

# City of London Corporation Committee Report

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| <b>Committee(s):</b><br>Finance Committee – For decision  | <b>Dated:</b><br>04/11/2025                          |
| <b>Subject:</b><br>2024-25 City's Estate Financial Statements                                     | <b>Public report:</b><br>For Decision                |
| <b>This proposal:</b> <ul style="list-style-type: none"><li>• provides statutory duties</li></ul> | Compliance with external audit requirements          |
| <b>Does this proposal require extra revenue and/or capital spending?</b>                          | No   |
| <b>If so, how much?</b>   | N/a  |
| <b>What is the source of Funding?</b>   | N/a  |
| <b>Has this Funding Source been agreed with the Chamberlain's Department?</b>                     | N/a  |
| <b>Report of:</b>   | The Chamberlain                                      |
| <b>Report author:</b>   | Daniel Peattie, Assistant Director Strategic Finance |

## Summary

The draft Consolidated Financial Statements for City's Estate, for the year ending 31 March 2025 are attached at Appendix 1 for delegated approval subject to consideration and Audit and Risk Management Committee.

In addition, the 9 draft Annual Reports and Financial Statements of the Open Spaces and Sundry Trust charities which are consolidated within the City's Estate accounts (listed at paragraph 1 below) are attached at Appendix 2 for delegated approval subject to consideration and Audit and Risk Management Committee.

## Recommendation(s)

The **Finance Committee** is requested to:

- **Consider** the draft 2024-25 City's Estate accounts
- **Delegate** to the Chairman and Deputy Chairman of Finance Committee, subject to the recommendation of the Audit and Risk Committee, the approval and signing of the 2024-25 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities, for the year ending 31 March 2025. Enabling the accounts to then be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

- **Authorise the Chamberlain**, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve and material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP (“Crowe”)– which is expected by the end of November 2025 for City’s Estate consolidated financial statements, and for the consolidated charities.

## **Main Report**

### **Background**

1. The draft Annual Reports and Financial Statements for each of the consolidated charities for the same period are attached at Appendix 2 for approval. The 9 charity financial statements are listed below with their charity numbers, and are made up of the Open Spaces and other consolidated sundry trusts:
  - i. Ashtead Common (registered charity no. 1051510)
  - ii. Highgate Wood and Queen's Park Kilburn (registered charity no. 232986)
  - iii. West Ham Park (registered charity no. 206948)
  - iv. Hampstead Heath Charity (registered charity no. 803392), incorporating the linked charity the Hampstead Heath Trust Fund (registered charity no. 803392- 1)
  - v. Sir Thomas Gresham Charity (registered charity no. 221982)
  - vi. Keats House (registered charity no. 1053381)
  - vii. Burnham Beeches and Stoke Common (registered charity no. 232987)
  - viii. Epping Forest (registered charity no. 232990)
  - ix. West Wickham Common and Spring Park Wood (registered charity no. 232988) & Coulsdon and Other Commons (registered charity no. 232989)
2. It should be noted that the accounts shown as appendices to this are the draft accounts submitted to the auditors, and do not include the audit adjustments set out in this report.
3. Members will be aware that in order to comply with the covenants in the private placement Note Purchase Agreement, the audited City’s Estate consolidated financial statements along with an opinion that states that such financial statements give a true and fair view of the financial position of City’s Estate, must be submitted to the private placement lenders as soon as they become available but in any event within 270 days after the end of each financial year (i.e. by 26 December).
4. The 9 sets of charity financial statements must be submitted to the Charity Commission within 10 months of their financial year end, i.e. by 31 January 2026. The financial statements for Barking Power and Thames Power, which are consolidated within the City Estate accounts, must be submitted to Companies House within 9 months of their financial year end, i.e. by 31 December 2025.

5. The overall movement on the City's Estate balance sheet is a decrease in net assets of -£81m. This movement is comprised of the following items:

- Decrease in Investment Properties of -£83.4m
- Increase in Tangible Assets of +£10.7
- Decrease in Non-Property Investments of -£130.3m
- Increase in Short Term Non-Property Investments of +£86.7m
- Increase in Cash and Cash Equivalents of +£14.1m
- Movement in Deferred Income of -£4.5m
- Movement in Defined benefit pension scheme liability of +£21.7m
- Other movements of +£4m

### Current Position and Audit Findings report

6. To date, no new audit recommendations or material audit adjustments have been identified by Crowe on the City's Estate accounts at the time of drafting the report. The table below sets out the two adjustments that will be amended within the City's Estate accounts when updated and presented to Audit and Risk Committee. Note these are not included within appendix 1. Should any further recommendations of adjustments be identified, these will be included within the report to Audit and Risk Committee.

**Table 1: City's Estate audit adjustments**

| Adjustment description   | Increase / (decrease) in net income<br>£k | Increase / (decrease) in assets<br>£k | Increase / (decrease) in liabilities<br>£k | Increase / (decrease) in funds<br>£k |
|--|---|---------------------------------------|--|--------------------------------------|
| <b>1. City's Estate</b><br>Dr Income<br>Cr Creditors<br><i>Included within school trip income is £195k relating to trips Apr-25 to Sept-25 which are therefore post year end and should be deferred.</i> | (195)                                     |                                       | 195  | (195)                                |
| <b>2. City's Estate</b><br>Dr Expenditure<br>Cr Creditors<br><i>Posting of Holiday pay accrual which has not been included in accounts</i>   | (205)                                     |                                       | 205  | (205)                                |

### Approval of the financial statements

7. It is recommended that the Finance Committee delegate approval of the City's Estate Financial Statements for the 2024-25 financial year, along with the financial statements of the 9 consolidated charities subject to the approval of and any observations from the Audit and Risk Management Committee on 17 November 2025.

8. Whilst not a statutory deadline, due to the availability of the audit partner working on the City's Estate audit, the accounts need to be signed by the end of November as they are then unavailable to sign until the new year. It is therefore not possible to wait until the December Finance Committee meeting to obtain approval for signing and as a result this paper includes a request for delegated authority to the Chair and Deputy Chair, following any approval from the Audit and Risk Committee.
9. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2025, is signed by Crowe for both the City's Estate consolidated financial statements and the consolidated charities.

## **Corporate & Strategic Implications**

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 its activities with residents and other stakeholders

Financial implications - None

Resource implications - None

Legal implications - None

Risk implications - None

Equalities implications – None

Climate implications - None

Security implications - None

## **Appendices**

- Appendix 1 – City's Estate Annual Report and Financial Statements 2024-25
- Appendix 2a – Ashted Common 2024-25
- Appendix 2b – Highgate Wood and Queen's Park Kilburn 2024-25
- Appendix 2c – West Ham Park 2024-25
- Appendix 2d – Hampstead Heath Charity incorporating Hampstead Heath Trust Fund 2024-25
- Appendix 2e – Sir Thomas Gresham Charity 2024-25
- Appendix 2f – Keats House 2024-25
- Appendix 2g – Burnham Beeches and Stoke Common 2024-25
- Appendix 2h – Epping Forest 2024-25
- Appendix 2i – West Wickham and Coulsdon 2024-25

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