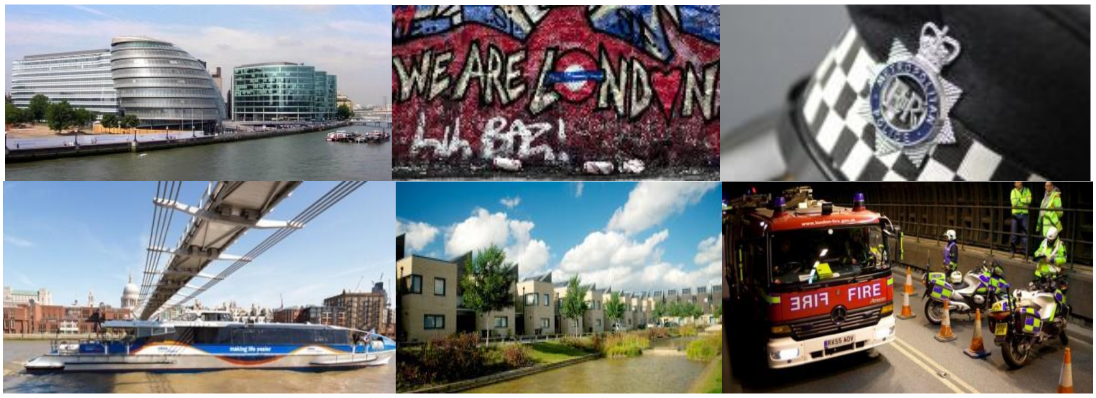
GREATER**LONDON**AUTHORITY

Statement of Accounts 2015/16

AUDITED



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Narrative Report

1. Introduction to the Greater London Authority Annual Accounts

The GLA's annual statement of accounts has been prepared in accordance with the 2015/16 Code of Practice on Local Authority Accounting and International Financial Reporting Standards. Changing requirements over several years have led to the increasing complexity and detail required in the accounts and one of the purposes of this narrative report is to provide a guide to the accounts and the most significant financial matters contained within the statements.

The **Group Accounts** comprise of:

- **GLA**;
- **Greater London Authority Holdings Ltd** and its **GLA Land and Property Ltd** ("GLAP") subsidiary. The GLA owns 100 per cent of the share capital in Greater London Authority Holdings Ltd, and through this structure it controls the benefits arising from the property trading activities of GLAP. GLAP is a wholly owned subsidiary of Greater London Authority Holdings Ltd and this company has been created to undertake the vast majority of the GLA's land, property and commercial activities;
- **London Legacy Development Corporation** ("LLDC"), which is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011. LLDC is a 'functional body' of the GLA and the Mayor appoints Members to its Board and allocates its budgets; and
- **Old Oak and Park Royal Development Corporation** ("OPDC"), a Mayoral Development Corporation, was established on 1 April 2015 and is a 'functional body' of the GLA. The Mayor appoints Members to its Board and allocates its budgets.

The principal accounting statements are the:

- **Movement in Reserves Statement**: This statement shows the movement in the year on the different reserves held by the GLA and the Group, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or Deficit on the Provision of Services line shows the true economic cost of providing services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfer to or from earmarked reserves;
- **Comprehensive Income and Expenditure Statement**: This statement is fundamental to understanding the GLA's and the Group's activities. It brings together all of the functions of the GLA and the Group and summarises all of the resources that have been generated, consumed or set aside in carrying out activities during the year. As such, it is intended to show the true financial position of the GLA and the Group, before allowing

for the concessions provided by statute to raise local taxation according to different rules and for the ability to divert particular expenditure to be met from capital resources;

- **Balance Sheet**: like the Comprehensive Income and Expenditure Statement this is also fundamental to understanding the financial position of the GLA and the Group as at 31 March. The Balance Sheet shows the value of the assets and liabilities recognised by the GLA and the Group. The net assets (assets less liabilities) are matched by the reserves held by the GLA and the Group. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the GLA and the Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is the one that the GLA and the Group is not able to use to provide services. This category of reserves includes reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations"; and

- **Cash Flow Statement**: the Cash Flow Statement shows the changes in cash and cash equivalents of the GLA and Group during the reporting period. The statement shows how the GLA and Group generate and use cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations are funded by way of taxation and grant income or from the recipients of services provided. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing).

These Statements are further supported by notes and supplementary financial statements, including the:

- **Fund Account**, which shows government grants received by the GLA for the GLA and functional bodies, and the amounts passed on to the functional bodies;

- **Northern Line Extension ("NLE") Income and Expenditure Account**, which details the GLA's revenues, payments and associated financing costs relating to its planned £1bn contribution towards the costs of extending the Northern Line to Nine Elms and Battersea Power Station; and

- **Business Rates Supplement Revenue Account**, which details the income raised from the levy imposed on large non-domestic ratepayers to raise money to help fund the Crossrail construction project.

There is also a glossary of financial terms that are intended to assist the reader to understand the specialist accounting terms that are contained within the Statement of Accounts.

2. Financial Summary 2015/16

Revenue

The GLA had revenue expenditure of £232m in respect of its core services across the various Directorates.

Directorate	**2015/16 £m**	**2014/15 £m**
Development, Enterprise and Environment	17	31
Housing and Land	17	32
Communities and Intelligence	18	23
External Affairs	7	7
Resources/Corporate items	76	127
Corporate Management	1	1
London Elects	2	1
Mayor's Office	4	4
Assembly and Secretariat	7	7
Contributions to Reserves	83	-
Net Cost of GLA Services	**232**	**233**

The expenditure was funded by the following resources:

Source	**2015/16 £m**	**2014/15 £m**
Revenue Reserves	6	33
Revenue Support Grant	44	55
Retained Business Rates	82	42
Council Tax Freeze Grant	10	9
Council Tax Precept	90	94
Total Funding	**232**	**233**

The net revenue outturn for 2015/16 was an underspend of £27m against its revenue budget after taking account of £29m carried forward to continue approved spending programmes in 2016/17. The favourable variance includes £5m as a result of additional investment interest generated. This reflects effective cash management and within strict risk parameters an increased rate of return due to the use of new investment opportunities and cash pooling arrangements. Other significant positive variances include additional government grant of £3m and £14m from GLAP shared service arrangements.

A provision of £2m has been created to meet potential contingent liabilities and the balance of the underspend has been added to the GLA's earmarked reserves.

The LLDC's revenue outturn for the year was an underspending of £4.5m against its revenue budget of £31m. This was due to lower than budgeted staffing and other operational spending on a number of different functions.

Capital

Including activities carried out by GLAP, the GLA had capital expenditure of £698m.

Capital Spending Plan	**2015/16 £m**	**2014/15 £m**
Crossrail	123	631
Northern Line Extension	121	50
LLDC Loan	101	171
Affordable Housing Programme	117	382
Decent Homes Programme	154	289
Outer London Fund	1	8
Mayor's Regeneration Fund	24	6
London Enterprise Fund	1	3
London Enterprise Panel	9	4
Compulsory Purchase Order payments	14	18
Kidbrooke Regeneration Scheme	-	5
Super-Connected Cities – Broadband Voucher Scheme	11	-
Further Education Capital Programme	8	-
Minor Programmes	14	24
Capital Expenditure	**698**	**1,591**

The financing of capital expenditure was by the following methods:

Capital Funding Sources	**2015/16 £m**	**2014/15 £m**
Borrowing – Crossrail	-	309
Business Rate Supplement	9	221
Community Infrastructure Levy – Crossrail	114	101
Borrowing – NLE	95	24
London Borough Contributions – NLE	23	26
Grants	435	891
Receipts	8	18
Short Term Provisions	14	1
Total Capital Funding	**698**	**1, 591**

After adjusting for the government grant profile being different to the GLA affordable housing delivery profile agreed by the GLA, overall capital spending equated to 64 per cent delivery against the budget for the year.

LLDC planned net capital funding requirement for the year was £133m, against which there was underspend of £18m reflecting mainly timing differences on capital projects which will be carried forward.

Performance

A set of 23 key performance indicators was monitored in order to assess corporate performance against the former mayor's priorities. Performance has been published on a quarterly basis and the key points with regards to the year-end are as follows:

- It is estimated that at least 220,000 jobs (against a target of 200,000) have been created and supported by GLA Group activity between 2012 and 2016, including over 40,000 in 2015-16;
- There have been 162,700 apprenticeship starts in London in the period May 2012 to January 2016, and 243,940 starts since the apprenticeship campaign began in autumn 2010. While a quarter of data is missing, it is clear that the target of 250,000 apprenticeships will not be reached;
- 4,881 affordable homes were delivered last year with support from the GLA. This number is lower than in previous years but did allow the GLA to deliver its target of 100,000 homes across two mayoral terms (100,542 actuals);
- The target to release 65 hectares of land for housing and development was not quite achieved (at 57 hectares) because of delays in getting into contract for a number of sites (Floating Village, Lion Green Road, Branch Road, Gooseley Lane and the re-profile of the Royal Albert Basin sites Gallions 4 and Gallions 3B). These are expected to be finalised during 2016-17;
- Amongst the retrofit programmes, performance on energy supply projects (Combined Heat and Power) was in line with forecast (6,359 tonnes of CO_2 against an annual target of a 6,169) as was commercial retrofit activity (RE:FIT saved 30,600 tonnes of CO_2 against 30,000). The homes retrofit programme however fell short of the target (13,647 tonnes of CO_2 achieved against a target of 36,000) reflecting challenging market conditions, including significant reductions in the government's funding for its energy efficiency schemes and stopping of funding for its Green Deal Finance Company, which was set up to lend money under its Green Deal and associate funding schemes;
- The quarterly target of 90 per cent of rough sleepers seen by the No Second Night Out programme not spending a second night out in the same quarter was achieved, with an average quarterly performance of 92 per cent;
- The target of 250 employers signed up to the London Living Wage was exceeded with 863 signed up as at March 2016. This count includes only those employers with offices in London who are fully accredited with the Living Wage Foundation. It covers all sectors (public, private and third sector). It therefore excludes businesses that may pay the living wage but are not accredited;
- Having improved or created 80,000 square metres of public realm last year and 32,000 square metres in 2013/14, GLA set a target of 49,887 for 2015/16. Only 45,000 were achieved as some programmes suffered slippage. The full complement is expected to be delivered by the end of 2016/17;

- Five green spaces were transformed last year with investment supporting recreation, access and biodiversity: the Duke's River Link in Richmond, the Firs Farm Wetlands in Enfield, the Roding Valley in Redbridge, the restored Stanmore Marsh in Harrow and the Wetlands to Wetlands Greenway in Hackney. The Greenwich Thames Path transformation in Greenwich and the access to Wandle Park in Croydon were delayed but are forecast to be completed in the summer 2016;

- The target for 100,000 volunteering opportunities to be taken-up during the period 2013-16 was exceeded by the year-end at 144,000. Similarly, the Sports participation programme which aimed to get 62,000 Londoners participate in physical activities over the period 2013-16 achieved 77,000;

- The annual target of supporting 820 schools to improve their practice and teaching has been exceeded. The London Curriculum project supported 482 schools, the London Schools Excellence strands an additional 821 and a further 36 schools benefited from the Gold Club seminar programme;

- Against a corporate target to pay 90 per cent of all small and medium-sized enterprises within 10 days, the GLA achieved 93.4 per cent. Performance has been relatively consistent across years and across quarters; and

- Performance in terms of responding to public enquiries within 20 days fell just short of the target (89 per cent of cases against a 90 per cent desired level).

Further information on the full range of activities carried out by the GLA, GLAP and the LLDC in 2015/16 can be found within:

- The Mayor's Annual Report for 2015/16 https://www.london.gov.uk/about-us/mayor-london/mayors-annual-report

- The London Legacy Development Corporation's website http://www.queenelizabetholympicpark.co.uk/

3. The GLA Group Balance Sheet

GLA Reserves

The net worth (total reserves) of the GLA is a £2.6bn (deficit). This is split between usable reserves (£632m) and unusable reserves (£3,271m deficit). The main component of unusable reserves is the capital adjustment account which reflects the impact of its £3.3bn of borrowing for Crossrail using business rate supplement revenues where the asset is held by Transport for London ("TfL") and not the GLA.

At the year-end usable reserves were £231m higher than the level at 31 March 2015. This reflected an increase in the capital receipts reserve (+£75m), capital grants unapplied (+£20m) and an increase of £136m in earmarked reserves from £276m to £412m. The major earmarked reserves within this figure include the:

- **Mayor's Resilience Reserve** (£196m), which has been increased to manage the adverse impact on the GLA's finances as a result of the introduction of the business rate retention scheme from 2013/14 and its volatility due to the level of appeals by business ratepayers as well as to support spending pressures across the GLA Group. In 2016/17 an estimated £78m of the reserve will be applied to meet prior year deficits as the amounts collected by billing authorities in business rates, taking into account changes in provisions for appeals, were lower than the forecasts on which their instalments paid to the GLA in year were based. In 2015/16 the Mayor reduced TfL's budgeted business rates allocation in year by £75m as a contribution towards meeting this deficit;

- **Revenue Grants Unapplied Reserve** (£53m), which includes grants that have been received in advance of the expenditure being incurred;
- **Development Corporations Reserve** (£34m), which is applied to meet spend in the Mayoral Development Corporations;
- **Directorate Programme Reserve** (£34m), which represents amounts carried forward to continue approved GLA spending programmes in 2016/17;
- **New Homes Bonus LEP Grant Reserve** (£32m) which represents amounts to be spent by London Boroughs on regeneration schemes in future years from a one-off allocation made to the GLA in 2015/16;
- **NDR (non-domestic rates or 'business rates') Backdated Appeals Spreading Reserve** (£30m), which was created in relation to the business rates retention scheme to offset an annual charge arising from the release of the deferred business rate appeals for which a provision was made in 2013/14. This is £15m lower than in 2014/15 and the balance of the reserve will used over the next two financial years in line with statutory requirements. This adjustment reduces the statutory business rates income the GLA retains under regulations and therefore any potential levy payments on growth it may be required to make by 2017/18.

LLDC Reserves
LLDC's general fund reserve is in deficit by £42m. This reflects, in accordance with International Accounting Standards, the full liability for a deferred tax charge which has increased to £55m (2014/15: £53m). This deferred tax liability is mainly due to the increase in the value of its investment portfolio and will be a direct cost as and when the LLDC disposes of its property portfolio and the increase in value of the portfolio is realised. A retrospective change to the Local Government Capital Finance Regulations is being sought in discussions with Government so that capital receipts can be used to pay corporation tax arising from any gain on disposal.

LLDC long term assets
The majority of LLDC assets are being held for their income generating potential or for capital appreciation and are therefore classified as investment property, with valuations based on the potential income to be generated by the various assets. Overall the value of these assets has decreased by £53m from £426m at the end of last year to £373m as at 31 March 2015. The decrease in the market value of these assets reflects the development plans and associated costs for the first time for the Cultural and Education District.

E20 Stadium LLP
The LLDC has a majority interest in a joint venture, E20 Stadium LLP, with the London Borough of Newham ("LBN") through LBN's subsidiary Newham Legacy Investments Limited

("NLI"). This partnership is designed to give the local area ownership of the former Olympic Stadium and is the legal entity that now holds a 102 year leasehold interest in the Stadium Island site and is responsible for the transformation works that will deliver a multi-use venue and further planned improvements to the Stadium.

During the year, LLDC invested £90m into E20 Stadium LLP in relation to the transformation of the Stadium. The fair value assessment of the Stadium considered the level of income that it could generate in excess of operating expenditure, as well as market data of the performance of other European stadium developments. As at 31 March 2016, the Stadium's fair value, based on the E20 partnership's approved business plan, is expected to be £22.5m (2014/15 £40m) once the transformation work has been completed in the summer of 2016. The approved business plan reflects that no ongoing subsidy is required once the business has reached steady state operation.

In 2015/16 the total comprehensive loss of the E20 partnership was £105m of which £101m relates to the impairment of the Stadium transformation works. In accordance with the Members Agreement between LLDC and NLI, any impairment loss should be offset against LLDC's capital contribution in the first place, and as a result the contribution made by LLDC during the year has been fully impaired.

Pensions
Included within the unusable reserves section is the negative pensions reserve totalling £104m for the GLA. This matches the pension liability in the balance sheet as measured under International Accounting Standard 19 ("IAS 19"). The purpose of IAS 19 is to facilitate comparison of the pension obligations of employers. The IAS19 calculations are carried out using a prescribed method and some of the assumptions are also prescribed. As the method and assumptions underlying the calculations are different, the IAS19 calculations will produce different results from the formal funding actuarial valuation. In particular, the calculated deficit will likely be different from that published in the triennial valuation. Further details are set out in note 20 "Pensions".

Provisions
The Group balance sheet also includes provisions totalling £200m of which £186m is for **non-domestic (business) rates appeals**. This is in respect of the GLA's share of billing authorities' estimates of the provision required for potential refunds relating to alterations to the rating list under the business rates retention scheme. The provision for appeals has increased by £23m compared to 2014/15.

4. Other significant issues

New Administration
Elections for the Mayor of London and the London Assembly were held on 5 May 2016 and Sadiq Khan was elected the Mayor of London for the next four years. Although there is no change to overall forecast level of financial resources available in 2016/17, the process of adjusting existing financial plans to reflect the Mayor's policy priorities is now underway. In order not to constrain a new Mayor unnecessarily, break clauses were included within the various programmes commenced by the previous mayor where possible. Also, as a result of programmes coming to a close, under current approved financial plans – which will be

reviewed during the budget development process for 2017/18 – approximately £11.5m a year of unallocated revenue funding is available in 2017/18 and 2018/19.

Business rates reform

In October 2015, the Chancellor of the Exchequer announced substantial changes to the way local government will be funded by 2020. This builds on the retention scheme introduced in 2013/14 for 50 per cent of business rates revenues.

Under the proposed reforms all business rates revenues collected in England each year will be devolved to local government (100 per cent retention), Revenue Support Grant will be abolished and local authorities will be expected to deliver additional responsibilities with the extra net funding these changes imply. The uniform (national) business rate will be abolished and local authorities will be able to reduce business rates locally to attract businesses. It is unclear whether the powers to reduce the multiplier will simply apply to billing authorities in London, the Mayor of London or both with each tier having responsibility for setting a percentage of the rate.

The March 2016 Budget also set out the Government's desire to "explore with London (along with Greater Manchester and Liverpool) options for moving to 100 per cent business rates retention ahead of the full roll out of the business rates reforms." As part of this move, high level principles have been agreed between the Government and the GLA for the GLA to receive an increase in the share of business rates retained from 2017/18 in exchange for a reduction in TfL's capital grant. TfL's existing capital grant of just under £1bn a year will be rolled into the GLA's funding baseline from April 2017 and there will be a commensurate increase in the GLA's share of business rates income.

These reforms will be introduced through the Local Growth and Jobs Bill announced in the 2016 Queen's Speech. This is expected to be published by the Government in early 2017.

Borrowing

The GLA's long-term borrowing at 31 March 2016 is £3.6bn consisting consists of three elements: Crossrail of £3.1bn; the NLE of £201m and inherited debt of £255m transferred from the former London Development Agency.

In total the GLA has paid TfL £4.1bn towards the costs of Crossrail using Business Rate Supplement revenues ("BRS") at 31 March 2016. This was funded by £3.3bn of borrowing and £0.8bn as a direct contribution. This payment is being financed from the BRS which is a property-based tax levied on larger businesses within Greater London (i.e. those with a rateable value above £55,000), collected alongside business rates. The GLA has started to repay its Crossrail debt and anticipates this will be fully immunised by the early 2030s. This sum excludes any direct contributions to the project funded by the Mayor of London's Community Infrastructure Levy.

The GLA is committed to borrow up to £1bn to finance the NLE. The borrowing is being financed by developer contributions and the retention of incremental business rates revenue growth in the Battersea Power Station and Nine Elms designated area for a period of at least 25 years from April 2016 with the option of an extension for a further 5 years if required. Rather than borrowing by more conventional means the GLA issued an index-linked bond of

£200m and has arranged a facility of £480m with the European Investment Bank to help finance the commitment to the NLE. It is estimated that this could save the GLA some £61m over the period of the loans. The GLA will determine its strategy for borrowing the balance of its commitment to the NLE early in 2016/17.

All of the GLA's borrowing is undertaken within the tight regulatory framework for Prudential Borrowing. Standard & Poor's confirmed that it has maintained the GLA's credit rating at AA+ with a stable outlook.

Mayoral Development Corporations
The GLA is responsible for funding the Mayor's two Development Corporations which were established using powers granted in the Localism Act 2011.

The LLDC's present plans have a revenue funding shortfall totalling £12m over the two years 2017/18 and 2018/19. A key decision for the new Mayoralty will be to determine the level of on-going support from the GLA.

Current policies should enable the LLDC to generate capital receipts in excess of £1bn over the next 25 years, but these are only just beginning to come on stream. The GLA is providing loan funding to be repaid from these future receipts to support investment required in the short and medium term for residential schemes, social and transport infrastructure and the Cultural and Education District vision.

The total infrastructure bill required to meet OPDC's vision for its area could be in the region of £3bn although no significant expenditure is expected before 2022. The Mayor is undertaking a strategic review of the OPDC and this is expected to be completed over the summer.

There are no other exceptional items to draw to the attention of readers of the accounts.

Martin Clarke
Executive Director of Resources

Date: 29 September 2016

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 Executive Director of Resources;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Executive Director of Resources' responsibilities

The Executive Director of Resources 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 2015/16* (the Code).

In preparing this Statement of Accounts, the Executive Director of Resources 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 Executive Director of Resources 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 Executive Director of Resources

I certify that the audited accounts for the Greater London Authority, give a true and fair view of the financial position of the Greater London Authority as at 31 March 2016 and its income and expenditure for the year ended 31 March 2016.

Martin Clarke CPFA
Executive Director of Resources

Date: 29 September 2016

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

Date: 29 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE GREATER LONDON AUTHORITY

Opinion on the Authority's financial statements

We have audited the financial statements of the Greater London Authority for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The Authority's financial statements comprise the:

- Authority and Group Movement in Reserves Statement;
- Authority and Group Comprehensive Income and Expenditure Statement;
- Authority and Group Balance Sheet;
- Authority and Group Cash Flow Statement; and
- related notes 1 to 56.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

This report is made solely to the Greater London Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Director of Resources and auditor

As explained more fully in the Statement of the Executive Director of Resources Responsibilities set out on page 13, the Executive Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority and Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director of Resources and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Greater London Authority Statement of Accounts 2015/16 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Greater London Authority as at 31 March 2016 and of its expenditure and income for the year then ended;
- give a true and fair view of the financial position of the Group as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Opinion on other matters

In our opinion, the information given in Greater London Authority Statement of Accounts 2015/16 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether the Greater London Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Greater London Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.
We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Greater London Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Greater London Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Karl Havers
for and on behalf of Ernst & Young LLP, Appointed Auditor
London
30th September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREATER LONDON AUTHORITY

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2016 issued on 30 September 2016 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of the Greater London Authority as at 31 March 2016 and of its expenditure and income for the year then ended;
- gave a true and fair view of the financial position of the Group as at 31 March 2016 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Issue of value for money conclusion on the Greater London Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

In our audit report for the year ended 31 March 2016 issued on 30 September 2016 we reported that, in our opinion, in all significant respects, the Greater London Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Certificate

In our report dated 30 September 2016, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our assurance statement in respect of the authority's Whole of Government Accounts consolidation pack. We have now completed this work.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion and value for money conclusion.

We certify that we have completed the audit of the accounts of the Greater London Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Karl Havers
for and on behalf of Ernst & Young LLP, Appointed Auditor
London
21 October 2016

Group Movement in Reserves Statement

2015/16	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's Share of Subsidiaries' and Joint Venture's Usable	Authority's Share of Subsidiaries' and Joint Venture's Unusable	Group Usable	Group Unusable	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015		**(58,642)**	**(275,792)**	**(34,971)**	**(9,491)**	**(378,896)**	**3,386,741**	**3,007,845**	**50,052**	**(398,482)**	**(328,844)**	**2,988,259**	**2,659,415**
Movement in reserves during 2015/16													
Group (surplus) or deficit after tax		(358,710)	-	-	-	**(358,710)**	**-**	**(358,710)**	124,447	-	**(234,263)**	**-**	**(234,263)**
Tax on Other Comprehensive Income		-	-	-	-	**-**	**-**	**-**	503	(229)	**503**	**(229)**	**274**
Other Comprehensive Expenditure and Income		-	-	-	-	**-**	**(21,248)**	**(21,248)**	-	(5,003)	**-**	**(26,251)**	**(26,251)**
Total Comprehensive Expenditure and Income		**(358,710)**	-	-	-	**(358,710)**	**(21,248)**	**(379,958)**	**124,950**	**(5,232)**	**(233,760)**	**(26,480)**	**(260,240)**
Adjustment between authority accounts and group accounts		6,171	-	-	-	**6,171**	**(6,171)**	**-**	-	-	**6,171**	**(6,171)**	**-**
Other adjustment		-	-	-	-	**-**	**(2)**	**(2)**	-	-	**-**	(2)	(2)
Adjustments between accounting basis and funding basis under regulations	7	216,228	-	(74,594)	(19,792)	**121,842**	**(121,842)**	**-**	(170,383)	170,383	**(48,541)**	**48,541**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		**(136,311)**	**-**	**(74,594)**	**(19,792)**	**(230,697)**	**(149,263)**	**(379,960)**	**(45,433)**	**165,151**	**(276,130)**	**15,888**	**(260,242)**
Transfers to/(from) Earmarked Reserves	8	136,309	(136,309)	-	-	**-**	**-**	**-**	-	-	**-**	**-**	**-**
(Increase)/Decrease in 2015/16		**(2)**	**(136,309)**	**(74,594)**	**(19,792)**	**(230,697)**	**(149,263)**	**(379,960)**	**(45,433)**	**165,151**	**(276,130)**	**15,888**	**(260,242)**
Balance at 31 March 2016		**(58,644)**	**(412,101)**	**(109,565)**	**(29,283)**	**(609,593)**	**3,237,478**	**2,627,885**	**4,619**	**(233,331)**	**(604,974)**	**3,004,147**	**2,399,173**

2014/15	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Authority's Share of Subsidiaries' and Joint Venture's Reserves Usable	Authority's Share of Subsidiaries' and Joint Venture's Reserves Unusable	Group Usable	Group Unusable	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2014		**(58,748)**	**(307,356)**	**(1,183)**	**(1,391)**	**(368,678)**	**3,074,502**	**2,705,824**	**43,427**	**(306,278)**	**(325,251)**	**2,768,224**	**2,442,973**
Movement in reserves during 2014/15													
Group (surplus) or deficit		253,559	-	-	-	**253,559**	**-**	**253,559**	(80,796)	-	**172,763**	**-**	**172,763**
Corporation Tax		-	-	-	-	**-**	**-**	**-**	(2,436)	906	**(2,436)**	**906**	**(1,530)**
Other Comprehensive Expenditure and Income		-	-	-	-	**-**	**48,357**	**48,357**	-	(3,253)	**-**	**45,104**	**45,104**
Total Comprehensive Expenditure and Income		**253,559**	-	-	-	**253,559**	**48,357**	**301,916**	**(83,232)**	**(2,347)**	**170,327**	**46,010**	**216,337**
Adjustment between authority accounts and group accounts		4,432	-		-	**4,432**	**(4,326)**	**106**			**4,432**	**(4,326)**	**106**
Adjustments between accounting basis and funding basis under regulations	7	(226,321)	-	(33,788)	(8,100)	**(268,209)**	**268,209**	**-**	89,857	(89,857)	**(178,352)**	**178,352**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		**31,670**	**-**	**(33,788)**	**(8,100)**	**(10,218)**	**312,240**	**302,022**	**6,625**	**(92,204)**	**(3,593)**	**220,036**	**216,443**
Transfers to/(from) Earmarked Reserves	8	(31,564)	31,564	-	-	**-**	**-**	**-**	-	-	**-**	**-**	**-**
(Increase)/Decrease in 2014/15		**106**	**31,564**	**(33,788)**	**(8,100)**	**(10,218)**	**312,240**	**302,022**	**6,625**	**(92,204)**	**(3,593)**	**220,036**	**216,443**
Balance at 31 March 2015		**(58,642)**	**(275,792)**	**(34,971)**	**(9,491)**	**(378,896)**	**3,386,742**	**3,007,846**	**50,052**	**(398,482)**	**(328,844)**	**2,988,260**	**2,659,416**

Authority Movement in Reserves Statement

2015/16	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2015		**(58,642)**	**(275,792)**	**(57,573)**	**(9,491)**	**(401,498)**	**3,413,669**	**3,012,171**
Movement in reserves during the year								
(Surplus) or Deficit on the provision of services		(352,539)	-	-	-	**(352,539)**	-	**(352,539)**
Other Comprehensive Expenditure and Income		-	-	-	-	-	(21,248)	**(21,248)**
Total Comprehensive Expenditure and Income		**(352,539)**	**-**	**-**	**-**	**(352,539)**	**(21,248)**	**(373,787)**
Other adjustments		-	-	-	(1)	**(1)**	(1)	**(2)**
Adjustments between accounting basis and funding basis under regulations	7	216,228	-	(74,594)	(19,792)	**121,842**	**(121,842)**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		**(136,311)**	**-**	**(74,594)**	**(19,793)**	**(230,698)**	**(143,091)**	**(373,789)**
Transfers to/(from) Earmarked Reserves	8	136,309	(136,309)	-	-	**-**	**-**	**-**
(Increase)/Decrease in year		**(2)**	**(136,309)**	**(74,594)**	**(19,793)**	**(230,698)**	**(143,091)**	**(373,789)**
Balance at 31 March 2016 carried forward		**(58,644)**	**(412,101)**	**(132,167)**	**(29,284)**	**(632,196)**	**3,270,578**	**2,638,382**

2014/15	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2014		**(58,642)**	**(307,356)**	**(23,784)**	**(1,391)**	**(391,173)**	**3,097,103**	**2,705,930**
Movement in reserves during the year								
(Surplus) or Deficit on the provision of services		257,884	-	-	-	**257,884**	**-**	**257,884**
Other Comprehensive Expenditure and Income		-	-	-	-	**-**	48,357	**48,357**
Total Comprehensive Expenditure and Income		257,884	-	-	-	**257,884**	**48,357**	**306,241**
Other adjustments		1	-	-	-	**-**		**-**
Adjustments between accounting basis and funding basis under regulations	7	(226,321)	-	(33,788)	(8,100)	**(268,209)**	**268,209**	**-**
Net (Increase)/ Decrease before Transfers to Earmarked Reserves		31,564	-	(33,788)	(8,100)	**(10,325)**	**316,566**	**306,241**
Transfers to/(from) Earmarked Reserves	8	(31,564)	31,564		-	**-**		**-**
(Increase)/Decrease in year		-	31,564	(33,788)	(8,100)	**(10,325)**	**316,566**	**306,241**
Balance at 31 March 2015 carried forward		**(58,642)**	**(275,792)**	**(57,572)**	**(9,491)**	**(401,498)**	**3,413,669**	**3,012,171**

Group Comprehensive Income and Expenditure Statement

2014/15 Gross Exp* £000	2014/15 Gross Income £000	2014/15 Net Exp* £000	Continuing operations	Note	2015/16 Gross Exp* £000	2015/16 Gross Income £000	2015/16 Net Exp* £000
789	-	**789**	Central services		1,558	-	**1,558**
80,185	(2,413)	**77,772**	Cultural & Related Services		83,393	(3,030)	**80,363**
2,618	(650)	**1,968**	Environmental & Regulatory Services		836	(2,173)	**(1,337)**
181,425	(18,147)	**163,278**	Planning Services		242,269	(16,055)	**226,214**
23,707	(18,018)	**5,689**	Children's and education services		9,632	(1,479)	**8,153**
1,415,421	(897)	**1,414,524**	Highways and transport services		910,899	(26,993)	**883,906**
771,614	(101,218)	**670,396**	Housing and Land services		331,301	(100,315)	**230,986**
35,041	(3,463)	**31,578**	Olympic legacy		31,143	(4,569)	**26,574**
6,350	(4,550)	**1,800**	Public Health		2,580	(472)	**2,108**
254,742	-	**254,742**	Fire Services		242,461	-	**242,461**
21,771	(1,094)	**20,677**	Corporate and democratic core		24,148	(2,793)	**21,355**
-	-	**-**	Non distributed costs		(377)	-	**(377)**
2,793,663	**(150,450)**	**2,643,213**	**Cost Of Services**		**1,879,843**	**(157,879)**	**1,721,964**
		708,341	Other Operating Expenditure	9			710,765
		107,550	Financing and Investment Income and Expenditure	10			108,956
		(215,711)	Movement in the fair value of investment properties	25			61,979
		(3,250,924)	Taxation and Non-Specific Grant Income	11			(2,948,810)
		(7,531)	**(Surplus) or Deficit on Provision of Services**				**(345,146)**
		123,864	Share of the (surplus) or deficit on the provision of services of associates and joint ventures	31			103,591
		56,430	Tax expenses of subsidiaries	55			7,292
		172,763	**Group (Surplus) or Deficit**				**(234,263)**
			Items that are or may be reclassified to the surplus or deficit on the provision of services				
		(4,960)	(Surplus) or deficit on revaluation of available-for-sale financial assets	29			(4,866)
		3,076	Net change in available-for-sale assets reclassified to the (surplus) or deficit	29			4,640
			Items that will never be reclassified to the surplus or deficit on the provision of services				
		(5,728)	(Surplus) or deficit on revaluation of non-current assets				(1,709)
		52,716	Remeasurements of the net defined benefit liability	20			(24,316)
		(1,530)	Tax on other comprehensive income	55			274
		43,574	**Other Comprehensive Income and Expenditure**				**(25,977)**
		216,337	**Total Comprehensive Income and Expenditure**				**(260,240)**

Authority Comprehensive Income and Expenditure Statement

2014/15 Gross Exp £000	2014/15 Gross Income £000	2014/15 Net Exp £000	Gross expenditure, gross income and net expenditure of continuing operations	Note	2015/16 Gross Exp £000	2015/16 Gross Income £000	2015/16 Net Exp £000
789	-	789	Central services		1,558	-	1,558
80,185	(2,413)	77,772	Cultural & related services		83,393	(3,030)	80,363
2,618	(650)	1,968	Environmental & regulatory services		836	(2,173)	(1,337)
181,425	(18,147)	163,278	Planning services		241,668	(15,781)	225,887
23,707	(18,018)	5,689	Children's and education services		9,632	(1,479)	8,153
1,415,317	(897)	1,414,420	Highways and transport services		910,899	(26,993)	883,906
706,823	(6,074)	700,749	Housing services		281,020	(5,423)	275,597
42,454	-	42,454	Olympic legacy		36,955	-	36,955
6,350	(4,550)	1,800	Public Health		2,580	(472)	2,108
254,742	-	254,742	Fire Services		242,461	-	242,461
21,771	(1,095)	20,676	Corporate and democratic core		23,031	(2,793)	20,238
-	-	-	Non distributed costs		(377)	-	(377)
2,736,181	**(51,844)**	**2,684,337**	**Cost of Services**		**1,833,656**	**(58,144)**	**1,775,512**
		708,341	Other operating expenditure	9			710,765
		108,939	Financing and investment income and expenditure	10			101,398
		(3,243,733)	Taxation and non-specific grant income and expenditure	11			(2,940,214)
		257,884	**(Surplus) or Deficit on Provision of Services**				**(352,539)**
			Items that will never be reclassified to the surplus or deficit on the provision of services				
		(280)	(Surplus) or deficit on revaluation of non-current assets				323
		48,637	Remeasurements of the net defined benefit liability	20			(21,571)
		48,357	**Other Comprehensive Income and Expenditure**				**(21,248)**
		306,241	**Total Comprehensive Income and Expenditure**				**(373,787)**

Balance Sheet

	Note	Authority 31 March 2016 £000	Group 31 March 2016 £000	Authority 31 March 2015 £000	Group 31 March 2015 £000
Property, plant & equipment	24	3,108	36,972	3,146	25,588
Investment property	25	-	425,707	-	479,588
Intangible assets		-	92	-	70
Long term investments	28	-	37,958	-	36,728
Mortgages -Available for sale financial assets	29	-	52,900	-	58,670
Long term debtors	33	608,546	38,010	495,617	25,288
Finance lease receivables	34	-	127,706	-	75,127
Long Term Assets		**611,654**	**719,345**	**498,763**	**701,059**
Short term investments	50	1,233,471	1,233,471	634,397	634,397
Finance lease receivables	34	-	4,136	-	14,909
Inventories	36	-	192,147	-	221,549
Trade and other receivables	37	424,807	449,465	336,844	352,660
Cash and Cash Equivalents	38	515,066	548,099	346,442	368,251
Current Assets		**2,173,344**	**2,427,318**	**1,317,683**	**1,591,766**
Short term borrowing	50,51	(233,781)	(178,502)	(256,313)	(231,264)
Short term creditors	39	(365,787)	(426,057)	(398,594)	(441,906)
Receipts in advance - revenue	14	(8,348)	(8,348)	(791)	(792)
Receipts in advance - capital	14	(939,429)	(939,429)	(467,201)	(467,201)
Finance lease liabilities	34	-	(1)	-	(1)
Provisions	40	(4,918)	(11,025)	(11,674)	(21,794)
Current Liabilities		**(1,552,263)**	**(1,563,362)**	**(1,134,573)**	**(1,162,958)**
Long term creditors		(70)	(9,384)	(70)	(7,801)
Provisions	40	(186,265)	(186,265)	(175,850)	(178,972)
Long term borrowing	50,51	(3,576,634)	(3,576,634)	(3,394,250)	(3,394,250)
Investment in Joint Venture	31	-	(28,198)	-	(14,711)
Finance lease liabilities	34	-	(40)	-	(327)
Net pensions liability	20	(104,929)	(114,040)	(118,535)	(128,281)
Receipts in advance - revenue	14	-	-	(2,120)	(2,120)
Receipts in advance - capital	14	(3,219)	(3,219)	(3,219)	(3,219)
Deferred tax liability	54	-	(64,694)	-	(59,602)
Long Term Liabilities		**(3,871,117)**	**(3,982,474)**	**(3,694,044)**	**(3,789,283)**
Net Assets		**(2,638,382)**	**(2,399,173)**	**(3,012,171)**	**(2,659,416)**
Usable reserves		(632,196)	(604,974)	(401,498)	(328,844)
Unusable Reserves	42	3,270,578	3,004,147	3,413,669	2,988,260
Total Reserves		**2,638,382**	**2,399,173**	**3,012,171**	**2,659,416**

Cash Flow Statement

	Note	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Net surplus or (deficit) on the provision of services		352,539	234,263	(257,884)	(172,763)
Adjustments to net surplus or deficit on the provision of services for non-cash movements	43	381,020	546,570	78,252	(4,315)
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	44	(92,501)	(115,069)	(42,374)	(53,119)
Net cash flows from Operating Activities		**641,058**	**665,764**	**(222,006)**	**(230,197)**
Investing Activities	45	(627,978)	(710,478)	(198,504)	(336,863)
Financing Activities	46	155,544	224,562	336,959	497,750
Net increase or decrease in cash and cash equivalents		**168,624**	**179,848**	**(83,551)**	**(69,310)**
Cash and cash equivalents at 1 April	38	346,442	368,251	429,993	437,561
Cash and cash equivalents at 31 March	**38**	**515,066**	**548,099**	**346,442**	**368,251**

Notes to the Core Financial Statements

1. Changes in Accounting Policies

Except for the changes below, the Group has consistently applied the accounting policies set out in Note 2 to all periods presented in these financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 April 2015.

IFRS 13 Fair Value Measurement – this standard has been adopted, by the 2015/16 Code and the Authority, with an effective date of 1 April 2015. It introduces a requirement for the concept of fair value measurement to be applied to all assets and liabilities which use fair value as a measurement basis. However, in respect of property, plant and equipment the only change is in the measurement of surplus assets which are now measured at fair value. Surplus property was previously valued at existing use value before being reclassified as surplus assets.

Current Value - The 2015/16 Code introduced the concept and definition of current value to the measurement of property, plant and equipment. Current value measurements reflect the economic environment prevailing for the service or function the asset is supporting at the reporting date. IAS 16 has been adapted to require that items of property, plant and equipment that are operational and therefore providing service potential for the authority are measured for their service potential at existing use value or depreciated replacement cost and not at fair value. However, as stated in the preceding paragraph, surplus assets (property, plant and equipment) are measured at fair value in accordance with IFRS 13.

2. Accounting Policies

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 2015/16 financial year and its position at 31 March 2016. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 ("the Code ") and the Service Reporting Code of Practice 2015/16, supported by International Financial Reporting Standards ("IFRS") adopted by the European Union ("Adopted IFRS").

The Group financial statements have been prepared in accordance with the Code.

ii. Basis of Accounting

The accounts are prepared as at 31 March.

The accounting policies set out below, have been applied consistently to all periods presented in these financial statements.

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. The Authority's subsidiaries are Greater London Authority Holdings Limited, London Legacy Development Corporation, Old Oak and Park Royal Development Corporation and London Travel Watch. A subsidiary is an entity over which the Authority exercises or has the potential to exercise control. The income, expenditure, assets and liabilities of subsidiaries have been consolidated on a line-by-line basis, with the exception of London Travel Watch which has been excluded on materiality grounds. Intragroup transactions and balances between GLA Group entities are eliminated.

iv. Going Concern

The financial statements have been prepared on a going concern basis as it is considered by the Mayor that the activities of the GLA and the GLA Group will continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

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

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

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 4.

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. 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. 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.

vii. Accruals of income and expenditure

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

- Revenue from the sale of goods is recognised when the Group transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Group;
- Revenue from the provision of services is recognised when it is probable that economic benefits or service potential associated with the transaction will flow to the Group;
- Development properties and land sales - Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the purchaser. It is considered that risks and rewards pass on legal completion. Revenue is recognised at the fair value of the consideration received or receivable on legal completion.
- 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, see Inventories accounting policy xxii 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 balance of debtors is written down and a charge made to revenue for the income that might not be collected.

viii. 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 Comprehensive Income and Expenditure Statement 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. 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 Comprehensive Income and Expenditure Statement.

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 transfers this grant income to earmarked reserves 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 Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital

Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

ix. Council Tax Accounting

The GLA is the only major preceptor on the 32 London Boroughs and City of London Corporation.

In their capacity as billing authorities, the boroughs and the City of London Corporation, act as the GLA's agent: they collect and distribute council tax income on behalf of themselves and the GLA.

The council tax income included in the Comprehensive Income and Expenditure Statement for the year will be the accrued income for that year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by statute to be credited to the General Fund is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement.

This ensures that the amount included in the General Fund is as required under statute and is the precept for the year plus the preceptor's share of the Council Tax surplus on the billing authorities' Collection Fund for the previous year or less its share of the Council Tax deficit on the Collection Fund for the previous year.

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.

x. Non-domestic 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.

The non-domestic rates income included in the Comprehensive Income and Expenditure Statement for the year will be the GLA's share accrued income for that year. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by statute to be credited to the General Fund is managed by a transfer to or from the Collection Fund Adjustment Account in the Movement in Reserves Statement.

This ensures that the amount included in the General Fund is as required under statute and is the Authority's proportionate share of non-domestic rates for the year plus the Authority's share of the Non-Domestic Rates surplus on the billing authorities' Collection Fund for the previous year or less its share of the Non-Domestic Rates deficit on the Collection Fund for the previous year.

Under the rates retention scheme the GLA is a tariff authority as its allocated share of business rates revenues in London is higher than its baseline funding set by the Secretary of State – the difference between these two amounts is the tariff payable. This tariff payment is uprated in subsequent years by the increase in the non-domestic rating multiplier. Where an authority's business rates income is lower than its baseline funding it receives a top up payment for the difference.

If the GLA's retained income as calculated under the Non-Domestic Rating (Levy and Safety Net) Regulations 2013 at the end of a financial year exceeds its baseline funding approved in the local government finance settlement it is required to make a levy payment to the Secretary of State equivalent to approximately 27 per cent of the difference. If its retained income is less than 92.5 per cent of its baseline funding it would be eligible to receive a safety net payment. This safety net payment would top up its funding to the 92.5 per cent of its baseline funding level.

Top-up receipts from and tariff payments to central government along with safety net receipts and levy payments are recognised in the Comprehensive Income and Expenditure Account within the Surplus or Deficit on Provision of Services.

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 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.

A debtor/creditor position with central government will be reported in the Balance Sheet for the difference between safety net payments paid on account and the actual safety net payment due and a creditor for the actual levy payment due, if applicable.

xi. Crossrail Business Rate Supplement

The GLA is empowered to levy a business rate supplement under the Business Rate Supplements Act 2009. It published a prospectus in January 2010 confirming its intention to levy a BRS to finance £4.1 billion of its contribution towards the cost of the Crossrail Transport project. It may therefore only apply its Business Rate Supplement revenues in respect of expenditure relating to this project.

Within the Comprehensive Income and Expenditure Statement, the GLA accounts for its BRS related expenditure within Highways and Transport Services (its contribution to the Crossrail project) and its interest payable on the associated borrowing within 'financing and investment income' . 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 reliefs, borough collection costs and a 5% contingency allowance. After the financial year-end each billing authority calculates the amount it has collected in BRS after allowing for collection and other costs. This uses 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.

The amount calculated as having been collected in BRS under this methodology is based on the total amount paid into each billing authority's collection fund in business rates and BRS multiplied by the share which BRS liabilities represent of the total business rates liability for all ratepayers (including those not liable for BRS) adjusted for prior year liabilities and refunds . 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. There is no direct relationship between the methodology used to calculate the provisional returns and the final returns.

The GLA recognises its BRS revenue as income in the Comprehensive Income and Expenditure Statement only at the point the conditions it has set out in its final prospectus are satisfied (i.e. at the point that it makes its contribution to the Crossrail project by means of a payment made to Transport for London and is credited by them to the Crossrail Sponsor Funding Agreement Account). This SFA account is administered by Transport for London and all monetary contributions by the GLA, TfL and the Secretary of State for Transport towards the cost of the project are paid into it.

The GLA has recognised all revenue expenditure (including interest incurred on that element of its contribution financed by borrowing) 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 are recognised as Revenue Expenditure Funded from Capital under Statute ("REFCUS").

Where revenue expenditure is incurred in respect of a BRS project, the GLA transfers an amount equal to that expenditure from the Business Rate Supplement Account to the General Fund as the expenditure is incurred. Were capital expenditure in respect of a BRS project to be incurred, the GLA would transfer an amount equal to the capital expenditure from the Business Rate Supplement Account to the Capital Adjustment Account as the capital expenditure is incurred.

Where capital expenditure in respect of a BRS project has been funded from borrowing, the GLA transfers from its Business Rate Supplement Revenue Account to its General Fund an amount equal to the sum of the Minimum Revenue Provision ("MRP") and interest charged to the General Fund in the year in respect of the BRS project. These transfers are reported in the Movement in Reserves Statement. As the GLA does not generate an asset from its BRS contributions no depreciation or impairment of assets are financed from BRS levies.

The GLA transfers an amount equal to its income receivable in respect of the Crossrail project once recognised in the financial year (net of administrative expenses incurred by it and the 33 billing authorities in London) from its General Fund to its Business Rate Supplement Revenue Account. Any difference between the cumulative income transferred to the Business Rate Supplement Revenue Account and the amount required by regulation to be transferred to that account (i.e. the amount reported by billing authorities as having been collected as specified in the BRS Transfers to Revenue Accounts regulations) is credited or debited to that account, with the corresponding debit or credit being made to the Collection Fund Adjustment Account.

Where the GLA's BRS Revenue Account is in deficit, it transfers an amount equivalent to the deficit from its General Fund to the Business Rate Supplement Revenue Account; this transfer being reported in the Movement in Reserves Statement.

Any deficit may be recaptured in future years from any surpluses arising on the account. Where deficits arise as a result of capital grants made to TfL (as above), capital finance regulations and the GLA's minimum revenue provision policy ensure that there is no net impact on the General Fund. Therefore, the GLA's contribution to Crossrail has no impact on the Precept or council taxpayer.

Where the GLA's BRS Revenue Account is in surplus, it transfers the surplus to its General Fund to the extent that this reverses any amounts charged to that fund in the ten years immediately preceding the financial year having regard to the requirements of the BRS Accounting Regulations; this transfer being reported in the Movement in Reserves Statement.

The Crossrail BRS is projected to operate for at least 24 years from 2010-11 and is expected to cease once the associated borrowing undertaken by the GLA to finance the project has been repaid. It could be terminated earlier, however, in the unlikely event that the Crossrail project were curtailed or abandoned. Where, in the final year of the BRS, and in the case of the GLA its associated borrowing has been repaid - the Business Rate Supplement Revenue Account is in surplus, the GLA will transfer this surplus to the Collection Fund Adjustment Account. These surplus funds will be transferred to each billing authority in proportion to the amounts paid in BRS by that authority over the lifetime of the BRS. Where such sums are material these surpluses will be repaid to those ratepayers liable to the BRS in its final year by that billing authority as prescribed in the Business Rate Supplements (Accounting) (England) Regulations 2010.

xii. Community Infrastructure Levy ("CIL")

The Authority has elected to charge a CIL. The levy is charged on new builds (chargeable developments for the Authority) with appropriate planning consent. The Authority is the chargeable body and Transport for London and the London Boroughs collect the levy on the Authority's behalf. The income from the levy is used to fund Crossrail.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement 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 23

xiii. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2015/16 (SERCOP). The total absorption costing principle is used and the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Group bodies' status as multi-functional, democratic organisations; and

- Non distributed Costs – the cost of discretionary benefits awarded to employees retiring early and other past service costs relating to retirement benefits.

These two categories are defined in SERCOP and accounted for as separate headings in the Comprehensive Income and Expenditure Statement, as part of Net Expenditure on Continuing Services.

xiv. Exceptional Items

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

xv. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts 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.

xvi. 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 or, where applicable, to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Authority 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

Employees of the Authority, LLDC and OPDC are members of the Local Government Pensions Scheme. Staff at London TravelWatch are members of the Principal Civil Service Pension Scheme ("PCSPS").

The Local Government Pension Scheme

The Local Government Pension Scheme in respect of GLA, LLDC and OPDC 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 and OPDC 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, using discount rates of 3.8% for the GLA and 3.9% for LLDC and OPDC. The chosen discount rate is the annualised yield at the 25 year point on the Merrill Lynch AA-rated corporate bond yield curve.

- 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-current bid price
    - Unquoted securities-professional estimate
    - Unitised securities-current bid price
    - Property-market value

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

- Service cost comprising:

    - current service cost – the increase in liabilities, as a result of years of service earned this year-allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
    - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs; and
    - interest on the net defined benefit liability, i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

- Remeasurements comprising:

    - the return on plan assets – excluding amounts included in the interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and

    - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with the assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure

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

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.

The Principal Civil Service Pension Scheme
The PCSPS is a multi-employer, unfunded, defined benefit scheme and it is therefore not possible to identify its share of the underlying liabilities. The scheme is accounted for as if it were 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 to the PCSPS in the year. The staff at London TravelWatch are members of the scheme.

xvii. 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 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.

xviii. Financial Instruments

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") are classified as:

- financial assets at fair value through the income statement;

- loans and receivables ; or

- available for sale financial assets.

Financial liabilities within the scope of IAS39 are classified as either financial liabilities at fair value through the income statement or financial liabilities measured at amortised cost.

The Group determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each financial year end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transactional costs. The exception to this is for assets and liabilities measured at fair value, where transaction costs are immediately recognised.

The subsequent measurement of financial instruments depends on their classification as follows:

Financial assets at fair value through the income statement (held for trading)
Financial assets are classified as held for trading if they are acquired for sale in the short-term.
Assets are carried in the balance sheet at fair value with gains or losses recognised in the income statement.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, do not qualify as trading assets and have not been designated as either 'fair value through the income statement' or available for sale. Such assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

Trade and other receivables are classified as loans and receivables financial instruments.

Available for sale financial assets
Available for sale financial assets are non-derivative financial assets that are designated as such or are not classified in any of the other categories. After initial recognition, interest is taken to the income statement using the effective interest rate method and the assets are measured at fair value with gains or losses being recognised as a separate component of reserves until the investment is de-recognised, or until the investment is deemed to be impaired at which time the cumulative gain or loss previously reported in reserves is included in the income statement.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Financial liabilities at fair value through the income statement (held for trading)
Derivative liabilities are classified as held for trading unless they are designated as hedging instruments. They are carried in the balance sheet at fair value with gains or losses recognised in the income statement.

Financial liabilities measured at amortised cost
All non-derivative financial liabilities are classified as financial liabilities measured at amortised cost. Non-derivative financial liabilities are initially recognised at the fair value of the consideration received, less directly attributable issue costs. After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the liabilities are de-recognised or impaired, as well as through the amortisation process.

Trade and other creditors are measured at amortised cost.

All loans and borrowings and obligations under finance leases are classified as financial liabilities measured at amortised cost.

Financial assets – Other Investments
Other investments include short-term deposits - with a maturity of more than 90 days from the date of acquisition - with Government or banks, including Money Market Fund investments. Other Investments are classified as loans and receivables financial instruments.

Impairment of financial assets
Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence that they are impaired. Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

xix. 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 and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

xx. 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 Comprehensive Income and Expenditure Statement.

xxi. 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.

xxii. Inventories

GLA
Inventory items with an item value of £5,000 or more are included in the Balance Sheet at historical cost rather than at the lower of cost or net realisable value, as given the low value of inventory held this does not have a material impact on the reported figures.

Greater London Authority Holdings Ltd
Inventories are valued annually, by external professionally qualified valuers, at the lower of cost and net realisable value.

Inventory costs are comprised of direct materials, direct labour costs and those overheads which have been incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Land is recognised as inventory when the significant risks and rewards of ownership have been transferred.

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.

xxiii. Leases

Finance Leases (the Group as lessee)

Leased Assets
Leases are identified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

All other leases are classified as operating leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease Payments
Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred.

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. 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 lessee)
Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services that benefit from use of the leased property, plant or equipment.

Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

Operating Leases (the Group as lessee)
Rental income from operating leases and initial direct costs are recognised in the Comprehensive Income and Expenditure Statement on a straight line basis over the term of the relevant lease.

xxiv. Intangible Assets

Expenditure, of £20,000 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. Amounts are only revalued where the fair value of the assets held can be determined by reference to an active market. In practice, no intangible asset held meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the Comprehensive Income and Expenditure Statement. 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 Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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.

xxv. 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 £20,000 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 £20,000 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 depreciation and 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 Comprehensive Income and Expenditure Statement.

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 Comprehensive Income and Expenditure Statement.

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 Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, 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 Comprehensive Income and

Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement 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).

The following policy will be applied to the de-recognition of fully depreciated assets:

- Asset life 5 years –write off after 8 years if existing use cannot be determined (or sooner if confirmed no longer in use); and
- Asset life 3 years – write off after 5 years if existing use cannot be determined (or sooner if confirmed no longer in use).

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.

Non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement 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 disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

xxvi. 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. Most often this is deemed to be its insured value, for example in the case of works of art.

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 as 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 27.

xxvii. 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 Comprehensive Income and Expenditure Statement. 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.

xxviii. 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 the Crossrail project, 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.

xxix. 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 Comprehensive Income and Expenditure Statement 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.

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.

xxx. Reserves

Specific amounts are set aside as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance 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 Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance 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.

xxxi. 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.

xxxii. Corporation Tax

Corporation tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Comprehensive Income and Expenditure Statement 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 not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

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 asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. 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.

xxxiii. Minimum Revenue Provision

A minimum revenue provision (MRP) is a requirement to set aside some of the Group's revenue as a provision for debt repayment. 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 objective is to ensure that a prudent provision is made for the repayment of debt over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The Authority's MRP policy relating to Crossrail Business Rates Supplement (BRS) is that the annual Crossrail BRS proceeds received in excess of interest payable and other revenue expenses shall be accounted for as direct revenue financing until the total committed funding for Crossrail (£4.1bn) has been transferred to TfL. Once this total has been reached, annual Crossrail BRS proceeds received in excess of interest payable and other revenue expenses, including the making good of prior year BRS account deficits, shall fund the repayment of debt relating to Crossrail. This is a prudent provision, since it will fully fund the liability over a period of time reasonably commensurate with the benefits of the project.

The Authority's MRP policy relating to the Northern Line Extension (NLE) is that the NLE related revenues received in excess of interest payable and other revenue expenses shall be accounted for as direct revenue financing until the total committed funding for the NLE (up to £1bn) has been transferred to TfL, currently expected to be 2020. Once this total has been reached, annual NLE ring-fenced revenues received in excess of interest payable and other revenue expenses, including the making good of prior year NLE account deficits, shall fund the repayment of debt relating to the NLE. This is a prudent provision, since it will fully fund the liability over a period of time reasonably commensurate with the benefits of the project.

Where the Authority incurs capital expenditure as a result of making a loan to another entity for purposes that, had the Authority 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 Executive Director of Resources 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).

xxxiv.Events after the Balance Sheet Date

Events after the balance sheet date are reflected up to the date when the Statement of Accounts is authorised for issue. The date when the Statement of Accounts was authorised for issue and who gave authorisation is disclosed in Note 6 to the Statement of Accounts, including confirmation that this is the date up to which events after the balance sheet date have been considered.

3. Accounting Standards issued but not yet effective

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

- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service;
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) – covers accounting for an interest in a joint operation when the joint operation is formed and there is an existing business that is contributed or where the acquisition of the interest is in an existing joint operation that is a business;
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) – the amendments provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.
- Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 - changes to the format of the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis;
- Disclosure Initiative (Amendments to IAS 1) – various improvements to the presentation of, and disclosures in financial statements;
- Annual Improvements to IFRSs 2010–2012 and 2012–2014 cycles – various amendments that enhance the quality of standards, by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts or oversights.

The Group does not consider the abovementioned amendments to the Code and standards, amendments or interpretations issued by the IASB will have a significant impact on the financial statements. They are all applicable from 1 April 2016.

4. Prior period restatements and reclassifications

There are no prior year restatements in these financial statements.

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:

E20 Stadium Limited

E20 Stadium Limited (E20) has been included as a joint venture in the London Legacy Development Corporation (LLDC)'s group accounts and these in turn have been consolidated into the GLA's group accounts. It is management's view that LLDC and Newham Legacy Investment Limited (NLI) jointly control E20 as the members' agreement that governs E20 gives both organisations the ability to direct the activities that significantly affect E20's returns. Key decisions on transformation and operation of the former Olympic Stadium require the joint consent of both organisations. LLDC's and NLI's return for their investment in E20 will essentially be a share of the profit/loss in accordance with the members' agreement. As such, LLDC and NLI are fully exposed to the risks of the business performance of E20.

The fair value of the former Olympic Stadium, after the transformation work is complete, is estimated by external, independent property valuers, by considering what market value a hypothetical purchaser would be willing to pay. This valuation relies heavily on assumptions regarding future income levels and operating costs and it is currently anticipated that the fair value of the stadium in E20 will be £22.5m upon completion. As a partner in the E20 joint venture, LLDC bears a share of E20's losses. LLDC's audited 2015/16 group accounts include its share of the partnership's total comprehensive loss (£103.6m), of which £100.7m relates to the impairment of the Stadium capital works.

Since LLDC's audit was concluded there are indications that operating costs of the partnership, particularly in the early years of its operation as the Stadium becomes established, could be higher than originally anticipated, and income lower and together these risks could significantly reduce profitability in the medium term. This could result in impairments of the fair value of the Stadium at a rate exceeding current assumptions and the recognition of additional losses in LLDC's group accounts in future years. Management is currently exploring options in order to mitigate LLDC's exposure to these risks; however estimating the future outcome at this point is challenging, particularly as the Stadium only recently became operational and is not expected to reach a steady state until 2018/19.

Related Party Transactions

In reporting related party transactions the Authority has judged that transactions of £1m or more with central government departments, non-department public bodies and government agencies are significant to both parties; transactions of £100,000 or more with local authorities and functional bodies are significant to both parties; and applied a judgement that expenditure of £5,000 or more is appropriate for reporting of transactions with all other related parties.

Fair Value

Valuers also make a range of judgements when determining the values of assets held at fair value.

The significant assumptions applied in estimating the fair values are:

- For income producing properties, the Valuers adopt an investment approach where they apply a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors. Following market practice they construct their valuations adopting methodology where the reversions are generated from regular short-term uplifts of market rent. They would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation;

- The assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in the RICS Valuation – Professional Standards January 2014 published by the Royal Institution of Chartered Surveyors ("the Red Book" (9th edition)). Where circumstances dictate that it is necessary to utilise a different rental value in the capital valuation, the Valuers will generally set out the reasons for this in their report; and

- Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable.

Inventory

The Group holds land and buildings for sale and also for development and subsequent sale. Annual valuation reviews are undertaken to identify property held for sale or developments in progress where the balance sheet value is more than the lower of cost or net realisable value.

By its nature, this process involves a significant amount of estimation uncertainty, particularly given the complexity of some of the Group's properties, and the current market conditions. Valuations are performed by qualified independent external valuers. The key judgements in these reviews are estimating the realisable value which is determined by using the comparison method when there is good evidence, and/or the residual method, particularly on more complex and bespoke proposals, less estimated selling costs, estimated remediation costs and estimated costs to complete.

Where the estimated net realisable value is less than its carrying value within the balance sheet, the Group has impaired the land property and development in progress value. In the period to 31 March 2016, this review resulted in a £1m impairment charge and a reversal of previous impairments totalling £1.8m. See note 36 for further details.

Investment Property

IAS40 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. The carrying value of investment properties at Group level, at 31 March 2016, totalled £425.7m, see note 25 for further details.

Property, plant and equipment

In determining the useful economic life of property, plant and equipment, judgement needs to be exercised in estimating the length of time that assets will be operational. Judgements are also required regarding the valuation of property, plant and equipment, the classification of specialist/non-specialist assets and in determining residual values. The carrying value of property, plant and equipment at Group level, at 31 March 2016, totalled £38.1m, see note 24 for further details.

Leases

In assessing whether a lease is an operating lease or a finance lease, judgement needs to be exercised in determining whether or not substantially all the risks and rewards of ownership of the leased asset are held or have been transferred by the Group. Given that finance lease obligations/receivables are recognised as liabilities/assets, and operating lease obligations/receivables are not, this can have a significant effect on the reported financial position of the Group. At 31 March 2016, the carrying values of finance lease receivables at Group level were significant, totalling £131.8m, see note 34 for further details.

Determining whether an arrangement contains a lease

When determining whether an arrangement contains a lease, as required by IFRIC 4, judgement needs to be exercised in determining whether the arrangement conveys the right to use an asset. Given that this could result in additional finance leases being recognised on the Balance Sheet this can have a significant effect on the reported financial position of the Group.

Fair value of Equity Mortgages

Equity Mortgages are held as non-current available for sale financial assets and are amounts receivable individually from the private owners of housing units when their properties are sold. Amounts receivable from the owners of housing units are secured by a second charge over their property.

Available for sale financial assets are valued with reference to published house price indices (February 2016 data used as March 2016 was unavailable when the financial statements were being prepared). For equity interests in housing units, the fair value at the balance sheet date is calculated using movements in the Office for National Statistics house price index for the London region, this being the most relevant available observable market data. However these only provide an estimate of the fair value of these assets because house price indices cannot accurately predict the value of individual units and disposal proceeds to date, although a good indicator of market performance, may not occur at the same level in the future, as disposals to date represent only a small portion of the portfolio.

At 31 March 2016 the asset recognised on the balance sheet was £52.9m. See note 29 for further details.

Compulsory Purchase Order Provisions

Judgement and estimation techniques are employed in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that expenditure will be incurred by the Group. This can be very complex, especially when there is a wide range of possible outcomes. The carrying value of CPO provisions at 31 March 2016 totalled £5.8m, movements on the provision in-year are provided in note 40.

Post-retirement benefits

Pensions liability – the estimation of the net liability to pay pensions depends on a number of 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. The assumptions made and sensitivity analysis, are provided in note 20. The carrying value of the pensions liability, at Group level, totalled £114.1m at 31 March 2016.

Council tax accounting

The Authority's share of the current year's council tax surplus is £33.0m and at 31 March 2016 the GLA's share of council tax debtors was £31.6m and creditors was £46.8m. 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 *Code of Practice on Local Authority Accounting in the United Kingdom 2015/16* sets outs 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/precepts proportions for the next financial year.

Non-domestic rates accounting

In respect of business rates retention the GLA's share of rates income, related section 31 grants, debtors, creditors, bad debt provisions, appeals provisions and collection fund surpluses or deficits is set at 20 per cent of the total for each of the 33 London billing authorities. This is the prescribed percentage share set out in The Non-Domestic Rating (Rates Retention) Regulations 2013. The Authority's share of the current year's business rates net deficit is £36.3m and at 31 March 2016 the GLA's share of business rates debtors was £29.6m and creditors was £69.1m. This is based on unaudited figures from the 32 London boroughs and the City of London Corporation.

The amounts recorded are derived from the draft National Non Domestic Rates 3 outturn returns submitted to the GLA by each authority in May 2016 which will be materially consistent with the information reported in the collection fund statements within their draft statutory accounts. The final statutory accounts published by 30 September will incorporate, where practical, amendments made compared to these draft figures where these have been advised to the GLA on a timely basis in advance of this deadline. 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.

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 2015/16 financial year and for backdated amounts for prior accounting periods. In estimating their provision each London billing authority has had regard to the settlement rates of historical appeals and the level of appeals unresolved at the financial year end. Billing authorities have also generally considered the case for incorporating an estimate for the potential impact of 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 rating appeals. Over provisions may arise where the Valuation Office and Valuation Tribunal rejects a greater proportion of appeals 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 setting their baseline forecasts for business rates income at the start of the current rating list the Office of Budget Responsibility and the Department for Communities and Local Government (CLG) assumed a 5% calibration adjustment factor for potential reductions to rates income due to factors such as rating appeals over the period of a rating list. The Government also applied a further adjustment factor of 3 per cent in calculating the business rates baselines for 2013/14 – the first year of the rates retention system - to allow for outlier authorities where the risk of appeals might be considered to be greatest. For those authorities accounting for the largest proportion of the GLA's income the provisions made exceed these percentage rates assumed by central government.

Of the total provision of £186.3m apportioned to the GLA in line with its prescribed 20 per cent share, 58 per cent relates to the estimates provided by the Corporation of London (£30.0m) and Westminster City Council (£78.6m). These two billing authorities also account for nearly 40 per cent of the GLA's retained rates income. Both authorities have undertaken a comprehensive analysis of its rating list and potential appeals to determine its provision. The provision has increased by around £22.8m compared to the 2014-15 accounts including a £19.2m increase in the GLA's share of the provision for the City of Westminster.

The GLA considers that the appeals provisions made are reasonable having regard to the risks associated with business rates retention, the fact that it is supported by Valuation Office data on unresolved appeals at 31 March 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.

6. Authorisation of the Statement of Accounts

The Statement of Accounts was authorised for issue on the date the Executive Director of Resources 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 (Note 56) have been considered.

7. 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 to meet future capital and revenue expenditure.

Group

2015/16	USABLE RESERVES					
	General Fund Balance £000	BRS £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Other Usable Reserves £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	(929)	-	-	-	-	**929**
Movements in the market value of Investment Properties	(64,986)	-	-	-	-	**64,986**
Amortisation of intangible assets	(40)	-	-	-	-	**40**
Community Infrastructure Levy applied	113,703	-	-	-	-	**(113,703)**
Capital grants and contributions applied	434,823	-	-	-	-	**(434,823)**
Revenue expenditure funded from capital under statute	(566,787)	-	-	-	-	**566,787**
Release of CPO provision and creditor	7,286	-	-	-	-	**(7,286)**
Impairment of the Joint Venture investment	(103,591)	-	-	-	-	**103,591**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account:						
Statutory provision for the financing of capital investments	90,603	-	-	-	-	**(90,603)**
Voluntary provision for the financing of capital investments	10,231	-	-	-	-	**(10,231)**
Capital expenditure charged against the General Fund balance	31,779	-	-	-	-	**(31,779)**
Adjustments primarily involving the BRS Account:						
Transfer of net income /expenditure to the BRS account	90,603	(90,603)	-	-	-	-
Transfer of an amount equal to the BRS surplus from the BRS account to the General Fund	(90,603)	90,603	-	-	-	-
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	25,165	-	-	(19,792)	-	**(5,373)**
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of cash sale proceeds credited as part of the gain/loss on disposal/grant reclaims repaid	75,852	-	(75,852)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	3,145	-	-	**(3,145)**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	(1,887)	-	-	**1,887**
Adjustments primarily involving the Financial Instruments Adjustment Account:						
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	(4,037)	-	-	-	-	**4,037**
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Account	(15,453)	-	-	-	-	**15,453**
Employer's pensions contributions and direct payments to pensioners payable in the year	5,880	-	-	-	-	**(5,880)**
Adjustments primarily involving the Collection Fund Adjustment Account:						
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	2,060	-	-	-	-	**(2,060)**
Amount by which non-domestic rates 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	(10,630)	-	-	-	-	**10,630**

Group (continued)

Adjustments primarily involving the non-domestic rates appeals provision spreading account:						
Release of backdated appeals from the non-domestic rates appeals provision account	15,021		-	-	**-**	**(15,021)**
Adjustments primarily involving the Accumulated Absences Account:						
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	(105)	-	-	-	**-**	**105**
Total Adjustments	**45,845**	**-**	**(74,594)**	**(19,792)**	**-**	**48,541**

Group

2014/15	USABLE RESERVES				
	General Fund Balance £000	BRS £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(1,044)	-	-	-	**1,044**
Movements in the market value of Investment Properties	215,711	-	-	-	**(215,711)**
Amortisation of intangible assets	(43)	-	-	-	**43**
Community Infrastructure Levy applied	101,457	-	-	-	**(101,457)**
Capital grants and contributions applied	923,205	-	-	-	**(923,205)**
Revenue expenditure funded from capital under statute	(1,397,529)	-	-	-	**1,397,529**
Release of CPO provision and creditor	8,521	-	-	-	**(8,521)**
Impairment of the Joint Venture investment	(123,864)	-	-	-	**123,864**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account:					
Voluntary provision for the financing of capital investments	9,959	-	-	-	**(9,959)**
Capital expenditure charged against the General Fund balance	101,612	-	-	-	**(101,612)**
Adjustments primarily involving the BRS Account:					
Transfer of net income and expenditure to the BRS account	(428,488)	428,488	-	-	**-**
Transfer of an amount equal to the BRS deficit from the General Fund to the BRS account	428,488	(428,488)	-	-	**-**
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	8,100	-	-	(8,100)	**-**
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	34,273	-	(34,273)	-	**-**
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	485	-	**(485)**
Adjustments primarily involving the Financial Instruments Adjustment Account:					
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	(4,216)	-	-	-	**4,216**
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Account	(11,341)	-	-	-	**11,341**
Employer's pensions contributions and direct payments to pensioners payable in the year	5,794	-	-	-	**(5,794)**

Group (continued)

Adjustments primarily involving the Collection Fund Adjustment Account:					
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	18,449	-	-	-	**(18,449)**
Amount by which non-domestic rates 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	(40,619)	-	-	-	**40,619**
Adjustments primarily involving the non-domestic rates appeals provision spreading account:					
Release of backdated appeals from the non-domestic rates appeals provision account	15,021		-	-	**(15,021)**
Adjustments primarily involving the Accumulated Absences Account:					
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	90	-	-	-	**(90)**
Total Adjustments	**(136,464)**	**-**	**(33,788)**	**(8,100)**	**178,352**

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 Authority in the year in accordance with proper accounting practice and to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Authority

2015/16	USABLE RESERVES					
	General Fund Balance £000	BRS £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation and impairment of non-current assets	(541)	-	-	-	(541)	**541**
Community Infrastructure Levy applied	113,703	-	-	-	113,703	**(113,703)**
Capital grants and contributions applied	426,227	-	-	-	426,227	**(426,227)**
Movement in the Donated Assets Account		-	-	-	-	
Revenue expenditure funded from capital under statute	(555,282)	-	-	-	(555,282)	**555,282**
Release of CPO provision and creditor	7,286	-	-	-	7,286	**(7,286)**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account:					-	
Statutory provision for the repayment of debt	90,603	-	-	-	90,603	**(90,603)**
Voluntary provision for the repayment of debt	10,231	-	-	-	10,231	**(10,231)**
Capital expenditure charged against the General Fund balance	31,779	-	-	-	31,779	**(31,779)**
Adjustments primarily involving the BRS Account:						
Transfer of net income/expenditure to the BRS account	90,603	(90,603)	-	-	-	**-**
Transfer of an amount equal to the BRS surplus from the BRS account to the General Fund	(90,603)	90,603	-	-	-	**-**
Adjustments primarily involving the Capital Grants Unapplied Account:						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	25,164	-	-	(19,792)	5,372	**(5,372)**
Adjustments primarily involving the Capital Receipts Reserve:						
Transfer of capital receipts and grant repayments recognised in the CIES	72,707		(72,707)		-	**-**
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	-	-	(1,887)	-	(1,887)	**1,887**
Adjustments primarily involving the Financial Instruments Adjustment Account:						
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	(4,037)				(4,037)	**4,037**
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Account	(12,826)	-	-	-	(12,826)	**12,826**
Employer's pensions contributions and direct payments to pensioners payable in the year	4,860	-	-	-	4,860	**(4,860)**

Authority (continued)

Adjustments primarily involving the Collection Fund Adjustment Account:							
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	2,060	-	-	-		2,060	**(2,060)**
Amount by which non-domestic rates 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	(10,630)	-	-	-		(10,630)	**10,630**
Adjustments primarily involving the non-domestic rates appeals provision spreading account:							
Release of backdated appeals from the non-domestic rates appeals provision account	15,021					15,021	**(15,021)**
Adjustments primarily involving the Accumulated Absences Account:							
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	(97)	-	-	-		(97)	**97**
Total Adjustments	**216,228**	**-**	**(74,594)**	**(19,792)**	**-**	**121,842**	**(121,842)**

Authority

2014/15	USABLE RESERVES				
	General Fund Balance £000	BRS £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:					
Charges for depreciation and impairment of non-current assets	(639)	-	-	-	**639**
Amortisation of intangible assets	(15)	-	-	-	**15**
Community Infrastructure Levy applied	101,457	-	-	-	**(101,457)**
Capital grants and contributions applied	916,014	-	-	-	**(916,014)**
Revenue expenditure funded from capital under statute	(1,389,459)	-	-	-	**1,389,459**
Release of CPO provision and creditor	8,521	-	-	-	**(8,521)**
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Account					
Voluntary provision for the repayment of debt	9,959	-	-	-	**(9,959)**
Capital expenditure charged against the General Fund balance	101,612	-	-	-	**(101,612)**
Adjustments primarily involving the BRS Account:					
Transfer of net income and expenditure to the BRS account	(428,488)	428,488	-	-	**-**
Transfer of an amount equal to the BRS deficit from the General Fund to the BRS account	428,488	(428,488)	-	-	**-**
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	8,100	-	-	(8,100)	**-**
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of capital receipts and grant repayments recognised in the CIES	34,273		(34,273)		**-**
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	485	-	**(485)**

Authority (continued)

Adjustments primarily involving the Financial Instruments Adjustment Account:					
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	(4,216)				**4,216**
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Account	(9,613)	-	-	-	**9,613**
Employer's pensions contributions and direct payments to pensioners payable in the year	4,793	-	-	-	**(4,793)**
Adjustments primarily involving the Collection Fund Adjustment Account:					
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	18,449	-	-	-	**(18,449)**
Amount by which non-domestic rates 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	(40,619)	-	-	-	**40,619**
Adjustments primarily involving the non-domestic rates appeals provision spreading account:					
Release of backdated appeals from the non-domestic rates appeals provision account	15,021				**(15,021)**
Adjustments primarily involving the Accumulated					**-**
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	41	-	-	-	**(41)**
Total Adjustments	**(226,321)**	**-**	**(33,788)**	**(8,100)**	**268,209**

8. Transfers to/from Earmarked Reserves – Authority

This 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 2015/16.

	Balance at 1 April 2015 £000	Transfers In £000	Transfers Out £000	Balance at 31 March 2016 £000
Assembly Development & Resettlement	1,478	344	-	**1,822**
City Hall Lease Smoothing	3,090	234	(55)	**3,269**
Compulsory Purchase Orders	1,769	-	(392)	**1,377**
Development	2,000	1,000	-	**3,000**
Development Corporations	41,924	-	(7,771)	**34,153**
Directorate (Programme reserve)	31,304	25,586	(37,829)	**19,061**
Election	10,123	9,515	(6,500)	**13,138**
Environment Drainage	534	386	(534)	**386**
Estates	4,130	-	(194)	**3,936**
Legal Fees	700	-	-	**700**
London and Partners	2,245	-	-	**2,245**
Major Events	13,500	-	-	**13,500**
Mayoral Resettlement	77	-	-	**77**
NDR Backdated Appeals Spreading	45,062	-	(15,021)	**30,041**
New Homes Bonus LEP grant reserve	-	32,029	-	**32,029**
Planning Smoothing	833	-	(607)	**226**
Pre-Application Planning	165	458	(136)	**487**
RCGF Interest	2,006	955	(845)	**2,116**
Resilience	59,354	137,221	(199)	**196,376**
Revenue Grants Unapplied	54,498	42,953	(44,289)	**53,162**
Self Insurance Fund	1,000	-	-	**1,000**
Total Earmarked Reserves	**275,792**	**250,681**	**(114,372)**	**412,101**

The purpose of each reserve is detailed below:

The Assembly Development and Resettlement Reserve exists to ensure adequate funding is built up for future pay settlements, reviews and resettlement grants for the Assembly and Secretariat Directorate.

The City Hall Lease Smoothing Reserve is used to ensure that the fixed percentage increases in the City Hall operating lease are charged to the Comprehensive Income and Expenditure Account on a straight line basis over the lease term and to smooth the budgetary impact on the revenue account of the increase in lease payments.

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

The Development Corporation Reserve has been created to ensure that adequate funding is built up for future costs relating to Mayoral Development Corporations.

The Development Reserve exists to fund pay settlements and reviews for all relevant staff and Members.

The Directorate 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.

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 as well as works undertaken at Parliament and Trafalgar Squares.

The Legal Fees Reserve exists to fund external legal advice or representation.

The London and Partners Reserve has been created to ensure that adequate funding is built up for future reviews of the organisation.

The Major Events Reserve represents sums set aside to build up resources for future events.

The Mayoral Resettlement Reserve funds the resettlement grants paid to the former Mayor following the Mayoral elections.

The NDR Backdated Appeals Spreading Reserve has been created to offset an annual charge arising from the release of the deferred appeals provision costs on the NDR Appeals Provision Account. This has been created in line with the GLA's decision to take advantage of its ability to spread its share of the backdated appeals provisions reported by the relevant London billing authorities under The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2014.

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 Planning Smoothing Reserve has been created to smooth 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 RCGF Interest reserve has been created to earmark the interest earned on Recycled Capital Grant Funding.

The Resilience Reserve has been created to manage special risk 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, collection fund shares and grant settlements.

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 Self Insurance Fund Reserve exists to provide cover for minor claims where it would not be appropriate to claim on the Authority's insurance policies due to the level of excess payable.

9. 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 aforementioned Act. The table below sets out the allocation of the council tax precepts to the functional bodies. The allocation of specific and general government grants to the functional bodies, with the exception of revenue support grant ("RSG"), council tax freeze grant and retained business rates which the Mayor has responsibility for allocating, is shown in the Fund Account. RSG and retained rates payments form part of the cost of services analysis in the CIES.

The gain/loss on disposal of non-current assets is the amount recognised in the CIES on the sale of non-current assets in year.

	Authority 2015/16	**Group 2015/16**	**Authority 2014/15**	**Group 2014/15**
	£000	**£000**	**£000**	**£000**
Precept payable to the Functional Bodies	710,765	710,765	708,341	708,341
Total	**710,765**	**710,765**	**708,341**	**708,341**

10. Financing and Investment Income and Expenditure

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Interest payable and similar charges	127,178	127,187	124,790	124,512
Net interest on the net defined liability	4,056	4,472	2,884	3,204
Interest receivable and similar income	(29,836)	(17,384)	(18,735)	(11,537)
Other investment Income	-	-	-	(242)
Net (gain)/loss on disposal of available-for-sale financial assets reclassified from equity	-	(5,356)	-	(3,555)
Income and expenditure in relation to investment properties	-	37	-	(4,832)
Total	**101,398**	**108,956**	**108,939**	**107,550**

11. Taxation and Non-Specific Grant Income and Expenditure

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Precept receivable from Council Tax payers	(833,699)	(833,699)	(820,454)	(820,454)
Non-domestic rate income	(1,325,295)	(1,325,295)	(1,255,206)	(1,255,206)
Non-domestic rate tariff payment	355,651	355,651	348,982	348,982
Business Rate Supplement - Crossrail	(218,227)	(218,227)	(219,680)	(219,680)
Community Infrastructure Levy - Crossrail	(113,703)	(113,703)	(101,457)	(101,457)
Revenue Support Grant (see Note 14)	(173,695)	(173,695)	(193,698)	(193,698)
Non-ringfenced revenue government grants (see Note 14)	(107,144)	(107,144)	(43,832)	(43,832)
Capital grants and contributions (see Note 14)	(524,102)	(532,698)	(958,388)	(965,579)
Total	**(2,940,214)**	**(2,948,810)**	**(3,243,733)**	**(3,250,924)**

12. Council Tax Precepts

The Comprehensive Income and Expenditure Statement contains the 2016/17 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 2016/17 share of the net surplus or deficit on their collection funds in respect of council tax is reversed from the General Fund balance and taken to the Collection Fund Adjustment account and the Authority's estimated share of the 2015/16 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2015 used for budgeting purposes - is brought in as the amount required by statute to be credited to the General Fund. An analysis of these amounts is contained in the following table:

	2015/16 Precept Demand	2015/16 (Surplus) / Deficit	2014/15 Estimated (Surplus) / Deficit	2014/15 Precept Demand	2014/15 (Surplus) / Deficit	2013/14 Estimated (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Corporation of London	(537)	(457)	(413)	(523)	(103)	(50)
Barking & Dagenham	(12,574)	(1,812)	(1,058)	(12,116)	(748)	(318)
Barnet	(38,985)	(110)	(262)	(38,410)	(318)	-
Bexley	(22,804)	(1,189)	(1,101)	(22,596)	(400)	(318)
Brent	(24,426)	(1,516)	(866)	(23,682)	(2,189)	(712)
Bromley	(36,913)	(1,425)	(643)	(37,133)	(1,407)	(889)
Camden	(25,125)	154	(73)	(24,927)	(92)	44
Croydon	(33,598)	(3,378)	(2,421)	(33,008)	(775)	(864)
Ealing	(30,856)	(2,414)	(2,015)	(30,054)	(1,915)	(715)
Enfield	(27,056)	(497)	(1,354)	(26,521)	(787)	-
Greenwich	(20,562)	(2,039)	(519)	(20,354)	(1,773)	(525)
Hackney	(18,849)	(1,171)	(1,063)	(18,168)	(1,143)	(1,031)
Hammersmith & Fulham	(21,235)	(384)	(732)	(20,893)	(458)	(309)
Haringey	(20,889)	(1,316)	(835)	(20,060)	(2,179)	(1,869)
Harrow	(23,540)	(1,020)	(568)	(23,486)	(719)	(420)
Havering	(24,517)	(788)	(670)	(23,975)	(816)	(232)
Hillingdon	(26,904)	(151)	(513)	(26,685)	(116)	(327)
Hounslow	(23,234)	(1,026)	(1,058)	(22,686)	(820)	(493)
Islington	(21,240)	(914)	(1,194)	(20,793)	(1,012)	-
Kensington & Chelsea	(27,370)	(984)	(192)	(27,395)	(247)	(162)
Kingston Upon Thames	(17,495)	(266)	(158)	(17,441)	(366)	(84)
Lambeth	(28,845)	(1,252)	(1,696)	(27,559)	(2,484)	(1,088)
Lewisham	(22,280)	(927)	(1,372)	(22,108)	(558)	(659)
Merton	(20,543)	(831)	(1,300)	(20,358)	(1,318)	(1,266)
Newham	(19,794)	(970)	(1,550)	(18,789)	(1,338)	560
Redbridge	(23,768)	(1,179)	(1,384)	(23,548)	(2,244)	(106)
Richmond Upon Thames	(25,282)	(423)	(174)	(25,359)	(385)	(177)
Southwark	(25,880)	(979)	(1,280)	(25,217)	(1,022)	(436)
Sutton	(20,568)	(87)	(704)	(19,940)	(2,142)	(398)
Tower Hamlets	(23,258)	(521)	(425)	(22,419)	(736)	(142)
Waltham Forest	(20,215)	(944)	(1,403)	(19,570)	(991)	(618)
Wandsworth	(35,579)	(1,564)	(1,615)	(34,982)	(1,726)	(1,093)
City of Westminster	(35,958)	(640)	(348)	(36,108)	(264)	(445)
Amounts receivable	**(800,679)**	**(33,020)**	**(30,959)**	**(786,863)**	**(33,591)**	**(15,142)**

13. Non Domestic Rates income (NDR)

The Comprehensive Income and Expenditure Statement contains the Authority's share of 2016/17 non-domestic rates collected by 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 non-domestic rates. In the Movement in Reserves Statement the 2016/17 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 2015/16 net surplus/deficit – based on the forecasts submitted by billing authorities in January 2015 used for budgeting purposes - is brought in as the amount required by statute to be credited to the General Fund. An analysis of these amounts is contained in the following table:

	2015/16 NDR Income	2015/16 (Surplus) / Deficit	Share of 2014/15 Estimated (Surplus) / Deficit	2014/15 NDR Income	2014/15 (Surplus) / Deficit	Share of 2013/14 Estimated (Surplus) / Deficit
	£000	£000	£000	£000	£000	£000
Corporation of London	(148,936)	(20,564)	84	(146,142)	(5,826)	(59)
Barking & Dagenham	(10,599)	269	(209)	(9,703)	(817)	1,215
Barnet	(20,529)	2,150	1,685	(22,197)	1,550	33
Bexley	(13,577)	(10)	-	(12,609)	271	555
Brent	(22,926)	272	(28)	(22,002)	188	140
Bromley	(15,575)	246	1,048	(16,310)	697	-
Camden	(94,024)	2,711	11,952	(98,055)	12,581	1,810
Croydon	(20,663)	5,447	2,316	(22,130)	553	(67)
Ealing	(25,611)	(2,532)	786	(24,790)	(5,527)	-
Enfield	(19,575)	1,020	1,438	(20,882)	1,539	213
Greenwich	(13,779)	491	-	(14,313)	75	(877)
Hackney	(16,945)	1,286	1,000	(17,490)	1,773	965
Hammersmith & Fulham	(37,663)	(4,457)	(52)	(31,894)	949	3,509
Haringey	(9,844)	1,640	3,026	(12,975)	3,149	(165)
Harrow	(9,020)	(856)	267	(9,662)	693	-
Havering	(14,684)	1,162	(131)	(13,808)	(169)	614
Hillingdon	(74,021)	217	333	(70,323)	1,108	-
Hounslow	(31,621)	3	(396)	(28,986)	1,762	1,185
Islington	(38,192)	358	-	(37,121)	(1,053)	333
Kensington & Chelsea	(55,083)	1,476	-	(53,558)	-	-
Kingston Upon Thames	(17,930)	991	(1,624)	(14,977)	390	1,372
Lambeth	(23,709)	(171)	631	(24,072)	1,883	134
Lewisham	(10,968)	396	(322)	(9,700)	(579)	(450)
Merton	(16,758)	(64)	262	(16,604)	998	248
Newham	(24,162)	423	1,136	(24,531)	2,610	1,318
Redbridge	(10,682)	177	(198)	(9,381)	(520)	175
Richmond Upon Thames	(15,633)	752	689	(16,670)	944	(221)
Southwark	(43,095)	(1,185)	2,629	(41,056)	(721)	(7)
Sutton	(8,884)	(410)	1,221	(10,339)	1,099	(20)
Tower Hamlets	(79,710)	1,497	(3,218)	(69,676)	(4,066)	(1,390)
Waltham Forest	(9,638)	(46)	1,206	(10,913)	743	61
Wandsworth	(20,698)	1,737	(6)	(20,354)	182	15
City of Westminster	(361,191)	41,874	106	(342,599)	41,004	6,205
Amounts receivable	**(1,335,925)**	**36,300**	**25,631**	**(1,295,824)**	**57,462**	**16,843**

14. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement.

Credited to Taxation & Non Specific Grant Income	2015/16 £000	2014/15 £000
Revenue Support Grant	173,695	193,698
Non-ringfenced government grants (Revenue):		
DCLG* - Council Tax Freeze	9,531	9,461
DCLG - S31 grant NDR reliefs	41,073	30,721
DCLG - New Homes Bonus	52,834	-
DCLG - Community Right to Build	-	2,107
DCLG - Homelessness	-	1,009
DCLG - Other revenue grants	3,706	534
Capital grants and contributions:		
DCLG - Capital grants (Housing & Olympics legacy)	389,379	879,915
DCLG - New Homes Bonus	17,166	-
DCLG - Millennium Mills	6,186	4,326
DCLG - Local Growth Fund	8,130	-
DCLG - Growing Places Fund	9,541	-
DOH*- Care & Support Fund	8,000	8,000
DCMS* - Broadband UK	10,738	5,370
DCMS* - Olympic Village	-	30,000
Recycled Capital Grant Fund	44,307	3,272
Other Housing Grant reclaims	28,401	-
London Boroughs contributions for Northern Line Extension	-	26,404
London Boroughs contributions for Elephant & Castle roundabout	2,254	-
Other Contributions	-	1,102
Total	**804,941**	**1,195,918**

Credited to Services	2015/16 £000	2014/15 £000
DFEE* - London Skills Excellence Fund	-	6,939
DWP* - European Social Fund	1,054	1,705
DCLG -London Land Commission	1,000	-
DCLG - Homelessness	952	-
London Boroughs contributions for Northern Line Extension	26,231	-
Big Lottery Fund	88	1,334
European Investment Bank	2,436	3,375
Fuel Cells & Hydrogen Joint Undertaking	3,096	6,132
Home Office	615	9,345
NHS Commissioning Board	100	3,027
European Commission - Horizon 2020	656	-
Transport For London	-	51
Other contributions	941	2,795
Total	**37,169**	**34,703**

The following grants have conditions which have not yet been met and are held as creditors in the balance sheet. They will be recognised as income in future years.

Grants Receipts In Advance (Capital Grants)	2015/16 £000	2014/15 £000
DCLG - Growing Places Fund	87,914	97,455
DCLG - Grant Settlement	759,255	342,341
DCLG - Home Buy Direct, Kickstart, First Time Buyers Initiative equity receipts grant	15,310	8,503
DCLG - Right to Buy receipts grant	20,523	7,610
DCLG - Millennium Mills Grant	1,488	7,674
DCLG - Local Growth Fund	48,870	-
London Borough of Souhwark-S106 Elephant & Castle	6,040	3,618
Other grants	29	-
Housing Action Trust dowry	3,219	3,219
	942,648	**470,420**

Grants Receipts In Advance (Revenue Grants)	2015/16 £000	2014/15 £000
European Commission - Horizon 2020	4,524	-
European Investment Bank	-	1,927
Other grants and contributions	3,824	986
	8,348	**2,913**

15. Amounts Reported for Resource Allocation Decisions – Authority

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Services Reporting Code of Practice. However, decisions about resource allocation are taken by the Mayor on the basis of budget monitoring reports analysed across Directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

- No charges are made in relation to capital expenditure (whereas depreciation and impairment is charged to services in the Comprehensive Income and Expenditure Statement);

- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in the year; and

- Expenditure on some support services is budgeted for centrally and not charged to Directorates

The income and expenditure of the Authority's principal Directorates recorded in the budget monitoring reports for the year is as follows:

Directorate Income and Expenditure 2015/16 – Authority

2015/16	**Assembly & Secretatriat**	**Mayor's Office**	**Corp Mngt**	**Comm & Intell**	**Dev, Ent & Env**	**Elections**	**Ext Affairs**	**Housing & Land**	**Resources**	**Grand Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges & other service income	(879)	(207)	(15)	(4,818)	(7,149)	-	(1,572)	(4,017)	(31,363)	**(50,020)**
Government grants	-	-		(681)	(562)	-	-	(2,624)	(56,836)	**(60,702)**
Interest and investment income	-	-	-	-	-	-	-	-	(27,305)	**(27,305)**
Total Income	**(879)**	**(207)**	**(15)**	**(5,499)**	**(7,710)**	**-**	**(1,572)**	**(6,641)**	**(115,504)**	**(138,027)**
Employee expenses	5,985	3,707	928	6,726	10,754	45	3,448	6,016	8,546	**46,155**
Other Service expenses	1,727	322	43	23,763	26,530	1,473	5,333	14,955	87,989	**162,133**
Voluntary revenue provision	-	-	-		-	-	-	-	10,231	**10,231**
Olympic Public Sector Funding Package	-	-	-	-	-	-	-	-	61,000	**61,000**
Interest Payable	-	-	-	-	-	-	-	-	7,063	**7,063**
appropriations	-	-	-	-	-	-	-	-	162,141	**162,141**
Total Expenditure	**7,712**	**4,029**	**970**	**30,488**	**37,284**	**1,517**	**8,781**	**20,971**	**336,969**	**448,722**
Net Expenditure	**6,832**	**3,822**	**955**	**24,990**	**29,573**	**1,517**	**7,209**	**14,330**	**221,465**	**310,695**

Directorate Income and Expenditure 2014/15 – Authority

2014/15	Assembly & Secretatriat £000	Mayor's Office £000	Corp Mngt £000	Comm & Intell £000	Dev, Ent & Env £000	Elections £000	Ext Affairs £000	Housing & Land £000	Resources £000	Grand Total £000
Fees, charges & other service income	(635)	(188)	(69)	(7,741)	(10,132)	-	(1,528)	(6,326)	(5,178)	**(31,797)**
Government grants	-	-	(34)	(16,284)	-	-	-	-	(1,705)	**(18,023)**
Interest and investment income	-	-	-	-	-	-	-	-	(17,545)	**(17,545)**
Total Income	**(635)**	**(188)**	**(103)**	**(24,025)**	**(10,132)**	**-**	**(1,528)**	**(6,326)**	**(24,428)**	**(67,365)**
Employee expenses	5,979	3,900	1,117	7,661	9,557	45	3,199	5,609	8,161	**45,228**
Other Service expenses	1,643	448	210	39,140	31,348	567	5,159	14,508	64,938	**157,961**
Voluntary revenue provision	-	-	-		-	-	-	-	9,959	**9,959**
Olympic Public Sector Funding Package	-	-	-	-	-	-	-	-	61,000	**61,000**
Interest Payable	-	-	-	-	-	-	-	-	6,921	**6,921**
Contributions to/(from) reserves and appropriations	-	-	-	-	-	-	-	-	(7,111)	**(7,111)**
Total Expenditure	**7,622**	**4,348**	**1,327**	**46,801**	**40,905**	**612**	**8,358**	**20,117**	**143,868**	**273,958**
Net Expenditure	**6,987**	**4,160**	**1,224**	**22,776**	**30,773**	**612**	**6,830**	**13,791**	**119,440**	**206,593**

Reconciliation of the Authority's Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Account

	2015/16 £000	2014/15 £000
Net expenditure in the Directorate Analysis	310,695	206,593
Amounts in the CIES not reported to management accounts	1,583,838	2,466,418
Amounts included in management accounts but not included in the CIES	(119,020)	11,326
Cost of Services in the CIES	**1,775,512**	**2,684,337**

The amounts included in the cost of services within the CIES but not reported to management in the in-year revenue budget monitoring reports include charges for depreciation, pension service costs, capital grants receivable from central government and capital grants paid to TfL for Crossrail and to London Boroughs, largely to fund economic regeneration and environmental projects.

The amounts reported to management in the in-year revenue budget monitoring reports but not included within the cost of services in the CIES include transfers to/from earmarked reserves (included in the Movement in Reserves Statement) and some central government grants that are not reported within the cost of services in the CIES e.g. the Council Tax Freeze grant.

Reconciliation to Subjective Analysis - Authority

This reconciliation shows how the figures in the analysis of Directorate income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

2015/16

	Directorate Analysis	Amounts not reported to management for decision making	Amounts not included in I&E Cost of Services	Cost of Services	Corporate Amounts	Surplus or deficit on the provision of services
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Fees, charges & other service income	(50,020)	(1,203)	3,760	**(47,463)**	-	**(47,463)**
Business Rates Supplement (BRS)	-	-	-	**-**	(218,228)	**(218,228)**
Interest and investment income	(27,305)	-	27,305	**-**	(29,835)	**(29,835)**
Income from council tax	-	-	-	**-**	(833,699)	**(833,699)**
Non-domestic rate income	-	-	-	**-**	(1,325,295)	**(1,325,295)**
Community infrastructure levy	-	(6,519)	-	**(6,519)**	(113,703)	**(120,222)**
Grants and Contributions	(60,702)	-	56,540	**(4,162)**	(804,941)	**(809,103)**
Total Income	**(138,027)**	**(7,722)**	**87,605**	**(58,144)**	**(3,325,701)**	**(3,383,845)**
Employee expenses	46,155	4,007	-	**50,162**	-	**50,162**
Other Service expenses	162,133	1,577,064	(27,191)	**1,712,006**	-	**1,712,006**
Crossrail related expenditure	-	9,948	-	**9,948**	-	**9,948**
Olympic Funding Agreement	61,000	-	-	**61,000**	-	**61,000**
Interest payable and similar charges	7,063	-	(7,063)	**-**	127,178	**127,178**
Voluntary revenue provision	10,231	-	(10,231)	**-**	-	**-**
Net interest on the net defined liability	-	-	-	**-**	4,056	**4,056**
Depreciation, amortisation and impairment	-	541	-	**541**	-	**541**
Non-domestic rates - tariff payment to CLG	-	-	-	-	355,651	**355,651**
Precepts paid to Functional Bodies	-	-	-	**-**	710,765	**710,765**
Contributions to/(from) reserves	162,141	-	(162,141)	**-**	-	**-**
Total Expenditure	**448,722**	**1,591,560**	**(206,626)**	**1,833,656**	**1,197,650**	**3,031,306**
(Surplus) or deficit on the provision of services	**310,695**	**1,583,838**	**(119,020)**	**1,775,512**	**(2,128,051)**	**(352,539)**

2014/15

	Directorate Analysis	Amounts not reported to management for decision making	Amounts not included in I&E Cost of Services	Cost of Services	Corporate Amounts	Surplus or deficit on the provision of services
	£000	£000	£000	£000	£000	£000
Fees, charges & other service income	(31,797)	(2,238)	3,650	**(30,385)**	-	**(30,385)**
Business Rates Supplement (BRS)				**-**	(219,680)	**(219,680)**
Interest and investment income	(17,545)		17,545	**-**	(18,735)	**(18,735)**
Income from council tax				**-**	(820,454)	**(820,454)**
Non-domestic rate income				**-**	(1,255,206)	**(1,255,206)**
Community infrastructure levy		(5,298)		**(5,298)**	(101,457)	**(106,755)**
Grants and Contributions	(18,023)			**(18,023)**	(1,195,918)	**(1,213,941)**
Total Income	**(67,365)**	**(7,536)**	**21,195**	**(53,706)**	**(3,611,450)**	**(3,665,156)**
Employee expenses	45,228	1,641		**46,869**	-	**46,869**
Other Service expenses	157,961	1,940,502	(100)	**2,098,363**	-	**2,098,363**
Crossrail related expenditure		531,157		**531,157**	-	**531,157**
Olympic Funding Agreement	61,000			**61,000**		**61,000**
Interest payable and similar charges	6,921		(6,921)	**-**	124,790	**124,790**
Voluntary revenue provision	9,959		(9,959)	**-**		**-**
Net interest on the net defined liability				**-**	2,884	**2,884**
Depreciation, amortisation and impairment		654		**654**		**654**
Gain or loss on disposal of non-current assets				-		**-**
Non-domestic rates - tariff payment to CLG				-	348,982	**348,982**
Precepts paid to Functional Bodies				**-**	708,341	**708,341**
Contributions to/(from) reserves	(7,111)		7,111	**-**		**-**
Total Expenditure	**273,958**	**2,473,954**	**(9,869)**	**2,738,043**	**1,184,997**	**3,923,040**
(Surplus) or deficit on the provision of services	**206,593**	**2,466,418**	**11,326**	**2,684,337**	**(2,426,453)**	**257,884**

16. Elections

The table below contains a summary of the expenditure and income incurred in year in preparation for the 2016 Elections. The majority of the election costs will be incurred in 2016/17.

	2015/16	2014/15
	£000	£000
Gross Income	**-**	**-**
Gross Expenditure		
Staff	49	51
Premises	27	51
Supplies and Services	1441	511
Net Expenditure	**1,517**	**613**
Net contribution to/ (from) Reserves	(2,983)	3,887
Amount to be met by Grant and Taxpayer	**4,500**	**4,500**

17. Operating Leases

Authority and Group as Lessee

The Group has the following operating leases:

Greater London Authority

- Property lease- City Hall, The Queen's Walk, London SE1 2AA which is the Authority's main headquarters; and
- Property lease- London House, Leopold Plaza, Rue de Trône, Brussels which houses the London European Office

London Legacy Development Corporation

- Property lease- LLDC leases office accommodation under a 10 year lease with a break clause effective in May 2017.
- Waterways lease – rent payable to the Canal River Trust. This lease was signed on 31 March 2015 but as payments are contingent the rent payable in future years has not been included in the table below.

The minimum lease payments due under non-cancellable leases in future years are:

	Authority	Group	Authority	Group
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	£000	£000	£000	£000
Not later than one year	6,843	8,608	6,729	11,690
Later than one year and not later than five years	31,725	36,229	30,607	35,750
Later than five years	52,766	89,223	60,718	98,301
	91,334	**134,060**	**98,054**	**145,741**

The expenditure charged to the Comprehensive Income and Expenditure Statement during the year in relation to these leases amounted to:

	Authority	Group	Authority	Group
	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Rent payble in year	6,732	8,355	6,735	7,836
	6,732	**8,355**	**6,735**	**7,836**

Authority and Group as Lessor
Details of properties leased out as operating leases include:

GLA Land and Property Limited

- 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;
- Royal Docks – Silvertown Dock, Albert Island, Thames Barrier Park – various properties currently occupied by a number of commercial and industrial type businesses;
- Beam Park - TfL are occupying 2 hectares of land to store salt;
- Ferry Lane, Dagenham - currently leased to a commercial enterprise and land is being used for open storage; and
- Marsh View, Ferry Lane, Rainham – currently leased to a commercial enterprise and land is being used for open storage.

London Legacy Development Corporation

- London Aquatics Centre and Copper Box Arena - Greenwich Leisure Limited has been appointed as the operator of the Aquatics Centre and Copper Box Arena under a 10-year arrangement.
- Stadium Island - leased to E20 Stadium LLP under a 102 year lease arrangement
- Here East - leased to iCITY (London) Limited over a 200-years lease.
- Multi Storey Car Park: proportion of spaces leased to iCITY (London) Limited
- Off Park rental properties: currently leased by a mixture of industrial and residential tenants.
- Queen Elizabeth Olympic Park - various cafe and kiosks leased across the Park, including the Podium and Timber Lodge.
- Chobham Manor - leased to Chobham Manor LLP for residential and business development over a 250 year lease.

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

	Group	**Group**
	31 March 2016	**31 March 2015**
	£000	**£000**
Not later than one year	3,845	3,893
Later than one year and not later than five years	13,045	13,637
Later than five years	441,986	443,587
	458,876	**461,117**

The income credited to the Comprehensive Income and Expenditure Statement during the year in relation to these leases amounted to:

	Group	**Group**
	2015/16	**2014/15**
	£000	**£000**
Rent receivable in year	3,298	2,654
	3,298	**2,654**

18. Mayor and Assembly Members' remuneration and expenses

The table below shows the total amount of remuneration and expenses payable to the Mayor and Assembly members during the year, by the Authority. The Mayor of London or an Assembly Member of the Greater London Authority who is also a Member of the Westminster Parliament or the European Parliament or who is a salaried Office-holder in the House of Lords receive an abated salary in respect of his or her GLA role equal to one third of their GLA salary.

The amount for travel cards is the cash value of travel cards issued during the year. The note now also reports the employer pension contributions paid on behalf of the Mayor and Assembly Members , the 2014/15 figures have been updated to reflect this addition.

		Salary	Employer Pension Contribution	Travel Card	Mobile Phone	News-papers	Foreign Travel	Other	Total
		£	£	£	£	£	£	£	£
Mayor	Johnson, Boris (Note 1)	57,609	6,913	-	-	2,867	6,322	468	74,179
Deputy Mayor	Borwick, Victoria (Note 2)	16,969	2,036	1,121	-	-	-	-	20,126
	Evans, Roger (Note 3)	95,282	11,434	2,117	-	-	-	-	108,833
Current Assembly Members									
Assembly Member	Arnold, Jennette (Note 4)	64,896	7,787	2,344	-	-	-	-	75,027
Assembly Member	Arbour, Tony	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Bacon, Gareth	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Badenoch, Kemi (Note 5)	29,879	3,585	-	-	-	-	-	33,464
Assembly Member	Biggs, John	55,161	6,619	2,188	446	-	-	-	64,414
Assembly Member	Boff, Andrew	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Cleverly, James (Note 1)	22,143	2,657	2,344	-	-	-	-	27,144
Assembly Member	Copley, Tom	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Dismore, Andrew	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Duvall, Len	55,161	6,619	2,344	523	-	-	-	64,647
Assembly Member	Gavron, Nicky	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Johnson, Darren	55,161	6,619	1,844	-	-	-	-	63,624
Assembly Member	Jones, Jenny	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Knight, Stephen	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Malthouse, Kit (Note 1)	22,143	2,657	-	-	-	-	-	24,800
Assembly Member	McCartney, Joanne	55,161	6,619	2,188	-	-	-	-	63,968
Assembly Member	O'Connell, Stephen	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Pidgeon, Caroline	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Qureshi, Murad	55,161	6,619	2,344	-	-	-	-	64,124
Assembly Member	Sahota, Onkar	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Shah, Navin	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Shawcross, Valerie	55,161	6,619	1,844	-	-	-	40	63,664
Assembly Member	Tracey, Richard	55,161	6,619	-	-	-	-	-	61,780
Assembly Member	Twycross, Fiona	55,161	6,619	2,344	-	-	-	40	64,164
Total 2015/16		**1,412,141**	**169,449**	**37,086**	**969**	**2,867**	**6,322**	**548**	**1,629,382**
Total 2014/15		**1,625,053**	**195,006**	**39,904**	**606**	**2,301**	**8,074**	**1,126**	**1,872,070**

Note 1 Salary payments includes an abatement from 09/05/2015

Note 2 The salary payment to Victoria Borwick includes payment for her post as Deputy Mayor up until 13/05/2015 and an abatement up until 16/09/2015

Note 3 The salary payment to Roger Evans includes a payment for his post as Deputy Mayor from 14/05/2015

Note 4 Chair of the London Assembly in 2015/16

Note 5 The salary payment to Kemi Badenoch commenced 16/09/2015

19. Officers' Remuneration

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

GLA Staff	Name of Post Holder	Salary (Including fees and allowances) £	Compensation for loss of office £	Employer Pension Contributions £	Total Remuneration including pension contributions £
Head of Paid Service & Executive Director of Communities & Intelligence & Greater London Returning Officer	J Jacobs	170,316	-	20,438	**190,754**
Executive Director of Resources	M Clarke	144,511	-	17,341	**161,852**
Executive Director of Housing and Land	D Lunts	162,865	-	19,586	**182,451**
Executive Director of Secretariat	M Roberts	131,901	-	15,828	**147,729**
Executive Director of Development, Enterprise and Environment	F Fletcher-Smith	144,511	-	17,341	**161,852**
Monitoring Officer & Head of Committee & Member Services	E Williams	108,008	-	12,961	**120,969**
Mayoral Team					
Statutory Deputy Mayor - current	R Evans*	95,282	-	11,434	**106,716**
Statutory Deputy Mayor - up to 14 May 2015	V Borwick*	16,969	-	2,036	**19,005**
Deputy Mayor for Housing, Land and Property	R Blakeway	131,901	-	15,828	**147,729**
Chief of Staff & Deputy Mayor for Policy and Planning	Sir E Lister	153,300	-	18,396	**171,696**
Deputy Mayor for Education and Culture	M Mirza	131,157	-	15,828	**146,985**
Director of Communications and External Affairs	W Walden	131,901	-	15,828	**147,729**
Mayoral Advisor on Tottenham and Deputy Chair of the London Legacy Development Corporation - up to 25 September 2015	N Coleman	72,378	-	8,644	**81,022**
Cycling Commissioner	A Gilligan	59,284	-	7,060	**66,344**
Senior Advisor - Mentoring	R Lewis	20,644	-	2,477	**23,121**
Chief Economic Advisor	Dr. G Lyons	131,298	-	15,756	**147,054**
Deputy Mayor for Environment & Energy	M Pencharz	109,962	-	13,320	**123,282**
Senior Advisor for Team London, Volunteering, Charities and Sponsorship	V Wadley	78,449	-	-	**78,449**
Chair of London Food	R Boycott	54,000	-	-	**54,000**
Secondees					
Deputy Mayor for Transport	I Dedring	Secondee from Transport for London			

* These Mayoral appointees are also Assembly Members

2014/15

Post	Name of Post Holder	Salary (Including fees and allowances)	Compens-ation for loss of office	Employer Pension Contribut-ions	Total Remuneration including pension contributions
GLA Staff		£	£	£	£
Head of Paid Service & Executive Director of Communities & Intelligence & Greater London Returning Officer	J Jacobs	167,567	-	20,108	**187,675**
Executive Director of Resources	M Clarke	142,178	-	17,061	**159,239**
Executive Director of Housing and Land	D Lunts	162,992	-	19,589	**182,581**
Executive Director of Secretariat	M Roberts	129,772	-	15,528	**145,300**
Executive Director of Development, Enterprise and Environment	F Fletcher-Smith	133,625	-	17,061	**150,686**
Monitoring Officer & Head of Committee & Member Services	E Williams	106,263	-	12,752	**119,015**
Mayoral Team					
Statutory Deputy Mayor	V Borwick*	97,587	-	11,710	**109,297**
Deputy Mayor for Housing, Land and Property	R Blakeway	130,672	-	15,573	**146,245**
Chief of Staff & Deputy Mayor for Policy and Planning	Sir E Lister	150,825	-	18,099	**168,924**
Deputy Mayor for Business and Enterprise - up to 8 March 2015	K Malthouse*	124,515	-	14,942	**139,457**
Deputy Mayor for Education and Culture	M Mirza	129,772	-	15,573	**145,345**
Director of Communications and External Affairs	W Walden	129,772	-	15,573	**145,345**
Mayoral Advisor on Tottenham and Deputy Chair of the London Legacy Development Corporation	N Coleman	145,797	-	17,496	**163,293**
Cycling Commissioner	A Gilligan	58,337	-	6,946	**65,283**
Senior Advisor - Mentoring	R Lewis	20,311	-	2,437	**22,748**
Chief Economic Advisor	Dr. G Lyons	129,179	-	15,501	**144,680**
Senior Advisor for Environment & Energy	M Pencharz	95,440	-	11,577	**107,017**
Senior Advisor for Team London, Volunteering, Charities and Sponsorship	V Wadley	77,182	-	-	**77,182**
Chair of London Food	R Boycott	54,000	-	-	**54,000**
Secondees					
Deputy Mayor for Transport	I Dedring	Secondee from Transport for London			

* These Mayoral appointees are also Assembly Members

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band (£)	2015/16 Number of Employees	2014/15 Number of Employees
£50,000 - £54,999	52	45
£55,000 - £59,999	53	43
£60,000 - £64,999	14	11
£65,000 - £69,999	12	12
£70,000 - £74,999	19	15
£75,000 - £79,999	5	8
£80,000 - £84,999	12	17
£85,000 - £89,999	9	4
£90,000 - £94,999	2	1
£95,000 - £99,999	2	3
£100,000 - £104,999	2	-
£105,000 - £109,999	1	5
£110,000 - £114,999	7	4
£115,000 - £119,999	-	1
	190	**169**

Termination Benefits

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

The Authority terminated the contracts of a number of employees in 2015/16, incurring liabilities of £39,499 (£92,016 in 2014/15). This money was paid to four officers from Housing and Land and Communities & Intelligence directorates.

Exit package cost band (£)	**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 (£)**	
(including special payments)	**2015/2016**	**2014/2015**	**2015/2016**	**2014/2015**	**2015/2016**	**2014/2015**	**2015/2016**	**2014/2015**
£0 - £20,000	4	1	-	3	4	4	39,499	25,793
£20,001 - £40,000	-	1	-	1	-	2	-	66,223
Total amount included in the CIES	**4**	**2**	**-**	**4**	**4**	**6**	**39,499**	**92,016**

20. 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

The LGPS, administered by the London Pensions Fund Authority, is a defined benefit statutory scheme – this is a funded defined benefit final salary scheme, meaning that the GLA, OPDC and LLDC employees and elected officers pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

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 31 March 2013 actuarial valuation set the Authority's employer contribution rate for the period 1 April 2014 to 31 March 2017. The contribution rates for this period are set out in the table below. Under Pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. OPDC's contributions cover the period 1 September 2016 to 31 March 2016.

	2015/16	2014/15	Contribution rate for period 1 April 2014 to 31 March 2017	Contribution rate for period 1 April 2011 to 31 March 2014
	£m	£m	%	%
GLA	4.86	4.8	12	14.8
OPDC	0.04	n/a	12	n/a
LLDC	0.98	1.0	12	11.2

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 Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

Cost of Retirement Benefits	2015/16 Authority £000	2015/16 Group £000	2014/15 Authority £000	2014/15 Group £000
Comprehensive Income and Expenditure Statement				
Cost of Services				
Current service costs	8,494	11,066	6,475	7,745
Administration Fee	276	292	254	267
Past service costs	-	20	-	125
(Gain)/loss from settlements	-	(397)	-	-
	8,770	**10,981**	**6,729**	**8,137**
Financing and Investment Income and Expenditure				
Net Interest Expense	4,056	4,472	2,884	3,204
Total Post-employment Benefit charged to the Surplus or Deficit on the Provision of Services	**12,826**	**15,453**	**9,613**	**11,341**
Other Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement				
Remeasurement of the net defined benefit liability comprising:				
Return on plan assets (excluding the amount included in the net interest expense)	7,959	8,425	(3,634)	(3,829)
Actuarial (gains)/losses arising on changes in financial assumptions	29,530	(32,697)	52,271	56,545
Deferred tax asset on the net defined benefit liability	-	503	-	(2,436)
Total Post-employment Benefit charged to the Comprehensive Income and Expenditure Statement	**50,315**	**(8,316)**	**58,250**	**61,621**
Movement in Reserves Statement				
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	**(12,826)**	**(15,453)**	**(9,613)**	**(11,341)**
Actual amount charged against the General Fund Balance for pensions in the year				
Employers' contributions payable to the Local Government Pension Scheme	**4,860**	**5,880**	**4,793**	**5,794**

Pensions Asset and Liabilities recognised in the Balance Sheet

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

	2015/16 Authority £000	2015/16 Group £000	2014/15 Authority £000	2014/15 Group £000
Present value of the defined benefit obligation	(291,177)	(314,121)	(302,615)	(325,203)
Fair Value of scheme assets (bid value)	186,247	198,148	184,080	194,486
Deferred tax asset on the defined benefit obligation	-	1,933	-	2,436
Net liability arising from defined benefit obligation	**(104,930)**	**(114,040)**	**(118,535)**	**(128,281)**

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

	2015/16 Authority £000	2015/16 Group £000	2014/15 Authority £000	2014/15 Group £000
Opening fair value of scheme assets	**184,080**	**194,486**	**169,244**	**177,789**
Interest Income	6,510	6,903	7,867	8,289
Remeasurement gain/(loss):				
Return on plan assets, excluding the amount included in the net interest expense	(7,959)	(8,431)	3,634	3,829
Administration expenses	(276)	(292)	(254)	(267)
Contributions from employer	4,860	5,880	4,793	5,794
Contributions from employees into the scheme	2,841	3,514	2,767	3,371
Benefits paid	(3,503)	(3,912)	(3,971)	(4,319)
Settlement prices received/(paid)	(306)	-	-	-
Closing fair value of scheme assets	**186,247**	**198,148**	**184,080**	**194,486**

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

	2015/16 Authority £000	2015/16 Group £000	2014/15 Authority £000	2014/15 Group £000
Opening balance at 1 April	**(302,615)**	**(325,203)**	**(234,322)**	**(250,243)**
Current service cost	(8,871)	(10,765)	(6,475)	(7,745)
Interest cost	(10,566)	(11,375)	(10,751)	(11,493)
Contributions from scheme participants	(2,841)	(3,514)	(2,767)	(3,371)
Remeasurement gains and (losses) :				
Actuarial gains/(losses) arising from changes in financial assumptions	29,530	32,747	(52,271)	(56,545)
Past service costs, including curtailments	(20)	(20)	-	(125)
Liabilities (assumed)/extinguished on settlements	703	97	-	-
Estimated benefits paid net of transfers in	3,503	3,912	3,971	4,319
Deferred tax asset on the defined benefit obligation	-	1,933	-	-
Closing balance at 31 March	**(291,177)**	**(312,188)**	**(302,615)**	**(325,203)**

Local Government Pension Scheme assets comprised (Bid value):

Authority	2015/16 Authority Quoted Prices £000	2015/16 Authority Unquoted Prices £000	2015/16 Total £000	2014/15 Authority Quoted Prices £000	2014/15 Authority Unquoted Prices £000	2014/15 Total £000
Equities						
Segregated:						
Basic Materials	-	-	-	2,087	-	2,087
Communications	3,792	-	3,792	3,924	-	3,924
Consumer	15,601	-	15,601	15,448	-	15,448
Energy	-	-	-	855	-	855
Financial	5,673	-	5,673	5,210	-	5,210
Industrial	4,710	-	4,710	6,819	-	6,819
Technology	3,995	-	3,995	2,958	-	2,958
Investment funds and unit trusts	38,488	-	38,488	7,469	21,173	28,642
Private Equity	-	16,288	16,288	-	13,922	13,922
LDI	-	17,641	17,641	-	13,817	13,817
Target Return						
Equities	4,918	-	4,918	1,882	-	1,882
Corporate Bonds	3,452	-	3,452	2,904	-	2,904
Government	107	-	107	1,676	-	1,676
Investment funds and unit trusts:						
Equities	-	1,559	1,559	1,535	1,266	2,801
Bonds	10,331	4,021	14,352	29,941	3,969	33,910
Cash	3,186	-	3,186	1,445	-	1,445
Hedge funds	-	12,372	12,372	-	8,596	8,596
Infrastructure	636	12,529	13,165	598	8,522	9,120
Property Fund	-	6,539	6,539	-	5,216	5,216
Commodity Funds	414	602	1,016	626	1,087	1,713
Cash						
Cash at bank	19,976	-	19,976	21,577	-	21,577
			-			
Derivatives	-	(583)	(583)	-	(442)	(442)
Total	**115,279**	**70,968**	**186,247**	**106,954**	**77,126**	**184,080**

Group	2015/16 Group Quoted Prices	2015/16 Group Unquoted Prices	2015/16 Total	2014/15 Group Quoted Prices	2014/15 Group Unquoted Prices	2014/15 Total
	£000	£000	£000	£000	£000	£000
Equities						
Seggregated:						
Basic Materials	5	-	5	2,205	-	2,205
Communications	4,041	-	4,041	4,146	-	4,146
Consumer	16,634	-	16,634	16,321	-	16,321
Energy	2	-	2	903	-	903
Financial	6,045	-	6,045	5,504	-	5,504
Industrial	5,024	-	5,024	7,204	-	7,204
Technology	4,252	-	4,252	3,126	-	3,126
Investment funds and unit trusts	40,880	17	40,896	7,891	22,370	30,261
Private Equity	-	17,329	17,329	-	14,709	14,709
LDI	-	18,771	18,771	-	14,598	14,598
Target Return						
Equities	5,222	-	5,222	1,988	-	1,988
Corporate Bonds	3,666	13	3,678	3,068	-	3,068
Government	114	-	114	1,771	-	1,771
Investment funds and unit trusts:						
Equities	21	1,656	1,677	1,622	1,338	2,960
Bonds	10,970	4,270	15,240	31,634	4,193	35,827
Cash	3,383	-	3,383	1,527	-	1,527
Hedge funds	-	13,158	13,158	-	9,082	9,082
Infrastructure	676	13,323	14,000	632	9,004	9,636
Property Fund	-	6,957	6,957	-	5,511	5,511
Commodity Funds	440	641	1,080	661	1,148	1,809
Cash						
Cash at bank	21,261	2	21,263	22,797	-	22,797
Derivatives	-	(622)	(622)	-	(467)	(467)
Total	**122,635**	**75,513**	**198,148**	**113,000**	**81,486**	**194,486**

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The London Pensions Fund Authority's Local Government Pension Scheme has been assessed by Barnett Waddingham, an independent firm of actuaries, estimates of the London Pensions Fund Authority's fund being based on the latest full valuation of the scheme as at 31 March 2013.

The pension increase has been calculated using the Consumer Price Index (CPI) rather than the Retail Price Index (RPI).

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

	2015/16 Authority £000	2015/16 Group £000	2014/15 Authority	2014/15 Group £000
Expected return on assets	3.8%	3.8%-3.9%	3.5%	3.5%
Mortality Assumptions				
Longevity at 65 for current pensioners:		Years	Years	Years
Men	22.5	22.5 - 23.0	22.4	22.4 - 22.9
Women	25.4	25.4 - 25.6	25.3	25.3 -25.5
Longevity at 65 for future pensioners:				
Men	24.9	24.9 - 25.3	24.8	24.8 - 25.2
Women	27.7	27.7 - 27.9	27.5	27.5 - 27.7
Rate of inflation - RPI	3.4%	3.4%	3.4%	3.4%
Rate of inflation - CPI	2.5%	2.5%	2.6%	2.6%
Rate of increase in salaries	4.3%	4.3%	4.4%	4.4%
Rate of increase in pensions	2.5%	2.5%	2.6%	2.6%
Rate for discounting scheme liabilities	3.8%	3.8-3.9%	3.5%	3.5%

The return on the fund (on a bid value to bid value basis) for the year to 31 March 2016 is estimated to be -1%, the actual return on fund assets may be different.

Sensitivity Analysis

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

	Increase in Assumption £000	Actual £000	Decrease in Assumption £000
Longevity (increase or decrease in 1 year)			
Greater London Authority	(299,404)	(291,177)	(283,182)
Old Oak and Park Royal Development Corporation	(698)	(681)	(664)
London Legacy Development Corporation	(22,868)	(22,264)	(21,676)
GLA Group	**(322,970)**	**(314,122)**	**(305,522)**
Rate of increase in salaries (increase or decrease by 0.1%)			
Greater London Authority	(291,979)	(291,177)	(290,382)
Old Oak and Park Royal Development Corporation	(687)	(681)	(675)
London Legacy Development Corporation	(22,375)	(22,264)	(22,154)
GLA Group	**(315,041)**	**(314,122)**	**(313,211)**
Rate of increase in pensions (increase or decrease by 0.1%)			
Greater London Authority	(297,403)	(291,177)	(285,103)
Old Oak and Park Royal Development Corporation	(700)	(681)	(662)
London Legacy Development Corporation	(22,756)	(22,264)	(21,786)
GLA Group	**(320,859)**	**(314,122)**	**(307,551)**
Rate for discounting scheme liabilities (increase or decrease by 0.1%)			
Greater London Authority	(284,399)	(291,177)	(298,123)
Old Oak and Park Royal Development Corporation	(657)	(681)	(706)
London Legacy Development Corporation	(21,685)	(22,264)	(22,859)
GLA Group	**(306,741)**	**(314,122)**	**(321,688)**

Impact on future cash flows

The total contributions expected to be made to the Local Government Pension Scheme by the Group in the year to 31 March 2017 is £5.4m.

Principal Civil Service Pension Scheme

The PCSPS is an unfunded multi-employer defined benefit scheme, details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

In 2015/16, London TravelWatch paid £0.1m (2014/15 - £0.1m) at one of four rates (20.0% to 24.5%) of pensionable pay to the Principal Civil Service Pension Scheme.

Homes and Communities Agency Pension Scheme

LLDC have staff in the Homes and Communities Agency Pension Scheme, the scheme has been accounted for as if it were a defined contribution plan. The Homes and Communities Agency Pension Scheme is exempt from defined benefit accounting as the pension scheme exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the pension scheme.

Contributions on behalf of the two employees who are members of the above scheme are accounted for in operating costs and amount to £0.03m (2015/16 - £0.03m).

The total contributions expected to be made to the Homes and Communities Agency Pension Scheme by the LLDC in the year to 31 March 2017 is £0.03m.

21. 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.

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	109	272	146	298
Fees payable to external auditors for the certification of grant claims and returns for the year	7	7	7	7
	116	**279**	**153**	**305**

22. JESSICA Holding Fund London

The Joint European Support for Sustainable Investment in City Area ("JESSICA") is 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 (DCLG for England) are 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, DCLG's ERDF investment has been 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 DCLG's ERDF contribution transferred also.

At 31 March 2016, £110m has been invested and comprises £60m of ERDF, £18m of LWARB and £32m of GLA (formerly LDA) funds.

In the EIB's audited final accounts for the financial year ended 31 December 2015 the £60m ERDF contribution has been written down to £52.2m (31 December 2014 - £54.8m) and the Authority's original contribution of £32m has been written to £30.5m (31 December 2014 - £30.5m), the reduction in the original investments is due to fees and commission expenses exceeding the interest earned by the fund.

Any future inflows from the JESSICA fund will be recognised by the Authority when receipt is probable**.**

23. Mayor's Community Infrastructure Levy ("CIL")

On 29 February 2012, the Mayor agreed his CIL charging schedule, accepting the recommendation of Keith Holland, the independent examiner. The levy will apply to developments consented on or after 1 April 2012, and will be 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 will be charged on most developments in London at the following rates:

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

The first £300m of Mayoral CIL revenues will be used to fund Crossrail. Transport for London - as the delivery body for Crossrail - is receiving CIL revenues directly from London boroughs and the Corporation of London (the collecting authorities). They are permitted to charge collection costs equivalent to 4% of revenues. However as it is the Mayor's CIL the revenues are those of the GLA and are recognised in the core GLA's accounts as an income item with receipts paid over to TfL even though they are applied by TfL on Crossrail via the Crossrail Sponsor Funding Account.

In 2015/16, £113.7 income (2014/15 - £101.5m), after the deduction of £6.5m administration fees (2014/15 - £5.3m), was receivable from the levy imposed on new developments in London that were granted planning permission on or after 1 April 2013.

24. Property, Plant and Equipment

Group

	2015/16				2014/15		
	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	Total Property, Plant and Equipment £000
Cost or Valuation							
Balances at 1 April	**21,749**	**14,254**	**-**	**36,003**	**17,450**	**14,647**	**32,097**
Additions	522	511	11,528	12,561	-	1,055	1,055
Revaluation increases/(decreases) recognised in the revaluation reserve	(281)	-	-	(281)	4,309	-	4,309
Derecognition- other	-	-	-	-	(10)	(274)	(284)
Other movements in cost or valuation	-	-	-	-	-	(1,174)	(1,174)
At 31 March	**21,990**	**14,765**	**11,528**	**48,283**	**21,749**	**14,254**	**36,003**
Accumulated Depreciation and Impairment							
Balances at 1 April	**(14)**	**(10,401)**	**-**	**(10,415)**	**(23)**	**(10,011)**	**(10,034)**
Depreciation charged to the (Surplus)/Deficit on the Provision of Services	(1,977)	(910)	-	(2,887)	(1,418)	(1,028)	(2,446)
Depreciation written out to the Revaluation Reserve	1,991	-	-	1,991	1,419	-	1,419
Derecognition- other	-	-	-	-	8	247	255
Other movements in depreciation and impairment	-	-	-	-	-	391	391
At 31 March	**-**	**(11,311)**	**-**	**(11,311)**	**(14)**	**(10,401)**	**(10,415)**
Net Book Value							
At 1 April	**21,735**	**3,853**	**-**	**25,588**	**17,427**	**4,636**	**22,063**
At 31 March	**21,990**	**3,454**	**11,528**	**36,972**	**21,735**	**3,853**	**25,588**

Revaluations

Valuations were undertaken by external valuers, GL Hearn Ltd. and Jones Lang LaSalle at 31 March 2016.

Valuations were carried out in accordance with the Practice Statements contained in the RICS Valuation – Professional Standards January 2014 published by the Royal Institution of Chartered Surveyors (the "Red Book" (9th Edition)), by valuers who conform to the requirements thereof. The valuations were undertaken by currently registered RICS Valuers.

25. Investment Properties

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

	Group 2015/16 £000	Group 2014/15 £000
Balance acquired at 1 April	**479,588**	**206,956**
Additions:		
Subsequent expenditure	11,873	39,800
Disposals	(3,775)	-
Net gains/(losses) from fair value adjustments	(61,979)	232,049
Transfers:		
To/from Property, Plant and Equipment	-	783
Balance at 31 March	**425,707**	**479,588**

Gains or losses in the fair value of investment property are recognised in the Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Revaluations

Valuations were undertaken by external valuers, GL Hearn Ltd. at 31 March 2016.

Valuations were carried out in accordance with the Practice Statements contained in the RICS Valuation – Professional Standards January 2014 (the "Red Book" (9^{th} Edition)), by valuers who conform to the requirements thereof. The valuations were undertaken by currently registered RICS Valuers.

Fair value hierarchy

The Group's classification of investment properties in the fair value hierarchy as at 31 March 2016 is as follows:

Recurring fair value measurements using:	Quoted prices in active markets for identical assets Level 1	Other significant observable inputs Level 2	Significant unobservable inputs Level 3	Fair Value as at 31 March 2016
	£000	**£000**	**£000**	**£000**
London Legacy Development Corp.				
Commercial units	321,929	31,205	6,365	**359,499**
Other assets	12,450	280	580	**13,310**
GLA Land and Property Ltd.				
Commercial units	-	-	51,936	**51,936**
Residential properties	-	-	960	**960**
Balance at 31 March	**334,379**	**31,485**	**59,841**	**425,705**

Transfers between levels of the fair value hierarchy

There were no transfers between any levels of the fair value hierarchy during the current financial year.

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.

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

GLA Land and Property Ltd

2015/16

Input	Range	Weighted Average	Sensitivity
Rental income less irrecoverable costs	n/a	£179,289	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
Capitalisation rate	6.0% - 14%	9.47%	

2014/15

Input	Range	Weighted Average	
Rental income less irrecoverable costs	n/a	£315,074	Significant changes in rent growth; vacancy levels or capitalisation rate will result in a significantly lower or higher fair value
Capitalisation rate	6.5% - 14%	9.10%	

Valuation techniques

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

26. Intangible Assets

At 31 March 2016, the Group does not hold a material amount of intangible assets and so this disclosure is not material to the financial statements.

27. 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 November 2015 and some routine maintenance work was undertaken. The cost of these works was not capitalised in the Balance Sheet. No major restoration costs were incurred during 2015/16.

28. Long term investments

	Group 31 March 2016 £000	Group 31 March 2015 £000
Loans to joint venture	32,220	31,418
Infrastructure loan	5,738	5,301
Mortgages	-	9
Total	**37,958**	**36,728**

29. Equity Mortgages

Equity Mortgages relate mainly to amounts receivable individually from the private owners of housing units when their properties are sold. Amounts receivable from the owners of housing units are secured by a second charge over their property.

Equity mortgages are financial instruments and are classified as non-current available for sale financial assets.

	Group 31 March 2016 £000	Group 31 March 2015 £000
Equity mortgages	52,900	58,670
	52,900	**58,670**

	Group 2015/16 £000	Group 2014/15 £000
At 1 April	**58,670**	**60,287**
Additions	-	460
Disposals	(6,269)	(4,255)
Fair value adjustment	226	1,884
Impairment reversals	273	294
At 31 March	**52,900**	**58,670**

Equity Mortgages are all valued with reference to published house price indices (published in the February preceding the year end); these are Level 2 fair value measurements.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

30. Investments in Subsidiaries

Greater London Authority Holdings Limited

The Authority holds one £1 share in Greater London Authority Holdings Limited (GLAH). GLAH is registered in England and Wales and is a wholly-owned subsidiary of the Authority.

GLAH is a holding company and as such does not undertake any business activity. GLAH holds one £1 share in GLA Land and Property Limited (GLAP). GLAP is registered in England and Wales and is wholly-owned by GLAH.

The investment in GLAH is held at cost as it is an unquoted equity investment and the fair value cannot be reliably measured.

The GLAH group has been consolidated as a subsidiary in the Authority's group accounts.

31. Equity-accounted investees

Share of the (surplus) or deficit on the provision of services of associates and joint ventures

E20 Stadium LLP

LLDC has an interest in a joint venture, E20 Stadium LLP, with the London Borough of Newham (LBN) through LBN's subsidiary Newham Legacy Investments Limited (NLI). E20 Stadium LLP is the only joint arrangement in which LLDC currently participates. This partnership is designed to give the local area ownership of the Olympic Stadium and is the legal entity that now holds a 102 year leasehold interest in the Stadium Island site and is responsible for the transformation works required for the subsequent use by West Ham United Football Club and UK Athletics.

The following table summarises the financial information of E20 Stadium LLP as included in its own financial statements:

	31 March 2016 £000	**31 March 2015 £000**
Non current assets	19,810	24,386
Current assets	5,830	11,526
Non current liabilities	-	-
Current liabilities	(19,164)	(34,299)
Net Assets	**6,476**	**1,613**
Carrying amount of interest in joint venture	**(27,496)**	**(14,711)**
Revenue	(3,870)	-
Operating expense	9,886	2,628
Impairment	99,106	122,114
Total comprehensive loss	**105,122**	**124,742**

The total comprehensive loss of the partnership is £105.1m of which £99.1m relates to the fair value adjustment for property, plant and equipment under construction. LLDC's share of the in–year loss is 98.5% and totals £103.6m.

	31 March 2016 £000	31 March 2015 £000
E20 Stadium LLP - share of loss	103,591	123,864
	103,591	**123,864**

The fair value of property, plant and equipment under construction was determined by external, independent property valuers, GL Hearn Ltd, who have appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value of the Olympic Stadium after the transformation work was determined by considering what market value a hypothetical purchaser would be willing to pay. This assessment considered the level of income that the Olympic Stadium can generate in excess of operating expenditure. As at 31 March 2016, the Stadium fair value is expected to be £22.5m (2014/15 - £40.0m) once the transformation work has been completed in the summer of 2016.

In accordance with the Members' agreement between the Legacy Corporation and NLI, any impairment loss should be offset against the LLDC's capital contribution in the first place before any impact on the contribution made by NLI.

The movements for the year can be detailed as follows:

	31 March 2016 £000	31 March 2015 £000
Opening balance at 1 April	-	-
Investment	90,103	110,209
Impairment	(90,103)	(110,209)
Total investment in joint ventures	**-**	**-**

LLDC invested £90.1m in E20 Stadium LLP in the year under review.

LLDC has decided to hold the investment in E20 Stadium LLP as at 31 March 2016 at nil value. The assessment of fair value in the books of E20 Stadium LLP considers the level of income that the former Olympic Stadium can generate in excess of operating expenditure based on an approved business plan. Given that the transformation work is incomplete and the Stadium will not be operational for a full year until 2017/18, the business plan is based on the forecast of future revenues, without the benefit of operational experience. It is not unforeseeable that there is likely to be some volatility in the business plan in the early years of operation. LLDC has therefore made the decision to maintain a nil valuation for its investment in the joint venture until the transformation work is complete and the Stadium is fully operational.

Capital commitments

E20 Stadium LLP has entered into three major contracts to undertake the transformation of the Stadium. As at 31 March 2016, the remaining commitments on these contracts amount to £24.2m (2014/15 - £76.6m). The LLDC is legally committed to finance these contracts up to a value of £3.3m (2014/15 - £54.9m). The LLDC is committed to spend an additional £1.4m on the transformation of the stadium on engagements contracted in its own name and recharged to the joint venture.

The GLA continue to be committed to meeting the funding requirements of the LLDC and the E20 Stadium Company LLP. For further details regarding this commitment, please refer to the GLA's consent to the Corporation's Ten Year Business Plan.
(http://queenelizabetholympicpark.co.uk/~/media/lldc/ten%20year%20plan.pdf).

32. Non-current Assets held for sale

At 31 March 2016, the Group did not hold any property, plant or equipment for sale.

33. Long term debtors

The long term debtors, with the exception of prepayments are financial instruments and are classified as Loans and Receivables. Long-term debtors comprise:

	Authority 31 March 2016 £000	**Group 31 March 2016 £000**	**Authority 31 March 2015 £000**	**Group 31 March 2015 £000**
Loans to third parties for capital purposes	608,198	36,630	493,353	22,727
Capital debtor	-	-	740	740
Rent deposits	317	317	317	317
Other debtors	-	1,032	307	604
Prepayments	31	31	900	900
	608,546	**38,010**	**495,617**	**25,288**

34. Finance leases

Group as Lessor - Finance lease receivables

Details of the Group's finance leases as lessor include:

- The London International Exhibition Centre has been granted 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 99 year lease ending in 2082 with The Drum Group Limited for a plot of land at Charles Street, London E16;
- 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

- A 125 year lease with Siemens ending in 2136 for the exhibition centre located at the Landmark Site in London E16. The lease permits the exhibition centre to be initially used to showcase and/or promote sustainable technologies and products and/or a conference centre.

Gross investment in the leases at balance sheet date is made up of the following amounts:

	Group 31 March 2016 £000	Group 31 March 2015 £000
Finance lease debtor (net present value of minimum lease payments):		
Current	4,136	14,909
Non-current	127,706	75,127
Unearned finance income	18,559	14,085
Gross investment in the leases	**150,401**	**104,121**

The gross investment in the leases will be received over the following periods:

Minimum lease payments	Group 31 March 2016 £000	Group 31 March 2015 £000
Not later than one year	4,311	15,480
Later than one year and not later than five years	139,552	81,857
Later than five years	6,538	6,784
	150,401	**104,121**

Finance lease debtor	Group 31 March 2016 £000	Group 31 March 2015 £000
Not later than one year	4,136	14,909
Later than one year and not later than five years	125,399	72,722
Later than five years	2,307	2,405
	131,842	**90,036**

Group as Lessee - Finance lease liabilities

Details of the Group's finance leases as lessee include:

GLA Land and Property Limited

Held as Property, Plant and Equipment:

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

Held as Inventory:

- The long leasehold interest in the Olympia Industrial Estate from the London Borough of Haringey which has a term of 125 years expiring in 2105;
- 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 the Group;
- Two long leases (57 and 60 years long) the Group took out with the London Borough of Newham at Thames Wharf as part of the larger property, the leases expire in 2051 and 2026 respectively;
- 20 Newburn Street, Kennington, London - 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.

Net book value of finance leases:

	Group 31 March 2016 £000	Group 31 March 2015 £000
Other Land and Buildings	20,440	20,235
Development Properties	845	4,585
	21,285	**24,820**

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

	Group 31 March 2016 £000	Group 31 March 2015 £000
Finance lease liabilities (net present value of minimum lease payments):		
Current	1	1
Non-current	40	327
Finance costs payable in future years	52	893
Minimum lease payments	**93**	**1,221**

In 2015/16, GLA Land and Property Ltd sold the long leasehold interest in the Olympia Trading Estate.

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

	Group 31 March 2016 £000	Group 31 March 2015 £000
Not later than one year	3	15
Later than one year and not later than five years	11	61
Later than five years	80	1,145
	94	**1,221**

The finance lease liabilities will be payable over the following periods:

	Group 31 March 2016 £000	Group 31 March 2015 £000
Not later than one year	1	1
Later than one year and not later than five years	4	5
Later than five years	36	322
	41	**328**

35. Capital Expenditure and Financing - Authority

The total amount of capital expenditure incurred 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.

	2015/16	2014/15
	£000	£000
Opening Capital Financing Requirement at 1 April	**3,630,118**	**3,195,281**
Capital Investment in year		
Property, Plant and Equipment	825	485
Loans to external organisations for capital purposes	119,201	182,940
REFCUS*-grant payments to external organisations for capital purposes	309,321	707,803
REFCUS- Payment to TfL for Crossrail	9,000	530,000
REFCUS-Payment to TfL for Crossrail (funded by Community Infrastructure Levy)	113,703	101,457
REFCUS- Payment to TfL for the Northern Line extension	121,006	50,200
REFCUS- Payment to TfL for Elephant & Castle roundabout	2,254	-
Release of CPO* provision	(7,286)	(8,521)
Repayment of Fresh Wharf Loan	(206)	-
Reversal of rolled-up interest previously included in the CFR	(835)	-
Sources of Finance		
Government grants and other contributions	(429,347)	(889,610)
Section 106 contributions	(2,254)	(26,404)
Community Infrastructure Levy income	(113,703)	(101,457)
Capital receipts	-	(485)
Sums set aside from revenue		
Minimum revenue provision	(90,603)	-
Voluntary revenue contributions	(10,231)	(9,959)
Revenue financing of capital for Northern Line Extension	(22,779)	(100)
Revenue financing of capital (funded by Business Rates Supplement-Crossrail)	(9,000)	(101,512)
Closing Capital Financing Requirement at 31 March	**3,619,184**	**3,630,118**

Explanation of movements in year

Opening Capital Finance Requirement	**3,630,118**	**3,195,281**
Minimum Revenue Provision	(90,603)	-
Voluntary revenue provision for the repayment of debt	(10,231)	(9,959)
Release of the CPO provision and creditor	(7,286)	(8,521)
Increase / (decrease) in underlying need to borrow	97,186	453,317
Closing Capital Financing Requirement at 31 March	**3,619,184**	**3,630,118**

*REFCUS-Revenue Expenditure Funded from Capital under Statute; CPO-Compulsory Purchase Order

36. Inventories

Inventories comprise land and buildings held for sale by GLA Land and Property Limited.

	Group 31 March 2016 £000	Group 31 March 2015 £000
Balance at 1 April	221,549	255,399
Purchases	14,216	6,304
Recognised as an expense in the year	(44,447)	(43,188)
Written off balances	-	-
Write down to net realisable value	(982)	(2,721)
Reversals of write-offs in previous years	1,811	5,755
Balance at 31 March	**192,147**	**221,549**

37. Debtors

	Authority 31 March 2016 £000	Group 31 March 2016 £000	Authority 31 March 2015 £000	Group 31 March 2015 £000
Central government bodies	6,554	7,516	7,295	7,355
Local Authorities & Functional Bodies	256,458	258,035	187,501	187,956
NHS bodies	27	27	3	3
Public corporations and trading funds	6	6	3	3
Subsidiary/Parent	25,399	(1,240)	14,246	-
Other entities and individuals	136,363	185,121	127,796	157,343
Total	**424,807**	**449,465**	**336,844**	**352,660**

38. Cash and Cash Equivalents

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

	Authority 31 March 2016 £000	Group 31 March 2016 £000	Authority 31 March 2015 £000	Group 31 March 2015 £000
Bank current accounts	307,039	324,269	116,645	122,853
Other deposits	208,027	223,830	229,797	245,398
Total	**515,066**	**548,099**	**346,442**	**368,251**

39. Creditors

	Authority 31 March 2016 £000	Group 31 March 2016 £000	Authority 31 March 2015 £000	Group 31 March 2015 £000
Central government bodies	(12,462)	(22,375)	(16,230)	(31,141)
Local Authorities & Functional Bodies	(201,283)	(210,941)	(213,664)	(216,451)
NHS bodies	-	-	(44)	(44)
Public corporations and trading funds	(55)	(55)	(411)	(411)
Other entities and individuals	(151,988)	(192,688)	(168,245)	(193,861)
Subsdiary/Parent	-	-	-	-
Receipts in advance - Revenue	(8,348)	(8,348)	(792)	(792)
Receipts in advance - Capital	(939,429)	(939,429)	(467,201)	(467,201)
Total	**(1,313,565)**	**(1,373,836)**	**(866,587)**	**(909,901)**

40. Provisions

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

Group

	Other Provisions £000	NDR* Appeals £000	CPO * £000	Total £000
Balance at 1 April 2015	**(9,592)**	**(163,421)**	**(27,753)**	**(200,766)**
Additional provisions made	(3,810)	(22,844)	(3,177)	**(29,831)**
Amounts used	2,475	-	14,324	**16,799**
Unused amounts reversed	2,666	-	10,842	**13,508**
Balance at 31 March 2016	**(5,261)**	**(186,265)**	**(5,764)**	**(197,290)**

*NDR - Non-domestic rates, CPO – Compulsory Purchase Orders

Authority

	Other Provisions £000	NDR* Appeals £000	CPO * £000	Total £000
Balance at 1 April 2015	**(4,321)**	**(163,421)**	**(19,782)**	**(187,524)**
Additional provisions made	(2,510)	(22,844)	-	**(25,354)**
Amounts used	2,042	-	10,088	**12,130**
Unused amounts reversed	2,279	-	7,286	**9,565**
Balance at 31 March 2016	**(2,510)**	**(186,265)**	**(2,408)**	**(191,183)**

*NDR - Non-domestic rates, CPO – Compulsory Purchase Orders

Other provisions

The Department of Communities and Local Government (DCLG), invited an external organisation to conduct checks on the procurement of three closed 2007-13 ERDF projects managed by the former London Development Agency (LDA). Liabilities relating to the LDA now fall to the Greater London Authority, so the checks could lead to potential repayment of funds by GLA; if corrections were imposed. Subsequent legal discussions over the level of any liability may result in reduction of any sums to be repaid.

A provision has also been made for an employment tribunal case.

Non-domestic rates appeals provision

The NDR appeals provision is the GLA's share of billing authorities estimates of the provision required for potential refunds relating to retrospective alterations to the rating list which may be made after 1 April 2015 for periods prior to 31 March 2016. The in–year movement on this provision has not been analysed over the headings in the above table as not all London Boroughs provided this analysis in the NNDR 3 returns. All movements have therefore been shown as a net figure within "Additional provisions made."

As permitted under the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2014, the GLA opted to spread the cost of its share of any backdated appeals reported in 2013-14 in respect of periods prior to 1 April 2013 over 5 years in order to minimise its potential levy payments to Central Government through the creation of an appeals spreading reserve. This spreading adjustment had the effect of increasing the GLA's retained rates income by £60m in 2013/14 for the purposes of calculating its requirement to pay a levy on growth to CLG or receive a safety net payment resulting from a material deficit – offset by a reserve created on the balance sheet which is reversed in equal amounts over the next four financial years. In line with this policy specified in the regulations £15m of this has been reversed in 2015/16. This has had the effect of reducing the GLA's retained rates income by £15m in 2015/16 but this has had no practical impact on the GLA's revenues as it is not liable to make a levy payment as no net growth has been incurred against its baseline and its deficit is insufficient for it to qualify for a safety net payment.

Compulsory purchase orders (CPO)

At 31 March 2016, CPO provisions of £5.8m are held by both the GLA and GLA Land and Property Ltd. They are the forecast of liabilities for which a binding commitment has been made as at 31 March less all sums paid prior to this date. Commitments have been made for the CPOs by virtue of having exercised the compulsory purchase powers by either vesting the land or service of a notice to treat and taking entry. The provision amount has been based on the professional estimates of lawyers and surveyors of the land acquisition, development value, disturbance, statutory interest and professional fees for both sides of the negotiation on a case by case basis.

Due to the nature of the liability and the need to negotiate settlement amounts, there is considerable uncertainty on when the CPO cases will be settled and payments made. At present it is expected that payments will be made in 2016/17.

Group

Other provisions

Thames Wharf drainage works - a provision of £0.75m is included in the closing balance for costs in relation to Thames Wharf development property. The drainage works were not undertaken in 2015/16 and are now expected to be undertaken in 2016/17, in phases. The costs are indicative and GLA Land and Property Ltd. is working with consultants to firm up the costs.

Commercial waste disposal - GLA Land and Property Ltd has an obligation for the safe disposal of approximately 24,000 tonnes of commercial waste at the Hunts' Waste transfer station. GLAP has entered into a contract with a third party for the disposal of waste in 2016/17 and the £3m liability has been reclassified as a creditor.

Millfield transfer Station – GLA Land and Property Ltd, 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. The works are expected to be completed in 2016/17 and are expected to cost £0.3m.

Fly-tipping costs – GLA Land and Property Ltd has an obligation to dispose of approximately 3,600 tonnes of waste, arising from fly-tipping, at the London Sustainable Industrial Park (LSIP) at Dagenham Dock and at other sites. The waste material will require sorting on site before disposal to a licensed landfill. The disposal costs for LSIP are currently estimated at £0.5m and £0.2m has been provided for in respect of Stephenson Street, Dock Road and Beam Park sites. The costs are likely to incurred in the 2016/17 financial year but this is dependent on the rate at which the sorting of material on site prior to disposal progresses.

Rent and rates provision – a subtenant has gone into administration and GLA Land and Property Ltd is liable for the rent and rates accruing on the underlease. Negotiations are underway to release GLA Land and Property Ltd from its obligation and a provision has been raised for £1.3m. It is likely to be settled in the 2016/17 financial year.

Business rates Stephenson Street – a provision of £0.3m in respect of business rates at Stephenson Street has been released by GLA Land and Property Ltd in 2015/16.

Drainage costs - a provision made in respect of costs arising from a blocked sewer pipe on a site has been released in 2015/16 as it has been determined that GLA Land and Property Ltd is not liable for these costs.

41. Usable Reserves

Movements in the Authority's and Group's usable reserves are detailed in the Movement in Reserves Statement and Note 7.

42. Unusable Reserves

	Authority 31 March 2016 £000	Group 31 March 2016 £000	Authority 31 March 2015 £000	Group 31 March 2015 £000
Revaluation Reserve	(110)	(19,334)	(433)	(17,619)
Capital Adjustment Account	3,300,453	3,213,813	3,429,832	3,180,596
Deferred Capital Receipts Reserve	(300,740)	(740)	(302,627)	(2,627)
Pensions Reserve	104,929	115,972	118,535	130,717
Collection Fund Adjustment Account-Council tax	(50,562)	(50,562)	(48,503)	(48,503)
Collection Fund Adjustment Account-Non Domestic rates	108,428	108,428	97,798	97,798
Non-Domestic Rates Appeals Provision Spreading Account	30,041	30,041	45,062	45,062
Accumulated Absences Account	701	781	604	676
Available for Sale Financial Instruments Reserve	-	(28,344)	-	(27,895)
Financial Instruments Adjustment Account	8,253	8,253	4,216	4,216
Merger Reserves	69,185	(374,161)	69,185	(374,161)
Total Unusable Reserves	**3,270,578**	**3,004,147**	**3,413,669**	**2,988,260**

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 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**(433)**	**(17,619)**	**(153)**	**(12,603)**
Upward revaluation of assets	-	(2,032)	(280)	(5,728)
Deferred tax on revaluation gains	-	(6)	-	712
Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on the Provision of Services	323	323	-	-
(Surplus) or deficit on revaluation of non-current assets not posted to the (Surplus) or Deficit on the Provision of Services	**323**	**(1,715)**	**(280)**	**(5,016)**
Balance at 31 March	**(110)**	**(19,334)**	**(433)**	**(17,619)**

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 and amortisation. The Account is credited with the amounts set aside by the Authority and Group as finance for the costs of acquisition, construction and enhancement.

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**3,429,832**	**3,184,922**	**3,177,766**	**3,023,391**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
Charges for depreciation and impairment of non-current assets	541	969	639	1,043
Revaluation/(Impairment) charged to the Comprehensive Income and Expenditure Account	-	168,578	-	(91,848)
Amortisation of intangible assets	-	-	15	44
Revenue expenditure funded from capital under statute	555,283	556,289	1,389,460	1,393,204
Release of CPO provision and creditor	(7,286)	(7,286)	(8,521)	(8,521)
	548,538	**718,550**	**1,381,593**	**1,293,922**
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	-	-	(485)	(485)
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(545,304)	(557,046)	(1,017,470)	(1,024,660)
Statutory provision for the financing of capital investment charged against the General Fund	(90,603)	(90,603)	-	-
Voluntary provision for the financing of capital investment charged against the General Fund	(10,231)	(10,231)	(9,959)	(9,959)
Capital expenditure charged against the General Fund	(31,779)	(31,779)	(101,613)	(101,613)
	-	-	-	-
	(677,917)	**(689,659)**	**(1,129,527)**	**(1,136,717)**
Balance at 31 March	**3,300,453**	**3,213,813**	**3,429,832**	**3,180,596**

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. 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 Reserve.

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**(302,627)**	**(2,627)**	**(302,627)**	**(2,627)**
Transfer to the Capital Receipts Reserve upon receipt of cash	1,887	1,887	-	-
Balance at 31 March	**(300,740)**	**(740)**	**(302,627)**	**(2,627)**

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 Comprehensive Income and Expenditure Statement 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. The debit balance on the Pensions Reserve therefore shows the shortfall 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.

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**118,535**	**130,717**	**65,078**	**72,454**
Actuarial (gains) / losses on pension assets and liabilities	(21,571)	(24,316)	48,637	52,716
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 - restated	12,825	15,451	9,613	11,341
Employer's pensions contributions and direct payments to pensioners payable in the year	(4,860)	(5,880)	(4,793)	(5,794)
Balance at 31 March	**104,929**	**115,972**	**118,535**	**130,717**

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 Comprehensive Income and Expenditure Statement as it falls due from council tax 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 Funds.

	Authority 2015/16 £000	Authority 2014/15 £000
Balance at 1 April	**(48,503)**	**(30,054)**
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	(2,059)	(18,449)
Balance at 31 March	**(50,562)**	**(48,503)**

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 Comprehensive Income and Expenditure Statement 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 2015/16 £000	Authority 2014/15 £000
Balance at 1 April	**97,798**	**57,179**
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	10,630	40,619
Balance at 31 March	**108,428**	**97,798**

Non-Domestic Rates Appeals Provision Spreading Account

The Non-Domestic Rates Appeals Provision Spreading Account holds the costs of the back dated appeals reported by the applicable London billing authorities that were reversed from the General Fund in 2013/14 and which will be released (charged) in equal proportions to the CIES over the subsequent four years (2014/15 to 2017/18). The amount which is eligible to be spread was calculated in accordance with The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2014. The amounts charged will be offset by a commensurate amount released from the NDR Backdated appeals spreading reserve and will therefore have no net impact on the General Fund balance over the five years.

The effect of this adjustment is purely to increase the GLA's retained rates income for the purposes of calculating levy and safety net payments in 2013/14 by £60.1m and reduce this by £15.0m in each of the subsequent years to 2017/18. The remaining £30m balance will be released in equal amounts over the next two financial years until the account is reduced to zero.

This adjustment has the potential to reduce the total levy payment due to the Secretary of State under the rates retention scheme each year from 2014/15 to 2017/18 as the GLA is only able to retain 73% of any net real terms growth in rates income as calculated under the applicable regulations. Alternatively it has the potential to increase any safety net payment due to the GLA in the event that it experiences a large deficit in retained rates income which is more than 7.5 per cent of its baseline funding within the system. However no levy payment is calculated as being payable to and no safety net is estimated as payable by the Secretary of State so this has no impact on the actual revenues due to the GLA in respect of 2015/16.

	2015/16 £000	2014/15 £000
Balance at 1 April	**45,062**	**60,083**
Amounts transferred from the General Fund in year	-	-
Amounts released to the General Fund in year	(15,021)	**(15,021)**
Balance at 31 March	**30,041**	**45,062**

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 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**604**	**676**	**646**	**767**
Settlement or cancellation of accrual made at the end of the preceding year	(604)	(676)	(645)	(766)
Amounts accrued at the end of the current year	701	781	603	675
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	97	105	(42)	(91)
Balance at 31 March	**701**	**781**	**604**	**676**

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 Comprehensive Income and Expenditure Statement 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.

	Authority 2015/16 £000	Authority 2014/15 £000
Balance at 1 April	**4,216**	**-**
Write down of soft loans to fair value charged to the Comprehensive Income and Expenditure Statement	4,782	4,548
Effective interest rate on soft loans credited to the Comprehensive Income and Expenditure Statement	(745)	(332)
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	4,037	4,216
Balance at 31 March	**8,253**	**4,216**

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.

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Balance at 1 April	**69,185**	**(374,161)**	**69,185**	**(374,161)**
Movement in year	-	-	-	-
	69,185	**(374,161)**	**69,185**	**(374,161)**

43. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services for non-cash movements

	2015/16 £000	2015/16 £000	2014/15 £000	2014/15 £000
Depreciation of property, plant and equipment , amortisation of intangibles	541	2,927	654	2,490
Change in fair value of investment property	-	61,979	-	(232,049)
Reversal of net charges for post employment benefits	12,826	15,453	9,613	11,341
Cash payments for employer's contributions to pension funds and direct payments to pensioners	(4,860)	(5,880)	(4,793)	(5,794)
Reversal of accrued surplus/(deficit) on Collection Fund -Council Tax	(33,021)	(33,021)	(33,591)	(33,591)
Reversal of accrued surplus/(deficit) on Collection Fund -NDR	36,263	36,263	63,252	63,252
Collection Fund (surplus)/deficit received/paid as per regulation -Council Tax	30,962	30,962	15,142	15,142
Collection Fund surplus/(deficit) received/paid as per regulation-NDR	(25,632)	(25,632)	(16,843)	(16,843)
Reversal of write down to fair vaue of soft loans and reversal of the effective interest rate on soft loans	4,037	4,037	4,216	4,216
Increase/ (decrease) in creditors	460,374	473,196	82,440	83,074
(Increase)/decrease in debtors	(83,882)	(148,239)	(33,772)	(32,243)
Increase/(decrease) in impairment provision for bad debts	(520)	(979)	-	(28)
(Increase)/ decrease in stock	-	29,402	-	33,849
(Increase)/ decrease in provisions	(9,097)	(16,232)	(12,276)	(23,943)
Tax expense	-	755	-	3,244
(Increase)/decrease in interest receivable	(8,594)	(9,479)	71	(694)
Increase/(decrease) in finance lease receivables	-	21,048	-	(51,657)
Increase/(decrease) in interest payable	488	488	4,139	(186)
Other non cash movements	1,135	610	-	(581)
Increase/ (decrease) in deferred tax liability	-	5,321	-	52,821
Reversal of share of loss or profit on joint venture	-	103,591	-	123,865
	381,020	**546,570**	**78,252**	**(4,315)**

44. Cash Flow Statement – Adjustments to net surplus or deficit on the provision of services investing and financing activities

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Proceeds from the sale of property, plant and equipment, investment property, intangible assets and assets held for sale	-	-	(34,274)	(34,273)
(Gain)/loss on available for sale assets	-	(5,356)	-	(3,555)
(Gain)/loss on sale of investment property	-	(8,616)	-	-
Reversal of capital grants recognised in the income and expenditure statement	(92,501)	(101,097)	(8,100)	(15,291)
	(92,501)	**(115,069)**	**(42,374)**	**(53,119)**

The cash flows for operating activities include the following items

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Interest paid	(126,690)	(126,698)	(120,493)	(120,509)
Interest received	21,414	11,700	18,475	8,674
Taxation paid	-	(588)	-	(510)

45. Cash Flow Statement – Investing Activities

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Purchase of property, plant and equipment, investment property and intangible assets	(10,913)	(34,467)	(9,123)	**(46,810)**
Purchase of short-term and long-term investments	(10,807,249)	(10,807,349)	(1,276,194)	**(1,277,264)**
Other movements on investing activities	-	-	-	**(11)**
Proceeds from the sale of property, plant and equipment, investment property, intangible assets and assets held for sale	-	12,105	34,273	**34,273**
Capital grants received	92,501	101,097	8,100	**8,100**
Proceeds from short-term and long-term investments	10,097,683	10,097,683	1,044,440	**1,044,440**
Proceeds from the sale of available for sale financial assets	-	10,556	-	**7,810**
Other receipts from investing activities	-	-	-	**2,808**
Investments in joint venture	-	(90,103)	-	**(110,209)**
Net cash flows from investing activities	**(627,978)**	**(710,478)**	**(198,504)**	**(336,863)**

46. Cash Flow Statement – Financing Activities

	Authority 2015/16 £000	Group 2015/16 £000	Authority 2014/15 £000	Group 2014/15 £000
Cash receipts of short and long-term borrowing	427,320	498,033	413,625	**574,990**
Repayments of short and long-term borrowing	(269,090)	(269,090)	(60,182)	**(60,182)**
Other payments for financing activities	(2,686)	(4,380)	-	**(17,057)**
Net cash flows from financing activities	**155,544**	**224,563**	**353,443**	**497,751**

47. 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 within this note. Transactions with central government departments are disclosed as related parties as the UK Government exerts significant influence through legislation and grant funding.

Transactions with public sector bodies

During the year amounts payable to related parties totalled:

	£000
Central Government	1,017
Functional Bodies	17,133
Local Government	285,027
Public Corporations	5,063
Health	50

Expenditure includes grant payments for the decent homes backlog programme, the employment and skills programme, the outer London fund schemes, the Shaping Southall regeneration project and shared services for legal, finance, procurement and IT services.

For amounts owed by the Authority to related parties, see Creditors, note 39.

During the year amounts receivable from related parties totalled:

	£000
Central Government	11,132
Functional Bodies	4,035
Local Government	7,345
Public Corporations	40

Income includes the shared services recharges, funding for the London's European Office, congestion charge reimbursements, funding for GLA Economics, media monitoring fees and secondment costs.

Grants receivable by the Group from central government are disclosed in the Comprehensive Income and Expenditure Account and the Grant Income, note 14.

For amounts owed to the Authority by related parties, see Debtors note 37.

Transactions with 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.

- In 2015/16 the GLA charged GLAP £3.9m for staff, accommodation and other overhead costs; the GLA paid £6.2m grant which is funding the redevelopment of Millennium Mills in Silvertown Quays (a GLAP development property);

- At 31 March 2016 there was £320m outstanding on the loans the GLA made to the GLAP. In 2015/16 GLAP paid £9.9m interest to the GLA;

- At 31 March 2016, GLA Land and Property Limited had £55m invested with the GLA.

London TravelWatch

London TravelWatch (LTW) 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 26 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.

On the grounds of materiality, London TravelWatch is no longer consolidated as a subsidiary of the Authority in the consolidated financial statements. At 31 March 2016 LTW's net assets totalled £0.08m (£0.1m - 31 March 2015).In 2015/16 the Authority provided LTW with funding of £1.1m (£1.1m – 2014/15).

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 2015/16 consolidated financial statements.

- In 2015/16 the Authority paid LLDC revenue grant totalling £36.9m; loan advances of £100.9m were made in year bringing the total loan balance to £271.6m at 31 March 2016; interest receivable on the loan totalled £8m.

Old Oak and Park Royal Development Corporation ("OPDC")

OPDC is a new 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 1st April 2015.

The GLA is committed to meeting the funding requirements of the OPDC as set out in OPDC's 2016 – 2019 Strategic Plan. Further details are available at
https://www.london.gov.uk/sites/default/files/strategic_plan_2016-2019.pdf

During 2015/16 the GLA provided grant funding of £3.3m.

Other Parties

The Deputy Mayor for Housing, Land and Property, is a board member of The Royal Docks Management Authority Limited.

- During 2015/16, GLA Land and Property Limited paid RoDMA £0.5m for service charges and insurance.

The Ex-Mayoral Advisor on Mentoring is a Director of Eastside Young Leaders Academy.

- In 2015/16 the Authority made grant payments of £44,000 to East Side Young Leaders Academy.

48. 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.

- In 2015/16, the GLA provided £7.8m funding (£8.4m – 2014/15) to the Museum of London.

London & Partners

London & Partners was incorporated on 14 January 2011 as a Group 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 2015/16, the GLA paid a grant of £9.06m (£11.8m – 2014/15) to London & Partners.

London Waste and Recycling Board

The London Waste and Recycling Board 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. Richard Tracey, Assembly Member is the Mayor's appointed representative as Chair of LWARB.

In 2015/16 the Authority did not pay any grant funding to LWARB (£1.5m -2014/15).

Funding London (formerly SME Wholesale Finance Limited)

In 2004, the now abolished London Development Agency ("LDA") set up SME Wholesale Finance (SMEWFL) to help early-stage ventures. SMEWFL is a company limited by guarantee. LDA provided a guarantee of £1 and this obligation transferred to the Authority on 31 March 2012. In April 2014, SMEWFL changed its name to Funding London.

The GLA has made loans to Funding London, see note 50b Soft Loans, for further details.

49. Big Lottery Grant

In 2007, the Authority was awarded funding of £9.46m from the Big Lottery Fund for the Well London Programme. Working with local authorities, partner organisations and local stakeholders, Well London uses a community development approach to improve the health and well-being, including the mental well-being, physical activity levels and healthy eating behaviours of individuals and communities living in disadvantaged neighbourhoods.

The initial programme ran from 2007 to 2012. In February 2012, the Authority was awarded additional funding of £0.486m to extend the programme for another year and in April 2013, £1.8m to extend for a further two years until March 2015.

In 2015/16 the Authority spent £0.1m. The programme has now ended.

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
	31 March 2016	31 March 2016	31 March 2015	31 March 2015
	£000	£000	£000	£000
Investments-Long term				
Loans and receivables at amortised costs	-	37,958	-	36,728
Available-for-sale financial assets	-	52,900	-	58,670
Total investments	**-**	**90,858**	**-**	**95,398**
Debtors-Long Term				
Loans and receivables at amortised costs	608,515	37,979	494,716	24,387
Finance lease receivables	-	127,706	-	75,127
Total Debtors	**608,515**	**165,685**	**494,716**	**99,514**
Borrowings-Long term				
Financial liabilities at amortised costs	(3,576,634)	(3,576,634)	(3,394,250)	(3,394,250)
Total borrowings	**(3,576,634)**	**(3,576,634)**	**(3,394,250)**	**(3,394,250)**
Creditors and Other Long Term Liabilities -Long term				
Financial liabilities at amortised costs	(69)	(9,320)	(70)	(3,412)
Finance lease liabilities	-	(40)	-	(327)
Total creditors	**(69)**	**(9,360)**	**(70)**	**(3,739)**

Current	Authority	Group	Authority	Group
	31 March 2016 £000	31 March 2016 £000	31 March 2015 £000	31 March 2015 £000
Investments				
Loans and receivables at amortised costs	1,193,611	1,193,611	462,883	462,883
Available-for-sale financial assets	39,860	39,860	171,514	171,514
Total investments	**1,233,471**	**1,233,471**	**634,397**	**634,397**
Debtors				
Loans and receivables at amortised costs	43,609	61,220	32,575	47,460
Finance lease receivables	-	4,136	-	14,909
Total Debtors	**43,609**	**65,356**	**32,575**	**62,369**
Cash and cash equivalents	**515,066**	**548,099**	**346,442**	**368,251**
Borrowings				
Financial liabilities at amortised costs	(233,781)	(178,502)	(256,313)	(231,264)
Total borrowings	**(233,781)**	**(178,502)**	**(256,313)**	**(231,264)**
Creditors				
Financial liabilities at amortised costs	(157,941)	(191,415)	(245,355)	(272,173)
Finance lease liabilities	-	(1)	-	(1)
Total creditors	**(157,941)**	**(191,416)**	**(245,355)**	**(272,174)**

50b. Material soft loans made by the Authority

The Authority has made several soft loans in 2015/16, of these, the loan of £22.7m to Pocket Living LLP and £7.9m to Funding London (formerly SME Wholesale Finance Limited) are material soft loans. The Pocket Living loan is for the construction of up to 384 homes. The Funding London loan will be used to encourage the growth of small to medium sized enterprises by enabling greater investment in these businesses.

	Authority	Authority
Balance at start of year:	**31 March 2016**	**31 March 2015**
Opening balance at 1 April	**8,457**	**1,799**
Nominal value of new loans granted in year	17,957	10,874
Fair value adjustment on initial recognition	(4,782)	(4,548)
Increase in discounted amount	745	332
Closing balance at 31 March	**22,377**	**8,457**
Nominal value at 31 March	30,630	12,673

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.

An interest rate, of 2.59% plus a 2% risk margin, was used to calculate the fair value of the soft loan made to Pocket Living. The 2.59% is the 8 year PWLB rate as at 30 September 2015.

An interest rate, of 2.29% plus a 2% risk margin, was used to calculate the fair value of the soft loan made to Funding London. The 2.29% is the 5.5 year PWLB rate as at 30 September 2015.

50c. Group Income, Expense, Gains and Losses

	2015/16 £000			
	Financial Liabilities measured at amortised costs	**Financial Assets: Loans and receivables**	**Financial Assets: Available for sale**	**Total**
Interest expense	126,511	-	-	**126,511**
Finance lease interest	6	-	-	**6**
Losses on initial recognition	-	4,930	-	**4,930**
Impairment losses/(reversals)	-	(572)	(273)	**(845)**
Fee expense	843	-	-	**843**
Total expense in (Surplus) or Deficit on the Provision of Services	**127,360**	**4,358**	**(273)**	**131,445**
Interest income	-	(9,199)	(2,923)	**(12,122)**
Finance lease interest	-	(4,269)	-	**(4,269)**
Unwind of discount on loan	-	(992)	-	**(992)**
Gains on derecognition	-	-	(5,356)	**(5,356)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(14,460)**	**(8,279)**	**(22,739)**
Net change in fair value of available-for-sale financial assets	-	-	(4,866)	**(4,866)**
Net change in fair value of available-for-sale financial assets reclassified to (surplus) or deficit	-	-	4,640	**4,640**
(Surplus)/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	-	-	**(226)**	**(226)**
Net (gain)/loss for the year	**127,360**	**(10,102)**	**(8,778)**	**108,480**

	2014/15 £000			
	Financial Liabilities measured at amortised costs	Financial Assets: Loans and receivables	Financial Assets: Available for sale	Total
Interest expense	124,634	-	-	**124,634**
Finance lease interest	15	-	-	**15**
Impairment losses/(reversals)	-	444	(294)	**150**
Fee expense	157	-	-	**157**
Total expense in (Surplus) or Deficit on the Provision of Services	**124,806**	**444**	**(294)**	**124,956**
Interest income	-	(9,041)	(354)	**(9,395)**
Finance lease interest	-	(1,810)	-	**(1,810)**
Unwind of discount on loan	-	(574)	-	**(574)**
Gains on derecognition	-	-	(3,555)	**(3,555)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(11,425)**	**(3,909)**	**(15,334)**
Net change in fair value of available-for-sale financial assets	-	-	(4,960)	**(4,960)**
Net change in fair value of available-for-sale financial assets reclassified to (surplus) or deficit	-	-	3,076	**3,076**
(Surplus)/deficit arising on revaluation of financial assets in Other Comprehensive Income and Expenditure	**-**	**-**	**(1,884)**	**(1,884)**
Net (gain)/loss for the year	**124,806**	**(10,981)**	**(6,087)**	**107,738**

50d. Authority Income, Expense, Gains and Losses

	Liabilities measured at amortised costs £000	Financial Assets: Loans and receivables £000	Financial Assets: Available for sale £000	Total £000
Interest expense	126,509	-	-	**126,509**
Losses on initial recognition	-	4,782	-	**4,782**
Impairment losses/(reversals)	-	(174)	-	**(174)**
Fee expense	843	-	-	**843**
Total expense in (Surplus) or Deficit on the Provision of Services	**127,352**	**4,608**	**-**	**131,960**
Interest income	-	(26,168)	(2,923)	**(29,091)**
Unwind of discount on loan	-	(745)	-	**(745)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(26,913)**	**(2,923)**	**(29,836)**
Net (gain)/loss for the year	**127,352**	**(22,305)**	**(2,923)**	**102,124**

	2014/15			
	Liabilities measured at amortised costs	Financial Assets: Loans and receivables	Financial Assets: Available for sale	Total
	£000	£000	£000	£000
Interest expense	124,633	-	-	**124,633**
Fee expense	157	-	-	**157**
Total expense in (Surplus) or Deficit on the Provision of Services	**124,790**	**-**	**-**	**124,790**
Interest income	-	(18,049)	(354)	**(18,403)**
Unwind of discount on loan	-	(332)	-	**(332)**
Total income in (Surplus) or Deficit on the Provision of Services	-	**(18,381)**	**(354)**	**(18,735)**
Net (gain)/loss for the year	**124,790**	**(18,381)**	**(354)**	**106,055**

50e. Fair Value Hierarchy for financial assets and liabilities measured at fair value

Financial assets and liabilities measured at fair value
Equity Mortgages are carried at fair value. They are valued with reference to published house price indices – the Office for National Statistics 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 Available for Sale Financial Assets (see Note 50a) and at 31 March 2016 totalled £52.9m.

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
Except for the financial assets carried at fair value (described in note 50e) all other financial liabilities and financial assets are classified as loans and receivables and creditors and are carried in the Balance Sheet at amortised cost. Their fair value 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 in note 50g 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 2016 used for discounting, ranged from 1.21% to 2.99%;
- 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 trade and other debtors and creditors due within 12 months is taken to be the invoiced or billed amount.

50g. Fair Value for financial assets and liabilities

	Authority 31 March 2016 Carrying value £000	Authority 31 March 2016 Fair Value £000	Group 31 March 2016 Carrying value £000	Group 31 March 2016 Fair Value £000
Borrowing - non-current and current	(3,810,415)	(4,282,935)	(3,755,136)	(4,227,656)
Investments - non-current and current	1,193,611	1,193,611	1,231,569	1,231,569
Available for sale financial assets - non-current and current	39,860	39,860	92,760	92,760

	Authority 31 March 2015 Carrying value £000	Authority 31 March 2015 Fair Value £000	Group 31 March 2015 Carrying value £000	Group 31 March 2015 Fair Value £000
Borrowing - non-current and current	(3,650,563)	(4,393,873)	(3,625,514)	(4,368,824)
Investments - non-current and current	462,883	462,883	499,611	499,611
Available for sale financial assets - non-current and current	171,514	171,514	230,184	230,184

The fair value of loans is higher 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 higher than the prevailing rates at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2016) arising from a commitment to pay interest to lenders above current market rates.

Investments consist of money market instruments maturing within 12 months. The available for sale financial assets consist of corporate bonds maturing within 12 months and long-term equity mortgages.

51. 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; and

- 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 the 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 Holdings Limited, GLA Land and Property Limited and the London Legacy Development Corporation, is delivered by the GLA Group Treasury Team.

Each entity within the GLA Group, save Greater London 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 2015/16 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 2016, 4% of the Authority's money market investments and cash were placed with other public bodies or institutions substantially owned by the United Kingdom's government, the remaining 96% were placed with institutions with at least an A- credit rating. The long-term loans to GLA Land and Property Limited and the London Legacy Development Corporation are not deemed to pose separate credit risk given the level of parental control and the Authority does not consider the variable rate funding agreement to be at risk of default. The Authority does not therefore expect any losses from any institutions in relation to investments placed.

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.

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 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:

Borrowing	**Authority 31 March 2016 £000**	**Group 31 March 2016 £000**	**Authority 31 March 2015 £000**	**Group 31 March 2015 £000**
Less than one year	(233,781)	(178,502)	(256,313)	(231,264)
Between one and two years	(68,000)	(68,000)	(38,750)	(38,750)
Between two and five years	(339,600)	(339,600)	(309,000)	(309,000)
Between five and ten years	(960,400)	(960,400)	(851,500)	(851,500)
More than ten years	(2,208,634)	(2,208,634)	(2,195,000)	(2,195,000)
Total	**(3,810,415)**	**(3,755,136)**	**(3,650,563)**	**(3,625,514)**

Creditors	**Authority 31 March 2016 £000**	**Group 31 March 2016 £000**	**Authority 31 March 2015 £000**	**Group 31 March 2015 £000**
Less than one year	(157,941)	(191,415)	(245,355)	(272,173)
Between one and two years	(69)	(8,186)	(70)	(2,469)
Between two and five years	-	(674)	-	(943)
Between five and ten years	-	(460)	-	-
Total	**(158,010)**	**(200,735)**	**(245,425)**	**(275,585)**

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 in absolute terms low, as at the current time, 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 also may also arrange borrowings or investments in advance at prior agreed rates as a means of managing short-term interest rate exposures.

52. Contingent liabilities and assets

Contingent Liabilities

Compulsory Purchase Orders

The Authority and GLAH have contingent liabilities where there are a number of claims which are subject to commercial negotiations. See note 40 for additional information on these liabilities.

Property related liabilities

GLAP inherited a register of potential assets and liabilities and has reviewed this as part of the closure of accounts process. This register holds information on the nature of potential obligating event, nature of uncertainty and likelihood of occurrence.

The contingent liabilities relate to a number of potential claims, rights of use, restrictive covenants or dependencies on planning permission in relation to land assets hence their possible outcome - the following balance summarises all those where the likelihood of occurrence is considered possible and quantifiable.

	31 March 2016 £000	31 March 2015 £000
Contingent Liabilities	(56,602)	(7,652)

S106 Agreements

Planning obligations are created under Section 106 of the Town and Country Planning Act 1990. They are legally binding obligations that are attached to a piece of land and are registered as local land charges against that piece of land. Planning obligations enable a council to secure contributions to services, infrastructure and amenities in order to support and facilitate a proposed development.

The Group has inherited a number of S106 agreements, many of which have now expired or obligations have previously been met by the LDA or the Developer. Of those remaining the obligation is either unquantifiable, to be met by the developer or non-financial in nature and have not been provided for as at 31 March 2016.

ArcelorMittal Orbit Loan

A loan of £11.3m (principal £9.2m plus unpaid interest), taken out to part fund the construction of the ArcelorMittal Orbit is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMital Orbit as and when they are generated. A discounted projected cash flow was used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the improvement in forecasted income expected from the enhancement of the venue with the addition of a slide, expected to be complete in June 2016. LLDC accordingly recognises a contingent liability in respect of the loan.

Parkes Street Relocation Warranty

LLDC considers that a contingent liability should be disclosed in regard to the relocation of a road near the Here East building on the Queen Elizabeth Olympic Park. Whilst the construction work will be done by Here East's contractor Laings, under direction of Here East, and at the cost of the East Wick and Sweetwater (EWS) Developers, the LLDC has provided a warranty such that until the EWS Development Agreement (DA) goes unconditional (expected to be in June 2016), it will provide an indemnity to the EWS Developer that in the event that the DA does not go unconditional, it will pay for the cost of the road and fees up to a maximum sum of £1.0m (capped).

Virgin Media Non Domestic Rating Appeal

Virgin Media has applied to the Valuation Office Agency for their rateable value assessments across England and Wales to be merged into one and incorporated on the local rating list of a single billing authority or alternatively added to the central rating list, as permitted under Regulation 6 of the Non Domestic Rating Miscellaneous Provisions Regulations 1999 SI 1860. The proposal seeks to backdate any consolidation to 1 April 2010.

Six London boroughs – Bromley, Croydon, Haringey, Lewisham, Waltham Forest and Westminster - have or did have assessments included on their local rating list relating to this company for the financial period affected. The request has not yet been determined by the Valuation Office Agency and it is not anticipated that any refunds if applicable would be payable until the 2017/18 financial year at the earliest. If the appeal is successful and any change is backdated, it is estimated that the financial cost to the GLA in relation to non-domestic rates income would be up to £6.7 million for the period 1 April 2010 to 31 March 2016 with an ongoing annual financial impact of up to £1.2m per annum thereafter. In addition it is forecast that up to £0.4m could be repayable in respect of Crossrail BRS income with an ongoing impact of up to £0.06m per annum.

Contingent Assets

HMRC Partial Recovery Rate

In 2014/15, the LLC disclosed a contingent liability regarding the historic VAT recovery rate from 1 April 2012 to 31 March 2015. LLDC has now agreed in principle the Partial Exemption Special Method with HMRC for VAT recovery on residual costs from the relevant period. This is predicted to result in a repayment of overpaid VAT by HMRC to the Legacy Corporation, however the exact amount is dependent upon the submission of revised VAT returns for that period, which will need to be examined and approved by HMRC.

Contingent rent

Lease receivables from a lease with Excel Exhibition Centre have been treated as a contingent asset. The lease has a remaining life of 183 years before it is due to expire and the annual lease receivable is based on the corresponding annual turnover of the centre the value of the lease is uncertain. The net present value of the estimated cash flows is considered to be between £7m and £20m and £0.7m was receivable in 2015/16.

53. Guarantees

The Authority has committed to provide guarantees to the Port of London Authority ("PLA"), the London Borough of Lambeth and Westminster City Council in relation to the Garden Bridge. These guarantees would be called on in the event of the Garden Bridge Trust ("the Trust") being unable to meet obligations under the PLA's river works licence and the planning obligations of the London Boroughs regarding the ongoing maintenance of the bridge. The Garden Bridge is a new footbridge that will connect Temple and the South Bank.

54. Taxation-Group

Tax recognised in the Group Surplus or Deficit

	Group 2015/16 £000	Group 2014/15 £000
Corporation tax on profits for the year	2,616	1,706
Prior year adjustment	(395)	(531)
	2,221	**1,175**
Deferred tax	5,986	55,255
Tax recognised in surplus/deficit	**8,207**	**56,430**
Income charged to corporation tax	84,745	79,803
Expenses that can be offset against chargeable income	(30,064)	(45,365)
Losses brought forward	(41,603)	(26,315)
Profits chargeable to corporation tax	**13,078**	**8,123**
Corporation tax at 20% (2014/15 21%)	**2,616**	**1,706**

Movement in deferred tax assets and liabilities

	Group			
	1 April 2015 £000	Prior Year Adjustment	Movement in year £000	31 March 2016 £000
Deferred tax assets				
Investment properties	18,611	-	(17,137)	1,474
Capital losses carried forward	2,000	-	(200)	1,800
Total deferred tax assets	**20,611**	**-**	**(17,337)**	**3,274**
Deferred tax liabilities				
Development stock	(3,908)	-	169	(3,739)
Trading losses	3,908	-	(169)	3,739
	-	-	(3)	(3)
Net deferred tax on trading items	**-**	**-**	**(3)**	**(3)**
Investment properties	(76,954)	-	13,917	(63,037)
Property plant and equipment	(3,022)	-	(1,890)	(4,912)
Intangible assets	(14)	-	(3)	(17)
Other investments	(223)	223	-	-
Total deferred tax liabilities	**(80,213)**	**223**	**12,021**	**(67,969)**
Net deferred tax liabilities recognised in the surplus on provision of services after tax	**(56,877)**	**-**	**(5,322)**	**(62,199)**
Net deferred tax liabilities recognised in Other Comprehensive Income	**(2,725)**	223	**6**	**(2,496)**
Deferred Tax Assets				
Pension	2,436	-	(503)	1,933
Total deferred tax assets recognised in Other Comprehensive Income	**2,436**	**-**	**(503)**	**1,933**

	Group			
	1 April 2014 £000	Prior Year Adjustment	Movement in year £000	31 March 2015 £000
Deferred tax assets				
Investment properties	22,876	-	(4,265)	18,611
Capital losses carried forward	-	-	2,000	2,000
Total deferred tax assets	**22,876**	**-**	**(2,265)**	**20,611**
Deferred tax liabilities				
Development stock	(3,213)	-	(695)	(3,908)
Trading losses	3,213	-	695	3,908
Net deferred tax on trading items	-	-	-	-
Investment properties	(23,895)	-	(53,059)	(76,954)
Property plant and equipment	(2,383)	-	(639)	(3,022)
Intangible assets	(10)	-	(4)	(14)
Other investments	(29)	(184)	(194)	(223)
Total deferred tax liabilities	**(26,317)**	**(184)**	**(53,896)**	**(80,213)**
Net deferred tax liabilities recognised in the surplus on provision of services after tax	**(3,441)**	(184)	(56,161)	**(59,602)**
Deferred Tax Assets				
Pension	**-**	**-**	2,436	**2,436**
Total deferred tax assets recognised in Other Comprehensive Income	**-**	**-**	**2,436**	**2,436**

Unrecognised deferred tax assets at 31 March 2016	**£m**
GLAH	194
LLDC	17

55. Northern Line Extension Income and Expenditure Account

The Northern Line Extension 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. The account details the contributions received from the London Boroughs of Lambeth and Wandsworth using contributions from developers and payments from business ratepayers in the Battersea and Nine Elms area, the payment made to Transport for London and the financing costs incurred by the GLA in relation to the amounts borrowed by it, to finance its contribution to the project.

	2015/16 £000	2014/15 £000
Balance at 1 April	**24,695**	**-**
INCOME		
Amounts transferred by the London Borough of Lambeth	(2,430)	(2,154)
Amounts transferred by the London Borough of Wandsworth	(23,801)	(24,250)
Interest receivable	(706)	-
Total income	**(26,937)**	**(26,404)**
EXPENDITURE		
Transport payments to Transport for London	121,006	50,200
Interest payable on project related borrowing	662	-
Other expenses including brokerage and bond fees	3,496	899
Total Expenditure	**125,165**	**51,099**
Net deficit for the year	**98,227**	**24,695**
Deficit carried forward at 31 March	**122,922**	**24,695**

During 2015/16, £121m was payable to Transport for London (TfL) in respect of the development and construction costs for the Northern Line extension. This expenditure is recognised as revenue expenditure financed by capital under statute – and written out through the capital adjustment account - and reported as transport expenditure in the Comprehensive Income and Expenditure Statement. The GLA also incurred interest payable on its borrowing of £0.7m. A further £3.5m of expenditure was incurred by the GLA respect of brokerage costs and fees including in respect of the loan guarantee provided by HM Treasury.

The GLA also received £23.8 million in contributions from the London Borough of Wandsworth and £2.4m from the London Borough of Lambeth towards the project in 2015-16 under the Agreement signed between both boroughs, the Greater London Authority and Transport for London in January 2014. In addition £0.7m of interest was receivable on the balances held in respect of the project.

56. Post balance sheet event

Following the majority vote to end the United Kingdom's ("UK") membership of the European Union (EU) in the EU Referendum held on 23 June 2016 there is a heightened level of volatility in the financial markets and increased macroeconomic uncertainty in the UK. All three major rating agencies (Standard & Poor's, Fitch and Moody's) downgraded the UK Sovereign credit rating. The GLA's treasury strategy, including the approach to managing risk, outlined in note 51, has allowed the GLA group to mitigate the short term impact of the Brexit vote.

There is likely to be an impact on GLAP and LLDC's investment property and GLAP's available for sale equity investment valuations if confidence in the wider UK property market falls; the valuation of the GLA group's defined benefit pension obligations may also be affected. It is too early to estimate the quantum of any impact on the financial statements, and there is likely to be significant ongoing uncertainty for a number of months while the UK renegotiates its relationships with the EU and other nations. For the purposes of these financial statements, the Referendum is considered a non-adjusting event. There have been no other events occurring after the reporting date that would have a material impact on these financial statements.

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. This excludes funding paid through revenue support grant and retained business rates as well as specific grants paid for the purposes of the GLA such as the 2015/16 council tax freeze grant which are directly controlled and allocated by the Mayor and form part of the CIES.

	2015/16 £000	2014/15 £000
Income		
Fire Grants [1]		
Fire specific revenue grants	(11,850)	(7,749)
Fire capital grant	(647)	(4,921)
Subtotal Fire Grants	**(12,497)**	**(12,670)**
Policing Grants		
Home Office police general grants [2]	(1,794,172)	(1,883,984)
Local Council Tax Support grant for policing	(119,676)	(119,676)
Home Office revenue specific grants [3]	(375,986)	(347,489)
Home Office capital grants	(25,041)	(32,421)
Subtotal Policing Grants	**(2,314,876)**	**(2,383,569)**
Transport (TfL) grants [4]		
GLA Transport grant - general (revenue)	(591,410)	(842,015)
GLA Transport grant - investment (capital)	(925,000)	(909,440)
Other TfL capital grants [5]	(81,200)	-
Garden Bridge grant	-	(30,000)
Other DfT specific grants	-	(33,809)
Subtotal Transport Grants	**(1,597,610)**	**(1,815,264)**
Total Income	**(3,924,983)**	**(4,211,503)**
Expenditure		
London Fire & Emergency Planning Authority	12,497	12,670
Mayor's Office for Policing and Crime	2,314,876	2,383,569
Transport for London	1,597,610	1,815,264
Total Expenditure	**3,924,983**	**4,211,503**

Note

(1) The fire revenue specific grant figure includes £5m in fire revenue grant and £3.7m in Private Finance Initiative grant. Fire formula grant is paid via rates retention and RSG from 2013-14 and is therefore shown in the GLA's CIES.

(2) This comprises Home Office general and principal police formula grant as approved by Parliament in the 2015/16 Police Grant report and includes the £173.6m National and International Capital City Grant

(3) The revenue specific grant figure includes counter-terrorism and dedicated security post funding as well as other specific grants for policing paid via GLA by the Home Office.

(4) Some transport revenue specific grants are paid direct to TfL and therefore only appear in its accounts.

(5) The Other TfL capital grants figure includes £55 million of Department for Transport funding for the Metropolitan line extension to Croxley.

Business Rates Supplement Revenue Account

The Business Rate Supplement Revenue Account reflects the statutory obligation for levying authorities to maintain a separate BRS Revenue Account. The account details the income raised from the levy imposed on non-domestic ratepayers to raise money to fund the Crossrail construction project and expenditure incurred in relation to this project.

	2015/16 £000	2014/15 £000
Balance as at 1 April	**-**	**-**
INCOME		
Amounts transferable by billing authorities as calculated under the BRS regulations gross of billing authority administrative expenses	(218,227)	(219,680)
Interest receivable (in respect of the Crossrail BRS and related balances)	(125)	(858)
Total Income	**(218,352)**	**(220,538)**
EXPENDITURE		
Administrative expenses incurred by billing authorities in respect of the collection and enforcement of a BRS:		
Further administrative expenses (ongoing collection allowance)	563	675
Other billing authority collection costs	163	200
	726	**875**
Expenditure incurred by the GLA in respect of the Crossrail Project:		
Transport payments to Transport for London in respect of the Crossrail project	9,000	530,000
Interest payable on Crossrail related borrowing	117,618	117,756
Other expenses including brokerage fees	405	395
Total Expenditure	**127,749**	**649,026**
Transfers to/(from) the General Fund - Deficit on BRS account	90,603	(428,488)
Balance as at 31 March	**-**	**-**

57. Crossrail Business Rates Supplement

The power to levy a Business Rate Supplements (BRS) was introduced in the Business Rate Supplements Act 2009 and related regulations and statutory guidance. The Act confers powers on relevant local authorities 'to impose a levy on non-domestic ratepayers to raise money for expenditure on projects expected to promote economic development'. In London the only local authority empowered to levy a BRS is the Greater London Authority.

How the Crossrail BRS Is Calculated and Collected

The BRS is 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 £55,000 and 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) 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.

On the basis of the final returns received in respect of 2015/16 billing authorities determined that they had collected BRS gross revenue of £218.2m of which the GLA was due to receive £217.5m after allowing for borough collection allowances and other costs of £0.7m.

During 2015/16, £9m was payable to Transport for London (TfL) in respect of the Crossrail BRS in line with the conditions set out in the final prospectus of which the entire sum was paid in year. This was the final scheduled payment payable to TfL towards the Crossrail project construction costs in respect of the GLA's contribution to be financed using the BRS. This expenditure is recognised as revenue expenditure financed by capital under statute – and written out through the capital adjustment account - and reported as transport expenditure in the Comprehensive Income and Expenditure Statement.

The GLA also incurred interest payable on its borrowing of £117.6m and £0.1m of interest was receivable on the balances held in respect of the BRS. A further £0.4 m was charged to the BRS revenue account in respect of other costs incurred by the GLA in respect of the management and administration of the BRS including brokerage fees.

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, in the case of these accounts the year from 1 April 2015 to 31 March 2016.

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 five functional bodies are:

- **London Legacy Development Corporation** responsible for development of the Queen Elizabeth Olympic Park;
- **London Fire & Emergency Planning Authority ("LFEPA")** 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; and
- **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.

General GLA Grant
Central Government provides financial support towards the general expenditure of the Greater London Authority. From 2013/14 onwards this funding has been subsumed into Revenue Support Grant and Business Rate Retention and is therefore not payable as a separate grant. The Secretary of State retains the discretion to pay GLA General Grant under section 100 of the GLA Act 1999 as amended in the Local Government Finance Act 2012 in any year but did not exercise this power in 2015/16.

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. Under the business rates retention system this income is currently allocated in London to Central Government, Local Authorities and the GLA in the ratio of 50:30:20. The central government share is used to finance other funding to local government, fire and police forces payable outside the rates retention system – including revenue support grant and principal police formula grant paid for the purposes of MOPAC.

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 unringfenced 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).
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