



CITY'S ESTATE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

CONTENTS

	Page
Annual Report	4
Approval of the Annual Report and Financial Statements	18
Independent Auditor's Report	19
Consolidated Statement of Comprehensive Income	23
Consolidated Statement of Financial Position	24
Consolidated Statement of Changes in Equity	25
Consolidated Statement of Cash Flows	25
Statement of Significant Accounting Policies	26
Notes to the Consolidated Financial Statements	38
Further Information	61



Annual Report

1. Introduction

The City is a key driver of the economy, generating

£109bn

in economic output annually, or 4% of all UK GVA. Yet, the City only accounts for 0.001% of the UK's size.



City's Estate is not a legal entity; it is a fund of the City of London Corporation (the City Corporation) that can be traced back to the 15th century and has built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a return that:

- Enables the City Corporation to provide services (detailed in section 6) that are of importance to the City and Greater London as well as nationally and internationally.
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council. The City Corporation publishes the City's Estate Annual Report and Financial Statements and a City's Estate Overview every year to provide further transparency on its activities.

2. Administrative Details

Registered Address	Guildhall, London, EC2P 2EJ
Chief Executive	The Town Clerk of the City of London
Treasurer	The Chamberlain of London
Solicitor	The Comptroller and City Solicitor
Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW
Bank	Lloyds Bank PLC
Fund Managers	<p>Ares Management LLC</p> <p>Artemis Investment Management LLP</p> <p>Baillie Gifford & Co</p> <p>C WorldWide Fund Management SA</p> <p>Collier International Partners VII LP</p> <p>Crestview Partners LLC</p> <p>CQS</p> <p>Environmental Technologies Fund Manager LLP</p> <p>Exponent Private Equity LLP</p> <p>Frontier Capital</p> <p>IFM Global Infrastructure (UK) LP</p> <p>Lindsell Train Ltd</p> <p>M&G Investment Management Ltd</p> <p>LionTrust Ltd</p> <p>Natixis International Funds (Harris Associates)</p> <p>New Mountain Capital LLC</p> <p>Ruffer LLP</p> <p>SL Capital Partners LLP (a subsidiary of Aberdeen Standard Life Investments group)</p> <p>Veritas Asset Management LLP</p> <p>Warburg Pincus LLC</p> <p>Wellington Management International</p> <p>YFM Equity Partners Ltd</p>

2. Other City of London Corporation Funds

This annual report and the financial statements only cover City's Estate. A second fund, City Fund, covers the City's activities as a local authority, police authority and port health authority. Its financial statements are published separately.

The City Corporation is also the sole trustee of City Bridge Foundation (CBF), a long-standing charity which maintained the original London Bridge, funded by bridge taxes, rents and private bequests. CBF now maintains five bridges, Tower, London, Southwark, Millennium and Blackfriars. With effective management of the funds over the centuries, CBF's funding arm, City Bridge Trust, now distributes surplus income that is not required for the long-term management and protection of the five bridges.

The annual report and financial statements for CBF are also published separately.

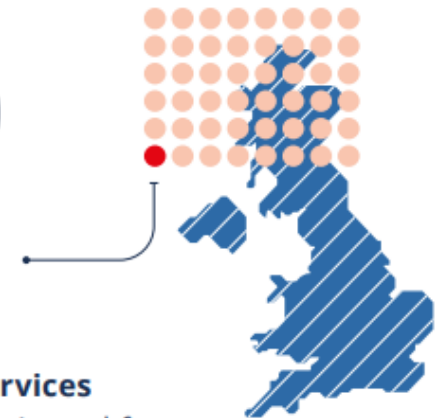
The annual report and financial statements of City Fund and City Bridge Foundation are available on the City of London Corporation's website at <https://www.cityoflondon.gov.uk/about-us/budgets-spending/statements-of-accounts>.

There were

678,000

workers in the City of London
in 2023, or **1 in every**
48 British workers.

Financial and professional services
account for **over half** of the City's workforce.



3. Corporate Strategy

A new five-year City of London Corporation [Corporate Plan 2024-29](#) started in April 2024. It informs effective use of our resources and guides planning and decision-making for the City of London Corporation from 2024 to 2029 through six strategic outcomes, ensuring everything we do aligns to our mission to be world-class. Our People Strategy 2024-29 sits alongside the Corporate Plan.



The six Corporate Plan outcomes are of equal importance, reflecting the vast portfolios covered by the City of London Corporation. They are interlinked and delivered through activities across the organisation and in partnership with our stakeholders. We will strive for equity, equality, diversity and inclusion to ensure impactful delivery.

The City of London Corporation is responsible for many sector, department and subject specific strategies, programmes and plans. The Corporate Plan 2024-29 lists existing strategies, strategies in development and major programmes and plans that contain metrics key to measuring and monitoring performance in the City of London Corporate Plan 2024 to 2029. These include:

- Air Quality Strategy 2025-2030
- City of London Joint Health and Wellbeing Strategy 2024-2027
- City Plan 2040
- Climate Action Strategy 2020-2027
- Competitiveness Strategy 2021-2025
- Digital, Data and Technology Strategy 2024-2029
- Education Strategy 2024-2029
- Equality Objectives 2024-2029
- Policing Plan 2025-2028
- Safer City Partnership 2022-2025
- Social Mobility Strategy 2018-2028
- Transport Strategy 2024-2044

4. Governance Arrangements

Workforce

The City Corporation as a whole employs approximately 4,480 people in full and part-time positions across all its services. The make-up of the workforce is summarised below:

Gender:

Male: 47.9%

Female: 52.1%

Declared disability:

Yes: 9.24%

Age:

Under 20: 1.28%

21-30: 16.75%

31-40: 24.34%

41-50: 23.47%

51-60: 24.75%

61 and over: 9.41%

Ethnicity:

White: 75.17%

Black: 9.84%

Asian: 9.48%

Mixed: 3.91%

Other: 1.61%



Equity, Equality, Diversity and Inclusion

The City Corporation aims to drive forward Equity, Equality, Diversity and Inclusion (EEDI) at all levels of the organisation. There are several strands that work towards achieving the desired corporate position and outcomes on EEDI. The [EDI Sub-Committee](#), led by elected Members, strengthens the EEDI governance structure and sets the strategic direction for EEDI.

Over 2024/25 significant progress has been made against the priorities set by the EDI subcommittee. These are:

- Strengthening the EEDI function with the recruitment of senior staff.
- Compliance with statutory equalities duties, including the publication of key reports.
- Improvement in the Social Mobility Index.
- Completion of phase 1 of the internal and external EEDI Review.
- Development of broader EEDI service provision approaches including embedding EEDI within the Member Induction Programme.

The City of London Corporation Equality Objectives 2024-2029 are:

- Inclusive and Trustworthy leadership
- Inclusive and Diverse Community
- Accessible and Excellent Services
- Socio-economic Diversity

The Equality information report 2024 is available here:

[City of London Corporation Equality Information Report 2024](#)

The pay gap report, that additionally voluntarily covers ethnicity, can be found here:

[City of London Corporation Pay Gap Report 2025](#)

The City Corporation is a signatory of several charters and accreditations including Women in Finance, Stonewall Diversity Champions, Disability Confident Employer, London Living Wage and the Social Mobility Employer Index.

The City Corporation ranked at 58 in the Social Mobility Employer Index in October 2024. The City Corporation is building on existing feedback and lessons learnt from this year's benchmarking exercise and will be forming a working group to implement actions to improve and enhance social mobility. We have established a partnership with the Sutton Trust, a major social mobility charity, as *well as continuing our relationship with Progress Together, a membership organisation focused on social mobility within financial and professional services.*

The City of London Corporation has eight staff Networks: Disability and Wellbeing Network (DAWN), City of London Ethnicity and Race Network (CLEAR), City Pride

(LGBTQ+), Multi Faith Network, Social Mobility Network, Women's Inclusive Network, Carers and Parents' Network, and Young Employees Network (YEN). Departmental Equality Representatives, Staff Network Co-Chairs and Trade Union Reps can meet with the EEDI Team through the EEDI Forum. Staff Network Sponsors are convened on a regular basis to discuss key matters relating to EEDI.

The City Corporation's budgets are managed by committees of the City Corporation, with membership of the committees drawn from the 25 Members of the Court of Aldermen and the 100 Members of the Court of Common Council. Members of the Court of Aldermen and Court of Common Council are elected by registered voters (both residents and businesses) within the City of London. In accordance with the Nolan Principles, Members uphold the City Corporation's obligations under the Equality Act 2010. In addition to the 125 Members who make up the Court of Common Council and Court of Aldermen, there are 180 external Members who sit on the City Corporation's committees. These individuals help increase the skill sets and experience during the decision-making process.

The decision-making processes and financial stewardship of the City of London Corporation are set out in Standing Orders and Financial Regulations respectively.

The Standing Orders are available at:

[Standing Orders of the Court of Common Council \(April 2025\)](#)

The Financial Regulations are available at:

[Financial Regulations 2025](#)

Details of our committees are available at:

[Committee structure](#)

Our risk management processes help us identify and manage the risks to the organisation. The Audit and Risk Management Committee monitors and oversees the City of London Corporation's risk management strategy and ensures that its risk assurance framework is robust and effective. At an officer level, the Chief Officer Risk Management Group, a sub-committee of the Executive Leadership Board, meets at least once every two months to review the management of corporate and top red departmental risks, discuss developing risk areas and consider wider aspects of risk management within the City Corporation such as its overarching risk management culture.

During the first year of the Risk Management Strategy 2024-2029, a new Risk Management Policy was agreed by Members and a new Risk Appetite Statement developed (this was subsequently agreed by the Court of Common Council in May 2025). The focus for FY2025/26 will be on socialising and embedding this new approach within the City Corporation, to assist us in the delivery of our strategic outcomes.

The Audit and Risk Management Committee also oversees the City Corporation's Internal Audit process, reviewing the findings of completed Audit work. The Internal Audit programme of work includes the systematic follow-up in respect of audit recommendations made; reporting on the effectiveness and timeliness of their implementation, and the impact this has on the mitigation of risks identified through Internal Audit reviews.

5. Activities of City's Estate

Investment funds allow the City Corporation to provide services that:

- Are of national benefit through its strategic aim to support and promote the City as the world leader in international financial and professional services.
- Are of importance to Greater London and its environs as well as to the City itself, for example: work in surrounding boroughs supporting education, training and employment opportunities; numerous green spaces; wholesale markets providing fish (Billingsgate) and meat (Smithfield); 4 independent schools; sponsoring Academies across London; and the Guildhall School of Music & Drama (GSMD).

Education

Expenditure £139.4m, income £114.5m, net expenditure £24.8m (2023/24: expenditure £123.7m, income £104.1m, net expenditure £19.6m)

City's Estate operates four fee paying schools – City of London School, City of London School for Girls, City Junior School (all in the Square Mile), and the City of London Freeman's School (in Surrey). They regularly feature among the UK's top performing schools. In each of these institutions, City's Estate provides academic bursaries, to support able students from disadvantaged backgrounds.



The Guildhall School of Music & Drama is owned and managed by the City Corporation with funding from City's Estate. It is an internationally renowned conservatoire; with over 1000 students in higher education, drawn from nearly 60 countries around the world, and is currently regulated by the Office for Students (OfS), in line with other higher education institutions.

The City Corporation's Education Board is responsible for reviewing the Education Strategy and making recommendations to committees and the Court of Common Council (the City Corporation's main decision-making body) as appropriate on the delivery of the City Corporation's vision and strategic objectives in this area. The Board has responsibility for distributing funds allocated to it for educational purposes. In addition, it is responsible for the City Corporation's role as an Academy school sponsor.

Markets

Expenditure £83.5m, income £13.5m, net expenditure £70.0m (2023/24: expenditure £102.9m, income £13.3m, net expenditure £89.6m)

The City Corporation runs three wholesale food markets, two of which – Billingsgate and Smithfield – are funded by City's Estate, with New Spitalfields Market being accounted for in the City Fund. Market tenants pay rent and service charges, which are calculated on a commercial basis. These charges cover the costs of operation, administration and those repairs which are attributable to the tenants. Billingsgate has an annual throughput of circa 22,000 tonnes, and Smithfield handles circa 150,000 tonnes of meat each year. New Spitalfields Market is the largest horticultural market in the country, with a throughput of circa 850,000 tonnes of produce per annum.

The Markets Co-Location Programme to co-locate Billingsgate and Smithfield to a new site at Dagenham Dock was deemed unaffordable due to inflation and rising construction expenses. Consequently, on the 26th November 2024, the City of London Corporation's Court of Common Council ratified a decision to end its interest in co-locating these markets to a new site at Dagenham Dock. Under a new agreement with market traders, financial support will be provided to help them relocate to new premises, ensuring their continued success.



Open Spaces (Natural Environment)

Expenditure £31.2m, income £9.7m, net expenditure £21.5m (2023/24: expenditure £25.9m, income £7.9m, net expenditure £18.0m)

The City Corporation is Trustee of 8 charities which manage and run open spaces across 11 London Boroughs and four District Councils. These charities, which include Hampstead Heath, Epping Forest, Highgate Wood and Queens Park Kilburn, West Ham Park and Burnham Beeches, help shape outstanding environments by managing approximately 11,000 acres of historic, ecologically

diverse open space. Every year millions of people visit our open spaces. Some of the sites have been owned and managed since as far back as 1870 and, through its role as Trustee and principal funder of each charity, the City Corporation continues to enhance, protect and conserve these assets. All of the assets and activities of these charities are consolidated within the City's Estate accounts by virtue of this relationship between each charity and the City Corporation as Trustee.

The open spaces contribute to a sustainable London, providing environmental benefits through their effects on negating urban heat, offsetting greenhouse gas emissions and mitigating storm water damage. The charities manage areas which include internationally recognised Sites of Special Scientific Interest, Special Areas of Conservation and National Nature Reserves. They provide important ecosystems and wildlife habitats including rare and endangered species. The open spaces help people to enjoy good health and well-being enabling people to access nature, interact socially, relax or take part in a wide range of physical activities from swimming to football, golf to horse riding.

Within these charities there are outstanding heritage spaces and buildings, such as Kenley Airfield and the Pergola on Hampstead Heath, for people to experience and enjoy. Keats House is also a charity of which the City Corporation is Trustee (included within these accounts in full through its relationship with the City



Corporation) and other assets like The Monument are managed by the City Corporation directly and funded through City's Estate. These assets showcase the nation's history and culture. Ancient woodlands, ponds and historic landscapes enable visitors to learn, discover and understand the value of our heritage and the natural environment.

City Representation

Expenditure £20.0m, income £2.9m, net expenditure £17.1m (2023/24: expenditure £18.9m, income £2.1m, net expenditure £16.8m)

This expenditure supports the City Corporation's core objective to promote UK-based financial services and related professional services at home and abroad. The Rt Hon Lord Mayor heads the City of London Corporation and is also an international ambassador for the UK's financial and professional services sector. Together with other leading members of the City Corporation he makes sure that the City's interests are reflected in local and national policy. The Lord Mayor's overseas visits programme, that usually amounts to around 90 days abroad each year, fosters trade and develops relationships at the highest levels of government and industry.

Mansion House is the official residence of the Lord Mayor as the head of the City Corporation and the base for Mayoral activities. City's Estate funds official receptions, banquets, meetings and general hospitality carried out by the City Corporation (as well as the overall running costs of Mansion House and the team based there).



Other important responsibilities include support for the City Corporation's many and varied civic activities, maintaining the Mayoralty's close ties with livery companies and supporting responsible business and charitable organisations. The Lord Mayor is supported by two Sheriffs who are elected each year by the City Livery Companies. They advise the Lord Mayor on matters important to the City, help with hosting visiting dignitaries and occasionally travel with the Lord Mayor on his business visits. They also look after the Judges at the Old Bailey and make sure that the court's business runs smoothly.

The Remembrancer is one of the City Corporation's four Law Officers and is responsible for the maintenance and protection of the City's constitution. He is

the City's Parliamentary Agent, the Parliamentary Agent for The Honourable The Irish Society and the City Corporation's Chief of Protocol. The Office acts as a channel of communication between Parliament and the City. In the contemporary context, this means day to day examination of Parliamentary business including examination of and briefing on proposed legislation and amendments to it, regular liaison with the Select Committees of both Houses and contact with officials in Government departments dealing with Parliamentary Bills.

The Remembrancer's Office also organises much of the hospitality referred to above including responsibility for the Lord Mayor's Banquet and elements of the Lord Mayor's Show Day at Guildhall and the Royal Courts of Justice.

Commercial income is generated from event space lettings at the Mansion House and the Guildhall by the Town Clerk and the Remembrancer respectively.

Innovation and Growth

Expenditure £10.2m, income £0.5m, net expenditure £9.7m (2023/24: expenditure £10.0m, income £0.7m, net expenditure £9.3m)

Innovation and Growth (IG) works to strengthen the UK's financial and professional services (FPS) creating jobs and growth right across the UK. Our programmes in this area support the recommendations in the Corporation's Vision for Economic Growth Report and are aligned to the Competitiveness Strategy 2021-25. IG's also co-ordinates the performance delivering the Climate Action Strategy (CAS). CAS delivers the Corporation's transition to net zero and creates climate resilience for the Square Mile and Corporation assets.

IG's work in FPS is to ensure that City firms have the best legal and regulatory framework, as well as access to global markets, maintaining the UK as the world's leading global hub for financial and professional services. Supported by overseas offices in the US, Brussels, China and India paid for by City's Estate, it engages with decision-makers in the UK and abroad to keep the UK innovative in technology, leaders in sustainable finance and open & global.

The Lord Mayor and Chair of the Policy and Resources Committee lead international business delegations and host high-level visits from international

partners in politics and business to promote export opportunities for UK financial and professional services firms and attract inward investment from global partners. To further maximise its impact, the Innovation and Growth team helps City firms access talent and skills and promote an environment where new businesses and approaches can flourish. It also makes the case for responsible business among City firms and spreads best practice as good business benefits the whole UK economy.

On Climate Action, IG supports the Corporations' aim to be net zero in our operations by 2027, extending this out to our full value chain by 2040. By 2040 we will also increase climate resilience and support the achievement of net zero in the Square Mile.

Management and Administration

Expenditure £15.1m, income £nil, net expenditure £15.1m (2023/24: expenditure £11.7m, income £nil, net expenditure £11.7m)

These costs primarily relate to support provided to Members and both central and service departments including an apportionment of Guildhall Complex premises expenses; City's Estate external audit fees; treasury management; and depreciation charges in respect of the City's Estate share of capital projects relating to the Guildhall Complex, information systems and other corporate priorities.



Grants and Other Activities

Expenditure £41.6m, income £1.0m, net expenditure £40.6m (2023/24: Expenditure £28.2m, income £0.8m, net expenditure £27.4m)

A number of grants are made from City's Estate each year, through the

Central Grants Programme, promoting initiatives across a wide range of charitable causes in London.

The Central Grants Programme has four City's Estate funding themes:

- Stronger Communities
- Enjoying Green Spaces and the Natural Environment
- Inspiring London through Culture
- Education and employment support

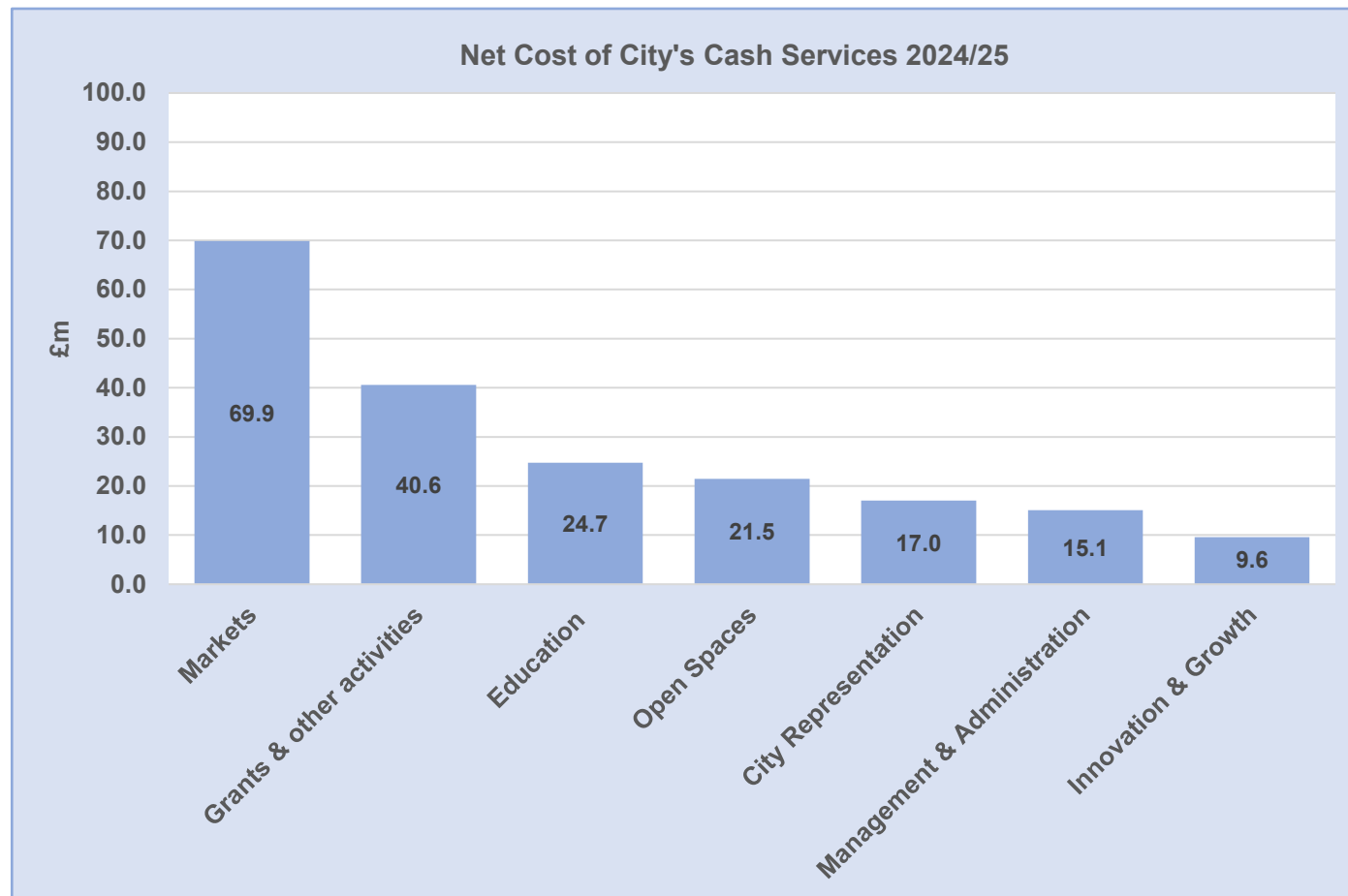
In addition, grants are made to emergency organisations to assist with the relief of national and international disasters. In 2024/25 donations were made to the REACT Disaster Response and DEC Emergency Fund.

The City Corporation owns and maintains the Monument through City's Estate. This 202ft high building attracts over 200,000 visitors a year, braving its 311 steps to enjoy breath-taking views of the City and beyond. It was built between 1671 to 1677 and was designed by Sir Christopher Wren and Robert Hooke to commemorate the Great Fire of London in 1666.

6. Financial Review

The net cost of the services and activities funded by City's Estate in 2024/25 is shown opposite. The Consolidated Statement of Comprehensive Income shown on page 23 is summarised overleaf. This records an operating deficit of £99.0m (2023/24: operating deficit of £104.9m), which is £5m lower than the previous year and is comprised of a number of movements which are explained on page 15. After the operating deficit, the Statement records gains from the sale of fixed assets of £11.2m (2023/24: gain from the sale of fixed assets of £4.0m), loan financing costs of £10.5m (2023/24 £10.5m), a increase in the deferred taxation liability £0.7m (2023/24: a decrease of £3.2m) and an actuarial gain of £18.4m on defined benefit pension schemes (2023/24: an actuarial gain of £43.2m).

Overall, there was comprehensive expenditure of £80.6m for the year (2023/24: comprehensive expenditure of £65.0m).



	2025 Income	2025 (Expenditure)	2025 Net income / (expenditure)	2024 Income	2024 (Expenditure)	2024 Net income / (expenditure)
	£m	£m	£m	£m	£m	£m
Service / activity						
Education	114.6	(139.4)	(24.7)	104.1	(123.7)	(19.6)
Investments - property and managed funds	84.9	(31.8)	53.2	80.4	(33.0)	47.4
Markets	13.6	(83.5)	(69.9)	13.3	(102.9)	(89.6)
Open Spaces	9.7	(31.2)	(21.5)	7.9	(25.9)	(18.0)
City Representation	3.0	(20.0)	(17.0)	2.1	(18.9)	(16.8)
Innovation and Growth	0.6	(10.2)	(9.6)	0.7	(10.0)	(9.3)
Grants and other activities	1.0	(41.6)	(40.6)	0.8	(28.2)	(27.4)
Management and Administration	-	(15.1)	(15.1)	-	(11.7)	(11.7)
Net Pension Scheme Costs	-	3.3	3.3	-	(0.6)	(0.6)
Operating deficit before gain / (loss) in fair value of investments*	227.4	(369.3)	(141.9)	209.4	(354.8)	(145.4)
Gain / (loss) in fair value of:						
- property investments			15.2			(68.0)
- non-property investments			27.7			108.5
Operating (deficit) / surplus *			(99.0)			(104.9)
Profit on sale of fixed assets			11.2			4.0
Loan financing (costs)			(10.5)			(10.5)
(Deficit) / surplus before taxation			(98.3)			(111.4)
Taxation			-			-
Deferred taxation			(0.7)			3.2
(Deficit) / surplus before taxation			(98.9)			(108.2)
Other comprehensive income						
Actuarial gain on defined benefit pension schemes			18.4			43.2
Total comprehensive (expenditure) / income			(80.6)			(65.0)

* Volatility in operating surplus or deficit for the financial year – FRS102 requires the gain or loss in fair value of property and non-property investments to be included in the Consolidated Statement of Comprehensive Income (page 23). This means that even relatively small movements in the markets from one year to the next can produce large volatility in the operating surplus or deficit in the Consolidated Statement of Comprehensive Income.

The movement in the operating position of £5.9m, from a deficit of £104.9m in 2023/24 to a reduced deficit of £99.0m in 2024/25, reflects a more favourable position than the prior year. The current year deficit is largely due to:

- Net expenditure on Markets decreasing by £19.7m from £89.6m in 2023/24 to £69.9m primarily due to decreased costs related to the Markets Consolidation Programme.
- An increase in net expenditure on education of £5.1m from £19.6m in 2023/24 to £24.7m in 2024/25.
- Net expenditure on Management and Administration increasing by £3.4m from £11.7m in 2023/24 to £15.1m in 2024/25 which is reflective of City Estates share of support service expenditure under the revised recharge model.
- Increases in net expenditure on Open Spaces of £3.5m from £18.0m in 2023/24 to £21.5m in 2024/25. The variance was largely attributable to increased net expenditure across Epping Forest, Hampstead Heath & West Wickham largely driven by increased repairs & maintenance costs.
- Net expenditure on grants & other activities has increased by £13.2m from £27.4m to £40.6m, this is predominately driven by an increase in grants provided to the Salisbury Square project from £21.1m in 2023/24 to £35.4m in 2023/25.

Partly offset by:

- Net income relating to investments increasing by £5.8m, from £47.4m in 2023/24 to £53.2m in 2024/25, due to a net increase in investment income (dividends over and above budget).

- A significant increase in the fair value of non-property investments of £27.7m in 2024/25 this is an £80.8m difference from the £108.5m increase in 2023/24.
- The fair value from property investments reducing from a loss of £68.0m in 2023/24 to a gain of £15.2m in 2024/25. This reflects a movement of £83.2m. The gain in values across the property investment portfolio is driven by better than expected service charge recovery in addition to lower than expected professional fees offset by overspends on energy costs.
- Net pension scheme costs decreasing by £3.9m, from £0.6m in 2023/24 to a surplus of £3.3m in 2024/25. This is due to a increase in contributions by scheme participants & other employers and a decreased interest charge on scheme liabilities. This was slightly offset by an increase in current service costs.

After the operating deficit of £99.0m (2023/24: deficit of £104.9m) there was a profit on the disposal of fixed assets of £11.2m (2023/24: profit of £4.0m), an increase of £7.2m on the previous year. In addition, there were loan financing costs of £10.5m (2023/24: £10.5m), which is unchanged compared to the previous year for ongoing interest repayments for the £450m loan the City Corporation agreed to support the funding of the major capital projects it is undertaking.

Following the increase in deferred taxation of £0.7m (2023/24: decrease of £3.2m) relating to Barking Power Limited due to an increase in the value of the power station land and an actuarial gain on defined benefit pension schemes of £18.4m (2023/24: a gain of £43.2m), City's Estate reserves have decreased overall by £80.1m (2023/24: decrease in reserves of £65.0m) from £2,762.3m to £2,681.7m.

City of London Pension Scheme

The estimated share of the net liability in the City of London Pension Scheme is included in the City's Estate accounts. The City's Estate share of the deficit is 45% (2023/24: 46%) which equates to £1.3m at 31 March 2025 (deficit of £23.0m at 31 March 2024).

City's Estate does not have an exclusive relationship with the City of London Pension Fund and the proportion of the Pension Fund relating to City Corporation employee members engaged on City's Estate activities is not separately identifiable.

However, although the Pension Fund net asset cannot be attributed precisely between the City Corporation's three main funds, an apportionment of that asset and inclusion in the respective balance sheets presents a fairer view of the funds' financial positions than if the asset were to continue to be excluded. Accordingly, an apportionment has been made which is based on employer's annual contributions to the fund.

Further details of the City of London Pension Scheme can be found in note 18 to the financial statements.

Going Concern

The City Corporation considers City's Estate to be a going concern as set out in note b) of the Statement of Significant Accounting Policies.

Financial Commitments

The City Corporation has agreed a £50.0m contribution to Crossrail from City's Estate subject to the completion of the works; the exact payment date has yet to be agreed. The agreement with Crossrail is an executory contract and therefore the commitment is not recognised in line with FRS102. An executory contract is a contract under which neither party has performed any obligations or both parties have partially performed their obligations to an equal extent.

In addition, there are contractual commitments of £1.0m for the Smithfield Annexe Refurbishment.

Events After the Reporting Date

There are no material events after the reporting date.

Explanation of the Financial Statements

City's Estate financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) as issued by the Financial Reporting Council and consist of the following:

- Consolidated Statement of Comprehensive Income showing all income available and all expenditure incurred;
- Consolidated Statement of Financial Position setting out the assets, liabilities and funds of City's Estate;
- Consolidated Statement of Changes in Equity which includes the income and expenditure for the period together with other recognised gains and losses and reconciles to the total movement in reserves;
- Consolidated Statement of Cash Flows showing the movement of cash for the year; and
- Notes to the financial statements explaining the accounting policies adopted and explanations of figures contained in the financial statements.

The following separate entities have been consolidated with City's Estate accounts:

Registered charities which are managed and funded by the City Corporation:

- Ashted Common
- Burnham Beeches
- Epping Forest
- Hampstead Heath
- Hampstead Heath Trust
- Highgate Wood and Queen's Park Kilburn
- West Ham Park
- West Wickham Common, Spring Park Wood and Coulsdon and other Commons

- Sir Thomas Gresham Charity
 - Keats House
- City Re Limited – a wholly owned subsidiary company whose principal activity is to provide re-insurance protection. The company is a limited company, limited by shares and is incorporated in Guernsey, registration number 52816. The Directors' Report and Financial Statements have been prepared in accordance with The Insurance Business (Bailiwick of Guernsey) Law, 2002, FRS102 and FRS103 "Insurance Contracts" and are available at <https://www.cityoflondon.gov.uk/about-us/budgets-spending/statements-of-accounts> . The company allows the City to share in underwriting profits with a known capped downside financial risk of £250,000 per claim.
 - Barking Power Limited (company registration number 02354681) and Thames Power Services Limited (company registration number 02624730) – the Court of Common Council approved the purchase of these companies and the associated Barking Reach Power Station site, which was completed on 14 December 2018. The power station is not operational, and the City of London Corporation has remediated the site for future redevelopment. For this reason, the financial statements of Barking Power Limited and Thames Power Services Limited are prepared on a basis other than that of a going concern. However, the Directors of these two entities consider that no adjustments are required as a result of preparing the financial statements on a basis other than that of a going concern.

Disclosure of Information to the Auditor

At the date of approval of this report, the City Corporation confirms that:

- so far as it is aware, there is no relevant audit information of which the Auditor is unaware; and
- it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

Responsibilities of the City of London Corporation for the Annual Report and Financial Statements

The City Corporation is responsible for preparing the Annual Report and Financial Statements for each financial year in accordance with applicable law and regulations. The City Corporation has elected to prepare the financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements would not be approved by the City Corporation unless it is satisfied that they give a true and fair view of the state of affairs of the organisation and of the surplus or deficit of the organisation for that period. In preparing these financial statements, the City Corporation has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The City Corporation is responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy at any time the financial position of the organisation and enable it to ensure that the financial statements comply with applicable law and regulations. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The City Corporation is responsible for the maintenance and integrity of the corporate and financial information included in its website.

Approval of the Annual Report and Financial Statements

At a meeting of the Finance Committee held at Guildhall on DD MMMM 2025, the financial statements of City's Estate were approved on behalf of the Court of Common Council.

Henry Nicholas Almroth Colthurst
Chairman of Finance Committee

Guildhall, London
DD MMMM 2025

Andrien Meyers, Deputy
Deputy Chairman of Finance Committee

INDEPENDENT AUDITOR'S REPORT TO THE CITY OF LONDON CORPORATION

Left blank to insert auditor's report

Left blank to insert auditor's report

Left blank to insert auditor's report



Consolidated Financial Statements

Consolidated Statement of Comprehensive Income for the year ended 31 March 2025

	Notes	2025 £m	2024 £m
Income			
Education		114.6	104.1
Investments - property and managed funds	1	84.9	80.4
Markets		13.6	13.3
Open Spaces		9.7	7.9
City Representation		3.0	2.1
Innovation and Growth		0.6	0.7
Grants and other activities		1.0	0.8
Total Income	1	227.4	209.4
Expenditure			
Education		(139.4)	(123.7)
Investments - property and managed funds	2	(31.8)	(33.0)
Markets		(83.5)	(102.9)
Open Spaces		(31.2)	(25.9)
City Representation		(20.0)	(18.9)
Innovation and Growth		(10.2)	(10.0)
Grants and other activities		(41.6)	(28.2)
Management and Administration		(15.1)	(11.7)
Net pension scheme costs	18c	3.3	(0.6)
Total expenditure	2 to 4	(369.3)	(354.8)
Operating deficit before (loss) in fair value of investments		(141.9)	(145.4)
(Loss) / gain in fair value of property investments	6	15.2	(68.0)
Gain in fair value of non-property investments	8	27.7	108.5
Operating (deficit) / gain		(99.0)	(104.9)
Profit on Sale of Fixed Assets		11.2	4.0
Loan financing costs	16	(10.5)	(10.5)
(Deficit) / gain before taxation		(98.3)	(111.4)
Taxation	5	-	-
Deferred taxation	17	(0.7)	3.2
(Deficit) / surplus for the year		(98.9)	(108.2)
Other comprehensive income			
Actuarial gain on defined benefit pension schemes	18c	18.4	43.2
Total comprehensive (expenditure) / income for the year		(80.6)	(65.0)

All amounts relate to continuing operations. The notes on pages 39 to 60 form part of these financial statements.

Consolidated Statement of Financial Position at 31 March 2025

	Notes	2025 £m	2024 £m
Fixed Assets			
Investment properties	6	1,779.5	1,862.9
Tangible assets	6	349.2	338.5
Heritage assets	7	182.2	182.2
Non-property investments	8	856.5	986.5
Intangible assets	9	15.6	19.5
Long term debtors	10	7.3	7.8
Total Fixed Assets		3,190.3	3,397.4
Current Assets			
Stocks – finished goods	12	0.5	0.4
Short term Debtors	10	38.7	34.4
Non-property investments	8	88.7	2.0
Cash at bank and in hand		30.6	15.6
Total Current Assets		158.5	52.4
Creditors: amounts falling due within one year	13	(86.9)	(90.0)
Net Current Assets		71.7	(37.7)
Total Assets less Current Liabilities		3,261.9	3,359.7
Deferred income	14	(102.5)	(98.0)
Finance leases	15	(2.4)	(2.4)
Long-term loans	16	(449.0)	(449.0)
Provisions for liabilities	17	(25.1)	(25.1)
Net Assets excluding pension liability		2,683.0	2,785.3
Defined benefit pension scheme liability	18,19	(1.3)	(23.0)
Net Assets		2,681.7	2,762.3
Capital and Reserves			
Operational Capital Reserve		349.2	338.5
Heritage Assets Reserve		182.2	182.2
Income Generating Fund		2,740.4	2,870.9
Working Capital Fund		(139.9)	(157.3)
Loan Fund		(449.0)	(449.0)
Pension Reserve		(1.3)	(23.0)
Total Capital Employed	19	2,681.7	2,762.3

Approved for issue DD MMMM 2025

Caroline Al-Beyerty, Chamberlain and Chief
Financial Officer



Consolidated Statement of Changes in Equity for the year ended 31 March 2025

	2024			2025				
	Total	Operational	Heritage	Income	Working		Pension	Total
	£m	Capital	Assets	Generating	Capital	Loan Fund	Reserve	£m
			Reserve	Fund	Fund			
Capital Employed brought forward 1 April	2,827.3	338.5	182.2	2,870.9	(157.3)	(449.0)	(23.0)	2,762.3
Total comprehensive income	(65.0)	10.8	0.0	(130.5)	17.4	0.0	21.7	(80.6)
Capital Employed carried forward 31 March	2,762.3	349.3	182.2	2,740.4	(139.9)	(449.0)	(1.3)	2,681.7

Consolidated Statement of Cash Flows for the year ended 31 March 2025

	Notes	2025 £m	2024 £m
Cash flows from operating activities:			
Net cash used in operating activities	20a	(218.5)	(213.9)
Cash flows from investing activities:			
Net dividends, interest and rents from investments		84.8	79.3
Cash taken from short term deposits		(82.6)	62.7
Proceeds from the sale of property, plant and equipment		130.6	39.9
Purchase of property, plant and equipment		(18.7)	(21.1)
Proceeds from sale of investments		271.6	218.2
Purchase of investment properties and other investments		(141.7)	(167.8)
Net cash provided in investing activities		244.0	211.2
Cash flows from financing activities:	20b	(10.5)	(10.5)
Increase/(decrease) in cash in the year		15.0	(13.2)
Change in cash and cash equivalents in the reporting period		15.0	(13.2)
Cash and cash equivalents at the beginning of the reporting period		15.6	28.8
Cash and cash equivalents at end of year	20c	30.6	15.6



Statement of Significant Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are summarised below. They have all been applied consistently throughout the year and to the comparative figures in dealing with items which are considered material in relation to the City's Estate financial statements.

a) Basis of Preparation

The City of London Corporation has chosen to prepare the City's Estate financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as issued by the Financial Reporting Council.

This Statement of Accounts is prepared for the City of London Corporation ("the City Corporation") only to the extent that it includes the economic activities such as education activities (operating 4 fee paying schools and The Guildhall School of Music & Drama); the operation of 2 wholesale food markets; managing and operating a number of open spaces across 11 London boroughs and 4 district councils; City of London representation; Innovation and growth activities; Management and administration activities; Grant making activities. Accordingly, the reporting entity, for the purpose of these accounts, is City's Estate which is a part of the City Corporation but is not in itself a legal entity. This means the legal party to transactions and balances relating to City's Estate is the City Corporation.

Assets, liabilities and transactions of the City Corporation are allocated to City's Estate and recognised in these financial statements where they relate to City's Estate's economic activities mentioned above. The basis of allocation of assets, liabilities and transactions to City's Estate (including income and expenditure) has been made on a consistent basis for many years and that basis is reported and explained in more detail within this statement of significant accounting policies, including accounting policy (z) Critical Accounting Judgements and Estimates, and within the notes to the consolidated financial statements where appropriate. The basis of allocations is periodically reviewed to confirm that this basis of allocating shared income and expenditure, and assets and liabilities, remain appropriate. The method of allocation applied to major classes of assets and liabilities, and income and expenditure, are explained within the separate accounting policies below.

b) Going Concern

In the opinion of the City Corporation, City's Estate is a going concern as it annually receives considerable income from its property and non-property investments. This income is considered in the context of a rolling medium-term (circa 4-5 years) financial forecast to ensure that services are affordable and sustainable. Cash and liquid investments are monitored and maintained at a level to ensure that sufficient resources are available to finance any in-year deficits, including expenditure incurred maintaining the tangible asset portfolio. City's Estate activities are discretionary therefore provide flexibility to alter activities in line with resources available.

c) Consolidation

The City's Estate financial statements consolidate the financial results of the services provided directly, including ceremonial, schools and markets; City Re Ltd. a wholly-owned subsidiary of the City Corporation whose principal activity is to provide re-insurance protection and is included as part of management and administration activities in City's Estate; trust funds in respect of seven open spaces, the Sir Thomas Gresham Charity, Keats House; and Barking Power Limited and Thames Power Services Limited. The latter two companies represent a power station that is located on a site which the City Corporation intends to remediate and decontaminate for future redevelopment and is part of City's Estate innovation and growth activities. In the case of charities and trusts, the rationale for consolidation is that the City Corporation is the sole Trustee and thereby exercises operational control over their activities, but specifically through its City's Estate fund due to this fund providing the majority of each charity's funding.

d) Income and Expenditure

City's Estate financial statements include only those activities of the Corporation relating to its services as set out paragraph (a). The majority of City's Estate's income generated from services relates specifically to City's Estate's defined activities. Similarly, some expenditure incurred relates to defined City's Estate activities. However, the Corporation also incurs central running costs for staff and overheads for all Funds and an appropriate allocation of these costs is charged to each fund. The principal basis of allocating these costs include an estimation of time spent by staff on the activities of each fund and the other running costs and overheads are allocated by reference to the floor space used by staff supporting the activities of each Fund.

The accounts of City's Estate are maintained on an accruals basis. Consequently, activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to City's Estate. This is usually at the point the purchaser has signed for the delivery of the goods.
- Revenue from education is recognised in the Statement of Comprehensive Income when City's Estate is entitled to the income, which is the period in which the student is studying. Tuition fees received in advance of the financial year are deferred in the Statement of Financial Position. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount. Non-refundable payment such as application fee and registration fees are recognised when received.
- Rental income is recognised on a receivable basis and at the date stated on the lease terms. Rent received in advance of the financial year are deferred in the Statement of Financial Position.
- Investment income and income from other provision of services is recognised on the Statement of Comprehensive Income on a receivable basis.
- Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations for purposes other than capital expenditure (see note 1 - Income) are recognised as income at the date that the conditions of entitlement to the grant/contribution are satisfied, when there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Where a grant or contribution has been received but the conditions of entitlement have not been satisfied, the grant or contribution is treated as a receipt in advance. 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 stocks on the Balance Sheet.
- 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 is accounted for as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when City's Estate has transferred substantially all the risks of and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.
- Finance costs consist of the interest payable on borrowings.

e) **Deferred Income**

Lease premiums relating to operating leases are treated as deferred income and released to revenue over the life of the lease (see note n: Leases).

f) **Tangible Fixed Assets – Operational Properties, Infrastructure, Vehicles, Plant and Equipment**

These are assets held and used for the direct delivery of services. They are carried at historic cost* less depreciation on a straight-line basis to write off their costs over their estimated useful lives (*this only includes assets acquired since 2000 as earlier historic cost information is not available). Depreciation is charged from the year following that of acquisition. Where the effects of major additions and disposals in the year are material, depreciation charges will be adjusted accordingly. Land is not depreciated.

Typical asset lives are as follows:

Buildings and any other component elements within those buildings	10 to 50 years
Plant and machinery (including the following):	
Plant	10 to 20 years
Furniture and equipment	3 to 15 years
Vehicles	3 to 10 years

Assets costing less than £50,000 are generally charged to the Consolidated Income and Expenditure Account in full in the year of purchase, although assets which cost less than £50,000 individually may be grouped together and capitalised.

g) Tangible Fixed Assets – Freehold investment properties

These are assets held to earn rental income and/or for capital appreciation which are revalued annually to fair value as at 31 March. City's Estate Investment Property valuation was £1,802.2 m at 31 March 2025 (2023/24: £1875.8m). Gains or losses arising from changes in the fair value of investment property are included in the Consolidated Statement of Comprehensive Income.

De-Recognition

The carrying amount of an item of property, plant and equipment is derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an asset is the difference between the net disposal proceeds, if any, and the carrying amount of the asset. The gain or loss arising from de-recognition of an asset is included in the Consolidated Statement of Comprehensive Income.

h) Assets under construction

Payments made to contractors for works completed to date are included within fixed assets pending the asset being recognised as operational. No depreciation is charged on such assets.

i) Impairments

An impairment loss arises if the carrying amount of an asset exceeds its recoverable amount. This could be caused by such factors as a significant decline in an asset's value during the period (i.e. more than expected as a result of the passage of time, normal use or general revaluation), evidence of obsolescence or physical damage of an asset, a commitment to undertake a significant reorganisation, a significant adverse change in the statutory or other regulatory environment or restitution of heritage assets if found to have been previously

stolen. An annual assessment takes place as to whether there is any indication that property assets may be impaired.

An impairment loss on investment property is treated as a revaluation movement which is included in the Consolidated Statement of Comprehensive Income.

An impairment loss on operational assets or heritage assets is recognised in the Consolidated Statement of Comprehensive Income. The reversal of an impairment loss on operational or heritage property, previously recognised in the Consolidated Statement of Comprehensive Income, will not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

j) Heritage Assets

City's Estate heritage assets largely comprise art and sculpture treasures are accounted for at cost less impairments, or where cost cannot be readily identified, on the basis of available information, as a proxy for cost.

As heritage assets have indeterminate lives and potentially high residual values, no depreciation is charged. All expenditure on subsequent preservation, conservation, accessibility, etc. is charged directly to the Consolidated Statement of Comprehensive Income.

k) Financial Assets and Liabilities

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102. Basic financial instruments included cash, debtors and creditors, and investment in non-derivative financial instruments, any other financial instrument other than those listed are classified as 'other'. All financial instruments held by City's Estate are basic financial instruments.

l) Non-Property Investment Assets

Non-property investment assets are held in accordance with the investment policy set by the City of London Corporation. FTSE 100 Company investments are valued at the Stock Exchange Trading System (SETS) price at close on 31 March of the relevant year. Other quoted investments are valued at the middle market price at the close of business on 31 March. Unquoted investments consist of

private equity and infrastructure funds. Private equity funds are valued based on comparable valuation of similar companies in accordance with international private equity valuation guidelines, and infrastructure funds are valued based on discounted cashflows applied to equity and debt instruments.

Short term non-property investments are investment held with maturity dates less than one year and are mainly held as part of the portfolio strategy i.e. the fund manager usually holds a level of cash as a part of their short-term strategy. They are not held as short-term commitments i.e. they are not normally held for any pending trades and are not held as a part of the long term holding timeline.

In respect of short term investments and cash, whilst each fund, including City's Estate, maintains a cash book for its own cash transactions and balances, the cash balances are pooled across the City Corporation for treasury management purposes. Cash balances either held in the City Corporation's bank accounts or invested are allocated to City's Estate in proportion to its cash book share of cash balances and short term investments. Investment income on cash balances and investments are allocated to the City's Estate based on the share of the City's Estate cash book of the total cash balances and investments.

Non-property investment assets have been accounted for at 'fair value through the statement of comprehensive income'.

Income generated by non-property investment assets remains within the fund to be reinvested, with City's Estate drawing down income (realising gains or losses) as required. As a consequence, the operating surplus or loss within the Consolidated Statement of Comprehensive Income includes the gain or loss in fair value on all non-property investments.

m) **Intangible Assets**

Intangible assets comprise:

- Goodwill on the purchase of Barking Power Limited and Thames Power Services Limited, which is recognised as the excess of the cost of their acquisition over the net amount of its identified assets and liabilities. The purchase goodwill is gain from the land value of the power station sites, which has unlimited useful economic life, FRS102 requires this kind of

goodwill to be amortised over 10 years, which is the maximum useful economic life of these assets under the standard.

- Computer systems and software licences which are capitalised at cost and reflected within the financial statements at amortised historic cost. Amortisation is calculated by allocation of the balance sheet value of the asset, less any residual value, to the periods expected to benefit from its use on a straight-line basis over 3 to 7 years. Amortisation charges are charged to service revenue accounts.

n) **Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Finance Leases

City's Estate as Lessee

The City of London recognises property, plant and equipment held under finance leases as assets at the commencement of the lease at amounts equal to its fair value and, where material, liabilities at the lower of the present value of the minimum lease payments or the fair value of the property. The asset recognised is matched by a liability for the obligation to pay the lessor. Minimum lease payments are apportioned between a finance charge (interest) and a reduction of the outstanding liability. The finance charge element is allocated to revenue and is calculated so as to produce a constant periodic rate of interest on the remaining balance of the liability. Where liabilities are immaterial, a liability is not recognised, and the full rental is charged to revenue over the term of the lease.

City's Estate as Lessor

Amounts due from lessees under finance leases are recorded in the Consolidated Statement of Financial Position as a debtor at the amount of the net investment in the lease. The lease payments receivable is apportioned between repayment of the debtor and finance income. The finance income is credited to revenue and calculated so as to give a constant periodic rate of return from the net investment. The asset is written out of the Consolidated Statement of Financial Position as a disposal. A gain, representing the net investment in the lease is credited to

income and the difference shown as a gain or loss on disposal. Where the lessee acquires the asset through payment of a premium at the commencement of the lease, this is included as a capital receipt and there is no remaining finance lease asset.

Operating leases

City's Estate as lessee

Rentals payable are charged to revenue on a straight-line basis even if the payments are not made on such a basis unless another systematic and rational basis is more representative of the benefits received.

City's Estate as lessor

Assets subject to operating leases are included in the Consolidated Statement of Financial Position according to the nature of the assets. Rental income from operating leases, excluding charges for services such as insurance and maintenance, are recognised on a straight-line basis over the period of the lease, even if the payments are not received on this basis (e.g. due to lease incentives, premiums, etc), unless another systematic and rational basis is more representative of the time pattern in which the benefits derived from the leased asset are diminished.

Grants of long leases

The City Corporation in some instances grants leases of land and buildings in excess of 100 years. On inception of the lease an assessment is made whether the lease is in substance for the use of the premises for the majority of its useful life, in which case the lease is classified as a finance lease, or a right to occupy land (commonly where the site is redeveloped) in which case the lease is classified as an operating lease.

Lease Incentives

Benefits received and receivable as an incentive to sign a lease are spread on a straight-line basis over the lease term in accordance with FRS102.

o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of future economic benefits or service potential will be required for an item previously dealt with as a note to the accounts, a provision is recognised in the financial statements for the period in which the change in probability occurs (except in circumstances where no reliable estimate can be made). Where a contingent liability exists, but a reliable estimate cannot be made, a note is disclosed in the accounts unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

p) Loans

Loans to City's Estate are recognised in the Statement of Financial Position initially at fair value less loan transaction costs which are capitalised to the loan account. Using the amortised cost and effective interest method, loan transaction costs and interest are allocated to the Consolidated Statement of Comprehensive Income over the life of the loan.

q) Provisions

Provisions are made where an event has taken place that gives the City 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. For instance, the City may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the City 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 Consolidated Statement of Financial Position. 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. 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 City settles the obligation.

r) Cash and cash equivalent

Cash and cash equivalent comprises funds repayable to the City Corporation without penalty on notice within 24 hours, less cheques and BACS payments issued but not presented, and investments with maturity of three months or less.

s) Stocks of Finished Goods

Stocks of finished goods are valued at the lower of cost or net realisable value.

t) Pension Costs

Non-Teaching Staff

The City Corporation operates a funded defined benefit pension scheme for its staff employed on activities relating to its three funds (i.e. City Fund, City's Estate and City Bridge Foundation). The scheme is based on final salary and length of service on retirement. Changes to the Scheme came into effect from 1 April 2014 and any benefits accrued from this date will be based on career average revalued earnings, with various protections in place for those members in the Scheme before the changes took effect.

The Pension Fund is the responsibility of the City of London as a whole, which is one employer, and not the responsibility of any of its three funds. City's Estate does not have an exclusive relationship with the City of London Pension Fund. Although the proportion of the Pension Fund that relates to City Corporation employee members engaged on City's Estate is not separately identifiable, a share of the total Pension Fund net deficit has been allocated to City's Estate based on a three year average of the percentage of employer's pension contributions paid into the Fund by City's Estate as a proportion of total employer's contributions paid.

For the defined benefit scheme, the amounts charged in expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Consolidated Statement of Comprehensive Income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and expected return on the assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The assets of the scheme are held separately from those in City's Estate and are invested by independent fund managers appointed by the City Corporation. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis by a qualified actuary using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after net assets on the face of the Consolidated Statement of Financial Position.

As an employer participating in the Scheme, the City Corporation's estimated share of the net deficit is the responsibility of the City Corporation as a whole. The Corporation and its three funds have a policy in place to share the net defined benefit cost of the pension fund across the three funds. As such City's Estate recognises the apportioned net defined benefit cost along with a share of scheme assets and scheme liabilities.

Pension Costs – Teachers

The payment of pensions to former teachers is the responsibility of the Teachers' Pension Scheme (the Scheme). Consequently, teachers' pension fund contributions, together with the employer's contributions, are paid by the City of London to the Scheme. The Scheme is a multi-employer defined benefit statutory scheme administered in accordance with the Teachers' Pension Scheme Regulations 2014.

The Scheme is funded on a notionally funded basis – no actual assets back the liabilities but a notional Fund is constructed for the purposes of setting employer

contributions. Contributions are set every four years as a result of the actuarial valuation of the Scheme by the Government Actuary's Department on behalf of the Secretary of State.

As it is not possible to identify the assets and liabilities at individual employer level, this scheme has been accounted for as a defined contribution scheme where employee and employer contributions are accounted for only.

u) Statutory Deductions from Pay

The City of London Corporation accounts centrally for salary and wage deductions. Consequently, the City's Estate accounts treat all sums due to the HMRC as having been paid.

v) Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Consolidated Statement of Financial Position date and the gains or losses on translation are written on / off to revenue account.

w) Tax

The City of London Corporation is a single legal entity and legislation treats it as a local authority for tax purposes. VAT is recovered from HMRC on supplies received and paid to HMRC on supplies made. All transactions are therefore included without VAT. The City of London Corporation is exempt from income and corporation tax.

City Re Limited, a wholly-owned subsidiary of the City of London Corporation in its City's Estate capacity, conforms to the tax requirements for Guernsey companies.

Barking Power Limited and Thames Power Limited are both subject to corporation tax, which comprises current and deferred tax. Corporation tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the exception of deferred tax assets that are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

x) Overheads

The costs of support service overheads, except for expenditure on corporate and democratic activities, are generally apportioned between all services on the basis of employee time spent. Similarly, except for vacant properties, the costs of support service buildings are allocated based on space occupied by each service.

y) Reserves

A number of reserves are held as endowment funds or restricted funds received by the City Corporation for specified purposes. These are held in the Working Capital Fund, which is shown in note 19.

z) Critical Accounting Judgements and estimates

In applying accounting policies, the Corporation has to make certain judgements and estimates about complex transactions or those involving uncertainty about future events. The estimates and associated assumptions are continually reviewed and are based on historical experience and other factors including expectations of future events that are considered to be reasonable under the circumstances. The judgements and estimates that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Pension Benefits

Estimation of the net liability to pay pensions depends on several factors such as 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. A firm of consulting actuaries has been engaged to provide the City Corporation with expert advice about the assumptions to be applied. The total Pension Fund net deficit has been allocated to City's Estate based on a three year average of the percentage of employer's pension contributions paid into the Fund by City's Estate as a proportion of total employer's contributions paid.

The effect of changes in individual assumptions on the net pension's liability can be measured but are complex and interact in a complex manner. For example, the actuary determines the appropriate discount rate at the end of each year after taking account of the yield from a high quality bond of appropriate duration, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liabilities of £10.8m. Other key assumptions for pension obligations are based in part on current market conditions and demographic data. Additional information on pension schemes is given in note 18 on pages 53 to 57.

(ii) Valuation of Investment Properties

The carrying values of investment properties are primarily dependent on judgements of such variables as the state of the markets, location, condition of the properties/assets, indices etc. Valuation for investment properties is calculated in accordance with "RICS Valuation – Global Standards 2020" together with the UK National Supplement (the "RICS Red Book"). The valuations apply market capitalisation rate to future rental cash flow with reference to data from comparable market transactions with assessment of the security of income. Valuers are required to consider the conditions that existed as at the balance sheet date.

(iii) Short term investments and cash and cash equivalents

Whilst each fund maintains a cash book for its own cash transactions and balances, the cash and cash equivalent balances are pooled across the Corporation for treasury management purposes. The balances held in the City Corporation's bank accounts or invested in money market funds, deposits and investments from surplus cash are allocated to City's Estate in proportion to its cash book share of cash and

cash equivalent balances and short-term investments. Investment income on these balances is allocated to City's Estate based on its share of the total cash and cash equivalent balances and investments.

(iv) Other assets and liabilities

Where the Corporation incurs central running costs for staff and overheads for all Funds and an appropriate allocation of these costs is charged to each Fund, a corresponding asset or liability is recognised on the same basis by City's Estate.

aa) City Re Ltd - Any other accounting policies used that are relevant to an understanding of the financial statements

(i) Gross premiums written

Gross premiums written is in respect of the provision of reinsurance protection to RSA Insurance Group Plc on the risks associated with material damage and loss of rent insurance programmes of the City of London portfolio.

(ii) Unearned premiums

Unearned premium represents the proportion of premium which has been pre-paid for the following financial period.

(iii) Claims

Claims are accounted for on an accruals basis. Provisions made for the cost of outstanding claims reported at the reporting date are included in the outstanding loss reserve. The estimate for the cost of claims incurred but not reported ("IBNR") is included in the IBNR reserve. The current IBNR is in the sum of £503,962 (2024: £250,000) is determined by the Board of Directors using both historical data and any data available up to the approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

(iv) Commission

Fronting fees calculated as 3% of gross premiums written is payable to RSA Insurance Group Pic and are earned over the related policy period.

(v) Explanation of recognised amounts from insurance contracts

Schedule 3 to the FRS103 Regulations requires disclosure of the total amount of commissions for direct business including acquisition, renewal, collection and portfolio management. For this purpose, commission shall exclude payments made to employees of the undertaking.

An insurer shall disclose information that identifies and explains the amounts in its financial statements arising from insurance contracts.

To comply with statement above an insurer shall disclose:

(a) the recognised assets, liabilities, income and expense (and, if it presents its statement of cash flows using the direct method, cash flows) arising from insurance contracts. Furthermore, if the insurer is a cedant, it shall disclose:

(i) gains and losses recognised in profit or loss on buying reinsurance; and

(ii) if the cedant defers and amortises gains and losses arising on buying reinsurance, the amortisation for the period and the amounts remaining unamortised at the beginning and end of the period;

(b) the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amounts described in (a). When practicable, an insurer shall also give quantified disclosure of those assumptions;

(c) the effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements; and

(d) reconciliations of changes in insurance liabilities, reinsurance assets and, if any, related deferred acquisition costs.

(vi) Nature and extent of risks arising from insurance contracts

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – City Re Ltd

In the application of the Company accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately), that the directors have made in the process of the applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amount provided. Adjustments to the amounts of provision are reflected in the financial statements for the period in which the adjustments are made.

Outstanding loss reserves

The carrying amount of the reserve is £3,083,618 (2024: £2,576,105). There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The level of provision has been set on the basis of the information that is currently available, including potential outstanding loss advices, experience of development of similar claims and on the advice of expert loss adjusters where appropriate.

IBNR

The current IBNR is in the sum of £503,962 (2024: £250,000) is determined by the Board of Directors using both historical data and any data available up to the date of approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

MANAGEMENT OF INSURANCE RISK

The principal risk that the Company faces under its insurance contracts is that the actual claims are significantly different to the amounts included in the technical reserves. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amounts of claims may vary from year to year from the estimate established.

The Company provides re-insurance protection to the RSA Insurance Group Plc on the risks associated with material damage and loss of rent for the City of London's property portfolio. The re-insurance protection is limited to a maximum liability of £250,000 for each and every loss with an aggregate limit equal to £250,000 in excess of net written premium.

All risks covered under the insurance policy are within the United Kingdom.

Claims development tables

The claims development table that follows shows claims reported per underwriting year which remain open in the respective policy year.

Claims development table at 31 March 2025

<u>Underwriting year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
accounting period end	233,724	837,927	495,995	189,228	360,520	360,520	173,399	287,493	68,457	3,007,263
one year later	1,436,816	2,172,013	1,511,546	1,897,176	2,330,911	2,330,911	1,723,389	2,016,876		15,419,638
two years later	1,603,168	2,240,475	1,431,278	1,871,543	2,770,148	2,505,066	1,694,773	-		14,116,451
three years later	1,525,342	2,281,671	1,400,675	1,796,195	2,729,398	2,505,067	-	-		12,238,348
four years later	1,531,492	2,224,412	1,390,470	1,817,363	2,748,345	-	-	-		9,712,082
five years later	1,405,066	2,223,612	1,265,169	1,944,003	-	-	-	-		6,837,850
six years later	1,405,066	2,181,212	1,339,204	-	-	-	-	-		4,925,482
seven years later	1,383,045	2,061,663	-	-	-	-	-	-		3,444,708
eight years later	1,508,017									
Current estimate of cumulative claims	1,508,017	2,061,663	1,339,204	1,944,003	2,748,345	2,505,067	1,694,773	2,016,876	68,457	15,886,405
Cumulative payments to date	(1,265,367)	(1,650,303)	(1,254,859)	(1,724,314)	(2,657,246)	(2,348,801)	(1,302,589)	(598,459)	(850)	(12,802,788)
Statement of Financial Position Reserves	242,650	411,360	84,345	219,689	91,099	156,266	392,184	1,418,417	67,607	3,083,617

The Company has currently provided for an Incurred but not Reported Reserve in the sum of £503,962 (2024: £250,000) which has been agreed by the Board of Directors.

A scenic view of a city skyline at sunset, framed by trees. The sky is a gradient of blue and orange. The city skyline is visible in the distance, with several tall buildings and cranes. The foreground is filled with green grass and trees. A blue banner is at the bottom of the image, containing the title.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. Income

Investment Income

Investment income relating to property and non-property investments comprises:

	2025 £m	2024 £m
Rentals, service charges and dilapidations income	74.5	76.4
Dividends from non-property investments and interest on fund balances	10.4	4.0
Total investment income	84.9	80.4

Note: rent receivable in 2024/25 in respect of operating leases was £61.2m (2023/24: £62.6m).

Education Income

Includes tuition fees, grants, donations and charges for the use of facilities.

Markets Income

Markets income includes rent and service charges from tenants and charges for the use of facilities.

Open Spaces Income

Income from government grants, other grants and donations and fees for the use of facilities.

2. Expenditure

Investment Management Costs

Expenses relating to property and non-property investments comprise:

	2025 £m	2024 £m
Property investment expenses	25.4	26.0
Non-property investments - management fees paid to fund managers	6.4	7.0
Total Investment Management Costs	31.8	33.0

Property investment expenses comprise staff costs, repairs and maintenance costs, property running costs and professional fees relating to the management of the investment property portfolio.

Depreciation

The operating deficit is stated after charging depreciation amounting to £8.0m (2023/24: £7.9m).

Operating Lease Rentals

During the year of account City's Estate spent £1.9m on operating lease rentals in respect of premises (2023/24: £1.7m.)

Auditor's remuneration

Remuneration to the external auditor, Crowe U.K. LLP, for audit services relating to the year of account for the City's Estate consolidated financial statements including the audit of the individual charities consolidated within City's Estate but excluding the audit of Barking Power Ltd and Thames Power Services Ltd (whose audit fees are disclosed separately in those financial statements) amounted to £451,705 (2023/24: £414,455).

City's Estate paid £6,000 to Crowe U.K. LLP for non-audit services during the year (2023/24: £6,000).

Members' expenses

In November 2021, the Court of Common Council introduced an annual, flat rate allowance for Members, which is based on the City Corporation's rate for inner-

London Weighting paid to its staff. The allowance is optional and is intended to recompense Members for the duties they undertake on behalf of the City Corporation, while also enabling those who choose not to claim from the scheme to maintain their status as volunteers. During the year, circa £437,000 in remuneration from City's Estate was claimed for Members undertaking their duties (2023/24: £194,000).

Members may also claim travelling expenses in respect of activities outside the City and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City Corporation. These costs totalled £3,648 (2023/24: £7,764) across all of the City's activities.

3. Staff numbers and costs

Staff employed by the City Corporation work on a number of the City Corporation's activities. The table overleaf sets out the number of full-time equivalent staff charged directly to City's Estates services and their remuneration costs. In addition, the table includes an apportionment of time spent and costs of support service staff attributable to City's Estate services.

Number of employee full time equivalents	2025 FTE	2024 FTE
Investment properties	8.2	8.4
Education	879.3	866.0
Markets	74.5	79.7
Open spaces	295.6	291.8
City representation	73.4	67.9
Grants and other activities	29.6	30.3
Support Services	196.5	196.5
Total	1,557.1	1,540.7

Employee remuneration	Gross Pay £m	National Insurance £m	Pensions £m	2025 £m	2024 £m
Investment Management	0.4	0.1	0.1	0.7	1.1
Education	57.1	6.0	13.0	76.1	66.9
Markets	3.6	0.3	0.6	4.5	4.8
Open spaces	11.4	1.1	2.1	14.6	13.1
City representation	4.4	0.5	0.8	5.8	5.2
Grants and other activities	3.5	0.3	0.8	4.7	3.7
Support Services	14.5	1.4	2.4	18.3	15.4
Total	95.0	9.8	19.9	124.6	110.2

4. Remuneration of senior employees

The City Corporation considers its key management personnel to comprise of the Extended Leadership Board. Key management personnel provide services for the City of London Corporation's local authority and non-local authority activities, the remuneration included in the table below is the proportion charged to City's Estate activities.

Key Management Personnel Compensation	2025 £000	2024 £000
Wages Salaries and Social Security Contributions chargeable to City Estate (including fees and allowances)	2,017	1,831
Non monetary benefits	241	166
Pension Contributions	417	329
Any other employee benefits	17	0
Total	2,692	2,326

5. Tax Status

The City of London Corporation is a single legal entity and legislation treats it as a local authority for tax purposes. City Re Limited, a wholly-owned subsidiary of the City of London Corporation in its City's Estate capacity, conforms to the tax requirements for Guernsey companies. Barking Power Limited and Thames Power Limited are both subject to Corporation Tax. Due to losses within the power station Group, tax payable in any given year is generally minimal. There was no tax charge recorded in the Accounts for the year-ended 31 March 2025 (2023/24: £0). This related to the unwinding of a historic accrued position held by Thames Power Limited.

6. Investment properties and other tangible fixed assets

Land and Buildings					
	Investment Properties (a) £m	Freehold (b) £m	Plant & Machinery £m	Assets Under Const'n £m	Total £m
Cost / Valuation					
At 1 April 2024	1,862.9	318.3	70.9	53.8	2,305.9
Opening Adj					-
Additions	20.9	12.7	0.9	12.8	47.2
Revaluations	15.2	-	-	-	15.2
Disposals	(119.4)	-	-	-	(119.4)
Transfers	-	1.0	0.2	(8.9)	(7.7)
At 31 March 2025	1,779.5	331.9	72.0	57.6	2,241.1
Depreciation					
At 1 April 2024	-	(73.1)	(31.3)	-	(104.4)
Opening Adj	-	-	-	-	-
Charge for the year	-	(5.7)	(2.3)	-	(8.0)
At 31 March 2025	-	(78.8)	(33.6)	-	(112.4)
Net book value					
At 1 April 2024	1,862.9	245.2	39.6	53.8	2,201.5
At 31 March 2025	1,779.5	253.1	38.5	57.6	2,128.7
Leased assets included above:					
Net book value					
At 1 April 2024	15.3	-	-	-	15.3
At 31 March 2025	15.3	-	-	-	15.3

Notes:

- a) The External valuers value investment properties annually as at 31 March at market values determined in accordance with the RICS Valuation – Professional Standards (The Red Book).
- b) All other tangible fixed assets are valued at historic cost less depreciation on a straight-line basis to write off their costs over their estimated useful lives and less any provision for impairment. Freehold land and buildings include items acquired since April 2000 based on depreciated historic cost. Consequently, some of the significant City's Cash operational assets (e.g. Mansion House, Guildhall Complex, Schools and Markets) are included at nil cost as they were generally acquired well before April 2000 and their original acquisition costs are no longer available. Subsequent expenditure on these assets is capitalised in line with accounting policies.

7. Heritage assets

Heritage assets are those with historical, artistic, scientific, technological, geophysical, or environmental qualities which are maintained principally for their contribution to knowledge and culture. They are mainly held in trust for future generations.

Arising from its status and history, within its City's Cash fund, the City holds numerous heritage assets primarily open spaces, art and sculpture, prints, drawings, and statues.

The City Corporation manages 11,000 acres of historic and natural green spaces across London and beyond, including Hampstead Heath and Epping Forest. Some of the sites have been owned and managed since as far back as 1870, protecting them from development and preserving them as a natural resource. They include important wildlife habitats, Sites of Special Scientific Interest, National Nature Reserves and outdoor space for sport, recreation, and enjoyment for the public.

The art and sculpture collection are maintained as a collection of art treasures worthy of the capital and includes a range of paintings documenting London's

history. In addition, the City owns two heritage property assets, the Monument and Temple Bar, and two ancient copies of the Magna Carta.

For some of the heritage assets the cost of obtaining reliable valuations to recognise them on the Balance Sheet outweighs the benefit of such recognition to the users of the financial statements. Furthermore, many of the assets are irreplaceable and / or there is often no active market for their sale. For example, valuations are not readily available for the original acquisition of open spaces land and their associated buildings, Monument, Temple Bar, or the copies of the Magna Carta.

Nevertheless, the City's art and sculpture treasures, which represent the vast majority of the heritage assets, and open space land are recognised on the Consolidated Statement of Financial Position at a cost of £182.2m (2023/24: £182.2m) as shown in the table below. Due to policy, budgetary and legal constraints there have been no significant acquisitions or disposals in the last five years.

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Cost (a)					
At 1 April	182.0	182.0	181.8	181.6	181.7
(Write-off) / Additions (b)	0.2	0.2	0.2	0.2	(0.1)
Closing cost	182.2	182.2	182.0	181.8	181.6
Comprising:					
Art and sculptures	181.2	181.2	180.9	180.7	180.7
Open spaces	1.1	1.1	1.1	1.1	0.9
Total heritage assets	182.3	182.3	182.0	181.8	181.6

Notes:

- a) The art works are included at cost or, where cost cannot be readily identified, on the basis of available information as a proxy for cost. Such information includes art market intelligence in relation to similar works, insurance requirements and some individual valuations from independent

experts. Sculptures were valued at replacement cost by independent experts Gurr Johns Limited.

- b) The balance relates to revival work on open space of West Wickham and included at cost.

All expenditure on preservation and conservation is recognised in the Consolidated Statement of Comprehensive Income when it is incurred.

Catalogues are maintained for the heritage assets and most of them are available for public viewing. The statues and properties (the Monument and Temple Bar) can be seen and experienced from the public highway, treasures on display at the Guildhall Art Gallery can be visited by anyone free of charge and most of the other assets, sometimes held within restricted areas such as the Mansion House, can be viewed by publicly available organised tours or by appointment.

8. Non-property investment assets

Analysis of movement in non-property investment assets is shown in the following table. Further analysis of these investments is shown in note 11.

	2025 £m	2024 £m
Long-term non-property investments		
Total investments at 1 April	986.5	977.2
Add additions to investments at cost	120.5	123.0
Less disposals at market value	(276.2)	(221.9)
Less realised investments	4.6	3.7
Add (loss)/gain in fair value	20.8	104.5
Investments at 31 March	856.2	986.5
Short-term non-property investments		
Total investments at 1 April	2.0	60.7
Change in short-term deposits and money market funds*	82.5	(62.7)
Change in long term deposits	4.1	4.0
Investments at 31 March	88.6	2.0
Total investments as at 31 March are analysed between long-term and short-term investments as follows:		
Long-term	856.2	986.5
Short-term	88.6	2.0
Total investments at 31 March	944.8	988.5

9. Intangible assets

	Technology systems £m	Goodwill £m	Total £m
Cost / Valuation			
At 1 April 2024	1.7	39.1	40.8
Additions / (disposals)	-	-	-
Transfers	-	-	-
At 31 March 2025	1.7	39.1	40.8
Amortisation			
At 1 April 2024	(1.7)	(19.6)	(21.3)
Charge for the year	(0.0)	(3.9)	(3.9)
At 31 March 2025	(1.7)	(23.5)	(25.2)
Net book value			
At 1 April 2024	0.0	19.5	19.5
At 31 March 2025	0.0	15.6	15.6

- Technology systems:
During 2014/15, the City Corporation invested in an updated Oracle Business Intelligence system. This is recognised in the financial statements as an intangible asset on the basis of amortised historic cost at a value of £0m (2023/24: £0.1m).
- Goodwill:
On 14 December 2018, Barking Power Limited and Thames Power Services Limited were purchased by The Mayor and Commonalty and Citizens of the City of London for a total sum of £130.3m. Goodwill of £39.1m represented the excess of the cost of their acquisition over the net amount of its identified assets and liabilities. This is amortised at a rate of £3.9m per annum over 10 years, which is the maximum useful economic life of these assets under FRS102.

10. Debtors

	2025	2024
	£m	£m
Amounts falling due within one year		
Sundry debtors	12.2	13.4
School fees	8.9	6.7
Prepayments and accrued income	6.5	6.5
Rental debtors	10.3	7.8
VAT	0.8	-
Accrued interest	-	-
Current debtors	38.7	34.4
Amounts falling due after more than one year		
Rental debtors	5.8	5.9
Finance lease debtor	1.5	1.5
Long-term debtors	7.3	7.8
Total debtors	46.1	42.2

11. Nature and extent of Risks arising from Financial Instruments

The activities of City's Estate expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due.
- Liquidity risk – the possibility that there might not be enough funds available to meet commitments to make payments.
- Market risk – the possibility that financial loss might arise as a result of changes in factors that affect the overall performance of financial markets such as interest rates, stock market movements and foreign exchange rates.

The City of London Corporation has adopted The Chartered Institute of Public Finance and Accountancy (CIPFA)'s Treasury Management in the Public Service: Code of Practice. City Estate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risks to our financial strategy

are managed by our central treasury team, under policies approved annually by the Court of Common Council in the Treasury Management Strategy Statement.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. Deposits are only made with banks with a minimum Fitch (a leading credit rating agency) rating of long-term A and short-term F1 or are building societies with assets over £10bn (or which have a minimum credit rating score similar to that set for the banks). City's Estate also invests in Money Market Funds, which are subject to a minimum credit rating of AAA/mmf (Fitch) or equivalent.

The creditworthiness of the counterparties on the City's Estate lending list is carefully monitored. The lending list is reviewed on a regular basis using advice from credit rating agencies and in-house judgements based partially on credit default swap rates. Security of the investments is the prime criteria when selecting investments with liquidity and yield being secondary and tertiary considerations. The lending limits attributable to HSBC, Barclays, Goldman Sachs International Bank, NatWest and Santander UK were maintained at maximum lending limits of £100m each during 2024-25, with Standard Chartered Bank added to the counterparty list during the year with a maximum lending limit of £100m, and Lloyds Bank was fixed at £150m (Lloyds being the City of London Corporation's banker). The lending limit for the Nationwide Building Society is £100m. The maximum duration for such loans is fixed at three years. The lending limits for the Yorkshire, Coventry, Skipton and Leeds Building Societies were maintained at £20m each and the duration for such loans is fixed at 1 year. The list also contains twelve foreign banks with individual limits of £100m with a maximum loan duration of three years. The included foreign banks are Australia and New Zealand Banking Group, National Australia Bank, Bank of Montreal, Royal Bank of Canada, Toronto-Dominion Bank, Helaba Bank (formerly Landesbank Hessen-Thüringen Girozentrale), Cooperatieve Rabobank, DBS Bank, United Overseas Bank, Skandinaviska Enskilda Banken, Swedbank, and Svenska Handelsbanken. The lending list also includes five highly rated money market funds (Aberdeen Sterling Liquidity Class L1 Fund, CCLA, Deutsche Liquidity Fund, Federated Hermes Liquidity Fund, and Invesco); and three highly rated

Ultra-Short Dated Bond Funds (Federated Hermes Sterling Liquidity Class L3 Plus Fund, Aberdeen GBP Liquidity Class L3 Fund and Payden Sterling Reserve Fund). The City Corporation will also lend to other UK local authorities with a limit of £25m to any individual authority.

During the 2024/25 year, the City also set up the BlackRock Sterling Liquidity Fund (a money market fund) holding monies from some disinvestments from City's Estate Financial Investment Portfolio (i.e. non-property assets) to be drawn down as required to fund near-term expenditure on the City's major projects.

The maximum exposure of City's Estate to credit risk in relation to its investments in banks, building societies, local authorities and money market funds cannot be assessed generally, as the risk of any institution failing to make interest payments or failing to repay the principal amount borrowed would be specific to each individual institution. No credit limits were exceeded during the reporting period and City's Estate does not expect any losses from non-performance by any counterparty in relation to outstanding deposits. As at 31 March 2025, City's Estate had £88.6m in money market funds and short-term cash investments with a maturity of less than 365 days (31 March 2024: £2.0m).

Ageing of debts covered by the Bad Debt Provision	31 March 2025	31 March 2024
	£m	£m
Less than three months	0.8	0.2
Three to six months	0.0	0.2
Six months to one year	0.1	0.4
More than a year	1.5	1.4
Total	2.4	2.2

Liquidity risk

Liquidity risk represents the risk that City's Estate will not be able to meet its financial obligations as they fall due. Officers monitor cash flows and take steps to ensure that there are adequate cash resources to meet commitments.

Market risk (Interest rate risk)

City's Estate is exposed to significant risk in terms of its exposure to interest rate movements on its investments. Movements in interest rates have a complex impact on City's Estate. For instance, a rise in interest rates would have the following effects:

- investments at variable rates – the interest income credited to the Income and Expenditure Account will rise.
- investments at fixed rates – the fair value of the assets will fall.

Interest rate risk is managed within the parameters of the City Corporation's 2024/25 Treasury Management Strategy Statement. Officers have due regard for the prospects for interest rates and the Treasury Management Strategy draws together a number of forecasts for both short term (Bank Rate) and longer-term interest rates. The Treasury Management Strategy also places an upper limit for total principal sums invested for over 365 days.

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. City's Estate is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling). The following table summarises the position as at 31 March 2025 and uses data provided by the fund's custodian bank BNY Mellon.

Currency	Value £m	Change %	Value on increase £m	Value on decrease £m
GBP	354.3	0.00%	354.3	354.3
EUR	134.5	1.28%	136.2	132.8
USD	354	2.42%	362.6	345.4
Other	102.0	1.58%	103.6	100.4
Total non-property investments	944.8	-	956.7	932.9

Non-Property Investments (mainly pooled) and Private Equity Funds

These investments are actively managed by twenty-three main external fund managers who are charged with the responsibility to increase asset values, whilst maintaining market risk to acceptable levels. They achieve this mainly through diversification of stock portfolios across several geographical locations and various industrial sectors and asset classes. The managers' investing practices are controlled by pre-defined levels of tolerance. The City Corporation's Investment Committee oversees the monitoring and performance of City's Estate non-property investments and is responsible for the appointment of fund managers. Concentration risk is also controlled and monitored with a maximum proportion cap over the levels held in individual stocks as a set percentage of each manager's overall portfolio of stocks.

As part of each of the external fund managers' investing there is also a strict adherence to the principles of liquidity risk management to ensure cash flow requirements are met as and when they fall due.

All the investing policies and practices are reviewed regularly after thorough consideration of economic and market conditions, and overall care is taken to identify, manage and control exposure to the price movements of several categories of investments.

Sensitivity Analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the City of London Corporation's investment consultant Mercer Limited, the City of London Corporation has determined that the movements in market price risk set out in the table below are reasonably possible for the 2024/25 reporting period.

The potential price changes disclosed below are consistent with a multi-year one-standard deviation movement in the value of the assets. The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Potential Market Movements

The potential movements for price risk based on the different asset classes are provided below.

Asset type	Change %
Global equities - developed markets (incl UK)	20.9%
Global equities - emerging markets	25.3%
Absolute return fixed income	11.6%
Diversified growth funds	14.1%
Multi asset credit	12.8%
Private equity	27.0%
Infrastructure	12.3%
Total non-property investments	19.6%

These percentages have been used to calculate the following potential increases / (decreases) in the value of investments.

Financial assets and liabilities

Asset type	Value £m	Change %	Value on increase £m	Value on decrease £m
Global equities - developed markets (incl UK)	653.6	20.9%	790.2	517.0
Global equities - emerging markets	26.2	25.3%	32.8	19.6
Absolute return fixed income	19.6	11.6%	21.9	17.3
Diversified growth funds	52.0	14.1%	59.3	44.7
Multi asset credit	34.3	12.8%	38.7	29.9
Private equity	16.1	27.0%	20.4	11.8
Infrastructure	54.4	12.3%	61.1	47.7
Total Long-term non-property investments	856.2	19.6%	1024.4	688.0
Short-term UK deposit and money market funds	88.6	0.0%	88.6	88.6
Total non-property investments	944.8		1,113.0	776.6

Financial assets held at fair value through the statement of comprehensive income are investment properties and non-property investments. They have been valued using unadjusted quoted prices in active markets for identical assets (level 1 inputs in the fair value hierarchy).

All other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

	2025 £m	2024 £m
Financial assets measured at fair value through profit and loss	2,724.4	2,851.4
Financial assets measured at amortised cost	624.1	598.3
Financial liabilities measured at amortised cost	(667.3)	(687.5)

12. Stocks of Finished Goods

A variety of purchased items are held in stock amounting to £0.5m (2023/24: £0.4m) to ensure responsive delivery of services, mainly relating to those provided at the City's open spaces, schools and ceremonial functions.

13. Creditors – amounts falling due within one year

	2025 £m	2024 £m
Rent Deposits	14.3	14.9
School Fee Deposits	6.3	5.5
Creditor Accruals	12.7	8.3
AP System Creditors	11.0	13.9
Other Creditors	10.0	15.2
Rental income received in advance	17.2	16.5
Other receipts received in advance	14.7	14.6
VAT	0.0	0.7
Deferred income	0.8	0.5
Total Current Creditors	86.9	90.1

14. Deferred income

	2025 £m	2024 £m
Amounts falling due within one year	0.6	0.5
Amounts falling due after more than one year		
Due within two to five years	2.6	2.7
Due in more than five years	100.0	95.3
Long-term deferred income	102.6	98.0
Total deferred income	103.2	98.5

Premiums of £103.2m relating to eight operating leases were received between 2014/15 and 2024/25. New operating lease premiums of £5.2m were received

in 2024/25. These premiums have been deferred in accordance with accounting policies note e) and are to be released over their lease terms.

15. Leases

City's Estate as lessee – finance leases

One investment property agreement has been classified as a finance lease. Payments will be made over the term of the lease to meet the costs of the long-term liability and the finance costs payable. The minimum lease payments in relation to the lease are:

Net Present Value of Minimum Lease Payments	2025 £m	2024 £m
Not later than one year		-
Later than one year and not later than five years	0.1	0.1
Later than five years	2.3	2.3
Total	2.4	2.4

City's Estate as lessor – finance leases

City's Estate has a gross investment in one finance lease relating to the minimum lease payment expected to be received over the remaining term of the lease. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessees and finance income that will be earned by City's Estate in future years whilst the debt remains outstanding. The gross investment is made up of the following amounts:

	2025 £m	2024 £m
Finance lease debtor (net present value of minimum lease payments) - non-current	1.5	1.5
Unearned finance income	2.1	2.1
Gross investment in lease	3.6	3.6

The gross investment in the lease and the minimum lease payments receivable will be received over the following periods:

	Gross Investment in Lease		Net Present Value of Minimum Lease Payments	
	2025 £m	2023 £m	2025 £m	2023 £m
Later than one year and not later than five years	0.1	0.1	-	-
Later than five years	3.5	3.5	1.5	1.5
Total	3.6	3.6	1.5	1.5

The minimum lease payments receivables are calculated at the inception of the lease and do not take account of future events taking place after the lease was entered into, such as adjustments following rent reviews.

City's Estate as Lessor – Operating leases

Most of City's Estate investment properties are under operating lease. Under City's Estate operating leases, there are various ground leases that have terms beyond two thousand years. The minimum lease payment receivable for non-cancellable operating leases will be received over the following periods. Non-cancellable operating lease are where none of the parties have the right to terminate the lease:

	Net Present Value of Minimum Lease Payments	
	2025 £m	2024 £m
No later than one year	56.0	60.0
Later than one year and not later than five years	169.5	183.9
Later than five years	1,544.8	1,405.6
Total	1,770.3	1,649.5

16. Loans

	2025 £m	2024 £m
Long-term loan	449.0	449.0
Loan balance at 31 March	449.0	449.0

In August 2019, the City Corporation issued debt totalling £450m via private placement, of which £250m was received in September 2019 with the remaining £200m being received in July 2021.

The debt tenures, loan term and interest rates are set out in the below table. Interest payable is at a fixed rate for each tenure and is paid twice yearly. The principal of the loan is repaid at the end of the loan term. As part of the loan condition the City Corporation net debts to net assets (excluding pension liabilities) must not exceed 50%.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Loan term	25 years	30 years	35 years	40 years	45 years
Interest rate	2.36%	2.37%	2.32%	2.33%	2.34%
Loan amount	£50m	£105m	£95m	£115m	£85m

Interest expense in 2024/25 amounted to £10.5m (2023/24: £10.5m). In addition, there were transaction costs of £1.1m which have been capitalised to the loan account and shall be amortised over the life of the loans.

17. Provisions

	City Re £m	Power Station £m	Total £m
Opening balance	2.8	22.3	25.1
Movement in year	0.8	(0.8)	(0.0)
Closing balance	3.6	21.5	25.1

City Re Limited has set aside £3.6m (2023/24: £2.8m) for the settlement of known insurance claims at the balance sheet date. The estimate is based on a case-by-case assessment of each claim and takes into account previous claims experience.

Barking Power Limited has set aside a total provision of £21.5m. This includes:

- £1.1m (2023/24: £2.5m) for decommissioning expenses including the cost of power station demolition and decommissioning of the gas pipeline, cooling water system, overhead lines and other cessation expenses.
- A deferred taxation liability of £20.5m (2023/24: £19.8m) has been recognised, as required under FRS102, on the revaluation gain on the land held by Barking Power Limited. This is calculated using the corporation tax rate applicable to future profits (25%) and the revalued amount at the balance sheet date less the base cost and indexation relevant to the land.

18. Pensions

City of London Corporation defined benefit pension scheme

The City Corporation operates a funded defined benefit pension scheme, The City of London Pension Fund, for its staff employed on activities relating to its three funds (i.e. City Fund, City's Estate and City Bridge Foundation). The assets of the scheme are held in a specific trust separately from those of the City Corporation and contributions are paid to the scheme as agreed with the scheme's Trustees. As the proportion of the Pension Fund that relates to City's Estate is not separately identifiable, the share of pension contributions paid to the scheme by City's Estate

is calculated pro-rata to employer's contributions paid by each of the City Corporation contributors to the scheme.

The table below shows the total pension surplus for the City of London Pension Fund recorded on the Consolidated Statement of Financial Position of £1.3m (2023/24: £23.0m).

Pension scheme liabilities	2025	2024
	£m	£m
City of London Pension Fund	1.3	23.0
Total pension scheme liabilities	1.3	23.0

Teachers' Pension Scheme (TPS)

In addition to City of London Corporation employees being able to participate in the City of London Pension Fund, teachers at the City of London Corporation's independent schools are eligible to participate in the Teachers' Pension Scheme. Whilst this is a defined benefit scheme, accounting standards allow for this scheme to be accounted for on a defined contribution basis as it is not possible to identify the assets and liabilities at an individual employer level. Accordingly, the Teacher's Pension Scheme has been accounted for on a defined contribution basis in the City's Estate Accounts.

Accounting for The City of London Pension Fund under FRS102

The actuarial valuation of the defined benefit scheme was updated at 31 March 2025, by Barnett Waddingham, an independent qualified actuary in accordance with FRS102. Note that under FRS102 if a surplus exists then there are additional rules around whether the surplus can be recognised as an asset. Any surplus which cannot be recognised is classed as "unrecognised surplus".

The triennial actuarial valuation assessment of the Scheme was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026.

At 31 March 2025, the City's Estate share of the Scheme net pension liability was £1.3m (2023/24: £23.0m). City's Estate share of the market value of the Schemes' assets was £645.7m (2023/24: £633.1m).

The estimated amount of total employer contributions expected to be paid to the scheme by City's Estate during the year to 31 March 2026 is £19.0m (actual for year to 31 March 2025: £16.8m). This figure is calculated pro-rata to total contributions that will be payable by the City of London Corporation in accordance with the Schedule of Contributions towards the scheme's deficit.

(a) Major assumptions by the actuary

Financial assumptions

The financial assumptions used for the purposes of the FRS 102 calculations are as follows:

Assumptions as at 31 March - per annum	2025	2024	2023
RPI increases	3.20%	3.2%	3.3%
CPI increases	2.90%	2.9%	2.9%
Salary increases	3.90%	3.9%	3.9%
Pension increases	2.90%	2.9%	2.9%
Discount rate	5.85%	4.9%	4.8%

Life expectancy

The following table reflects the change in the mortality tables used for the 31 March 2025 valuation and allowance is made for the expected variations in future life expectancy:

Assumed life expectancy from age 65 years	Sex	2025	2024
Age 65 retiring today	Male	20.7	20.8
Age 65 retiring today	Female	23.3	23.3
Retiring in 20 years	Male	22.0	22.0
Retiring in 20 years	Female	24.7	24.7

(b) Amounts included in the Consolidated Statement of Financial Position

The amounts included in the City's Estate Consolidated Statement of Financial Position (CSoFP) arising from the City of London Corporation Pension Fund's liabilities in respect of the defined benefit scheme for the current and previous period are as follows:

Net Pension Asset	2025		2024	
	CE £m	CoL £m	CE £m	CoL £m
Funded liability present value	(582.1)	(1,265.4)	(654.7)	(1,423.2)
Fair value of fund assets (bid)	645.7	1,403.8	633.1	1,376.4
Unrecognised surplus	(63.6)	(138.3)	-	-
Net liability	0.0	0.0	(21.5)	(46.8)
Unfunded liability present value	(1.3)	(2.7)	(1.5)	(3.2)
Net liability on CSoFP	(1.3)	(2.7)	(23.0)	(49.9)

Note: CE – City's Estate (consolidated), CoL – City of London (Corporation)

The total net pension fund asset shown on the Consolidated Statement of Financial Position is £1.3m (2023/24: £23.0m). The City's Estate share of the net defined benefit pension scheme liability represents 45% (2024: 46%) of the total net balance sheet liability in the City of London Corporation Pension Fund Financial Statements. The calculation of this percentage is detailed in the first paragraph of the note and in note (t) of the accounting policy.

(c) Amounts recognised in the Consolidated Statement of Comprehensive Income

	2025	2024
	£m	£m
Current service cost	(15.0)	(14.0)
Administration cost	(0.4)	(0.5)
Losses on settlements and curtailments	(0.0)	(0.5)
Employer contributions	19.3	16.9
Unfunded pension payments	0.2	0.2
Return on pension scheme assets	30.4	27.3
Interest on pension scheme liabilities	(31.0)	(30.0)
Net pension scheme surplus/(costs)	3.3	(0.6)
Actual return less expected return on pension scheme assets	(18.4)	25.2
Experience gain / (losses)	1.6	(2.0)
Change in demographic assumptions	-	-
Changes in assumptions underlying the present value of liabilities	98.8	20.1
Effects of changes in the amount of surplus that is not recoverable	(63.6)	-
Actuarial gains/(losses) recognised in the CSoCI	18.4	43.3
Net charge to the CSoCI	21.8	42.7

Note: CSoCI - Consolidated Statement of Comprehensive Income

(d) Asset allocation

The allocation of the scheme's assets at 31 March is as follows:

Employer asset share - bid value	2025		2024	
	£m	Per annum	£m	Per annum
Equities	328.3	51.0%	353.0	55.8%
Cash	9.8	2.0%	5.5	0.9%
Infrastructure	118.4	18.0%	83.3	13.2%
Absolute Return Portfolio	103.2	16.0%	101.3	16.0%
Bonds	86.1	13.0%	90.1	14.1%
Total assets	645.7	100.0%	633.1	100.0%

(e) Movement in the present value of scheme liabilities

Changes in the present value of the scheme liabilities over the year are as follows:

	2025	2024
	£m	£m
Reconciliation of opening and closing balances of the present value of the defined benefit liability		
Opening defined benefit liability	(656.1)	(646.9)
Current service cost	(15.0)	(14.0)
Interest cost	(31.7)	(30.6)
Experience loss / (gain) on defined benefit obligation	1.6	(2.0)
Change in demographic assumptions	1.7	9.0
Change in financial assumptions	97.1	11.0
Losses on curtailments	(0.1)	(0.6)
Liabilities extinguished on settlements	(0.0)	(1.0)
Estimated benefits paid net of transfers in	25.7	24.6
Contributions by scheme participants	(6.7)	(5.9)
Unfunded pension payments	0.2	0.2
Effects of changes in the amount of surplus that is not recoverable	(63.6)	-
Closing defined benefit liability	(647.0)	(656.1)

(f) Movement in the scheme net liability

The net movement in the scheme liabilities over the year are as follows:

	2025	2024
	£m	£m
Reconciliation of net defined benefit liability		
Deficit at the beginning of the year	(23.0)	(65.6)
Current service cost	(15.0)	(14.0)
Net interest	(0.6)	(2.7)
Settlements and curtailments	(0.0)	(0.5)
Other finance expenses	(0.4)	(0.5)
Employers contributions	19.3	16.9
Unfunded pension payments	0.2	0.2
Actuarial gains/(losses)	82.0	43.3
Effects of changes in the amount of surplus that is not recoverable	(63.6)	-
Deficit at the end of the year	(1.3)	(23.0)

(g) Movement in the present value of scheme asset

Changes in the fair value of the scheme assets over the year are as follows:

Reconciliation of opening and closing balances of the fair value of scheme assets	2025	2024
	£m	£m
Opening fair value of scheme assets	633.1	581.3
Interest on assets	31.0	27.9
Return on assets less interest	(18.4)	25.2
Actuarial losses	-	-
Administration expenses	(0.4)	(0.5)
Contributions by employer including unfunded	19.5	17.1
Contributions by scheme participants	6.7	5.9
Estimated benefits paid net of transfers in and including unfunded	(25.9)	(24.8)
Settlement prices paid	0.1	1.0
Effects of changes in the amount of surplus that is not recoverable	(63.6)	-
Closing value of scheme assets at end of period	582.1	633.1

Changes in assumptions

In 2024/25, there has been a slight change in financial and demographic assumptions resulting in a net £21.7m decrease in the overall pension liability. The financial assumptions change was primarily made up of an increase in discount rate in year. The change in demographic assumption is based on the latest version of the Continuous Mortality Investigation Bureau (CMI) model which represents a change from prior year. The model incorporates the latest mortality data in the national population.

(h) Historical information – Amounts for the current and previous periods

The following City's Estate share of pension liabilities for 2024-2025 have been recognised under the "Actuarial gains and losses on defined benefit pension scheme" heading within the Consolidated Statement of Comprehensive Income:

The cumulative gains and losses in the table above start from 1 April 2005.

	2025	2024
	£m	£m
Present value of defined benefit liability	(583.4)	(656.1)
Fair value of scheme assets	582.1	633.1
Deficit in the scheme	(1.3)	(23.0)
Experience adjustments on scheme liabilities	(1.6)	2.0
Percentage of scheme liabilities	0.3%	(0.3%)
Experience adjustments on scheme assets	(18.4)	(25.2)
Percentage of scheme assets	(3.2%)	(4.0%)
Cumulative actuarial gains and losses	261.7	261.7

(i) Sensitivity analysis

The below table listed City's Estate share of the impact on its pension liabilities as a result of changing in key assumptions whilst holding other assumptions constant.

Note: PV – present value

		£m	£m	£m
		0.1%	0.0%	-0.1%
Adjustment to discount rate	PV of total liability	575.0	583.4	592.0
	Projected service cost	10.0	10.4	10.8
Adjustment to long-term salary increase	PV of total liability	584.0	583.4	582.8
	Projected service cost	10.4	10.4	10.4
Adjustment to pension	PV of total liability	591.6	583.4	575.3
	Projected service cost	10.8	10.4	10.0
		+ 1 year	None	- 1 year
Adjustment to mortality age	PV of total liability	605.4	583.4	562.3
	Projected service cost	10.8	10.4	10.0

(j) Projected pension expense for the year to 31 March 2026

The below table show City's Estate share of projected pension expenses. No allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the liabilities. As it is only an estimate, actual experience over the year may differ. No balance sheet projections have been provided on the basis that they will depend upon market conditions and the asset value of the scheme at the end of the following year.

	Projected Year to 31 March 2026 £m	Projected Year to 31 March 2025 £m
Service cost	10.4	13.0
Net interest on the defined liability	0.6	0.7
Administration expenses	0.4	0.5
Total expense	11.4	14.1
Employer contributions	19.0	16.4

19. Capital and Reserves

	Balance at 1 April 2024 £m	Additions / income £m	Disposals / expenditure £m	Depreciation / amortisation £m	Unrealised Gains / (Losses) £m	Transfers £m	Balance at 31 March 2025 £m
Operational Capital	338.5	26.3	(0.0)	(8.0)	-	(7.7)	349.1
Heritage Assets Reserve	182.2	0.2	-	-	-	-	182.4
Income Generating Fund:							
Investment Properties	450.9	20.9	-	(3.9)	-	-	467.9
Non-Property Investments	988.5	207.4	(271.6)	-	20.8	-	945.1
Revaluation Reserve - Investment Properties	1,431.5	-	(119.5)	-	15.2	-	1,327.2
Income Generating Fund	2,870.9	228.2	(391.1)	(3.9)	36.0	-	2,740.1
Working Capital Fund	(157.3)	17.2	-	-	-	-	(140.1)
Loan Fund	(449.0)	-	-	-	-	-	(449.0)
Pension Reserve	(23.0)	3.3	-	-	18.3	-	(1.3)
Total Capital and Reserves	2,762.3	275.3	(391.1)	(11.9)	54.3	(7.7)	2,681.2

Notes to capital and reserves:

- Operational Capital – reflects the operational assets from the Statement of Financial Position.
- Heritage Asset Reserve – reflects the heritage assets from the Statement of Financial Position.
- Income Generating Fund – comprises the asset values of investment properties and non-property investment assets, which generate the income to fund City's Estate activities and services.
- Working Capital Fund – reflects the net current assets, long-term debtors and provisions for liabilities and finance leases from the Statement of Financial Position.
- Loan Fund – reflects the long-term loans from the Statement of Financial Position.

- The City of London Corporation manages and funds ten registered charities (listed on page 16-17) which are consolidated within City's Estate accounts. Total funds of the charities amount to £78.6m (2023/24: £72.7m), comprising unrestricted funds of £35.1m (2023/24: £33.7m), restricted funds of £4.1m (2023/24: £2.1m) and endowment funds of £39.4m (2023/24: £36.9m). Restricted and endowed funds include income that is subject to specific restrictions imposed by the donor. These funds are included as part of working capital funds reserves, however £39.0m of the endowment funds have been classified as income generating fund – non-property investments reserves. Further details can be found in the separately published accounts of each charity, which are filed with the Charity Commission and can be viewed at: <https://www.gov.uk/government/organisations/charity-commission>.

20. Notes to the consolidated statement of cash flows**(a) Reconciliation of operating surplus to net cash flow provided by / (used in) operating activities**

	2024/25 £m	2023/24 £m
Operating (deficit)/ surplus for the reporting period	(99.0)	(104.9)
Adjustments for:		
Depreciation and amortisation charges	11.9	11.9
Net pension scheme costs	(3.3)	0.6
Losses on property investments	(15.2)	68.0
(Gains) on non-property investments	(24.9)	(108.5)
Net dividends, interest and rents from investments	(84.9)	(80.4)
(Increase)/Decrease in debtors	(3.9)	4.5
(Decrease)/Increase in creditors falling due within one year	(3.1)	2.4
Increase/ (release) of deferred income	4.5	16.0
Increase/ (decrease) in provision	(0.6)	(24.4)
Net cash used in operating activities	(218.5)	(214.8)

(b) Cash flows from financing activities

	2025 £m	2024 £m
Loan interest and transaction costs	(10.5)	(10.5)
Total	(10.5)	(10.5)

(c) Analysis of changes in net debt activities

	At 1 Apr 2024 £m	Cash flows £m	At 31 Mar 2025 £m
Cash and cash equivalents	15.6	15.0	30.6
Borrowings			
Debts due after one year	(449.0)	-	(449.0)
Finance Leases	(2.4)	-	(2.4)
Total net debt	(435.8)	15.0	(420.8)

21. Financial commitments

The material contractual capital commitments are as follows:

	Consolidated	
	2025 £m	2024 £m
Contracted for but not provided for contract commitments (a)	1.0	3.5
Total	1.0	3.5

Notes:

- City Estate has a contractual commitment of £1.0m for the Smithfield Annexe Refurbishment
- City's Estate has no material commitments under operating leases.
- The City Corporation has agreed a £50.0m contribution to Crossrail from City's Estate subject to the completion of the works; the exact payment date has yet to be agreed. The agreement with Crossrail is an executory contract and therefore the commitment is not recognised in line with FRS102. An executory contract is a contract under which neither party has performed any obligations or both parties have partially performed their obligations to an equal extent.

22. Related party transactions

All Members of the Committees governing funds and activities consolidated into City's Estate are appointed by the City Corporation to act on its behalf. The City Corporation also employs all staff. The costs of those staff employed directly on City's Estate activities are allocated to those activities accordingly. City's Estate is required to disclose information on related party transactions with bodies or individuals that control or have significant influence over its funds and activities or be controlled or influenced by it.

The City Corporation provides support services for the activities undertaken by each of its funds. These support services include management, surveying, financial, banking, legal and administrative services. Where possible support service costs are allocated directly to the funds concerned. For those costs that cannot be directly allocated, apportionments are made between the City Corporation's funds on the basis of time spent. Premises costs are apportioned on the basis of areas occupied by services.

With regard to banking services, the City Corporation allocates all transactions to City's Estate at cost and credits or charges interest at a commercial rate.

The City Corporation also provides the above services to a number of charities. The cost of these services is borne by City's Estate in relation to most of these charities. A list of charities managed by the City Corporation is available on request from the Chamberlain by email: CHBOffice-BusinessSupport@cityoflondon.gov.uk.

City's Estate initially bears the full costs of corporate capital projects with the City's other funds, City Fund and City Bridge Foundation, reimbursing their shares of expenditure in the years in which costs are accrued. Transactions are undertaken by City's Estate on a normal commercial basis in compliance with the City's procedures irrespective of any possible interests.

As a matter of policy and procedure, the City of London Corporation ensures that Members and officers do not exercise control over decisions in which they have an interest.

Standing Orders

The City of London has adopted the following Standing Order in relation to declarations of personal and beneficial interests:

"If a matter for decision is under consideration by the Court, or any Committee thereof, in which a Member has a personal interest, he must declare the existence and nature of his interest in accordance with the Code of Conduct."

Disclosure

Members are required to disclose their interests and these can be viewed online at: <http://democracy.cityoflondon.gov.uk/mgMemberIndex.aspx?bcr=1>. Members and Chief Officers have been requested to disclose related party transactions of £10,000 or more, including instances where their close family has made transactions with City's Estate.

Disclosures relate to both 2024/25 and 2023/24 unless otherwise stated.

During 2024/25 the following transactions have been disclosed. This is where Members held positions of control or significant influence in related parties to City's Estate:

Related party	Connected party	2024/25 £000	2023/24 £000	Detail of transaction
Blackrock	A Member was a Director of Blackrock	(14)	-	Venue hire charge paid to City's Estate
Buckinghamshire Council	A Member was an Elected Member in the Council and another Member was an appointee for the South East Employers' Council	-	(340)	Grant received by City's Estate
Christ's Hospital	Eight Members were nominated by the City Corporation to the Council of Christ's Hospital, two members are Governors on the Board and one Member was a Director	106	81	Council Tax Paid to Buckinghamshire Council by City's Estate Annual Grant paid by City's Estate
City & Guilds London	The City Corporation nominated four Members to the City & Guilds London Institute, which leases premises for which rent and service charges were receive	-	(77)	Rent and service charges received by City's Estate
City of London Academy Hackney	One Member was the Chair of the Board of Governors of the City of London Academy Hackney	-	247	Grant funding paid by City's Estate
City of London Academy Shoreditch Park	A Member was a Director at City of London Academy Shoreditch Park	-	203	Grant funding paid by City's Estate
City of London Academies Trust	The City Corporation nominated 9 Members to various committees of the City of London Academies Trust and 3 Members are Directors on the Board of the Trust.	-	99	Grant funding paid by City's Estate
City of London Reserve Forces & Cadets Association	One Member was an Executive Committee member, one Member was a Director and The City Corporation nominated two Members to the City of London Reserve Forces & Cadets Association	-	42	Grant funding paid by City's Estate
City of London School Charitable Trust	A Member and Chief Officer were Trustees	469/(1598)	-	Scholarship funding due to be paid by the Trust and due to be received
DLA Piper UK LLP	A member was a consultant to DLA Piper UK LLP, another member was an equity partner	-	(39)	Venue hire charge paid to City's Estate
Dr Johnson House Trust	A Member was a Patron and a Member was a Trustee	15	-	Grant funding paid by City's Estate
Edward Price and Partner Limited	A Member was a director of Edward Price and Partner Limited	(41)	(82)	Rent and service charges received by City's Estate
The Fishmongers' Company (also know as Worshipful Company of Fishmongers)	A Member was a Member of the company and two Members were Liverymen	-	31/(3)	Hire fees paid to City's Estate and compensation payment made by City's Estate
G Lawrence Wholesale Meats LTD	A Member was a shareholder and Director and his son was the Managing Director	(68)	(135)	Rent and service charges received by City's Estate
George Abrahams Group	A Member is the Managing Director	(39)	(142)	Rent and service charges received by City's Estate
Gresham College Council	The City Corporation nominated four Members to the Gresham College Council and one other members was a member of the council	886	784	Grant funding received from City's Estate
Guild Church Council of St. Lawrence Jewry	The City Corporation nominated 3 Members to the Guild Church Council of St. Lawrence Jewry, two Members were Church wardens and one Member sits on the council	138	123	Grant funding received from City's Estate
Guild School Trust	A Member was a Trustee	-	23	Deferred Grant funding received from City's Estate
Institute of Chartered Accountants of England & Wales	Two Members were committee members of ICAEW	-	(11)	Venue hire charge paid to City's Estate
Keltbray Limited	A Member was a consultant to Keltbray Limited	-	(23)	Rent charges received by City's Estate
The Honourable The Irish Society	Fifteen Members were nominated by the City Corporation and sit as part of the governance structure of The Honourable The Irish Society and one Member is a Co-Opted member	30	30	Grant funding paid by City's Estate
King Edward's School Witley	A Member was a Governor of the school and two other members were on the school court	412	169	Grant funding received from City's Estate

Related party (continued)	Connected party (continued)	2024/25 £000	2023/24 £0	Detail of transaction (continued)
London Council LTD	A Member was a Director	-	(567)	Rent received by City's Estate
London Metropolitan University	A Member was the Chair	-	-	Rent and Hire Fees received by City's Estate
Market Provisions (Smithfield) LTD	A Member was the Managing Director	-	(45)	Rent and service charges received by City's Estate
Village Pork (Smithfield) Limited	A Member was a Director	(14)	(26)	Rent and service charges received by City's Estate
Worshipful Company of Information Technologists	One Member was a Liveryman, One Member was a Freeman and Two Members were Members	(11)	-	Venue hire charge paid to City's Estate
Lord Mayor's Appeal Trading Company	One Member was a Director and a Trustee, one Member was a Director and one Member was a Trustee	(24)	(18)	Venue Hire fees received by City's Estate
London Museum	One member appointed as a Member of the Board of Governors and the City Corporation nominated three Members to the Museum of London	293/(12)	-	Rental and venue hire fees paid by City's Estate; Income to City's Estate for services rendered

The following transactions have been disclosed where Members have declared an interest in parties that have transactions with City's Estate during 2024/25:

Related party	Connected party	2024/25 £000	2023/24 £000	Detail of transaction
Aviva	A Member was employed by the company	12	-	Payments from City's Estate for professional services
CBRE Limited	A Member was employed by the company	549	150	Payments from City's Estate for professional services
City of London Academy Islington	A Member was employed by the Academy	-	(17)	Payments received by City's Estate for services provided
		-	261	Grants paid to the Adcademy by City's Estate
London Borough of Islington	A Member was employed by the Council	-	(436)	Grant received by City's Estate as well as provision of services
		-	218	Payment of NNDR by City's Estate to LB of Islington
P J Martinelli LTD	A Member and their Spouse were both Directors and shareholders in the Limited Company	-	(274)	Rent and service charges received by City's Estate
Royal Opera House	A Member was a Friend of the Royal Opera House	(14)	(14)	Venue Hire fees received by City's Estate
City of London School Bursary and Awards Fund	The City of London is the sole Trustee of the Charity	(7)	(7)	Payments received by City's Cash for support costs
City of London School for Girls Bursary Fund	The City of London is the sole Trustee of the Charity	186	146	Match-funding paid by City's Estate
		(56)	(38)	Payments received by City's Estate for support costs
City of London Freeman's School Bursary Fund	The City of London is the sole Trustee of the Charity	-	35	Match-funding paid by City's Estate
		(14)	(8)	Payments received by City's Estate for support costs
Charities Administered in Connection with the City of London Freeman's School	The City of London is the sole Trustee of the Charity	(2)	(4)	Payments received by City's Estate for support costs

23. Contingent Liabilities

City's Estate notes contingent liabilities in relation to its fully consolidated subsidiary, Barking Power Limited. The company has obligations to landowners under the terms of land ownership of the site formerly occupied by Barking Reach Power Station. These obligations include off-site infrastructure remediation, subject to the intention to develop and granting of planning permission to applicable landowners. This is only a possible obligation because it can only be confirmed by the occurrence of uncertain future events not within the City of London's control (i.e. the future actions of external landowners and planning authorities); and likewise, the value cannot be measured reliably.

24. Post Balance Sheet Events

There are no material post balance sheet events.

25. Approval of the Financial Statements

The City's Estate Accounts were approved for issue by the Chamberlain on DD MMMM 2025. Events after the balance sheet date and up to DD MMMM 2025 have been considered in respect of a material effect on the financial statements. Events taking place after this date are not reflected in the financial statements or notes.



[Further Information](#)

City Bridge Foundation - The City Corporation is the sole trustee of City Bridge Foundation, a 900-year old charity which owns and manages five Thames crossings- Tower, London, Southwark, Millennium and Blackfriars Bridges - at zero cost to the taxpayer. The funding arm of City Bridge Foundation distributes funds surplus to bridge requirements and is London's largest independent charitable funder.

City Fund – This Fund meets the cost of the City of London's local authority, police authority and port health authority activities. The Fund generates rental and interest income to help finance these activities. In addition, in common with other local authorities, it receives grants from central government, a share of business rates income and the proceeds of the local council tax.

Creditors – Individuals or organisations to which City's Estate owes money at the end of the financial year.

Current asset – An asset which will be consumed or cease to have value within the next accounting period; examples are stock and debtors.

Curtailement (pensions) – For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service.

Curtailments include:

- a) Termination of employees' services earlier than expected, for example as a result of discontinuing an activity.
- b) Termination of, or amendment to, the terms of a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Debtors – Individuals or organisations that owe City's Estate money at the end of the financial year.

Deferred income – Money received for goods / services which have not yet been delivered.

Defined benefit scheme – A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Defined contribution scheme – A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and has no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Depreciation – The loss in value of an asset due to age, wear and tear, deterioration or obsolescence.

Expected returns on pensions assets – For a funded defined benefit scheme, the average return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

Fair value – Fair value is generally defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction.

Finance lease – A contract or part of a contract that conveys the right to control the use of an asset for a period of time in exchange for consideration.

Goodwill – The purchase goodwill is gain from the land value of the power station sites, which has unlimited useful economic life, FRS102 require this kind of goodwill to be amortised over 10 years, which is the maximum useful economic life of these assets under FRS102.

Heritage assets – A tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Impairment – A reduction in the value of an asset below its carrying amount on the balance sheet.

Income Generating Fund – comprises the asset values of investment properties and non-property investment assets, which generate the income to fund City's Estate activities and services.

Intangible assets – A non-physical item where access to future economic benefits is controlled by the local authority. An example is computer software.

Investment properties – Interest in land or buildings that are held for investment potential.

Local Government Pension Scheme (LGPS) – this is one of the largest pension schemes in the UK. The City of London Corporation's defined benefit pension scheme for non-teaching staff is part of the LGPS.

Net realisable value – The open market value of an asset in its existing use (or open market value in the case of non-operational assets) less the expenses to be incurred in realising the asset.

Operational Capital – Reflects the Statement of financial position for operational assets.

Past service cost (pensions) – For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Projected unit method – An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits

valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- a) The benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependants, allowing where appropriate for future increases.
- b) The accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Provision – An amount set aside in the accounts for liabilities of uncertain timing or amount that have been incurred. Provisions are made when:

- a) The City of London has a present obligation (legal or constructive) as a result of a past event.
- b) It is probable that a transfer of economic benefits will be required to settle the obligation.
- c) A reliable estimate can be made of the amount of the obligation.

Revaluation Reserve – Represents increases in valuations of assets since 1 April less amounts written off due to the 'additional depreciation' (including impairment due to consumption of economic benefit) arising because property, plant and equipment are carried at a revalued amount rather than historic cost. It can also include reductions in values to investment properties where the reductions are not considered to be permanent.

Revenue expenditure – The day to day running costs relating to the accounting period irrespective of whether or not the amounts due have been paid. Examples are salaries, wages, repairs, maintenance and supplies.

Scheme liabilities – The liabilities of a defined benefits pension scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Working Capital Fund – Reflects the Statement of Financial Position for net current assets, long-term debtors and provisions for liabilities and finance leases.

