

Committee(s): Audit and Risk Management Committee – For information Finance Committee – For information Pensions Committee – For Information	Dated: 14 July 2025 16 Sept 2025 22 Sept 2025
Subject: City Fund and Pension Fund Statement of Accounts Update 2024/25	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For information
Report author: Iain Jenkins, Chief Accountant	

Summary

This report provides an update on the publication and audit of the 2024/25 Draft Statement of Accounts for the City Fund and Pension Fund.

Recommendation(s)

The **Audit and Risk Management** Committee, the **Finance Committee**, and the **Pensions Committee** are asked to:

- **Note** the progress made on the 2024/25 Statement of Accounts
- **Note** the progress made on the external audit of the 2024/25 Statement of accounts

Main Report

Background

1. The Audit and Risk Management Committee oversees the City of London Corporation's systems of internal control and makes recommendations to the Finance Committee relating to the approval of the City Fund Annual Statement of Accounts – this includes the Pension Fund accounts.
2. The draft, unaudited 2024/25 Statement of Accounts for the City Fund, which includes the accounts for the Pension Fund, were published on the City of London Corporation's website on 30th June 2025. The document can be accessed here ([link](#)), and is also presented as Appendix 1 to this report. Publishing these accounts by 30 June 2025 met the statutory requirements set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022.
3. Following the publication of the City Fund Statement of Accounts a period of public inspection commenced, as required by the Local Audit and Accountability Act 2014. The inspection period commenced on Tuesday 1st July and runs for 30 working days, concluding on 11th August 2025. During the inspection period, members of the public may inspect the accounts, and may also question the auditor or raise objections. Further details of the inspection period are set out in the public notice which is available to view on the City Corporation's website at the following [link](#).

4. Grant Thornton (GT) are undertaking the external audit of the City Fund and Pension Fund accounts for 2024/25. The audit work commenced on 16th June 2025 and is scheduled to run through to September 2025. It is considered good practice and part of the assurance framework for the External Auditor to report to the Audit and Risk Management Committee at regular intervals.
5. Grant Thornton will report the findings arising from their work on the 2024-25 audit to this Committee following the conclusion of the audit.
6. The statutory deadline for the conclusion of the audit is 30 September 2025, by which time the final audited accounts are required to be published on the City of London Corporation website. It should be noted that “backstop” dates have been introduced for outstanding local government audits, owing to a large number of outstanding audits across the country in the sector. The backstop date for 2024/25 accounts is 27 Feb 2026, so in the event that the audit was not concluded by this date then a disclaimer opinion would apply. The audit plan and timetable have been agreed with Grant Thornton on the basis of the audit being completed prior to the 30th September deadline, with resources put in place to enable this deadline to be met. Therefore as the City of London Corporation has cleared all of its prior year audits and is up to date with its accounts it is anticipated that the audit opinion will be in place by 30th September, so the backstop will not be required.
7. As the Pension Fund accounts form part of the City Fund accounts as a whole, the Audit and Risk Management Committee retain ultimate responsibility for receiving and considering any reports arising from the audit. Any reports arising from the audit will also be reported to the Pension Fund Committee.

Current position

8. The draft 2024/25 Statement of Accounts for the City Fund are presented at Appendix 1 to this report. The Committee should note the following key points.
9. The Accounts are prepared using the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (referred to as The Code) which is published annually by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Code is based upon International Financial Reporting Standards (IFRS), adapted for public sector use. The only material change to the Code for 2024/25 has been in respect of the accounting treatment for lease, due to the adoption of IFRS16 by the Code. This change requires all leased assets to be recognised on the balance sheet (with the exception for small value assets or short-term leases of less than twelve months). Under previous accounting standards a distinction was made between finance leases and operating leases, and assets acquired under operating leases were not recognised on balance sheet. The change to accounting standards removes the distinction between finance and operating leases. This change has no impact on the General Fund or usable reserves.
10. The City Corporation's Accounting Policies are also unchanged, except for updates to the accounting policy for leases, to reflect the changes to the Code. A summary of the Accounting Policies is included within the document at page 139 onwards. The accounting policy on leases is set out in section 1.18 on pages 150-152 of the accounts.
11. The provisional outturn position for the City Fund for 2024/25 is a surplus of £33.2m, as set out in the table on page 12 of the Accounts. For 2023/24 the outturn position was a surplus of £45.7m. As at 31 March 2025 there were unallocated revenue funds of

£387.3m. £20m of this will be retained within the General Fund balance, and the remainder will be held within earmarked reserves.

12. The overall movement on the City Fund balance sheet is an increase in net assets of £400.2m. This movement is comprised of the following items:

- Property, Plant and Equipment – Increase of £167.4m. Mainly due to additions of £153m of Assets Under Construction, this includes £88m for the Fleet Street development and £39m of HRA expenditure on social housing.
- Investment Property – Increase of £15.5m due to gains from fair value adjustments.
- Long Term Investments – Increase of £17.7m due to new investments entered into during 2024-25 to take advantage of favourable rates.
- Short Term Investment – Increase of £12.6m due to increase in cash available for investment.
- Short Term Creditors – Increase of £51.1m, predominantly due to an increase of £24m in collection fund creditors, due to timing differences on the collection fund
- Grants and Contributions received in advance – Decrease of £37.7m due to a decrease in the balance of S106 and S278 contributions on the balance sheet.
- Pensions Liability – Reduction in the pensions liability of £203.8m, based upon the actuary's latest assessment of the pension scheme.
- Other movements of -£3.4m

Corporate & Strategic Implications

13. Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding the funding and costs of its activities with residents and other stakeholders.

Conclusion

14. The City Fund and Pension Fund Accounts for 2024-25 were published in line with statutory deadlines on 30th June 2025. The public inspection period commenced on 1st July 2025 and runs for 30 working days. The audit of the accounts commenced on 16th June 2025. It is anticipated that Grant Thornton will provide their audit opinion by the end of September 2025, subject to the conclusion of the audit. Further updates will be provided to the Committee at future meetings.

Appendices

- Appendix 1 - City Corporation City Fund draft Statement of Accounts 2024/25

Background Papers

Audit and Risk Management Committee – 12 May 2025 – Statement of Accounts update

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