20,768	12,385
<b>Net deficit/(surplus)</b>	<b>1,353</b>	<b>(5,462)</b>

### Revaluations

The valuations were undertaken by JLL external, independent property valuers with valuations provided as at 31 March 2025. They are registered RICS Valuers and the valuations were carried out in accordance with the Practice Statements contained in the RICS Red Book.

See Note 5 for key assumptions in relation to asset valuations and sources of estimation uncertainty.

## Fair value hierarchy

The Group's classification of investment properties in the fair value hierarchy as at 31 March 2026 is as follows:

2025-26

Recurring fair value measurements using:	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair Value as at 31 March 2026
	Level 1 £000	Level 2 £000	Level 3 £000	£000
<b>London Legacy Development Corp.</b>				
Residential development plots (at Queen Elizabeth Olympic Park)	-	77,020	-	<b>77,020</b>
East Bank (Public realm)	-	-	74	<b>74</b>
Commercial units	-	19,270	23,254	<b>42,524</b>
Other assets	-	-	8,305	<b>8,305</b>
	-	<b>96,290</b>	<b>31,633</b>	<b>127,923</b>
<b>GLA Land and Property Ltd.</b>				
Commercial units			39,183	<b>39,183</b>
Residential properties			458	<b>458</b>
	-	-	<b>39,641</b>	<b>39,641</b>
<b>Old Oak and Park Royal Development Corporation</b>				
Land and buildings	-	-	51,868	<b>51,868</b>
Commercial units	-	-	2,210	<b>2,210</b>
Industrial units	-	-	155,465	<b>155,465</b>
Vacant car park	-	-	17,000	<b>17,000</b>
	-	-	<b>226,543</b>	<b>226,543</b>
<b>Balance at 31 March 2026</b>	-	<b>96,290</b>	<b>297,817</b>	<b>394,107</b>

2024/25

	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	Fair Value as at 31 March 2025
	Level 1 £000	Level 2 £000	Level 3 £000	£000
<b>Recurring fair value measurements using:</b>				
<b>London Legacy Development Corp.</b>				
Queen Elizabeth Olympic Park (excl. East Bank)	-	83,815	-	<b>83,815</b>
East Bank public realm and Carpenters Land Bridge	-	-	(1,970)	<b>(1,970)</b>
Commercial units	-	25,460	22,859	<b>48,319</b>
Other assets	-	-	5,905	<b>5,905</b>
	-	<b>109,275</b>	<b>26,794</b>	<b>136,069</b>
<b>GLA Land and Property Ltd.</b>				
Commercial units	-	-	33,270	<b>33,270</b>
Residential properties	-	-	441	<b>441</b>
	-	-	<b>33,711</b>	<b>33,711</b>
<b>Old Oak and Park Royal Development Corporation</b>				
Land and buildings	-	-	23,705	<b>23,705</b>
Commercial units	-	-	2,325	<b>2,325</b>
Industrial units	-	-	92,800	<b>92,800</b>
Vacant car park	-	-	17,250	<b>17,250</b>
	-	-	<b>136,080</b>	<b>136,080</b>
<b>Balance at 31 March 2025</b>	-	<b>109,275</b>	<b>196,585</b>	<b>305,860</b>

This hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value; these include:

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

### **Transfers between Levels of the Fair Value Hierarchy**

The Group policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

GLAP, LLDC and OPDC – there were no transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. All OPDC acquisitions in year were classified as Level 3.

### **Valuation techniques used to determine fair values**

The Group's investment properties are measured using a combination of an income and market comparison approach. Under the income approach, values are determined by means of either the discounted cash flow method, where the expected cash flows from the properties are discounted to establish the present value of the net income stream or the direct capitalisation method where a capitalisation rate is applied, as a multiplier, against the current and, if any, reversionary income streams. The approaches use the Group's own data requiring it to factor in assumptions such as the duration, timing of cash inflows/outflows, rent growth, property location, maintenance costs etc.

### **Significant Observable Inputs – Level 2 (LLDC)**

The fair value for the residential properties is based on the market approach using current market conditions (e.g. construction prices), discount rate and recent sales prices, and other relevant information for similar assets in the local area. Where there is readily available market information for specific assets this has been used to determine the value of the asset.

Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to other properties (Here East and the Multi Storey Car Park) also being categorised at Level 2 in the fair value hierarchy.

### **Significant Unobservable Inputs – Level 3 (LLDC and OPDC)**

The ArcelorMittal Orbit and Other Assets consisting of Timberlodge and Kiosks are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach was developed using the LLDC's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The Stadium Island land value is a discounted estimate of the land value following the end of the current lease period in 2115. Therefore, a change in the inputs would impact the fair value of the asset.

The East Bank assets are valued based on the estimated costs to build those specific assets.

3 Mills Studios is measured using an investment method where a discounted cash flow is updated using the authority's own data for expected trading results to determine the valuation of 3 Mills Studios as a trading asset. Changes in the market conditions which could impact expected income growth, or occupancy levels would impact the fair value of the asset.

5 Hancock Road asset (LLDC) and Minerva Road, Lord's, Sarastro, Kildun Court, Goodhall Street, Atlas Road Bus depot, Websters Yard, Boden and Ursula Lapp (OPDC) are valued using market-based inputs to determine the estimated rental valuation of the asset. Changes to the industrial market rental values would impact the fair value of the asset.

Old Oak Café, Midland Gate and Atlas Wharf (OPDC) are assessed based on development (residual land) value which requires the financial modelling of a development. The key inputs are comparable evidence of recent sales to determine the gross development value and estimates of construction costs, disposal costs and CIL costs. For some properties, special assumptions are made that planning consent would be granted for a residential development with assumed levels of affordable housing provision.

Midland Terrace and Victoria Terrace (OPDC) are measured using adjusted comparable evidence of the sales of similar properties. A comparison was made with a property in a similar condition but adjustments were made as the comparable property was not located close to any major transport links. Another sale that informed the valuation was also adjusted to reflect the comparatively smaller unit sizes in Midland Terrace.

The above-mentioned properties are therefore categorised as Level 3 in the fair value hierarchy as the measurement techniques use significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

## Reconciliation of the movement in Level 3 Investment Properties

	Group 31 March 2026 £000	Group 31 March 2025 £000
<b>Balance at 31 March</b>	<b>196,585</b>	<b>131,718</b>
Reclassification of City Hall from Investment Property to PPE	<b>0</b>	<b>(17,625)</b>
<b>Balance at 1 April</b>	<b>196,585</b>	<b>114,093</b>
Additions	118,332	105,345
<i>Gains and losses included in profit or loss for the year:</i>		
Increase/(decrease) in fair value of investment properties	(17,098)	(22,853)
Other Changes	(2)	-
<b>Balance at 31 March</b>	<b>297,817</b>	<b>196,585</b>

## Highest and best use

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

## Quantitative information about Fair Value measurement of Investment Properties

<b>GLAP</b>	<b>2025-26</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	£7,250 - £1,700,000	£1,226,923	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	5.0% - 10.0%	6.41%	
<b>GLAP</b>	<b>2024-25</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	£7,250 - £1,700,000	£1,247,823	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	5.0% - 10.0%	6.45%	
<b>LLDC</b>	<b>2025-26</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	£17,000 - £1,275,579	£752,476	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	6.5% - 12%	9.69%	
<b>LLDC</b>	<b>2024-25</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	£17,000 - £2,200,000	£2,013,258	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	6.5% - 12.0%	9.69%	
<b>OPDC</b>	<b>2025-26</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	(£46,131) - £1,304,030	£696,589	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	(1.1%) - 10.6%	1.96%	
<b>OPDC</b>	<b>2024-25</b>			
	<b>Input</b>	<b>Range</b>	<b>Weighted Average</b>	<b>Sensitivity</b>
	Rental income less irrecoverable costs	(£46,131) - £595,578	£228,458	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
	Capitalisation rate	(1.1%) - 9.4%	1.84%	

## Valuation techniques

There has been no change in the valuation techniques used during the year for investment properties.

### 28. Intangible Assets

At 31 March 2026, the Group does not hold a material amount of intangible assets and so this disclosure is not material to the financial statements.

### 29. Heritage Assets

On 1 April 2012 two sculptures were transferred to the GLA from the Homes and Communities Agency (HCA). There is no historical cost data available on these assets and due to their bespoke and unique nature their value cannot be easily obtained using comparisons in the open market. The Authority further considers that the cost of obtaining an open market valuation outweighs any benefit to the users of the accounts. The asset known as "A Slice of Reality" has been licensed back to the artist who is responsible for its maintenance and general repair with the GLA being responsible for the structure. The "Quantum Cloud" was last surveyed in January 2017 and some routine maintenance work was undertaken. No major restoration costs were incurred during 2025-26.

### 30. Long term investments

		<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
		<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
		<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Note				
Loans to joint venture - held at amortised cost		-	72,060	-	76,238
Loan to London Power Co. Ltd - held at amortised cost		23	23	49	49
Investment in subsidiary-soft loan fair value adjustment - held at amortised cost	50f	10,427	-	10,427	-
Infrastructure loans - held at amortised cost		-	56,642	-	39,817
Equity investments at cost		-	1,125	-	1,125
Loans to third parties		-	41	-	237
Loan to Limited Partnership - held at FVTPL		-	4,445	-	4,447
Investment in Limited Partnerships - held at FVTPL		-	2	-	2
Fund investments - held at FVTPL	50e	-	202,058	-	197,152
Equity mortgages - held at FVTPL		-	28,186	-	30,221
<b>Total</b>		<b>10,450</b>	<b>364,582</b>	<b>10,476</b>	<b>349,288</b>

## 31. Investments in subsidiaries, joint ventures and associates

### Subsidiaries

#### **Greater London Authority Holdings Limited (GLAH)**

GLAH is a wholly owned subsidiary of the Greater London Authority. The Authority holds a £1 share in GLAH. GLAH, in turn, is the parent of GLA Land and Property Limited (“GLAP”), GLAP is a wholly owned subsidiary of GLAH.

GLAH is the sole shareholder in Stratford East Holdings Limited (SELH) which holds a non-controlling share of London Stadium LLP. Stratford East Holdings Limited is not consolidated on materiality grounds.

The Authority has prepared group accounts which consolidate the group accounts of Greater London Authority Holdings Limited.

**London Stadium LLP** - GLAH and SELH are members of London Stadium LLP. London Stadium LLP is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the ongoing operations required to run a multi-use sporting venue, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics.

London Stadium LLP is the sole shareholder of London Stadium 185 Limited and consolidates London Stadium 185 into its group accounts.

**London Stadium 185 Limited** - London Stadium 185 Limited’s principal activities are the operation, management and commercial development of the Stadium at Queen Elizabeth Olympic Park. London Stadium 185 Limited is consolidated into London Stadium LLP’s group accounts which in turn are consolidated into the GLA group accounts.

#### **Old Oak and Park Royal Development Corporation (OPDC)**

OPDC is a mayoral development corporation established under the powers of the Localism Act 2011. The OPDC has planning powers and regeneration responsibility within its boundaries. The corporation is responsible for the regeneration of Old Oak Common in West London. The organisation was created on the 1 April 2015. OPDC consolidates several property holding companies, as detailed in Note 2 (iii).

#### **Oxford Street Development Corporation (OSDC)**

OSDC is a mayoral development corporation established under the powers of the Localism Act 2011. The Oxford Street Development Corporation (OSDC) was established on 1 January 2026 to lead the regeneration and long-term stewardship of Oxford Street and the surrounding area. The Mayoral Development Area covers Oxford Street and adjoining land, predominantly within the City of Westminster, with a small area extending into the London Borough of Camden.

**London Treasury Limited (LTL)** - GLAH holds £1,125,000 LTL shares, a 100% shareholding. LTL is registered in England and Wales and is wholly owned by GLAH. On materiality grounds GLAH has not consolidated London Treasury Limited.

LTL has a fully owned subsidiary LTLF GP Limited (registration number SC679933). LTLF GP Limited is a general partner in the limited partnership London Treasury Liquidity Fund LP (LTLF LP). LTLF GP Limited is registered in Scotland. It is accounted for as an associate in the GLA group accounts.

**London Power Co. Limited (LPC)** - GLAH holds 1,056,387 £1 shares in LPC. LPC is registered in England and Wales and is wholly owned by GLAH. On materiality grounds GLAH has not consolidated LPC. The shares have been impaired to nil at 31 March 2025.

**SME Wholesale Finance Limited (SMEWFL)** - On 31 October 2017, the Authority became the sole member of SME Wholesale Finance Limited (SMEWFL) thereby gaining full control of this entity. SMEWFL's main objective is to bridge the London funding gap for early-stage businesses through the provision of loan and equity financing. It is accounted for as a subsidiary in the Authority's group accounts.

**London Co-Investment Fund LLP (LCIF)** - SMEWFL is a member of the London Co-Investment Fund LLP (LCIF), it has 100% economic interest in and controls LCIF. LCIF makes equity investments into early-stage companies in London's strategic sectors of science, digital and technology, thereby addressing the funding issues faced by such companies. The Authority controls LCIF via its control of SMEWFL and has accounted for LCIF as a subsidiary in the Authority's accounts.

**Greater London Investment Fund (GLIF)** was established in June 2018 and is a wholly owned subsidiary of SMEWFL. Greater London Investment Fund (GLIF) provides finance where there remains evidence of persistent market failure in the SME funding ecosystem. GLIF's aim is to establish a £100 million fund with funding provided by the European Regional Development Fund, the European Investment Bank, London Waste and Recycling Board and SMEWFL. The Authority controls GLIF via its control of SMEWFL and has accounted for GLIF as a subsidiary in the Authority's accounts.

**London Legacy Development Corporation (LLDC)** is a Mayoral Development Corporation controlled by the Authority and is consolidated as a subsidiary in the Authority's accounts.

LLDC prepares group accounts for its subsidiaries Stratford East London Developments Limited (SELD), Stratford Waterfront Retail Management Company (SWRMC) and Pudding Mill Legacy Development Limited, and as the GLA consolidates LLDC's group accounts, these subsidiaries are also included in the GLA's group accounts

## Joint Ventures and Associates

The Authority's holds interests in joint ventures and associates.

The joint ventures are

- Barking Riverside Limited (BRL)
- Stratford East London Partners (SELP)
- Pudding Mill Lane LLP (PML LLP)

The associate is

- LTLF LP

These interests are accounted for using the equity method. Under this method, the investment is initially recognised at cost and subsequently adjusted for the Authority's share of the investee's post-acquisition profit or loss and other comprehensive income. The carrying amount is also adjusted for distributions received and any impairment losses. This applies to the interests in LTLF LP and Stratford East London Partners LLP.

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Share of LTLF LP net assets	52,439	52,439	55,625	55,625
Share of Stratford East London Partners LLP net assets	-	7,473	-	5,223
<b>Total</b>	<b>52,439</b>	<b>59,912</b>	<b>55,625</b>	<b>60,848</b>

Where the Authority's share of losses in a joint venture exceeds the carrying amount of its equity investment, IAS 28 permits those losses to be recognised against long-term loan investments that form part of the Authority's net investment. Accordingly, Barking Riverside Limited's losses have been recognised against GLAP's loan investment, as have Pudding Mill Lane LLP's losses been recognised against Pudding Mill Land Developments Limited's loan investment.

## Joint Ventures

**Barking Riverside Limited (BRL)** is a joint venture between London & Quadrant New Homes Limited and GLA Land and Property Limited. The joint venture company is leading on the delivery of the new Barking Riverside neighbourhood, Barking, East London. The site is being remediated and site wide infrastructure developed to allow the release of plots for residential and commercial development.

GLA Land and Property Limited holds 49% of the share capital and 50% of the voting rights. The Deputy Mayor for Housing and Residential Development, the GLA's Executive Director Housing and Land and the Assistant Director of Investment and Operations are three of the six directors of Barking Riverside Limited.

### Loan investments to Barking Riverside Limited

	<b>31 March 2026 £000</b>	<b>31 March 2025 £000</b>
Loans to joint venture	138,388	131,982
Expected credit loss provision (IFRS 9)-Joint Venture	(26,241)	(26,745)
	<b>112,147</b>	<b>105,237</b>
Share of loss in joint venture (IAS 28)	(40,087)	(28,999)
<b>At 31 March</b>	<b>72,060</b>	<b>76,238</b>
	<b>2026 £000</b>	<b>2025 £000</b>
<b>At 1 April</b>	<b>76,238</b>	<b>89,407</b>
Loans advanced in year	-	-
Interest receivable	6,407	6,470
Repayments	-	(9,820)
Expected credit loss provision	504	1,571
Share of loss in joint venture (IAS 28)	(11,089)	(11,390)
<b>At 31 March</b>	<b>72,060</b>	<b>76,238</b>

At 31 March 2026, loans advanced to BRL, excluding the expected credit loss allowance, total £138.4 million (£131.9 million at 31 March 2025). Interest receivable in 2025-26 totalled £6.4 million (£6.6 million in 2024-25).

The following table summarises the financial information of BRL as included in its own financial statements. The table also reconciles the summarised financial information to GLAP's share of BRL's net liabilities/cumulative loss.

<b>Barking Riverside Limited (BRL) - Joint Venture</b>	<b>31 March 2026 £000</b>	<b>31 March 2025 £000</b>
<b>GLAP's* percentage ownership interest</b>	<b>49%</b>	<b>49%</b>
<b>GLAP's voting share</b>	<b>50%</b>	<b>50%</b>
	<b>£000</b>	<b>£000</b>
Non-current assets	432	640
Current assets (including cash and cash equivalents – 31 Mar 2026 £16,340k / 31 Mar 2025 £13,233k)	383,157	361,208
Non-current liabilities	(456,766)	(413,310)
Current liabilities	(8,634)	(7,719)
<b>Net liabilities (100%)</b>	<b>(81,811)</b>	<b>(59,181)</b>
<b>GLAP's 49% share of net liabilities</b>	<b>(40,087)</b>	<b>(28,999)</b>
<b><i>Non-current financial liabilities (excluding trade and other payables and provisions) 100%</i></b>	<b><i>(326,689)</i></b>	<b><i>(299,828)</i></b>
<b><i>Current financial liabilities (excluding trade and other payables and provisions) 100%</i></b>	<b><i>-</i></b>	<b><i>-</i></b>
<b><i>GLAP's 49% share of non-current &amp; current financial liabilities (excluding trade and other payables and provisions)</i></b>	<b><i>(160,078)</i></b>	<b><i>(146,916)</i></b>
Turnover	(6,752)	(1,574)
Depreciation and amortisation	208	77
Interest income	70	(724)
Interest expense	20,058	18,540
<b>Loss and total comprehensive income and expenditure (100%)</b>	<b>22,631</b>	<b>23,244</b>
<b>Loss and total comprehensive income and expenditure (49% GLAP)</b>	<b>11,089</b>	<b>11,390</b>

\*GLAP - GLA Land and Property Limited

**Stratford East London Partners (SELP)** is a joint venture comprised of SELD (wholly owned LLDC subsidiary) and Ballymore Stratford East Limited as its members. The joint venture is responsible for delivering the Stratford Waterfront and Bridgewater Triangle residential developments.

A summary of SELP LLP financial performance is below:

<b>Stratford East London Partners LLP (SELP) - Joint Venture</b>	<b>31 March 2026 £000</b>	<b>31 March 2025 £000</b>
<b>SELD's* percentage ownership interest</b>	<b>50%</b>	<b>50%</b>
<b>SELD's voting share</b>	<b>50%</b>	<b>50%</b>
	<b>£000</b>	<b>£000</b>
Current assets (including cash and cash equivalents – 31 Mar 2026 £902k / 31 Mar 2025 £4,779k)	16,064	14,419
Current liabilities	(1,345)	(4,333)
<b>Net liabilities (100%)</b>	<b>14,719</b>	<b>10,086</b>
<b>SELD's share of net assets</b>	<b>7,473</b>	<b>5,223</b>
Administrative expenses	34	27
<b>Operating (profit)/loss</b>	<b>34</b>	<b>27</b>
<b>Share attributable to SELD in year</b>	<b>17</b>	<b>13</b>

**Pudding Mill Lane LLP (PML LLP)** is a joint venture comprised of Pudding Mill Legacy Development Limited and Vistry Group. The joint venture is responsible for delivering for the delivery of residential housing in Pudding Mill Lane, Stratford.

Details of the loan investment made to Pudding Mill Lane LLP and a summary of PML LLP's financial performance is set out below:

<b>Pudding Mill Lane Developments - Loans advanced to PML LLP</b>	<b>31 March 2026 £000</b>
Loans to joint venture	2,823
Fair value adjustment to loan	(683)
Interest unwinding of loan investment	109
Share of loss in joint venture (IAS 28)	(79)
<b>At 31 March</b>	<b>2,170</b>

<b>Pudding Mill Lane LLP (PML) LLP- Joint Venture</b>	<b>31 March 2026 £000</b>	<b>31 March 2025 £000</b>
<b>PMLD's* percentage ownership interest</b>	<b>50%</b>	<b>50%</b>
<b>PMLD's voting share</b>	<b>50%</b>	<b>50%</b>
	<b>£000</b>	<b>£000</b>
Current assets (including cash and cash equivalents – 31 Mar 2026 £682k / 31 Mar 2025 Nil)	5,723	346
Current liabilities	(5,882)	(386)
<b>Net liabilities (100%)</b>	<b>(159)</b>	<b>(40)</b>
<b>PMLD's share of net assets</b>	<b>(79)</b>	<b>(20)</b>
Administrative expenses	120	40
Interest receivable	(1)	-
<b>Operating (profit)/loss</b>	<b>119</b>	<b>40</b>
<b>Retained profit/(loss) brought forward</b>	<b>40</b>	<b>-</b>
<b>Share attributable to PMLD in year recognised in CIES</b>	<b>79</b>	<b>-</b>

## Associates

**London Treasury Liquidity Fund LP (LTLF LP)** is an alternative investment fund established on 29 January 2021. LTLF GP Limited is the general partner and the GLA is one of six limited partners. On 29 June 2023 LTLF LP admitted 5 additional limited partners and the GLA's control of the LTLF LP was diluted from one of total control to significant influence. GLA accounts for its interest in LTLF LP as an associate on an equity basis. LTLF LP Limited is registered in Scotland.

The following table summarises the financial information of LTLF LP as included in its own financial statements. The table also reconciles the summarised financial information to GLA's share of LTLF LP's net liabilities/cumulative loss.

### LTLF LP - Associate

	31 March 2026	31 March 2025
	£000	£000
<b>Percentage ownership interest*</b>	<b>61.5%</b>	<b>82.6%</b>
<b>Voting share</b>	<b>16.7%</b>	<b>16.7%</b>
	<b>£000</b>	<b>£000</b>
Non-current assets	1,476,152	1,333,468
Current assets (including cash and cash equivalents (£1,659.8 million at 31 March 2025 / £491.6 million at 31 March 2024))	1,948,999	2,441,807
Non-current liabilities	(3,339,417)	(3,707,565)
Current liabilities	(520)	(342)
<b>Net assets (100%)</b>	<b>85,214</b>	<b>67,368</b>
<b>*GLA's share of net assets 61.5% (2025-26) / 82.6% (2024-25)</b>	<b>52,407</b>	<b>55,625</b>
<b>Non-current financial liabilities (excluding trade and other payables and provisions) 100%</b>	<b>(3,339,417)</b>	<b>(3,707,565)</b>
<b>Current financial liabilities (excluding trade and other payables and provisions) 100%</b>	<b>-</b>	<b>-</b>
<b>GLA's share of non-current &amp; current financial liabilities (excluding trade and other payables and provisions) (82.6% / 83.0%)</b>	<b>(2,053,741)</b>	<b>(3,061,285)</b>

<b>LTLF LP Income Statement - Associate</b>	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
Turnover	(193,298)	(177,674)
Admin exp	2,142	1,686
(Gain)/loss on revaluation of investments	20,165	9,689
General Partner's Share	2,054	2,006
<b>Profit before partners' remuneration and profit shares</b>	<b>(168,937)</b>	<b>(164,293)</b>
Interest on LPs loans	168,946	157,261
<b>Profit before partners' remuneration and profit shares less interest allocated to LP loans</b>	<b>9</b>	<b>(7,032)</b>
<b>GLA's share of (profit)/loss attributable to core return</b>	<b>1,342</b>	<b>(5,066)</b>

### 32. Non-current Assets held for sale

At 31 March 2026 and 31 March 2025, the Group did not hold any property, plant or equipment for sale.

### 33. Long-term debtors

Long term debtors are held at amortised cost or FVTPL; the classification and measurement approach selected, reflect the business model for holding the financial assets and their cashflow characteristics. See Note 2 Accounting Policies, xvi Fair Value for further details.

Long-term debtors comprise:

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Loans to third parties, including subsidiaries, for capital purposes	1,264,081	297,817	1,090,708	251,547
Other debtors	1,566	14,585	322	13,163
Expected credit loss provision	(22,379)	(5,503)	(25,304)	(4,258)
Fair value adjustment balance	16,389	16,389	10,165	10,165
	<b>1,259,657</b>	<b>323,288</b>	<b>1,075,891</b>	<b>270,617</b>

### 34. Finance leases – Group as lessor – Finance lease receivables

#### Group as Lessor - Finance lease receivables

Details of the GLAH's finance leases (as lessor) include:

- The London International Exhibition Centre has a 200-year lease ending in 2199 for the ExCel Exhibition Centre land
- A 95-year lease ending in 2075 with Workspace II Limited for a warehouse, office and secure yard at Quicksilver Place, Wood Green
- A 101-year lease ending in 2110 with London City Airport to allow the installation of airport landing lights at Albert Island, London E16; and
- Deferred receipts in relation to various development properties leased out on long leases.

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows:

	Authority 31 March 2026 £000	Group 31 March 2026 £000	Authority 31 March 2025 £000	Group 31 March 2025 £000
Total undiscounted lease receivables	285	55,337	605	48,762
Unearned finance income	(13)	(16,422)	(44)	(10,222)
<b>Net investment in finance lease receivables</b>	<b>272</b>	<b>38,915</b>	<b>561</b>	<b>38,540</b>

The lease receivables are due to be collected over the following bands ( measured at the undiscounted amounts of expected cash receipts).

	Authority 31 March 2026 £000	Group 31 March 2026 £000	Authority 31 March 2025 £000	Group 31 March 2025 £000
Not later than one year	285	17,653	320	10,159
Later than one year and not later than two years	-	59	285	17,339
Later than two years and not later than three years	-	46	-	198
Later than three years and not later than four years	-	47	-	46
Later than four years and not later than five years	-	32	-	46
Later than five years	-	37,500	-	20,974
<b>Total undiscounted finance lease receivables</b>	<b>285</b>	<b>55,337</b>	<b>605</b>	<b>48,762</b>

Net investment in lease receivables over the following bands ( discounted amounts of expected cash receipts)	Authority	Group	Authority	Group
	31 March	31 March	31 March	31 March
	2026	2026	2025	2025
	£000	£000	£000	£000
Not later than one year	272	15,866	289	9,975
Later than one year and not later than two years	-	7	272	13,997
Later than two years and not later than three years	-	7	-	158
Later than three years and not later than four years	-	7	-	6
Later than four years and not later than five years	-	7	-	7
Later than five years	-	23,021	-	14,397
<b>Net investment in finance lease receivables</b>	<b>272</b>	<b>38,915</b>	<b>561</b>	<b>38,540</b>

### 35. Lease giving rise to a right-of-use asset and lease liability – Group as Lessee

Details of the lease liabilities include:

GLA

Right-of-use assets

- The Crystal Palace 125-year lease with the London Borough of Bromley that expires in 2131. The leases cover the National Sports Centre, Chapel Manor Farm, a lodge and residential properties.
- Union Street lease
- City Hall lease

GLAH

- Stephenson Street - a small 1.04-acre portion of the site is held on a long-term lease of 99 years with Network Rail, expiring in 2069, for the land and railway arches at Stephenson Street (ex-Parcelforce Site) in West Ham providing part of the access to the larger freehold adjoining property belonging to GLAP
- Thames Wharf - two long leases (82 and 60 years long) GLAP took out with the London Borough of Newham at Thames Wharf as part of the larger property. The leases expire in 2051 and 2026
- 20 Newburn Street, Kennington - this property is leased from London Housing Quadrant on a 125-year lease ending in 2129. It has subsequently been leased out on peppercorn rental to Riverside Community Development Trust; and
- CEME - this property is leased from Ford Motor Company on a 125-year lease ending in 2126.

## LLDC

Details of the leases are as follows:

- Property lease- LLDC leases office accommodation from TfL under a 3-year lease. This has been extended in April 2025 for a further 3 years.
- Waterways lease – rent payable to the Canal River Trust. This lease was revised on 1 January 2022 and ends in 2414 and will be revised annually thereafter with the amount due based on the number of existing outfalls, considering the number of new, abandoned or surrendered outfalls in the year.
- Property lease – LLDC holds a 99-year lease over 3 Mills Studios from Lee Valley Regional Park Authority of which the unexpired term is 78 years. The studios are managed by an appointed agent on behalf of LLDC.
- Property lease – LLDC holds a 8 year lease to July 2028 for the Good Growth Hub payable to Clarnico Quay. The Good Growth Hub is set up to provide training and skills to local communities. LLDC prepaid the entire lease at inception and therefore there is no lease liability.
- Property lease – LLDC leases Timberlodge from Lee Valley Regional Park authority until 2053 and subleases on a short-term arrangement with the recent appointment to Five Star Catering on a 10-year lease.
- Property Lease – LLDC has a short-term lease with Portakabin for temporary office accommodation until 2026.

## OPDC

City & Docklands OWP Limited - Unit 3501, London and One West Point, London

In July 2024, the Corporation entered into lease agreements with the City & Docklands OWP Limited for office accommodation and staff use at 6 and 7 Portal Way, London. The occupation of the building commenced on 22 July 2024 and is due to expire on 21 July 2026.

### Net book value of leased assets

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Right of Use assets - held as Right of Use Assets	18,854	34,997	20,968	35,220
Right of Use assets - held within Investment Properties	-	6,486	-	6,103
Right of Use assets - held within Inventories	-	18,465	-	18,991
<b>Total</b>	<b>18,854</b>	<b>59,948</b>	<b>20,968</b>	<b>60,314</b>

**The lease payments are made up of the following amounts:**

	<b>Authority 31 March 2026 £000</b>	<b>Group 31 March 2026 £000</b>	<b>Authority 31 March 2025 £000</b>	<b>Group 31 March 2025 £000</b>
Current	2,090	3,824	2,052	3,758
Non-current	20,785	34,297	22,874	35,805
Finance costs payable in future years	14,380	438,116	15,688	661
<b>Total</b>	<b>37,255</b>	<b>476,237</b>	<b>40,614</b>	<b>40,224</b>

**The lease payments will be payable over the following periods:**

	<b>Authority 31 March 2026 £000</b>	<b>Group 31 March 2026 £000</b>	<b>Authority 31 March 2025 £000</b>	<b>Group 31 March 2025 £000</b>
Not later than one year	3,287	5,750	3,360	4,069
Later than one year and not later than five years	6,800	9,983	8,387	35,781
Later than five years	27,168	460,505	28,867	374
<b>Total</b>	<b>37,255</b>	<b>476,238</b>	<b>40,614</b>	<b>40,224</b>

**The lease liabilities (net present value of lease payments) will be payable over the following periods:**

	<b>Authority 31 March 2026 £000</b>	<b>Group 31 March 2026 £000</b>	<b>Authority 31 March 2025 £000</b>	<b>Group 31 March 2025 £000</b>
Not later than one year	2,090	3,824	2,052	3,758
Later than one year and not later than five years	2,660	3,123	4,033	35,566
Later than five years	18,125	31,173	18,841	239
<b>Total</b>	<b>22,875</b>	<b>38,120</b>	<b>24,926</b>	<b>39,563</b>

## Right of Use assets

The carrying amounts of the right of use assets recognised and the movements in the period:

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
<b>Cost - Right of Use Assets</b>				
<b>Balance at 1 April</b>	<b>23,279</b>	<b>38,145</b>	<b>23,672</b>	<b>38,538</b>
Additions	-	2,603	-	-
Disposals	-	(582)	(393)	(393)
<b>Balance at 31 March</b>	<b>23,279</b>	<b>40,166</b>	<b>23,279</b>	<b>38,145</b>
<b>Depreciation - Right of Use Assets</b>				
<b>Balance at 1 April</b>	<b>(2,311)</b>	<b>(2,925)</b>	<b>-</b>	<b>-</b>
Charged in year	(2,114)	(2,445)	(2,311)	(2,925)
Disposals		201		-
<b>Balance at 31 March</b>	<b>(4,425)</b>	<b>(5,169)</b>	<b>(2,311)</b>	<b>(2,925)</b>
<b>Net Book Value - Right of Use Assets</b>				
<b>At 1 April</b>	<b>20,968</b>	<b>35,220</b>	<b>23,672</b>	<b>38,538</b>
<b>At 31 March</b>	<b>18,854</b>	<b>34,997</b>	<b>20,968</b>	<b>35,220</b>
<b>Lease Liabilities - Right of Use Assets</b>				
<b>Lease Liabilities (RoU) Current</b>	<b>(2,090)</b>	<b>(3,824)</b>	<b>(2,052)</b>	<b>(3,758)</b>
<b>Lease Liabilities (RoU) Non-Current</b>	<b>(20,785)</b>	<b>(34,297)</b>	<b>(22,874)</b>	<b>(35,805)</b>
<b>The following are the amounts recognised in the CIES:</b>				
Interest expense on Right of Use assets lease liabilities	1,308	2,123	1412	1,985
Depreciation expense on Right of Use assets	(2,114)	(2,445)	(2,311)	(2,925)

All right of use assets are disclosed in the above note save the right of use assets held by GLAP which are included in Investment Properties (£6.5 million) and Inventories (£18.5 million) and are reported in the Note 26 and Note 37 respectively.

### 36. Capital Expenditure and Financing – Authority

The total amount of capital expenditure incurred by the Authority in the year is shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (“CFR”), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	31 March 2026	31 March 2025
	£000	£000
<b>Opening Capital Financing Requirement at 1 April</b>	<b>5,329,198</b>	<b>5,496,305</b>
<b>Capital Investment in year</b>		
Property, Plant, Equipment and Intangibles	8,530	26,230
Loans to external organisations for capital purposes	195,831	117,708
Equity investment	22,486	111,218
REFCUS*-grant payments to external organisations for capital purposes	2,102,217	1,167,462
REFCUS- Payment to TfL for Crossrail	2,891	35,000
REFCUS- Payment to TfL for Elephant & Castle roundabout	5,005	2,391
Reversal of rolled-up interest previously deducted from the CFR	1,298	-
<b>Sources of Finance</b>		
Government grants and other contributions	(1,832,632)	(968,396)
London Borough Southwark contributions	(2,008)	(2,391)
Capital receipts used to finance capital expenditure	(213,828)	(139,991)
<b>Capital receipts offset against the CFR</b>		
Capital receipts applied to reduce the Capital Financing Requirement associated with prior years' capital expenditure	(5,000)	(46,667)
Loan repayments originally financed by borrowing	(11,038)	(41,044)
<b>Other adjustments</b>		
Financing requirement in relation to prior years	67	-
<b>Sums set aside from revenue</b>		
Minimum revenue provision	(218,336)	(250,998)
Revenue financing of capital for GLA capital spend	(48,801)	(177,629)
<b>Closing Capital Financing Requirement at 31 March</b>	<b>5,335,879</b>	<b>5,329,198</b>
<b>Explanation of movements in year</b>		
<b>Opening Capital Finance Requirement</b>	<b>5,329,198</b>	<b>5,496,305</b>
Minimum Revenue Provision	(218,336)	(250,998)
Increase / (decrease) in underlying need to borrow _Loans to Third Parties	225,018	83,891
<b>Closing Capital Financing Requirement at 31 March</b>	<b>5,335,879</b>	<b>5,329,198</b>

\* REFCUS is grants paid to third parties for capital purposes. These are transactions that would not be capitalised under standard accounting practice, but that are defined as capital expenditure under the Local Government Act 2003 and its associated regulations.

A group CFR calculation is not required as all of LLDC and OPDC’s borrowing is with the GLA and is therefore eliminated on consolidation. The GLA’s CFR calculation is therefore an accurate representation of the Group’s CFR.

### 37. Inventories

Inventories comprise land and buildings held for sale by GLA Land and Property Limited and London Legacy Development Corporation. See Note 5 for key assumptions in relation to asset valuations, and sources of estimation uncertainty.

	<b>Group 31 March 2026 £000</b>	<b>Group 31 March 2025 £000</b>
<b>Balances at 31 March</b>	<b>219,907</b>	<b>357,344</b>
Purchases (LLDC Residential & GLAP land and buildings)	38,256	924
Purchases (LLDC East Bank)	21,201	40,266
Purchases offset against grant provision (LLDC East Bank)	(4,712)	(18,647)
Recognised as an expense in the year: disposals	(64,733)	(8,293)
Disposals offset against grant provisions	-	(136,608)
Increase/(decrease) in net realisable value	(3,534)	(17,445)
Reversals of write-offs in previous years	16,591	2,366
<b>Balance at 31 March</b>	<b>222,976</b>	<b>219,907</b>
Split:		
Inventory valued at at lower of cost and net realisable value	222,976	219,907
<b>Balance at 31 March</b>	<b>222,976</b>	<b>219,907</b>
Split:		
LLDC	49,538	42,920
GLAP	173,438	176,987
<b>Balance at 31 March</b>	<b>222,976</b>	<b>219,907</b>

#### Accounting for Inventories

GLAP and LLDC are required to determine the carrying value of inventories with reference to IAS 2 Inventories (IAS 2), and as a public body LLDC also makes reference to IPSAS 12 Inventories. This includes determining whether the estimated net realisable value (where applicable) is less than the asset's carrying value; if so, the carrying value is written down and charged to the Statement of Comprehensive Income, and for LLDC only, then reversed via the MIRS to the Capital Adjustment Account.

For its residential inventories, LLDC will use its forecast share of the developer's estimated sale receipts to determine the net realisable value and ensure that the recorded inventories are stated at the lower of cost and net realisable value. In determining the net realisable value, LLDC is required to make estimates about expected future receipts from its developments, which will be based on a variety of assumptions, including projections of future housing market growth. Changes in such factors could impact upon future forecast receipts and therefore the carrying value of LLDC's inventories, with movements being recorded in the Comprehensive Income and Expenditure Statement, which could have a significant effect on the reported financial performance of LLDC.

For East Bank inventories that are carried at net realisable value, LLDC will use its forecast contributions from the East Bank partners and the estimated costs to complete (based on the Anticipated Final Cost as determined in conjunction with its Project Management Partner, Mace) to determine the net realisable value. These are based on a variety of assumptions, including construction prices, which may vary and impact upon the carrying value of the East Bank inventories.

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

In applying the Inventories accounting policy, LLDC has made the following judgements:

**Residential development assets:** Development for sale has commenced at East Wick and Sweetwater, with Phase 1 complete and Phase 2 in progress. These developments are therefore recognised as inventories at the lower of cost and net realisable value. At the date of transfer from Investment Properties, the assets' deemed cost was their fair value at the date of change in use. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. As these developments are undertaken by third parties on LLDC's behalf (for example, via a development agreement), LLDC has used its forecast share of the developer's estimated sale receipts to determine the net realisable value (as LLDC does not incur any costs of completion or marketing, selling and distribution).

**East Bank assets:** LLDC has previously determined that the following remaining East Bank asset meets the definition of inventories as development commenced with a view to sale or donation/distribution:

- **BBC Building:** Measured at the lower of cost and net realisable value as BBC entered into a lease agreement with nominal charge and are making contributions towards the cost of their building under the terms of the agreement with them. There have been delays in the handover of the BBC building resulting in increasing costs. The carrying value at year end reflects the valuation of the BBC building to be completed and handed over in 2026-27.

### 38. Trade and Other Receivables

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Central government bodies	159,512	164,986	124,048	139,264
Local Authorities & Functional Bodies	606,070	607,194	716,241	716,778
NHS bodies	745	745	-	-
Public corporations and trading funds	-	-	22	22
Subsidiary/Parent	128,289	1,576	129,350	3,338
Other entities and individuals	720,085	750,928	710,757	741,646
Expected credit losses	(451,661)	(451,130)	(435,878)	(436,247)
<b>Total</b>	<b>1,163,040</b>	<b>1,074,299</b>	<b>1,244,540</b>	<b>1,164,801</b>

Expected credit losses primarily comprise provisions for the non-collection of council tax and business rates. As a precepting authority, the Authority is entitled to a share of council tax and business rate income receivable from London residents and businesses. Accordingly, the Authority recognises its proportionate share of amounts that London boroughs estimate will be uncollectible, based on their assessed collection performance and forecasts.

### 39. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank current accounts	75,291	133,456	1,264	33,181
Other deposits	2,270,678	2,271,692	2,599,805	2,606,918
<b>Total</b>	<b>2,345,969</b>	<b>2,405,148</b>	<b>2,601,069</b>	<b>2,640,099</b>

At 31 March 2026 £3.9 million of London Stadium's cash was held in a restricted bank account. Post 31 March 2026 the restricted cash has been transferred into London Stadium's (unrestricted) bank account, as a consequence of a dispute being settled. See Note 41 Provisions, Other Provisions Current – West Ham United Stadium Appeal, for further details.

#### 40. Creditors and receipts in advance

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Central government bodies	(44,500)	(46,088)	(74,066)	(84,154)
Local Authorities & Functional Bodies	(327,747)	(329,615)	(186,112)	(188,042)
NHS bodies	(710)	(710)	(405)	(405)
Public corporations and trading funds	-	-	(139)	(139)
Other entities and individuals	(531,377)	(560,017)	(552,283)	(594,824)
Subsidiary/Parent	(1,059)	(729)	(21,011)	(812)
<b>Total Creditors</b>	<b>(905,393)</b>	<b>(937,159)</b>	<b>(834,016)</b>	<b>(868,376)</b>
Receipts in advance - Revenue	(15)	(10,271)	(15)	(3,644)
Receipts in advance - Capital	-	(5,754)	-	(8,054)
<b>Total Receipts in Advance</b>	<b>(15)</b>	<b>(16,025)</b>	<b>(15)</b>	<b>(11,698)</b>

Payments in advance and overpaid business rates and council tax income, totalling £390 million (£422 million at 31 March 2025), are included within Other Entities and individuals.

## 41. Provisions

During the year, the following movements occurred on the Authority and Group's current and non-current provisions:

### Authority Non-Current and Current

	NDR* Appeals £000	Other £000	Total £000
<b>Balance at 1 April 2025</b>	<b>(303,153)</b>	<b>(220)</b>	<b>(303,373)</b>
Additional provisions made	(166,906)	(3,240)	<b>(170,146)</b>
Amounts used	163,087	113	<b>163,200</b>
Unused amounts reversed	45,691	107	<b>45,798</b>
Derecognition Other	5,079	-	<b>5,079</b>
<b>Balance at 31 March 2026</b>	<b>(256,202)</b>	<b>(3,240)</b>	<b>(259,442)</b>

\*NDR - Non-domestic rates

### Authority Non-Current

	NDR Appeals £000	Other £000	Total £000
<b>Balance at 1 April 2025</b>	<b>(174,015)</b>	-	<b>(174,015)</b>
Additional provisions made	(93,470)	-	<b>(93,470)</b>
Unused amounts reversed	25,588	-	<b>25,588</b>
Transfer from non-current to current	95,575		<b>95,575</b>
Derecognition Other	2,844		<b>2,844</b>
<b>Balance at 31 March 2026</b>	<b>(143,478)</b>	-	<b>(143,478)</b>

## Authority Current

	<b>NDR Appeals £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>Balance at 1 April 2025</b>	<b>(129,138)</b>	<b>(220)</b>	<b>(129,358)</b>
Additional provisions made	(73,436)	(3,240)	<b>(76,676)</b>
Amounts used	163,087	113	<b>163,200</b>
Unused amounts reversed	20,103	107	<b>20,210</b>
Transfer from non-current to current	(95,575)	-	<b>(95,575)</b>
Derecognition Other	2,235	-	<b>2,235</b>
<b>Balance at 31 March 2026</b>	<b>(112,724)</b>	<b>(3,240)</b>	<b>(115,964)</b>

### Non-domestic rates appeals provision Non-Current and Current (GLA)

The NDR appeals provision is the GLA's 37 per cent share of billing authorities estimates of the provision required for potential refunds relating to retrospective alterations to the rating list. The in-year movement in this provision has been analysed between amounts charged to the provision during the year to reflect changes to rate-payers liabilities following alterations to the non-domestic rating list which have previously been provided for and additional provisions made during the year which take into account an assessment of future risks of losses in rating income.

The closing balance on the total appeals provision at 31 March 2026 is £256.2 million. A split between current and non-current has been estimated based on the proportion of appeals settled in the subsequent financial year, based on a 44% current/56% non-current split.

**Other Provisions Current – Planning appeals (GLA)** – the Authority settled one outstanding planning related case and closed the other without payment in 2025-26. All unused provisions in relation to planning provision have been released.

**Other Provisions Current – Organisational restructure (GLA)** - The GLA has recognised a provision of £3.24 million for the potential staff-related costs resulting from the organisational restructure that is currently underway. Costs will be incurred in 2026-27. The provision is based on reasonable estimates by GLA management at the reporting date as the statutory consultations with staff are still ongoing and the

final organisational structure therefore unknown.

## Group Non-Current and Current

	<b>Onerous Contracts</b>	<b>Other Provisions</b>	<b>Non-Domestic Rates (NDR) Appeals</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April 2025</b>	<b>(241,456)</b>	<b>(6,516)</b>	<b>(303,153)</b>	<b>(551,125)</b>
Additional provisions made/adjustment relating to change in estimates	(10,965)	(3,436)	(166,906)	(181,307)
Amounts used	12,826	1,311	163,087	177,224
Unused amounts reversed in year	-	4,071	45,691	49,762
Effect of change in discount rate	23,863	-	-	23,863
Unwinding of discount	(20,184)	-	-	(20,184)
Derecognition Other	-	148	5,079	5,227
<b>Balance at 31 March 2026</b>	<b>(235,916)</b>	<b>(4,422)</b>	<b>(256,202)</b>	<b>(496,540)</b>

## Group Non-Current

	<b>Onerous Contracts</b>	<b>Other Provisions</b>	<b>Non-Domestic Rates (NDR) Appeals</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April 2025</b>	<b>(229,187)</b>	<b>(210)</b>	<b>(174,015)</b>	<b>(403,412)</b>
Additional provisions made in year/adjustment relating to change in estimates	3,195	-	(93,470)	(90,275)
Amounts used in year	-	62	-	62
Unused amounts reversed in year	-	-	25,588	25,588
Effect of change in discount rate	23,863	-	-	23,863
Unwinding of discount	(19,627)	-	-	(19,627)
Transfer from non-current to current	-	-	95,575	95,575
Derecognition Other	-	148	2,844	2,992
<b>Balance at 31 March 2026</b>	<b>(221,756)</b>	<b>-</b>	<b>(143,478)</b>	<b>(365,234)</b>

## Group Current

	<b>Onerous Contracts</b>	<b>Other Provisions</b>	<b>Non-Domestic Rates (NDR) Appeals</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April 2025</b>	<b>(12,269)</b>	<b>(6,306)</b>	<b>(129,138)</b>	<b>(147,713)</b>
Additional provisions made in year/adjustment relating to change in estimates	(14,160)	(3,436)	(73,436)	(91,032)
Amounts used in year	12,826	1,249	163,087	177,162
Unused amounts reversed in year	-	4,071	20,103	24,174
Unwinding of discount	(557)	-	-	(557)
Transfer from non-current to current	-	-	(95,575)	(95,575)
Derecognition Other	-	-	2,235	2,235
<b>Balance at 31 March 2026</b>	<b>(14,160)</b>	<b>(4,422)</b>	<b>(112,724)</b>	<b>(131,306)</b>

### London Stadium LLP Onerous Contracts

Since its opening in 2016-17, the London Stadium has successfully hosted nine full seasons of Premier League football as the home of West Ham United Football Club, the IAAF World Athletics and Para Athletics Championships, major music concerts, Major League Baseball and other successful events such as rugby union matches, confirming its position as the centrepiece of the Queen Elizabeth Olympic Park and as a major London attraction.

However, despite these successes, forecasts of the partnership's financial outlook, particularly in relation to the cost of hosting West Ham United Football Club and the cost of moving the relocatable seats between pitch (football) and athletics modes, has required an assessment of whether any of its contracts are deemed to be onerous (loss-making). An assessment of its main contracts (in line with IAS 37) in 2016-17 concluded that two of these are deemed to be onerous – the West Ham United Football Club concession agreement and UK Athletics access agreement. Consequently, London Stadium LLP recognised a provision for these losses, adversely impacting its reported position for the year. The provision, which was previously calculated based upon London Stadium's forecasts as contained within its business plan, contains a variety of assumptions and estimates that are subject to change.

The methodology for calculating the provision follows the update to IAS 37. The methodology adopted is as follows:

- It uses only those revenues, costs and overheads that are directly attributable to the West Ham United Football Club and UK Athletics

agreements. Revenues, costs and overheads not directly attributable to those agreements are not included in the calculation.

- The calculation is based on cashflows for the remaining 89-year term of the concession agreement (note the calculation includes cashflows relating to the UK Athletics agreement up to its expiry in 37 years).
- A lower discount rate is adopted to reflect a risk-free rate (based on Government gilt rates at the reporting date).
- Note that the changes in the provision balances do not reflect any substantial change to the underlying business of London Stadium LLP but rather are a result of the change in discount rate and forecasted commercial income.
- Certain commercial revenues associated with London Stadium partners are not expected to start immediately, with income anticipated to commence after an estimated period from the end of the financial year, for an estimated term length, in accordance with expected market developments.

Some revenue assumptions are based on the successful closure of deals with London Stadium partners, which are expected to generate significant income over the contract term. The calculation of the onerous contract provision balance is highly sensitive to both the timing and magnitude of certain income streams and direct operating costs. For example, a delay in the commencement of a revenue stream totalling £1m per year would increase the provision balance as follows:

<b>Scenario</b>	<b>Amount</b>
5-year delay	£3.5 million
10-year delay	£6.3 million
15-year delay	£8.5 million

The calculation is also sensitive with the discount rate. An increase or decrease in the current discount rate of 0.2% will have the following impact:

<b>Year</b>	<b>Provision Balance</b>	<b>Discount rate reduces by 0.2%</b>	<b>Discount rate increases by 0.2%</b>
		<b>(change in balance)</b>	<b>(change in balance)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
31/03/2024	(206.7)	(8.0)	7.4
31/03/2025	(241.5)	(9.4)	8.8
31/03/2026	(235.9)	(9.2)	8.6

At 31 March 2026, the provision totalled £235.9 million (£241.5 million at 31 March 2025).

**Other Provisions Current – (LLDC)** – £1.2 million of the Other Provisions at 31 March 2026 relates largely to the LLDC staff-related exit costs arising from organisational changes. This provision is based on reasonable estimates by LLDC management at the reporting date.

**Other Provisions Current – West Ham United Stadium Appeal (London Stadium (LS))** – West Ham United Football Club were in dispute with London Stadium LLP over a sum paid by the club under the concession agreement in relation to a multi-faceted share transaction in WH Holding Limited (WHHL). WHHL were ordered to pay LS £3.6 million plus in interest and costs following an expert determination in which the expert found in favour of LS. This payment was made in March 2023, WHHL subsequently filed a Part 8 Claim at Court challenging the expert's determination. The matter was heard on 12 December 2024. The judgement was handed down on 27 January 2025, with the judge finding in WHHL's favour. London Stadium LLP appealed the decision and in February 2026 the judges found in favour of London Stadium LLP. WHHL have elected to not appeal the decision further so the matter is now closed and the provision of £3.9 million has been released in 2025-26.

**Other Provisions Non-Current - Millfield Transfer Station (GLAP)** – GLAP, along with the London Borough of Hackney, has an obligation to undertake repairs and other works at the Millfield Transfer Station. The obligation arises from a landfill site relocation for the 2012 Olympics. A payment was made in 2016 and an agreement signed in 2021-22 contracts GLAP to pay up to £0.3 million in final settlement of this obligation. A payment of £0.06 million was made in 2025-26 and the balance of £0.15 million has been reclassified as a creditor and is payable in 2026-27.

## **42. Usable Reserves**

Movements in the Authority's and Group's usable reserves are detailed in the Movement in Reserves Statement and Note 9.

### 43. Unusable Reserves

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revaluation Reserve	-	-	(1,061)	(1,061)
Capital Adjustment Account	4,106,607	4,254,859	4,290,498	4,442,298
Deferred Capital Receipts Reserve	(219,776)	(4,776)	(223,821)	(3,821)
Pensions Reserve	1,824	1,752	-	-
Collection Fund Adjustment Account-Council tax	(2,567)	(2,567)	7,663	7,663
Collection Fund Adjustment Account-Non Domestic rates	(16,983)	(16,983)	(46,228)	(46,228)
Accumulated Absences Account	4,128	4,554	4,296	4,760
Financial Instruments Adjustment Account	4,156	15,787	4,615	17,177
Capital Reserve	-	(47)	-	12,676
Members Equity	-	333,270	-	320,236
Merger Reserves	37,877	(307,716)	37,877	(312,716)
<b>Total Unusable Reserves</b>	<b>3,915,266</b>	<b>4,278,132</b>	<b>4,073,839</b>	<b>4,440,983</b>

## Revaluation Reserve

The Revaluation Reserve contains the gains made by the Group arising from increases in the value of its Property, Plant and Equipment and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost;
- used in the provision of services and the gains are consumed through depreciation; or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
<b>Balance at 1 April</b>	<b>(1,061)</b>	<b>(1,061)</b>	<b>(1,184)</b>	<b>(1,184)</b>
(Upward)/Downward revaluation of assets	1,061	1,061	123	123
<b>(Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services</b>	<b>1,061</b>	<b>1,061</b>	<b>123</b>	<b>123</b>
<b>Balance at 31 March</b>	<b>-</b>	<b>-</b>	<b>(1,061)</b>	<b>(1,061)</b>

**Capital Adjustment Account**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of these assets under statutory provisions. The Account is debited with depreciation, amortisation and revenue spend financed by capital. The Account is credited with the amounts set aside by the Authority and Group as finance for the costs of acquisition, construction and enhancement. Where spend is incurred in advance of financing being received (as is the case with Crossrail and Northern Line Extension contributions and expenditure) this results in a deficit balance on the reserve.

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
<b>Balance at 1 April</b>	<b>4,290,498</b>	<b>4,442,298</b>	<b>4,540,642</b>	<b>5,054,897</b>
<b>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</b>				
Charges for depreciation, impairment and write off of obsolete fixed assets	5,076	5,299	5,291	5,747
Revaluation/Impairment charged to the Comprehensive Income and Expenditure Account	17,981	(3,895)	93,110	(89,420)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	-	49,186	-	15,879
Revenue expenditure funded from capital under statute	2,110,113	2,126,183	1,204,853	1,239,026
Fair value through profit and loss adjustments	(20,807)	(20,807)	(13,629)	(13,629)
Capital receipts received during the year	-	(46,808)	-	(678)
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Account	-	-	-	122
Corporation tax adjustment	-	(5,314)	-	(3,947)
Uncertain Corporation Tax liability	-	-	-	22,000
Other adjustments	-	(6,047)	-	1,077
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	393	393
Amounts of inventories written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	47,347	-	(187)
	<b>2,112,363</b>	<b>2,145,144</b>	<b>1,290,018</b>	<b>1,176,383</b>
<b>Capital financing applied in the year:</b>				
Use of the Capital Receipts Reserve to finance new capital expenditure	(213,761)	(213,761)	(139,990)	(139,990)
Use of the capital receipts to finance prior year capital expenditure	(67)	(67)	-	-
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital	-	(36,329)	-	(86,711)
Application of grants to financing from the Capital Grants Unapplied Account	(1,834,640)	(1,834,640)	(970,787)	(975,564)
Statutory provision for the financing of capital investment charged against the General Fund	(218,337)	(218,337)	(250,998)	(250,998)
Capital expenditure charged against the General Fund	(48,801)	(48,801)	(177,629)	(177,638)
Increase/decrease in provisions for capital purposes	-	-	-	10,818
Capital receipts applied to reduce the capital financing requirement	(5,000)	(5,000)	(46,667)	(46,667)
Deconsolidation - derecognition of balances	-	-	-	(168,141)
Repayment of long term capital debtors	24,352	24,352	45,909	45,909
	<b>(2,296,254)</b>	<b>(2,332,583)</b>	<b>(1,540,162)</b>	<b>(1,788,982)</b>
<b>Balance at 31 March</b>	<b>4,106,607</b>	<b>4,254,859</b>	<b>4,290,498</b>	<b>4,442,298</b>

## Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place and the receipts from the repayment of the inherited London Development Agency borrowing. Under statutory arrangements, the Group does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts.

	<b>Authority 2025-26 £000</b>	<b>Group 2025-26 £000</b>	<b>Authority 2024-25 £000</b>	<b>Group 2024-25 £000</b>
<b>Balance at 1 April</b>	(223,821)	(3,821)	(268,963)	(2,296)
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,244)	(1,244)	(963)	(963)
Transfer Finance Lease Impairments and receipts	-	-	(835)	(835)
Transfer to the Capital Receipts Reserve upon receipt of cash	5,289	289	46,940	273
<b>Balance at 31 March</b>	<b>(219,776)</b>	<b>(4,776)</b>	<b>(223,821)</b>	<b>(3,821)</b>

### **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, for defined benefit pension schemes. The Authority and Group account for post-employment benefits in the CIES as benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority and Group make employer's contributions to pension funds or eventually pay any pensions for

which they are directly responsible. A debit/credit balance on the Pensions Reserve shows the shortfall/surplus in the benefits earned by past and current employees and the resources the Authority and Group have set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>	-	-	<b>(57,196)</b>	<b>(59,181)</b>
Actuarial (gains) / losses on pension assets and liabilities	2,356	2,879	58,974	61,209
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	8,304	10,496	5,554	9,313
Deferred tax asset	-	-	-	(486)
Employer's pensions contributions and direct payments to pensioners payable in the year	(8,836)	(11,892)	(7,332)	(10,878)
Other adjustment	-	269	-	23
<b>Balance at 31 March</b>	<b>1,824</b>	<b>1,752</b>	<b>-</b>	<b>-</b>

### Collection Fund Adjustment Account – Council Tax

The Collection Fund Adjustment Account (Council Tax) manages the differences arising from the recognition of council tax income in the CIES as it falls due from council taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the London Boroughs and City of London Corporation's Collection Funds.

	<b>Authority</b>	<b>Authority</b>
	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>	<b>7,663</b>	<b>(494)</b>
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(10,230)	8,157
<b>Balance at 31 March</b>	<b>(2,567)</b>	<b>7,663</b>

### Collection Fund Adjustment Account – Non-Domestic Rates

The Collection Fund Adjustment Account (Non-Domestic Rates) manages the differences arising from the recognition of non-domestic rates income in the CIES as it falls due from non-domestic rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the London Boroughs and City of London Corporation's Collection Fund.

	Authority 2025-26 £000	Authority 2024-25 £000
<b>Balance at 1 April</b>	<b>(46,228)</b>	<b>(67,524)</b>
Amount by which non-domestic rate income credited to the Comprehensive Income and Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	29,245	21,296
<b>Balance at 31 March</b>	<b>(16,983)</b>	<b>(46,228)</b>

### Accumulated Absences Account

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

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
<b>Balance at 1 April</b>	<b>4,296</b>	<b>4,760</b>	<b>3,572</b>	<b>3,969</b>
Settlement or cancellation of accrual made at the end of the preceding year	4,128	3,664	(3,572)	(3,969)
Amounts accrued at the end of the current year	(4,296)	(3,870)	4,296	4,760
<b>Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements</b>	<b>(168)</b>	<b>(206)</b>	<b>724</b>	<b>791</b>
<b>Balance at 31 March</b>	<b>4,128</b>	<b>4,554</b>	<b>4,296</b>	<b>4,760</b>

### Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Authority uses the Account to manage the write down of soft loans to fair value. The initial write down is debited to the CIES on recognition of the loan but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the write down is reversed

by crediting the effective interest rate on the loan to the General Fund Balance over the life of the loan.

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>	<b>4,615</b>	<b>17,177</b>	<b>6,617</b>	<b>20,110</b>
Write down of soft loans to fair value charged to the Comprehensive Income and Expenditure Statement	1,396	1,396	-	-
Effective interest rate on soft loans credited to the Comprehensive Income and Expenditure Statement	(1,855)	(2,786)	(2,002)	(2,933)
<b>Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements</b>	<b>(459)</b>	<b>(1,390)</b>	<b>(2,002)</b>	<b>(2,933)</b>
<b>Balance at 31 March</b>	<b>4,156</b>	<b>15,787</b>	<b>4,615</b>	<b>17,177</b>

### Merger Reserve

The merger reserve arose as a result of the transfer of the net assets of London Development Agency, Homes and Communities Agency London and London Thames Gateway Development Corporation to the Authority on 1 April 2012.

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>	<b>37,877</b>	<b>(312,716)</b>	<b>37,877</b>	<b>(359,385)</b>
Movement in year	-	5,000	-	46,669
<b>Balance at 31 March</b>	<b>37,877</b>	<b>(307,716)</b>	<b>37,877</b>	<b>(312,716)</b>

## 44. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for non-cash movements

	<b>Authority 2025-26 £000</b>	<b>Group 2025-26 £000</b>	<b>Authority 2024-25 £000</b>	<b>Group 2024-25 £000</b>
Depreciation of property, plant and equipment , amortisation of intangibles	4,447	5,115	5,292	6,374
Revaluation losses on property, plant and equipment	628	628	-	-
Impairment of financial instruments	21,876	(1,898)	103,102	(5,507)
Inflation uplift on Bonds	10,242	10,242	4,420	4,420
Carrying amount of non-current assets sold or derecognised	-	-	393	393
Inventory disposals (East Bank)	-	47,347	-	136,608
Inventory disposals (Residential)	-	-	-	100
Change in fair value on FVTPL assets	(23,751)	3,613	(13,629)	176
Increase/(decrease) in fair value of investments	1,364	-	(5,066)	-
Change in fair value of investment property	-	43,255	-	14,295
Movement in pensions liability	(2,356)	(3,094)	(1,777)	(1,162)
Unwind of discount on loan investments	(1,684)	(2,631)	(2,003)	(2,934)
Unwind of discount in provisions	-	20,183	-	13,940
Elimination of finance lease payment to subsidiary	-	1,700	-	-
Increase/ (decrease) in creditors and deferred income	71,678	194,998	19,316	(31,935)
(Increase)/decrease in debtors	59,170	83,813	74,811	105,613
(Increase)/ decrease in inventories	-	3,549	-	19,924
Increase/ (decrease) in provisions	(43,931)	(74,769)	16,474	(103,603)
Tax expense	-	3,828	-	1,106
Uncertain Corporation Tax liability	-	-	-	22,000
(Increase)/decrease in interest receivable	17,158	9,666	(891)	932
Increase/(decrease) in finance lease receivables	-	(861)	-	9,580
Increase/(decrease) in interest payable	1,657	414	(7,874)	(10,013)
Other non cash movements	-	(70,081)	-	(6,398)
Inventory net change to net realisable value	-	-	-	2,666
Increase/ (decrease) in deferred tax liability	-	(3,972)	-	(1,761)
Inventory purchases not set against provision (East Bank)	-	(16,489)	-	(21,619)
Inventory purchases (Residential)	-	(37,476)	-	(243)
Reversal of share of loss or profit on associates and joint ventures	-	11,089	-	11,390
	<b>116,498</b>	<b>228,169</b>	<b>192,568</b>	<b>164,342</b>

**45. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for investing and financing activities**

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
(Gain)/loss on financial instruments held at FVTPL	-	(23,063)	-	(16,300)
Reversal of capital grants recognised in the income and expenditure statement	(2,122,515)	(2,160,896)	(1,100,676)	(1,161,724)
Other investing or financing cash flows	-	-	(835)	(835)
	<b>(2,122,515)</b>	<b>(2,183,959)</b>	<b>(1,101,511)</b>	<b>(1,178,859)</b>

**The cash flows for operating activities include the following items**

	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2025-26</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest paid	(160,929)	(160,929)	165,044	165,044
Interest received	163,427	117,406	(189,390)	(168,406)

#### 46. Cash Flow Statement – Investing Activities

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Purchase of property, plant and equipment and intangible assets	(8,530)	(26,905)	(2,558)	109
Purchase of investment property	-	(113,334)	-	(125,310)
Purchase of short-term and long-term investments	(380,751)	(273,703)	(231,381)	(110,196)
Other movements in investing activities	289	(1,626)	274	9,574
Capital grants received	2,122,515	2,161,724	1,100,676	1,151,686
Proceeds from short-term and long-term investments	49,670	45,937	251,114	259,716
Proceeds from the sale of financial instruments held at FVTPL	-	-	-	550
Investments in subsidiaries	-	(36,693)	-	(1,571)
<b>Net cash flows from investing activities</b>	<b>1,783,193</b>	<b>1,755,400</b>	<b>1,118,125</b>	<b>1,184,558</b>

#### 47. Cash Flow Statement – Financing Activities

	Authority 2025-26 £000	Group 2025-26 £000	Authority 2024-25 £000	Group 2024-25 £000
Cash receipts of short and long-term borrowing	222,045	223,785	580,613	607,175
Capital introduced by members	-	21,876	-	-
Other receipts from financing activities	-	-	-	(1)
Cash payments for the reduction of the outstanding liabilities relating to finance leases	(2,052)	(6,364)	(1,947)	(6,087)
Repayments of short and long-term borrowing	(523,377)	(533,109)	(686,215)	(814,476)
Other payments for financing activities	(301)	(301)	(20,497)	(39,190)
<b>Net cash flows from financing activities</b>	<b>(303,685)</b>	<b>(294,113)</b>	<b>(128,046)</b>	<b>(252,579)</b>

#### 47a. Reconciliation of movements of liabilities to cash flows arising from financing activities

##### Group

2025-26	Group 2025-26	Group IFRS 16 Lease Liability adjustment	Group 2025-26	Group Financing	Group Non-financing cash	Group 2025-26
	1 April £000	£000	1 April £000	Cashflows £000	Movements £000	31 March £000
Long Term and Short Term Borrowings	(5,133,505)	-	(5,133,505)	309,324	6,866	(4,817,315)
Lease Liabilities	(39,563)	-	(39,563)	6,364	(4,922)	(38,121)
<b>Total Liabilities from Financing Activities</b>	<b>(5,173,068)</b>	<b>-</b>	<b>(5,173,068)</b>	<b>315,688</b>	<b>1,944</b>	<b>(4,855,436)</b>

##### 2024/25

2024/25	Group 2023/24	16 Lease Liability adjustment	Group 2024/25	Group Financing	Group Non-financing cash	Group 2024/25
	31 March £000	£000	1 April £000	Cashflows £000	Movements £000	31 March £000
Long Term and Short Term Borrowings	(5,345,152)	-	(5,345,152)	207,301	4,346	(5,133,505)
Lease Liabilities	(288)	(37,683)	(37,971)	5,339	(6,931)	(39,563)
<b>Total Liabilities from Financing Activities</b>	<b>(5,345,440)</b>	<b>(37,683)</b>	<b>(5,383,123)</b>	<b>212,640</b>	<b>(2,585)</b>	<b>(5,173,068)</b>

##### Authority

##### 2025-26

2025-26	Authority 2024/25	IFRS 16 Lease Liability adjustment	Authority 2025-26	Authority Financing	Authority Non-financing cash	Authority 2025-26
	31 March £000	£000	1 April £000	Cashflows £000	Movements £000	31 March £000
Long Term and Short Term Borrowings	(5,239,801)	-	(5,239,801)	301,332	(11,898)	(4,950,367)
Lease Liabilities	(24,926)	-	(24,926)	2,052	-	(22,874)
<b>Total Liabilities from Financing Activities</b>	<b>(5,264,727)</b>	<b>-</b>	<b>(5,264,727)</b>	<b>303,384</b>	<b>(11,898)</b>	<b>(4,973,241)</b>

2024/25	Authority 2023/24	IFRS 16 Lease Liability adjustment	Authority 2024/25	Authority Financing	Authority Non-financing cash	Authority 2024/25
	31 March £000	£000	1 April £000	Cashflows £000	Movements £000	31 March £000
Long Term and Short Term Borrowings	(5,348,857)	-	(5,348,857)	105,602	3,454	(5,239,801)
Lease Liabilities	-	(26,873)	(26,873)	1,947	-	(24,926)
<b>Total Liabilities from Financing Activities</b>	<b>(5,348,857)</b>	<b>(26,873)</b>	<b>(5,375,730)</b>	<b>107,549</b>	<b>3,454</b>	<b>(5,264,727)</b>

## 48. Related Parties

IAS 24 (Related Party transactions) requires the Authority to disclose any material transactions with related parties, that is, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to limit another party's ability to bargain freely with the Authority.

Transactions which have been disclosed elsewhere in these financial statements will not be included in this note.

### Central Government

Central Government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates. It provides significant funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. Council Tax, Business Rates). Grants received from Government Departments are set out in the Grants note.

### Transactions with London Treasury Liquidity Fund LP and the limited partners

#### London Treasury Liquidity Fund LP (LTLF LP)

LTLF LP is an alternative investment fund established on 29 January 2021, LTLF GP Limited is the general partner and the Authority is a founding limited partner and from 29 June 2023 Transport for London (TfL), Mayor's Office for Policing and Crime (MOPAC), London Fire Commissioner (LFC) and LPFA (London Pensions Fund Authority) joined as limited partners. All limited partners hold loan investments and have contributed a core commitment to LTLF LP.

LTLF LP is accounted for as an associate in the GLA's group accounts and as a long-term investment accounted for on an equity basis on the GLA's single entity accounts.

At 31 March 2026, the Authority held loan notes in LTLF LP totalling £2.3 billion and made a £52.4 million core commitment. See note 50f for further information.

Transactions between the Authority and the other limited partners in LTLF LP are set out below.

**TfL** is a functional body of the GLA and is a statutory corporation. The Mayor is the Chair of TfL's Board and appoints the Board's membership. The Mayor is responsible for setting fares, TfL's council tax requirement and borrowing limits. Although the Mayor appoints the TfL Board, the direction of TfL's relevant activities is undertaken by executive management personnel who are not appointed by the Mayor. The GLA does not provide the majority of TfL's funding and is not exposed, or entitled, to the majority of TfL's variable returns; where exceptional funding requirements arise, support is sought from central government. Accordingly, the GLA has concluded that it does not control TfL within the meaning of IFRS 10 and TfL is therefore not consolidated in the GLA group accounts.

In 2025-26, £34.8 million was payable in grants to TfL. This includes £13.7 million Greener & Fairer funding, £12 million for Employers NIC funding, £5.8 million Bus Fare Freeze funding and £3.3 million for Oxford Street. Crossrail funding of £12.7 million was paid as capital grant.

In year, £20.06 million was payable to TfL for shared and other services and includes group procurement collaboration, information technology, legal, human resources and the business services.

The Authority is reimbursed by TfL for the cost of congestion charge appeals costs, in 2025-26, £1.8 million was receivable.

The Authority held the following significant balances with TfL at 31 March 2026:

Debtors - £0.7 million – of which £0.4 million relates to the reimbursement of congestion charges.

Creditors - £13.7 million – consisting mainly of £5.1 million East London Line grants, £4.3 million shared service fees for group procurement, information technology, human resources and legal services and £1.5 million which includes operational network costs, data centre costs, funding and secondments.

**MOPAC** is a functional body of the GLA. The Mayor is responsible for setting the MOPAC's council tax requirement and borrowing limits. The primary function of MOPAC is to secure the maintenance of an efficient and effective metropolitan police force in London, and to hold the Commissioner of Police of the Metropolis (CPM) to account for the exercise of operational policing duties under the Police Act 1996. The CPM is responsible for the Metropolitan Police Service.

In 2025-26, £0.6 million was payable by the Authority to MOPAC, consisting of grants, shared service fees, agency costs and audit fees

There are £0.2 million debtor and no significant creditor balances with MOPAC at 31 March 2026.

**LFC** is a functional body of the GLA. Under the Policing and Crime Act 2017, the previously known LFEPA was abolished on 31 March 2018 and the London Fire Commissioner (“LFC”) was established as a corporation sole on 1 April 2018. The Mayor appoints the London Fire Commissioner and sets its council tax requirement and borrowing limits.

The Authority paid LFC £1 million to support the London Remediation Action Plan. There are no significant debtor or creditor balances at 31 March 2026.

### **Statutory payments to the TfL, MOPAC and LFC**

Sections 102 and 103 of the Greater London Authority Act 1999 (as amended) require the Greater London Authority to pay over to the functional bodies, their share of government grants and precepts required to fund their budget requirements, as calculated under section 85(4) to (7) of the aforementioned Act. The table below sets out the allocation of the council tax precepts and retained business rates.

	<b>Business Rates £000</b>	<b>Council Tax £000</b>
TfL	2,191,777	249,161
MOPAC	130,654	1,028,390
LFC	300,133	231,804

**London Pension Fund Authority (LPFA)** is a local government pension fund, and whilst not a functional body of the GLA, the Greater London Authority Act 1999 gives the Mayor certain powers in relation to the London Pensions Fund Authority, such as appointing members to the LPFA board.

At 31 March 2025, £1.3 million is payable to LPFA for employee and employer pension contributions.

## Transactions with public bodies

During the year amounts payable to related parties totaled:

	2025-26	2024-25
	£000	£000
Local Government	1,073,809	551,019
Public Corporations	181	129
Hospitals	1,492	2,431

For amounts owed by the Authority to related parties, see Creditors, Note 40.

Significant grants receivable from related parties are disclosed in Note 16 Grant Income and within Note 13 Taxation and Non-Specific Grant Income and Expenditure.

For amounts owed to the Authority by related parties, see Debtors Note 38.

## Transactions with subsidiaries

The following paragraphs set out the transactions between the Authority and its subsidiaries.

### Greater London Authority Holdings Limited (GLAH)

GLAH is a wholly owned subsidiary of the Greater London Authority. The Authority holds a £1 share in GLAH. GLAH, in turn, is the parent of GLA Land and Property Limited ("GLAP"), GLAP is a wholly owned subsidiary of GLAH. The Authority has prepared group accounts which consolidate the group accounts of Greater London Authority Holdings Limited.

During the year, the Greater London Authority (GLA) charged the Company £5.8 million for staff, accommodation and other overhead costs (£6.8 million in 2024-25).

Loans from the GLA, excluding accrued interest, total £318 million (£317 million at 31 March 2025) with interest of £10.3 million payable to the GLA in respect of these loans (£17.2 million in 2024-25).

At 31 March 2026, the Company had £75.6 million surplus cash on deposit with the GLA, (£93.1 million at 31 March 2025).

At 31 March 2026, GLAH owed GLA £1.9 million for recharged costs.

### **London Treasury Ltd (LTL)**

LTL was acquired by the GLAH in August 2018 and operates under the Financial Services and Markets Act 2000 authorisation and provides treasury management services to the GLA, its functional bodies (except TfL).

In 2025-26 the GLA paid £1.6 million to LTL in fund manager fees (£1.4 million – 2024-25).

At 31 March 2026, LTL's net assets totalled £2.2 million (£1.6 million at 31 March 2025).

### **London TravelWatch (LTW)**

London TravelWatch is a body corporate (under its statutory title of the London Transport Users Committee). It acts as an independent passenger watchdog, reviewing London's transport services, conducting research into London's Transport and acting as an appeals body for passenger complaints. LTW reports to and is funded by the London Assembly. The Board of LTW comprises a Chair and 12 members, all of whom are appointed by the London Assembly. They are supported by around 9.1 full time equivalent staff. Its legal status is set out in the Greater London Authority Act 1999 as amended by the Railways Act 2005.

The London Assembly has the power to issue guidance and direction to London TravelWatch subject to explaining why any such action is proposed. The London Assembly also approves LTW's budget and requires that its accounts and business plan be submitted to the GLA.

In 2025-26 the Authority provided funding of £1.2 million to LTW (£1.2million – 2024-25).

### **London Legacy Development Corporation**

LLDC is a mayoral development corporation, created using powers given to the Mayor of London in the Localism Act 2011, and its purpose is to manage the ongoing regeneration and development of the Olympic Park and surrounding areas of east London. The LLDC was created on 9 March 2012 and, on 1 April 2012, the property, assets, liabilities, and staff of the Olympic Park Legacy Corporation transferred to the LLDC.

The LLDC has been accounted for as a subsidiary of the Authority in the consolidated financial statements.

In 2025-26 the Authority paid LLDC revenue grant totalling £28.3 million (£70.9 million – 2024-25) and capital grant totalling £19.4 million (£0 million – 2024-25). The loan balance at 31 March 2026 was £523.0 million (£507.8 million – 31 March 2025).

Interest receivable on the loan totalled £17.0 million (£16.9 million – 2024-25).

### **London Stadium LLP (LS LLP)**

London Stadiums LLP is a wholly owned subsidiary of GLAH. GLAH acquired LLDC's 99% interest in LS LLP on 31 March 2025. Subsequent to

the acquisition of LS LLP, GLAH, on 31 March 2025 made a £111.2 million capital contribution to LS LLP. These funds were used by LS LLP to repay an outstanding loan with LLDC. A further equity contribution of £21.9 million was made in 2025-26.

### **Old Oak and Park Royal Development Corporation (OPDC)**

OPDC is a mayoral development corporation established under the powers of the Localism Act 2011. The OPDC has planning powers and regeneration responsibility within its boundaries. The corporation is responsible for the regeneration of Old Oak Common in West London. The organisation was created on the 1 April 2015.

During 2025-26, the GLA provided revenue grant funding of £12.4 million (£13.1 million in 2024-25) and advanced £106.8 million (£47.8 million in 2024-25) to OPDC to fund land acquisitions for the Old Oak Park Royal development. At 31 March 2026 loans to OPDC total £204.6 million and interest receivable totalled £5.8 million.

### **Oxford Street Development Corporation (OSDC)**

OSDC is a mayoral development corporation established under the Localism Act 2011. It was established on 1 January 2026 to lead the long-term regeneration and renewal of Oxford Street and the surrounding area.

During 2025-2026, the GLA provided revenue grant funding of £4.8 million and capital grant funding of £2.7 million.

There are £0.5 million debtor and £0.8 million creditor balances with OSDC at 31 March 2026.

### **London 2017 Limited**

London 2017 Limited was set up jointly by the GLA and UK Athletics (UKA) with the purpose of organising and staging the IAAF World Championship in London in 2017. The Mayor appointed a Co-chair and one other Director to the company's board.

The company is in liquidation as all the activities in relation to the championship have now ended.

### **London Power Co. Ltd (LPC)**

London Power Co. Limited is a private company limited by shares. It was incorporated on 19 July 2019. LPC has contracted the services of energy supplier Octopus Energy Limited to provide gas and electricity to Londoners.

LPC has not been consolidated into GLA's group accounts on materiality grounds.

LPC borrowing (including accrued interest) from the GLA stood at £0.02 million at 31 March 2026 (£0.05 million at 31 March 2025). In 2025-26, the Greater London Authority (GLA) charged the LPC £0.02 million for accommodation and other overhead costs (£0.04 million – 2025-26).

## **Other Parties**

### **University of East London**

At 31 March 2026, the wife of the Mayor had various positions at the University of East London and the GLA paid the organisation £99.4k for a research projects and a grant.

### **C40Cities (Climate Leadership Group)**

The Mayor is a co-chair of C40 cities, in 2025-2026 the GLA received £161k from this organisation.

### **Future of London 2011 Ltd.**

An Executive Director was a board member of Future of London 2011. During 2025-26, the GLA paid £10.6k to Future of London, for membership and training (£35k in 2024-25).

### **Parks for London**

At 31 March 2026, an Assistant Director was a Trustee of Parks for London. During 2025-26, the GLA paid zero to Parks for London (£10k in 2024-25)

### **Funders Together (previously known as London Funders)**

At 31 March 2026, an Executive Director was a Trustee of London Funders. During 2025-26, the GLA paid of £0.04 million to Funders Together for annual membership and to fund infrastructure projects. (£0.2 million in 2024-25).

### **Hyde Housing Association**

At 31 March 2026, the husband of an Assistant Director was a Board member of the Hyde Housing Association. During 2024-25, the GLA paid of £38 million to Hyde Housing Association as grants housing projects. (£77.7 million in 2024-25)

## **49. Interests in Other Organisations**

### **Museum of London**

From 1 April 2008, the Authority assumed the role of co-sponsor (along with the Corporation of London) of the Museum of London and has the right to appoint half of the Museum's Board.

The Authority has also committed to contribute £95 million to part fund the relocation of the Museum of London from its current London Wall site to a new site at Smithfield General Market.

In 2025-26, the GLA provided £ 7.3 million grant funding (£8.1 million – 2024-25) and £40 million capital grant funding (£55 million in 2024-2025) to the Museum of London. The GLA also advanced a loan of £5 million to the Museum of London under the Green Finance Fund in 2025-26.

### **London & Partners**

London & Partners was incorporated on 14 January 2011 as a company limited by guarantee. It commenced operations on 1 April 2011. London & Partners is a commercially driven organisation, championing London as the best big city on earth. It will generate economic benefits for the capital and maintain London's leading position by attracting and generating spend from visitors and overseas students; attracting, accelerating and expanding foreign direct investment in London; and leveraging private sector investment and expertise.

The Mayor is the founding member of London & Partners. Under the articles of association, the Mayor retains the power to appoint the chair and one other non-executive director to the board.

During the financial year 2024-25, the GLA made grant payments of £ 29.6 million (£22.9 million – 2024-25) to London & Partners.

### **ReLondon**

The London Waste and Recycling Board (LWARB) has changed its name to ReLondon. LWARB was established by the Greater London Authority Act 2007 to promote and encourage the production of less waste, an increase in the proportion of waste that is re-used or recycled and the use of methods of collection, treatment and disposal of waste which are more beneficial to the environment in London. Mete Coban, Deputy Mayor for Environment and Energy, has been appointed by the Mayor as Chair.

In 2025-26 £0.6 million was paid in grant payment to ReLondon.

### **Royal Docks Management Authority Limited**

The Royal Docks Management Authority Limited (RoDMA), established in 1990, holds a 225-year lease of the water areas and associated marine infrastructure of the Royal Docks and is responsible for their control and management.

At 31 March 2025, GLAP holds 94.5% of the RoDMA shares and 34.34% of the voting rights. The Department for Environment, Food and Rural Affairs (DEFRA) holds a special share (it was historically delegated to the London Borough of Newham) which gives it control over key decisions – DEFRA are in the process of reviewing their ownership of the Special Share as part of a wider RoDMA governance review; GLAP therefore has significant influence but does not control RoDMA. RoDMA is held as an associate in GLAP's financial statements but, as it was acquired at nil cost, there is no carrying value in the Group accounts.

During 2025-26, £0.6 million was payable to RoDMA for service charges and other works; £0.5 million was payable in 2024-25.

### **Greenwich Peninsula Estate Management Limited**

Greenwich Peninsula Estate Management Limited was established to manage, maintain and administer the Greenwich Peninsula estate. GLA Land and Property Ltd. appoints one out of seven directors.

In 2025-26 and in 2024-25 there were no transactions between the GLA and Greenwich Peninsula Estate Management Limited.

### **Real Lettings Property Fund 2 LP (RLPF2)**

RLPF2 was registered as a limited partnership in December 2016 and the fund was launched in January 2017. The limited partners are GLAP, LB Croydon, LB Lambeth, LB Westminster, Guys and St Thomas and Trust for London. The target size for the RLPF2 is over £100 million up to a maximum of £200 million. A fund of £100 million should allow the purchase, refurbishment, letting and management of affordable homes.

At 31 March 2026, GLAP has made a capital contribution of £2.4k (£1.9k in 2024-25) and an interest free loan of £19.2 million, the same as at 31 March 2025. As a limited partner GLAP does not have control.

The interest in RLPF2 is an equity investment and is carried at fair value through profit and loss in the Group balance sheet.

### **Resonance Everyone In LP (REILP)**

GLAP became a limited partner of REILP on 3 March 2021. The limited partnership's objective is the provision of accommodation for rough sleepers.

At 31 March 2026, GLAP's capital contribution and interest free loan to REILP totalled £5 million (£5 million at 31 March 2025). As a limited partner GLAP does not have control.

The interest in REILP investment an equity investment and is carried at fair value through profit and loss in the Group balance sheet.

### **Barking Riverside Limited (BRL)**

Barking Riverside Limited is a joint venture between London & Quadrant New Homes Limited and GLA Land and Property Limited.

The joint venture company is leading on the delivery of the new Barking Riverside neighbourhood, Barking, East London. The site is being remediated and site wide infrastructure developed to allow the release of plots for residential and commercial development.

GLA Land and Property Limited holds 49% of the share capital and 50% of the voting rights. The Deputy Mayor for Housing and Residential Development, the GLA's Executive Director Housing and Land and the Assistant Director of Investment and Operations are three of the six directors of Barking Riverside Limited.

See Note 31 Investments in subsidiaries, joint ventures and associates for further details.

**Stratford East London Partners (SELP)** - Stratford East London Developments Limited (SELD), a wholly owned subsidiary of LLDC, holds a 50% interest in the joint venture Stratford East London Partners LLP (SELP), alongside Ballymore.

See Note 31 Investments in subsidiaries, joint ventures and associates for further details.

**Pudding Mill Lane LLP (PML LLP)** is a joint venture comprised of Pudding Mill Legacy Development Limited and Vistry Group. The joint venture is responsible for delivering for the delivery of residential housing in Pudding Mill Lane, Stratford.

See Note 31 Investments in subsidiaries, joint ventures and associates for further details.

### **London Treasury Liquidity Fund LP (LTLF LP) - Equity Accounted Investee**

LTLF LP is an alternative investment fund established on 29 January 2021, LTLF GP Limited is the general partner and the GLA is one of six limited partners. LTLF LP is accounted for as an associate in the GLA Group accounts.

At 31 March 2026, the Authority held loan notes in LTLF LP totalling £2.3 billion and a £52.4 million core commitment.

See Note 31 Investments in subsidiaries, joint ventures and associates and Note 50f Fair Value Hierarchy for financial assets and liabilities not measured at fair value for further details.

## **50. Financial Instruments**

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity in another. The figures on the balance sheet are adjusted to exclude balances that are not financial instruments, this includes, inter alia, statutory debtors and creditors, prepayments and receipts in advance.

## 50a. Group Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet:

Long-Term		Authority	Group	Authority	Group
	Note	31 March 2026 £000	31 March 2026 £000	31 March 2025 £000	31 March 2025 £000
<b>Investments-Long term</b>					
Financial assets at amortised costs	50g	10,450	103,802	10,476	109,717
Financial assets - equity accounted	31	52,439	59,912	55,625	55,625
Financial assets at FVTPL	50g	-	260,781	-	244,794
<b>Total investments</b>		<b>62,889</b>	<b>424,495</b>	<b>66,101</b>	<b>410,136</b>
<b>Debtors-Long Term</b>					
Financial assets at amortised costs		652,375	304,075	498,440	254,476
Financial assets at FVTPL		607,283	19,212	577,451	16,141
Finance lease receivables		-	23,049	272	28,565
<b>Total Debtors</b>		<b>1,259,658</b>	<b>346,336</b>	<b>1,076,163</b>	<b>299,182</b>
<b>Borrowings-Long term</b>					
Financial liabilities at amortised costs		(4,395,878)	(4,407,525)	(4,709,281)	(4,725,255)
Financial liabilities at fair value through profit and loss		-	-	-	-
<b>Total borrowings</b>		<b>(4,395,878)</b>	<b>(4,407,525)</b>	<b>(4,709,281)</b>	<b>(4,725,255)</b>
<b>Creditors and Other Long Term Liabilities -Long term</b>					
Financial liabilities at amortised costs		-	(2,837)	-	(9,776)
Finance lease liabilities		(20,785)	(55,081)	(22,874)	(57,173)
<b>Total creditors</b>		<b>(20,785)</b>	<b>(57,918)</b>	<b>(22,874)</b>	<b>(66,949)</b>

<b>Current</b>		<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
		<b>31 March 2026</b>	<b>31 March 2026</b>	<b>31 March 2025</b>	<b>31 March 2025</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Investments</b>					
Financial assets at amortised costs	50g	177,951	191,143	20,058	33,779
Financial assets at FVTPL		-	18,307	-	18,670
<b>Total investments</b>		<b>177,951</b>	<b>209,450</b>	<b>20,058</b>	<b>52,449</b>
<b>Debtors</b>					
Financial assets at amortised costs		304,547	203,361	268,484	149,686
Financial assets at FVTPL		6,539	6,539	-	-
Finance lease receivables		272	15,866	289	9,975
<b>Total Debtors</b>		<b>311,358</b>	<b>225,766</b>	<b>268,773</b>	<b>159,661</b>
<b>Cash and cash equivalents</b>		<b>2,345,969</b>	<b>2,474,220</b>	<b>2,601,069</b>	<b>2,669,289</b>
<b>Borrowings</b>					
Financial liabilities at amortised costs		(554,489)	(409,790)	(530,520)	(408,251)
<b>Total borrowings</b>		<b>(554,489)</b>	<b>(409,790)</b>	<b>(530,520)</b>	<b>(408,251)</b>
<b>Creditors</b>					
Financial liabilities at amortised costs		(359,851)	(370,471)	(268,126)	(263,496)
Finance lease liabilities		(2,090)	(4,409)	(2,052)	(4,314)
<b>Total creditors</b>		<b>(361,941)</b>	<b>(374,880)</b>	<b>(270,178)</b>	<b>(267,810)</b>

## 50b. Material soft loans made by the Authority

A soft loan is a loan at less than market rates. The Authority has made the following significant soft loans to support the provision of housing development and related infrastructure.

	2025-26	2024-25
	£m	£m
Network Homes	-	21.0
Big Issue	10.0	10.0
LB Kingston	26.6	26.7
OPDC	50.0	50.0
<b>Nominal value at 31 March</b>	<b>86.6</b>	<b>107.7</b>

The movement on significant soft loans:

	Authority 31 March 2026 £000	Authority 31 March 2025 £000
<b>Opening balance at 1 April</b>	<b>92,620</b>	<b>91,594</b>
Fair value adjustment on initial recognition	(1,396)	-
Loans repaid	(21,038)	(977)
Increase in discounted amount	1,855	2,003
<b>Closing balance at 31 March</b>	<b>72,041</b>	<b>92,620</b>
<b>Nominal value at 31 March</b>	<b>86,625</b>	<b>107,663</b>

### Valuation Assumptions

The interest rate used to discount the soft loans is the Authority's cost of borrowing when the loan was advanced plus a margin to reflect the credit risk.

## 50c. Group Income, Expense, Gains and Losses

	2025-26			
	£000			
	Financial Liabilities measured at amortised costs	Financial Assets at amortised cost	Financial Assets at FVTPL	Total
Interest expense	160,876	-	-	<b>160,876</b>
Finance lease interest payable	2,123	-	-	<b>2,123</b>
(Gains)/Losses on initial recognition	-	1,396	-	<b>1,396</b>
Expected and actual credit losses/(reversals) on financial instruments	-	(5,619)	-	<b>(5,619)</b>
Unwind of discount on non-current creditors/borrowing	271	-	-	<b>271</b>
Impairment losses on equity investments	-	(1)	-	<b>(1)</b>
Fee expense	209	-	-	<b>209</b>
<b>Total expense in (Surplus) or Deficit on the Provision of Services</b>	<b>163,479</b>	<b>(4,224)</b>	<b>-</b>	<b>159,255</b>
Interest income	-	(124,593)	(17,445)	<b>(142,038)</b>
Other investment Income/Gain/Expenditure/Loss	-	57	-	<b>57</b>
Finance lease interest receivable	-	(3,098)	-	<b>(3,098)</b>
(Increase)/Decrease in fair value	-	-	(23,463)	<b>(23,463)</b>
Unwind of discount on non-interest bearing loan investments and debtors	-	(3,177)	-	<b>(3,177)</b>
(Gains)/losses on derecognition	-	-	(731)	<b>(731)</b>
Income distribution from LP	-	-	(568)	<b>(568)</b>
<b>Total income in (Surplus) or Deficit on the Provision of Services</b>	<b>-</b>	<b>(130,811)</b>	<b>(42,207)</b>	<b>(173,018)</b>
<b>Net (gain)/loss for the year</b>	<b>163,479</b>	<b>(135,035)</b>	<b>(42,207)</b>	<b>(13,763)</b>

## Group Income, Expense, Gains and Losses

	2024/25			
	£000			
	Financial Liabilities measured at amortised costs	Financial Assets at amortised cost	Financial Assets at FVTPL	Total
Interest expense	119,195	-	-	<b>119,195</b>
Finance lease interest	2,157	-	-	<b>2,157</b>
Expected and actual credit losses/(reversals)	-	(10,955)	-	<b>(10,955)</b>
Unwind of discount on non-current creditors	515	-	-	<b>515</b>
Fee expense	152	-	-	<b>152</b>
<b>Total expense in (Surplus) or Deficit on the Provision of Services</b>	<b>122,019</b>	<b>(10,955)</b>	<b>-</b>	<b>111,064</b>
Interest income	-	(114,068)	(17,599)	<b>(131,667)</b>
Finance lease interest	-	(1,824)	-	<b>(1,824)</b>
(Increase)/Decrease in fair value	-	-	(20,132)	<b>(20,132)</b>
Unwind of discount on non-interest bearing loan investments and debtors	-	(1,187)	-	<b>(1,187)</b>
(Gains)/losses on derecognition	-	-	(830)	<b>(830)</b>
Income distribution from LP	-	-	(496)	<b>(496)</b>
<b>Total income in (Surplus) or Deficit on the Provision of Services</b>	<b>-</b>	<b>(117,079)</b>	<b>(39,057)</b>	<b>(156,136)</b>
<b>Net (gain)/loss for the year</b>	<b>122,019</b>	<b>(128,034)</b>	<b>(39,057)</b>	<b>(45,072)</b>

## 50d. Authority Income, Expense, Gains and Losses

2025-26	Financial Liabilities measured at amortised cost	Financial Assets at amortised cost	Financial Assets at FVTPL	Total
	£000	£000	£000	£000
Interest expense	161,278	-	-	161,278
Finance lease interest expense	1,308	-	-	1,308
Reduction in fair value	-	1,396	-	1,396
Impairment losses	-	18,142	-	18,142
Fee expense	155	-	-	155
<b>Total expense in (Surplus) or Deficit on the Provision of Services</b>	<b>162,740</b>	<b>19,538</b>	<b>-</b>	<b>182,278</b>
Interest income	-	(147,218)	(17,389)	(164,606)
Finance Lease interest income	-	(31)	-	(31)
(Increase)/decrease in fair value	-	-	(20,807)	(20,807)
Unwind of discount on loan	-	(1,855)	-	(1,855)
Gains on derecognition	-	-	(1,244)	(1,244)
<b>Total income in (Surplus) or Deficit on the Provision of Services</b>	<b>-</b>	<b>(149,103)</b>	<b>(39,440)</b>	<b>(188,543)</b>
<b>Net (gain)/loss for the year</b>	<b>162,740</b>	<b>(129,565)</b>	<b>(39,440)</b>	<b>(6,265)</b>

2024/25	Financial Liabilities measured at amortised cost	Financial Assets at amortised cost	Financial Assets at FVTPL	Total
	£000	£000	£000	£000
Interest expense	155,756	-	-	155,756
Finance lease interest expense	1,412	-	-	1,412
Impairment losses	-	93,120	-	93,120
Fee expense	152	-	-	152
<b>Total expense in (Surplus) or Deficit on the Provision of Services</b>	<b>157,320</b>	<b>93,120</b>	<b>-</b>	<b>250,440</b>
Interest income	-	(172,016)	(17,211)	(189,227)
Finance Lease interest income	-	(45)	-	(45)
(Increase)/decrease in fair value	-	-	(13,630)	(13,630)
Gains on derecognition	-	-	(963)	(963)
<b>Total income in (Surplus) or Deficit on the Provision of Services</b>	<b>-</b>	<b>(172,061)</b>	<b>(31,804)</b>	<b>(203,865)</b>
<b>Net (gain)/loss for the year</b>	<b>157,320</b>	<b>(78,941)</b>	<b>(31,804)</b>	<b>46,574</b>

## **50e. Fair Value Hierarchy for financial assets and liabilities measured at fair value**

### **Fair Value through Profit and Loss (FVTPL)**

**Equity Mortgages** are carried at fair value and gains and loss are recognised in the income and expenditure account as they arise. They are valued with reference to published house price indices – the Land Registry house price index for the London region - these are Level 2 fair value measurements (see accounting policy xvii for an explanation of the fair value levels). They are long term investments which are classified as Fair Value through Profit and Loss (see Note 50a) and at 31 March 2026 totalled £28.2 million (£30.2 million at 31 March 2025).

**Fund and partnership investments** (including fund investments (Note 30)) totalling £206.5 million at 31 March 2026 (£220.3 million at 31 March 2025) are classified as Fair Value through Profit/Loss (FVTPL) and gains and loss are recognised in the income and expenditure account as they arise.

Some of the investments are held by Fund Managers which provide estimated net asset values of the funds on which the 31 March 2026 valuation is based. For other equity investments, valuations are based on the most recent fundraising round with adjustments made to that valuation where required. Other valuations are based on the International Private Equity and Venture Capital Valuation (IPEV) Guidelines, an approach that draws upon the business prospects as reported by the investee companies on a 6 monthly basis and their other periodic shareholder reports – these are Level 3 fair value measurements.

### **Transfers between levels in the Fair Value hierarchy for assets measured at fair value**

There were no transfers out of level 2 during the year.

## **50f. Fair Value Hierarchy for financial assets and liabilities not measured at fair value**

The fair value disclosures for financial assets and liabilities not measured at fair value are calculated using Level 2 inputs.

### **Financial assets and liabilities measured at amortised costs**

#### **Group**

Except for the financial assets carried at fair value (described in note 50e) all other financial liabilities and financial assets are classified as amortised cost and are carried in the Balance Sheet at amortised cost.

## Authority only

The loan investment held in LTLF LP, totalling £2.3 billion, at 31 March 2026, is classified as cash and cash equivalents because the funds are held for meeting short-term cash commitments rather than for investments or other purposes and meet the IAS 7 criteria, as set out below:

**Short term** – the loan notes are redeemable on demand, thereby making it an instant access instrument except for very limited circumstances when the fund does not have enough liquidity to honour the redemption. The rules around redemptions run in continuity with GIS scheme, which this fund supersedes; and in 13 years of GIS existence the failure to honour a redemption has never occurred. The fund itself operates an investment strategy that enables it to plan for the redemptions on receipt of cashflow forecasts from each limited partner.

**Highly liquid** – as indicated above, the loan notes are redeemable on demand and are thus highly liquid, with daily issues and redemptions of significant volume.

**Readily convertible to known amounts of cash** – this is reflected in the loan agreement, with the value of loan account being the net of issues and redemptions, hence the convertible amount is always known at any point in time. The interest it attracts equals the Bank of England Sterling Overnight Index Average (SONIA) base rate.

**Subject to insignificant risk of changes in value** – a Gallagher report found value at risk for the underlying portfolio of the fund is lower than 2%, and the fair value movements, should they occur, are absorbed by the core commitment rather than the loan notes. The balance of core commitment is set and reviewed in accordance with value at risk parameters, hence the risk of losses exceeding the core commitment is negligible.

Also, the LTLF LP investment strategy requires the weighted average maturity of the assets to not exceed 60 days at any given point in time.

The value of the Authority's core commitment (LTLF LP Partnership Contribution) is equity accounted as set out in IAS 28, as permitted in IAS 27. At 31 March 2026 the carrying value totalled £52.4 million.

The expected credit loss allowance for the LTLF LP fund has been assessed as immaterial and as the GLA core commitment is part of the LTLF LP fund, the ECL attributable to the GLA core commitment would also be immaterial and has therefore not been recognised in these financial statements.

LTLF LP is a partnership that was set up with the intention of replacing the previous Group Investment Syndicate (GIS) arrangement, with all new investment deals carried out via the limited partnership. The purpose of this is to optimise the previous collective investment arrangement and make it easier for new partners to enter into the agreement.

## 50g. Fair Value for financial assets and liabilities

The Code requires disclosure of information comparing the fair values and carrying values for financial instruments.

The following table gives the fair value information for both financial instruments held at amortised cost and at fair value through profit and loss:

	<b>Authority</b> <b>31 March 2026</b> <b>Carrying value</b> <b>£000</b>	<b>Group</b> <b>31 March 2026</b> <b>Carrying value</b> <b>£000</b>	<b>Authority</b> <b>31 March 2026</b> <b>Fair Value</b> <b>£000</b>	<b>Group</b> <b>31 March 2026</b> <b>Fair Value</b> <b>£000</b>
Borrowing - non-current and current	(4,950,367)	(4,817,315)	(4,494,800)	(4,346,469)
Investments - non-current and current at amortised cost	188,402	294,946	188,402	294,946
Investments - non-current - equity accounted	52,439	59,912	52,439	52,439
Investments - non-current and current at fair value through profit and loss	-	279,088	-	279,088

	<b>Authority</b> <b>31 March 2025</b> <b>Carrying value</b> <b>£000</b>	<b>Group</b> <b>31 March 2025</b> <b>Carrying value</b> <b>£000</b>	<b>Authority</b> <b>31 March 2025</b> <b>Fair Value</b> <b>£000</b>	<b>Group</b> <b>31 March 2025</b> <b>Fair Value</b> <b>£000</b>
Borrowing - non-current and current	(5,239,801)	(5,133,506)	(4,746,241)	(4,639,946)
Investments - non-current and current	30,535	143,496	30,535	143,496
Investments - non-current - equity accounted	55,625	55,625	55,625	55,625
Financial assets at fair value through profit and loss	-	263,464	-	263,464

The fair value of amortised cost investments can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For long-term Public Works Loans Board (“PWLB”) borrowings – the fair value for PWLB Borrowings is based on the PWLB new borrowing rate; for long term bonds, market data relating to the relevant bonds are used to determine the fair value of this loan; interest rates at 31 March 2026 used for discounting, ranged from 2.73% to 6.40% (4.81% to 5.63% at 31 March 2025);
- Where borrowing or investments will mature within 12 months, carrying amount is assumed to approximate to fair value;
- Where borrowing or investments attract interest at a variable rate related to an underlying market measure (such as base rate) and the next rate reset will occur within 12 months, the carrying amount is again assumed to approximate to fair value.

The fair value of borrowing, at 31 March 2026, is less than the carrying value because the Authority and Group's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders below current market rates.

Investments at amortised costs consist of call and notice bank accounts and money market instruments. Short-term investments are held at cost and fair value has not been calculated because the carrying amount is a reasonable approximation of the fair value.

Financial assets at fair value through profit and loss consists of long-term equity mortgages and fund investments.

### **50h. Nature and Extent of Risks arising from Financial Instruments**

The Authority and Group's activities expose them to a variety of financial risks including:

- credit risk - the possibility that other parties might fail to pay amounts due to the Authority/Group;
- liquidity risk - the possibility that the Authority/Group may not have the funds available to meet its commitments to make payments;
- market risk - the possibility that financial loss might arise as a result of changes in interest rates

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the principal treasury management objectives for the Group, with secondary objectives of maximising investment yield and minimising borrowing costs. Treasury management is integral to the Authority/Group bodies' wider risk management strategies under policies approved by each body's governing body in their treasury management strategy. These strategies set out the principles for overall risk management, as well as covering specific areas such as the authorised limit for external debt and the investment of surplus cash.

The treasury management function for the Authority, Greater London Authority Holdings Limited and GLA Land and Property Limited is delivered by London Treasury Limited (LTL), a wholly owned subsidiary of the GLA, authorised and regulated by the Financial Conduct Authority (FCA).

Each entity within the GLA Group, save Greater London Authority Holdings Limited, separately manages the risks arising from the financial instruments that they hold. The following notes detail the nature and extent of risk facing each significant Group entity.

## **Credit Risk**

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Credit ratings form the backbone of the investment policy for selecting institutions with which the Authority will invest surplus funds, based on knowledge and understanding of the risks involved. Although no combination of ratings can be viewed as fail-safe, the credit criteria for 2025-26 were based on Fitch, Moody's and Standard and Poor's suite of ratings, supported by broader market information. Relevant changes in counterparties' credit standing are reviewed daily, with updates provided by the Authority's treasury advisors. Where counterparties' credit standings are downgraded, the relevant investment limits are reduced with immediate effect or, where minimum criteria fail to be met, further investment is suspended. Maximum limits, for principal invested with each counterparty, are reviewed regularly with reference to relative risk and the Authority's cash flow requirements. All the Authority's investments are sterling denominated.

At 31 March 2026, the majority of the Authority's cash was placed with LTLF LP, which, in turn, operates a portfolio where all of its money market investments and cash as at 31 March 2026 were placed with institutions with at least a BBB+ credit rating. The Treasury Management Strategy Statement (TMSS) allows the use of institutions with credit ratings of BBB and higher. The Authority held short term treasury investments with other functional bodies in the GLA Group who are local authorities, posing no meaningful credit risk to the Authority. The long-term loans to GLA Land and Property Limited and the GLA's Mayoral Development Corporations are not deemed to pose separate credit risk given the level of parental control and the Authority does not consider the financing agreements to be at risk of default. The Authority also holds long term loans to other local authorities via the Green Finance Fund, which do not present any significant credit risk to the GLA.

### **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period is set out in Note 50a, in the Categories of Financial Instruments table.

An expected credit loss allowance was recognised for all default exposure with an applied loss given default percentage of 35% for collateral backed loans and 45% for all other loans.

At 31 March 2026, the collateral held was mainly in the form of charges on the property development (completed and under construction), land and tangible assets. The collateral exceeded the credit exposure on 47.4% of the loan investments and finance lease receivables held by the Group.

## Expected credit loss reconciliation

Group	Long-term loans for capital purposes £000	Finance lease receivables £000	Trade receivables £000	Total £000
<b>Balance at 1 April 2025</b>	<b>(39,350)</b>	<b>(1,537)</b>	<b>(775)</b>	<b>(41,662)</b>
Movement in loss allowance	5,988	(198)	(172)	5,618
<b>Amount charged to CIES in year</b>	<b>5,988</b>	<b>(198)</b>	<b>(172)</b>	<b>5,618</b>
<b>Balance at 31 March 2026</b>	<b>(33,362)</b>	<b>(1,735)</b>	<b>(947)</b>	<b>(36,044)</b>

All lifetime loss allowances are for loans for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets.

## Group

### Expected credit loss and impairment of financial instruments charged to CIES

	2025-26 £000	2024-25 £000
Expected credit loss on loans advanced for capital purposes	(5,988)	(11,756)
Expected credit loss on trade receivables	172	(98)
Expected credit loss on finance lease receivables	198	899
	<b>(5,618)</b>	<b>(10,955)</b>

## Authority

### Expected credit loss allowances

	Long-term loans for capital purposes £000	Equity Investment £000	Trade receivables £000	Total £000
Balance at 1 April 2025	(28,050)	(111,217)	(266)	(139,533)
Movement in loss allowance	3,895	(21,876)	(162)	(18,143)
Amount charged to CIES in year	3,895	(21,876)	(162)	(18,143)
Balance at 31 March 2026	(24,155)	(133,093)	(428)	(157,676)

All lifetime loss allowances are for loans for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets.

## Authority

### Expected credit loss and impairment of financial instruments charged to CIES

	2025-26 £000	2024-25 £000
Expected credit loss on loans advanced for capital purposes	(3,895)	(18,106)
Expected credit loss on trade receivables	162	10
Impairment of equity investments	21,876	111,217
<b>Total charged to the CIES</b>	<b>18,143</b>	<b>93,121</b>

## Liquidity Risk – Group

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group bodies manage liquidity risk by maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements. As long as the affordable borrowing limit set by the Mayor is not exceeded, the GLA and LLDC are able to borrow from the Public Works Loan Board, raise debt on the capital markets through both the GLA's established Bond and Commercial Paper programmes, borrow from Commercial Banks, other public bodies or utilise overdraft facilities and, subject to meeting the relevant criteria, borrow at competitive interest rates from the European Investment Bank. The GLA may also lend to its subsidiaries. There is therefore no significant risk that any Group body will be unable to raise finance to meet its planned capital commitments.

The maturity analysis of financial liabilities is as follows:

<b>Borrowing and Interest Payable</b>	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Less than one year	(637,700)	(493,001)	(534,188)	(418,194)
Between one and two years	(661,900)	(661,900)	(352,005)	(352,338)
Between two and five years	(1,343,476)	(1,343,428)	(1,198,814)	(1,215,225)
Between five and ten years	(2,042,985)	(2,054,680)	(3,151,987)	(3,186,016)
More than ten years	(1,081,902)	(1,081,902)	(1,001,913)	(1,001,913)
<b>Total</b>	<b>(5,767,963)</b>	<b>(5,634,911)</b>	<b>(6,238,907)</b>	<b>(6,173,686)</b>

<b>Creditors and Interest Payable</b>	<b>Authority</b>	<b>Group</b>	<b>Authority</b>	<b>Group</b>
	<b>2026</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	Less than one year	(359,851)	(370,471)	(268,126)
Between one and two years	-	(2,837)	-	(9,776)
<b>Total</b>	<b>(359,851)</b>	<b>(373,308)</b>	<b>(268,126)</b>	<b>(273,272)</b>

### Lease Liabilities

The maturity profile of lease liabilities arising from IFRS 16 are disclosed in in Note 35.

### Market Risk

The Authority sets Prudential Indicators specifying maximum exposures to variable rate investments, reflecting the fact that the use of fixed rate instruments is the Authority's primary means of managing exposure to interest rate movements. Where interest rates appear to be low, the Authority's Treasury function places great emphasis on matching the maturity profile of borrowings to prudent forecasts of future income to reduce the likelihood of needing to refinance borrowings at potentially unfavourable future rates. The Authority may also arrange borrowings

or investments in advance at prior agreed rates as a means of managing short-term interest rate exposures.

### **Equity Investments**

All equity investments present a risk of loss of capital. The Fund Managers moderate this risk through diversification of the investment portfolio. The maximum risk resulting from financial instrument is determined by the fair value of the financial instruments.

At 31 March 2026, if equity values had increased by 20% with all other variables held constant there would have been an increase in the net assets of £45.4 million. If equity values had fallen by 20% there would have been a corresponding decrease in net assets of £45.4 million. A 20% movement in values has been used as a sensitivity indicator, reflecting a reasonable estimate of potential volatility in the valuation for a portfolio of this nature.

The fair value of the fund investments are categorised within level 3 of the fair value hierarchy and are determined in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines (revised December 2022). This incorporates a portfolio review of recent fund-raising rounds, commercial performance, assessment of key risks and financial measures as well as obtaining company and market perspectives from market participants. Changes in these unobservable inputs could significantly impact fair values.

### **Equity mortgages**

At 31 March 2026, if UK house prices had been 1% lower and all other variables were held constant, the house price linked financial assets would decrease in value, excluding the effects of tax, by £0.3 million, with a corresponding reduction in equity.

## **51. Contingent liabilities and assets**

### **Contingent Liabilities**

**Construction Works/Damages (GLA)** - The Authority may be liable to pay costs to a third party either for construction works or third-party damages dependent on the outcome of current discussions and future events. Due to the inherent uncertainty in estimating the potential liability, it is not possible to disclose or quantify the liability at this stage.

**Planning inquiry (GLA)** – A judicial review claim has been issued by a third party challenging a planning permission decision made by the Authority. The first hearing dismissed the matter but is now subject to an appeal. It is not possible to provide a timescale on when this matter will conclude.

**Employment Tribunals (GLA)** – Eleven employment tribunal claims have been lodged against the Authority. As at 31 March 2026, the outcomes of all eleven cases are pending. As these are ongoing cases, it would be prejudicial to the Authority to provide an estimate of the

potential liabilities. The cases are expected to be settled within the next twelve months.

### **Sharing of disposal proceeds – LLDC Olympic land**

On 29 March 2012 the GLA entered into an agreement with the Department for Culture, Media and Sport (DCMS) to repay net proceeds from the sale of individual plots of land owned by LLDC, that are clearly identified by schedule as within the scope of the agreement. The GLA is entitled to keep the first £223 million of net proceeds arising from the disposal of plots of land within the scope of the agreement. Net proceeds between £223 million and £1,123 million are to be shared 75 per cent to DCMS and 25 per cent to GLA. If net proceeds were to exceed £1,123 million they would be shared 50 per cent to GLA and 50 per cent to the Treasury.

The receipts from development plots are being generated over the long term. As at November 2025, LLDC estimates the £223 million threshold will be reached in 2029-30 and proceeds will then begin to be shared with DCMS. The most recent estimate also indicates final payments to DCMS from these proceeds will not complete until at least 2047-48.

The amount payable by the GLA will ultimately be determined by the level of total receipts that can be generated through disposals of LLDC land. This means there is no guarantee over the amount that might become payable; and there is no certainty on the date from when these payments will need to be made. Therefore, no provision has been made in these financial statements for this contingent liability.

### **Sharing of disposal proceeds - Greenwich Peninsula**

In 2012, GLAP entered into a legal agreement with the now Ministry of Housing, Communities and Local Government (MHCLG) with regards to sharing the receipts of Greenwich Peninsula land disposals between GLAP, National Lottery and MHCLG. The first 13% of receipts are top-sliced and payable to the National Lottery, specified costs are deducted from the remaining receipts and the resultant net capital receipts are shared 50:50 between GLAP and MHCLG.

Payment is due when receipts are received and given the current economic climate and the period over which receipts will be received it is difficult to estimate with any certainty, the timing and amount of receipts.

### **ArcelorMittal Orbit Loan (LLDC)**

LLDC has an obligation to repay a loan from ArcelorMittal Orbit Limited amounting to £18.3m (comprising a principal of £9.3m plus unpaid interest). This loan was used to partially fund the construction of the ArcelorMittal Orbit. Repayment is contingent on future profits generated by the operation of the ArcelorMittal Orbit, after offsetting cumulative losses and allowable costs such as lifecycle maintenance and capital works. Repayments are applied first to accrued interest, and thereafter, 50% of profits are applied against the principal.

In determining the carrying value of this liability, the Group has estimated future cash payments over the expected life of the loan based on projected cash flows from the ArcelorMittal Orbit. This assessment has concluded that the carrying amount of the liability is nil, a position that remains unchanged despite surpluses reported in prior years.

## Contingent Assets

### Contingent rent (GLAP)

Lease receivables from a lease with ExCel Exhibition Centre site have been treated as a contingent asset. The ExCel lease expires in 2199 and the annual lease receivable is based on the corresponding annual turnover of the centre, the value of the lease is therefore uncertain. The net present value of the estimated cash flows is considered to be between £4 million per annum and £28 million per annum; £1.4 million was receivable in 2025-26 (£1.8 million in 2024-25).

## 52. Group Taxation

	Group		
	1 April 2025	Movement in year	31 March 2026
	£000	£000	£000
Pension	-	2	2
<b>Total</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Deferred tax liabilities</b>			
Investment properties	(20,376)	-	(20,376)
Capital (gains)/losses	(242)	(1,412)	(1,654)
Inventories	(11,481)	-	(11,481)
Short term differences	1,227	(1,499)	(272)
Trading losses	5,740	-	5,740
Accelerated capital allowances	(1,694)	-	(1,694)
<b>Total</b>	<b>(26,826)</b>	<b>(2,911)</b>	<b>(29,737)</b>
<b>Deferred tax assets</b>			
Investment properties	15,634	-	15,634
Property plant and equipment	628	-	628
Capital losses carried forward	2,439	-	2,439
<b>Total</b>	<b>18,701</b>	<b>-</b>	<b>18,701</b>
<b>Net deferred tax liabilities</b>	<b>(8,125)</b>	<b>(2,911)</b>	<b>(11,036)</b>
<b>Net deferred tax liabilities</b>	<b>(8,125)</b>	<b>(2,909)</b>	<b>(11,034)</b>

	<b>Group</b>			
	<b>1 April 2024 £000</b>	<b>Prior Year Adjustment £000</b>	<b>Movement in year £000</b>	<b>31 March 2025 £000</b>
Deferred tax assets - Pensions				
Pension	(486)	-	486	-
<b>Total</b>	<b>(486)</b>	<b>-</b>	<b>486</b>	<b>-</b>
<b>Deferred tax liabilities</b>				
Investment properties	(14,885)	4,640	(10,131)	(20,376)
Capital losses carried forward	-	-	(242)	(242)
Inventories	(11,481)	-	-	(11,481)
Short term differences	1,384	-	(157)	1,227
Trading losses	5,740	-	-	5,740
Accelerated capital allowances	(1,694)	-	-	(1,694)
<b>Total</b>	<b>(20,936)</b>	<b>4,640</b>	<b>(10,530)</b>	<b>(26,826)</b>
<b>Deferred tax assets</b>				
Investment properties	10,181	(4,640)	10,093	15,634
Property plant and equipment	757	(7)	(122)	628
Capital losses carried forward	2,401	-	38	2,439
<b>Total</b>	<b>13,339</b>	<b>(4,647)</b>	<b>10,009</b>	<b>18,701</b>
<b>Net deferred tax liabilities</b>	<b>(7,597)</b>	<b>(7)</b>	<b>(521)</b>	<b>(8,125)</b>
<b>Net deferred tax liabilities</b>	<b>(8,083)</b>	<b>(7)</b>	<b>(35)</b>	<b>(8,125)</b>

### 53. Northern Line Extension Income and Expenditure Account

The Northern Line Extension (NLE) Income and Expenditure Account is a memorandum account which summarises the income received, and expenditure incurred in relation to the GLA's contribution towards delivering this project which extended the Northern Line to Battersea Power Station and Nine Elms. This extension opened on 20 September 2021.

The account details the contributions received from the London Boroughs of Lambeth and Wandsworth using sums paid by developers and business ratepayers in the Battersea and Nine Elms statutory designated area, the payments made to Transport for London towards construction costs and the financing costs incurred by the GLA in relation to the amounts borrowed by it, to finance its contribution to the project.

	<b>2025-26</b>	<b>2024-25</b>
	<b>£000</b>	<b>£000</b>
<b>Balance at 1 April</b>	<b>862,287</b>	<b>862,288</b>
<b>INCOME</b>		
Amounts (transferred by)/repayable to the London Borough of Lambeth	146	(178)
Amounts (transferred by)/repayable to the London Borough of Wandsworth	(26,197)	(37,727)
Interest receivable on contributions received and other gains	(5,714)	(7,345)
<b>Total income</b>	<b>(31,765)</b>	<b>(45,250)</b>
<b>EXPENDITURE</b>		
Interest payable on project related borrowing	15,773	17,228
Other expenses including brokerage and bond fees	12,970	7,518
<b>Total Expenditure</b>	<b>28,743</b>	<b>24,746</b>
<b>Transfer to/(from) NLE reserve to meet future financing costs and debt repayment</b>	<b>3,022</b>	<b>20,504</b>
<b>Net deficit for the year</b>	<b>-</b>	<b>-</b>
<b>Deficit carried forward at 31 March</b>	<b>862,287</b>	<b>862,287</b>

The GLA has met its full agreed £1 billion contribution towards the core project which has been funded primarily using long-term borrowing from the European Investment Bank and other sources. An additional capital contribution of £7.5 million was made towards the project in 2023-24 outside the core funding scheme.

The GLA incurred interest payable on its NLE related borrowing in 2025-26 of £15.8 million. A further £13.0 million of expenditure was incurred by the GLA respect of bond indexation, brokerage costs, fees and associated costs including the loan guarantee provided by HM Treasury and associated administrative costs.

The GLA received £26.2 million in contributions from the London Borough of Wandsworth on an accrued basis but made a net repayment to the London Borough of Lambeth of £0.1million on an accrued basis. These sums were paid as required under the NLE funding agreement signed between both boroughs, the Greater London Authority and Transport for London in January 2014 reflecting a combination of business rates growth and developer contributions in the Battersea and Nine Elms statutory designated area. In addition, £5.7 million of interest was receivable on the balances held in respect of the project.

There was an in-year revenue surplus of £3.0 million. This net sum was transferred to the NLE reserve. This reserve manages short term surpluses and deficits on the NLE revenue account. It will remain in place until the level of business rates income received in the local statutory designated area arising from the associated retail, office and commercial premises is considered sufficient to meet the interest payable on its NLE debt and associated financing costs on an ongoing basis. Any excess held in the NLE reserve at that point will be released to repay the GLA's residual borrowing.

#### **54. Post balance sheet event**

##### **Silvertown Quays Joint Venture Agreement (GLAP)**

On 1 June 2026, GLA Housing Investments (Silvertown) Ltd (GLAHIS) entered into a joint venture agreement to acquire a 50% interest in The Silvertown Partnership LLP (TSP). The transaction forms part of a broader restructuring of the Silvertown Quays development, including the replacement of an existing private investor and amendments to key agreements. The joint venture will deliver a major regeneration scheme including approximately 7,000 homes, infrastructure, and commercial space with 30% of homes being developed as affordable homes.

The transaction occurred after the reporting date and therefore has not been recognised in the financial statements for the year ended 31 March 2026, as it does not relate to conditions existing at the reporting date.

The investment will be accounted for in the 2026-27 financial statements. GLAHIS is a partner in the TSP joint venture and GLAH will account for TSP in its group accounts using the equity method of accounting, recognising the GLAHIS's share of TSP's profit or loss and commensurate increase or decrease in the net investment in TSP.

### **Financial guarantee**

On 1 June 2026, after the reporting date but before these financial statements were authorised for issue, the Authority entered into an agreement with Homes England to provide a financial guarantee in respect of 50% of a £233 million loan advanced by Homes England to the Silvertown Partnership LLP.

As the agreement was entered into after 31 March 2026, it is a non-adjusting event in accordance with IAS 10 Events after the Reporting Period and has therefore not been recognised in these financial statements.

From 2026-27 onwards, the Authority will recognise the guarantee as a financial guarantee contract in accordance with IFRS 9 Financial Instruments. The financial guarantee contract will initially be recognised at its fair value on the date the guarantee is issued, with fair value measured in accordance with IFRS 13 Fair Value Measurement. Subsequently, the financial guarantee contract will be measured at the higher of:

- a) the amount initially recognised, less any amount recognised in the CIES where appropriate; and
- b) the loss allowance determined in accordance with the expected credit loss requirements in Section 5.5 of IFRS 9.

At the date these financial statements were authorised for issue, the financial effect of the guarantee could not be estimated reliably and has therefore not been quantified.

### **East Bank**

In valuing LLDC's remaining East Bank property, the BBC building, LLDC bases its assessment on forecasted contributions from East Bank partners and estimated costs to complete, derived from the construction Anticipated Final Cost (AFC) produced by its Project Management Partner, Mace. Following the reporting date, Mace's scenario modelling identified a 'worst-case' AFC reflecting potential additional costs arising from project prolongation and further contractor settlement risks. LLDC continues to closely monitor these forecasts.

## Fund Account

The Fund Account is a memorandum account to show transactions under sections 102 and 103 of the Greater London Authority Act 1999 which requires all government grants for the Greater London Authority and its Functional Bodies to be paid to the Greater London Authority, which then passes them on to the Functional Bodies.

	2025-26 £000	2024-25 £000
<b>Income</b>		
<b>Fire Grants (1)</b>		
Fire specific revenue grants	(10,203)	(7,770)
<b>Subtotal Fire Grants</b>	<b>(10,203)</b>	<b>(7,770)</b>
<b>Policing Grants</b>		
Home Office police general grants (2)	(2,568,586)	(2,387,705)
Local Council Tax Support grant for policing (2)	(119,676)	(119,676)
Home Office other specific grants (3)	(728,931)	(602,107)
<b>Subtotal Policing Grants</b>	<b>(3,417,192)</b>	<b>(3,109,488)</b>
<b>Transport (TfL) grants (4)</b>		
GLA Transport grant	(485,000)	(99,618)
Other specific grants (6)	(99,868)	(161,083)
<b>Subtotal Transport Grants</b>	<b>(584,868)</b>	<b>(260,702)</b>
<b>OPDC grants</b>		
Specific grants (7)	-	(25,000)
<b>Subtotal OPDC Grants</b>	<b>-</b>	<b>(25,000)</b>
<b>Total Income</b>	<b>(4,012,263)</b>	<b>(3,402,960)</b>
<b>Expenditure</b>		
London Fire Commissioner	10,203	7,770
Mayor's Office for Policing and Crime	3,417,192	3,109,488
Transport for London	584,868	260,702
Old Oak and Park Royal Development Corporation	0	25,000
<b>Total Expenditure</b>	<b>4,012,263</b>	<b>3,402,960</b>

(1) The fire revenue specific grant figure of £10.2 million total includes various Home Office grants such as PFI grant.

Fire formula grant has been paid via the business rates retention system and revenue support grant since 2013-14 and is therefore shown in the GLA's CIES. LFC's council tax precept payments are also recorded in the GLA's CIES.

(2) The core Home Office police grant in 2024-25 comprises £248.7 million in respect of the National and International Capital Cities (NICC) grant, £1,214.1 million in general police core grant (net of the NICC) and £959.9m in former DCLG formula funding approved by Parliament in the 2025-26 Police grant report

Local council tax support funding for the Mayor's Office for Policing and Crime was also approved via the Police Grant Report. MOPAC also receives additional funding approved by the Mayor which is paid to it by the GLA through retained business rates and payments from the Mayor's council tax precept which are both recorded in the GLA's CIES.

(3) The policing revenue specific grant figure includes counter-terrorism and protective security grant funding as well as other specific grants for policing paid via GLA by the Home Office such as police pension grant, police surge grant and support for additional costs arising from the Covid pandemic.

Some specific grants are paid directly to MOPAC (e.g. community safety project and Ministry of Justice funding) and are therefore only recorded in its accounts.

(4) Some transport revenue specific grants are paid direct to TfL and therefore only appear in its accounts. Funding paid to TfL via retained business rates and council tax by the Mayor is reported in the GLA's CIES.

(5) The 2025-26 Transport Grant is capital funding provided by the DfT. The 2024-25 DfT figure of £99.6m includes residual true up/related funding. The sums reported in the GLA's fund account above will differ from those reported in TfL's statutory accounts as the latter adjusted to take into accounts sums that have been repaid to the DfT as part of the 'True up' process as well as accruals for amounts not yet received/paid.

(6) The TfL other specific grant figure for 2025-26 and 2024-25 includes Housing infrastructure funding (HIF) from MHCLG for the DLR and London Overground (former East London Line), Smart Ticketing/ITSO grant from the Department for Transport (DfT), grant funding for Major Road Network Programme at Gallows corner / Brent Cross and levelling up funding from MHCLG for the Colindale and Leyton tube station upgrade projects. In 2024-25, an award of DfT grant for Elizabeth line train rolling stock is also included.

(7) OPDC received £25 million in 2024-25 from MHCLG to support land acquisition at Old Oak West. In 2023-24 it received £50m from the government's Brownfield Infrastructure and Land Fund for similar purposes.

The Crossrail Revenue Account reflects the application of the GLA's retained revenues for Crossrail and its contributions towards the Crossrail project. It also incorporates the statutory BRS Revenue Account which is required under Schedule 1 of the Business Rate Supplements (Accounting) (England) Regulations 2010.

The account details the income raised from the levy imposed on non-domestic ratepayers (the Crossrail Business Rate Supplement or BRS) and on developers through a Mayoral Community Infrastructure Levy (MCIL) to raise money to fund the construction of the Crossrail project (now called the Elizabeth line) and expenditure incurred in relation to this project by the GLA.

## Crossrail Revenue Account (incorporating the Statutory Business Rate Supplement Revenue Account)

	2025-26 £000	2024-25 £000
Balance at 1 April	-	-
<b>INCOME</b>		
Amounts transferable by billing authorities as calculated under the BRS regulations gross of billing authority administrative expenses	(244,357)	(250,020)
Amounts transferable by collecting authorities in MCIL gross of collection allowances	(95,570)	(121,543)
Interest Receivable (in respect of the Crossrail related balances)	(4,321)	(5,925)
<b>Total income</b>	<b>(344,248)</b>	<b>(377,488)</b>
<b>EXPENDITURE</b>		
<b>Administrative expenses incurred by billing authorities in respect of the collection and enforcement of a BRS</b>		
Further administrative expenses (billing authority cost of collection allowance)	435	435
Other billing authority collection costs and prior year adjustments	901	921
<b>Sub total BRS billing authority expenses</b>	<b>1,337</b>	<b>1,357</b>
<b>Allowable expenses incurred in respect of the collection and enforcement of MCIL retained by GLA</b>		
Collecting authority allowances	2,551	5,267
Charging authority allowances	700	403
MCIL other adjustments including repayments and provisions	5,762	(3,534)
<b>Sub total MCIL collection expenses</b>	<b>9,013</b>	<b>2,136</b>
<b>Expenditure incurred by GLA in respect of the Crossrail Project</b>		
Transport payments to Transport for London in respect of the Crossrail (Elizabeth line) project	2,891	35,000
Interest Payable on Crossrail related borrowing	118,388	125,174
Other expenses including brokerage fees	2,107	1,705
<b>Sub total GLA expenditure on Crossrail project</b>	<b>123,386</b>	<b>161,880</b>
<b>Total Expenditure</b>	<b>133,736</b>	<b>165,372</b>
Drawdown from GLA capital programme reserve to fund Crossrail payments to TfL	(2,891)	(35,000)
Transfers to/(from) General fund - Surplus/(Deficit) on Crossrail (BRS/MCIL) revenue account and minimum revenue provision	213,403	247,116
Balance at 31 March	-	-

Between 2010-11 and 2015-16 the GLA contributed £4.3 billion towards the Elizabeth line (formerly called Crossrail) financed from Crossrail BRS revenues. The GLA contributed an additional £2.25 billion towards the project between 2018-19 and 2022-23 under the supplementary funding deals agreed between the GLA, TfL and Department for Transport (DfT) in December 2018 and November 2020.

The Mayor also agreed to contribute up to a further £48.5 million towards the project in the 2023-24 budget - if required. £35 million of this was drawn down in 2024-25 with a further £2.9 million in 2025-26 - as set out in the Crossrail revenue account above - with the remaining balance anticipated to be required in 2027-28. While the final outturn cost of the project is still to be determined it is not anticipated based on current forecasts that these additional contributions will be material and will be managed within existing revenue streams allocated to the project.

The GLA's outstanding Crossrail borrowing will be financed and repaid using MCIL and Crossrail business rate supplement revenue with a current expected full repayment in the early 2040s. Around £3.5 billion of Crossrail related borrowing remained outstanding for the GLA at 31 March 2026.

Prior to 2019-20, MCIL revenues were retained by TfL as a direct contribution to the Crossrail project – albeit this was reported as nominal capital grant from, GLA to TfL in its statutory accounts. From 2019-20 the GLA was permitted under regulations approved by Parliament (The Community Infrastructure Levy (Amendment) (England) Regulations 2019 – 2019 966) to apply MCIL for capital financing purposes for Crossrail. A further amendment was made to the regulations in March 2021 (The Community Infrastructure Levy (Amendment) (England) Regulations 2021) to allow the GLA to use MCIL revenues to finance and repay its Crossrail related debt up to 31 March 2043.

£86.6 million net MCIL income receivable in 2025-26 was available to be applied towards Crossrail after netting off collection costs, a provision for non-collection and allowable expenses totalling £9.0 million. Further information on the BRS is set out in the next note.

The GLA incurred interest payable on its borrowing of £118.4 million and £4.3 million of interest was receivable on the balances held in respect of the BRS and MCIL. Further sums were charged to the Crossrail revenue account in respect of other costs incurred by the GLA in respect of the management and administration of the BRS and MCIL and the GLA's associated borrowing including brokerage fees.

## **55. Crossrail Business Rates Supplement**

The BRS was applied at a rate of 2p (or 2 per cent of the rateable value) on non-domestic rating assessments on the local rating list in London with a rateable value above £75,000 in 2025-26. This threshold was increased to £92,000 in 2026-27 following the national business rates revaluation from 1 April 2026 but the 2p rate was unchanged.

The BRS is collected on behalf of the GLA by the 33 London billing authorities (the 32 London boroughs and the Common Council of the City of London) on the same bills as general business rates (NNDR). Reliefs for the BRS (e.g. for charitable organisations) operate on the same basis and the same percentage rate as for National Non-Domestic Rates.

Based on the final returns received in respect of 2025-26 billing authorities determined that they had collected gross revenue through BRS of £245.7 million of which the GLA was due to receive £244.4 million after allowing for borough collection allowances and other collection related costs.

## **Glossary**

This glossary helps to define some of the terms and phrases found in these accounts.

### **Accounting Period**

The length of time covered by the accounts - the accounting year runs from 1 April to 31 March.

### **Accrual**

A sum included in the accounts to cover income or expenditure attributable to the accounting period for goods or services, but for which payment has not been received/made, by the end of that accounting period.

### **Actuarial Gains and Losses**

Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

### **Balances**

These represent the accumulated surplus of revenue income over expenditure.

### **Capital Expenditure**

Expenditure on the acquisition of fixed assets that will be of use or benefit to the Authority in providing its services for more than one year.

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

CIPFA is the main professional body for accountants working in the public service.

### **Collection Fund**

A fund administered by each London Borough Council and the City of London Corporation as billing authorities. Council Tax and Non-Domestic Rates are paid into this fund and the net requirements of the Authority and its Functional Bodies as well as the Borough/Corporation are met from the fund. Any surplus or deficit is shared between the various authorities for council tax and additionally central government in respect of retained business rates. The Crossrail Business Rate Supplement is also paid into the collection fund and transferred to the GLA as the responsible levying body from it.

### **Council tax Requirement**

The consolidated amount the Authority estimates will be received through the council tax precept. This is the budget requirement net of all government specific and general grants. The GLA, Assembly and each functional body has a component council tax requirement which is approved in the Mayor's annual budget.

**Creditors**

The amounts owed by the Authority at the Balance Sheet date in respect of goods and services received before the end of the accounting period but not paid for.

**Debtors**

Amounts owed to the Authority but unpaid at the Balance Sheet date.

**Depreciation**

The measure of the cost or revalued amount of the benefit of the fixed asset that has been consumed during the period.

**Fees and Charges**

The income raised by charging for goods, services or the use of facilities.

**Financial Instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term “financial instrument” covers both financial assets and financial liabilities and includes trade receivables and trade payables, investments and borrowings.

**Fixed Asset**

A tangible item that yields benefit to the Authority for a period of more than one year.

**Functional Body**

A term used to describe those bodies, other than the Greater London Authority, for which the Mayor of London sets the budget and appoints members to run those bodies. The six functional bodies are:

- **London Legacy Development Corporation (“LLDC”)** responsible for development of the Queen Elizabeth Olympic Park;
- **London Fire Commissioner (“LFC”)** responsible for providing an efficient and effective fire brigade and emergency planning service for London;
- **Mayor’s Office for Policing and Crime (“MOPAC”)** is headed by the Mayor or, by his nomination, the appointed statutory Deputy Mayor for Policing and Crime. This means that the Mayor is directly accountable for policing performance in London, except the City of London which has its own police force provided by the Corporation of London;
- **Old Oak and Park Royal Development Corporation (“OPDC”)** responsible for the regeneration of Old Oak Common in West

London;

- **Oxford Street Development Corporation (“OSDC”)** responsible for the regeneration of Oxford Street.
- **Transport for London (“TfL”)** responsible for London's buses, London Underground, Docklands Light Railway, Croydon Tramlink, Dial-a-Ride services, London River Services, Woolwich Free Ferry, taxis, private hire cars and maintenance and traffic management of most of the major roads in Greater London.

### **IAS 19 Employee Benefits**

The objective of IAS 19 is to prescribe the accounting and disclosure for employee benefits (that is, all forms of consideration given by an entity in exchange for service rendered by employees). The principle underlying all of the detailed requirements of the Standard is that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

### **Materiality**

Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting authority.

### **National Non-Domestic Rates [also known as Business Rates or Uniform Business Rate (UBR)]**

A property tax based on notional rental (rateable) values levied on non-domestic hereditaments. The tax is set by central government and collected by Local Authorities.

### **Precept**

The amount the Mayor requires the London Boroughs and Corporation of London to pay from their Collection Funds in respect of council tax in order to meet the costs of services of the GLA and its functional bodies

### **Prepayment**

Where expenditure has been invoiced and charged against the current year's budget but relates to goods and services to be received in the following financial year. This expenditure has to be treated as a prepayment.

### **Provisions**

Amounts set aside to meet costs which are likely or certain to be incurred but are uncertain in value or timing.

### **Reserves**

The accumulated surplus income in excess of expenditure, which can be used to finance future spending and is available to meet unforeseen

financial problems. Earmarked Reserves are amounts set aside for a specific purpose in one financial year and carried forward to meet expenditure in future years.

**Revenue Expenditure**

The day-to-day spending on employment costs, other operating costs (accommodation, supplies and services etc.) net of income for fees and charges etc.

**Revenue Support Grant**

Central Government financial support towards the general expenditure of local authorities paid on an un-ringfenced basis and without conditions.

**Specific Government Grants**

Central Government financial support towards particular services which is “ring fenced” or paid for the purposes of a particular functional body (i.e., can only be spent on a specific service area or items).

**Chief Finance Officer  
Greater London Authority**

City Hall  
Kamal Chunchie Way  
London E16 1Z

Enquiries: [glatechnicalaccountancy@london.gov.uk](mailto:glatechnicalaccountancy@london.gov.uk)