

For our nation's future

Integrated Annual Report
and Accounts 2024/25

THE CROWN ESTATE

Contents

About this report

An integrated report is aligned with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. In the opinion of the Board, The Crown Estate's 2024/25 Integrated Annual Report is in alignment with the IFRS Foundation's Integrated Reporting Framework.

The Crown Estate Integrated Annual Report and Accounts 2024/25 presented to Parliament pursuant to sections 2(1) and 2(5) of the Crown Estate Act 1961 (as amended by the Crown Estate Act 2025). Ordered by the House of Commons to be printed 30 June 2025. HC 960

To The King's Most Excellent Majesty

May it please Your Majesty, the Crown Estate Commissioners take leave to submit this, their sixty-ninth Report and Accounts, pursuant to sections 2(1) and 2(5) of the Crown Estate Act 1961 (as amended by the Crown Estate Act 2025).

Assurance ⚠

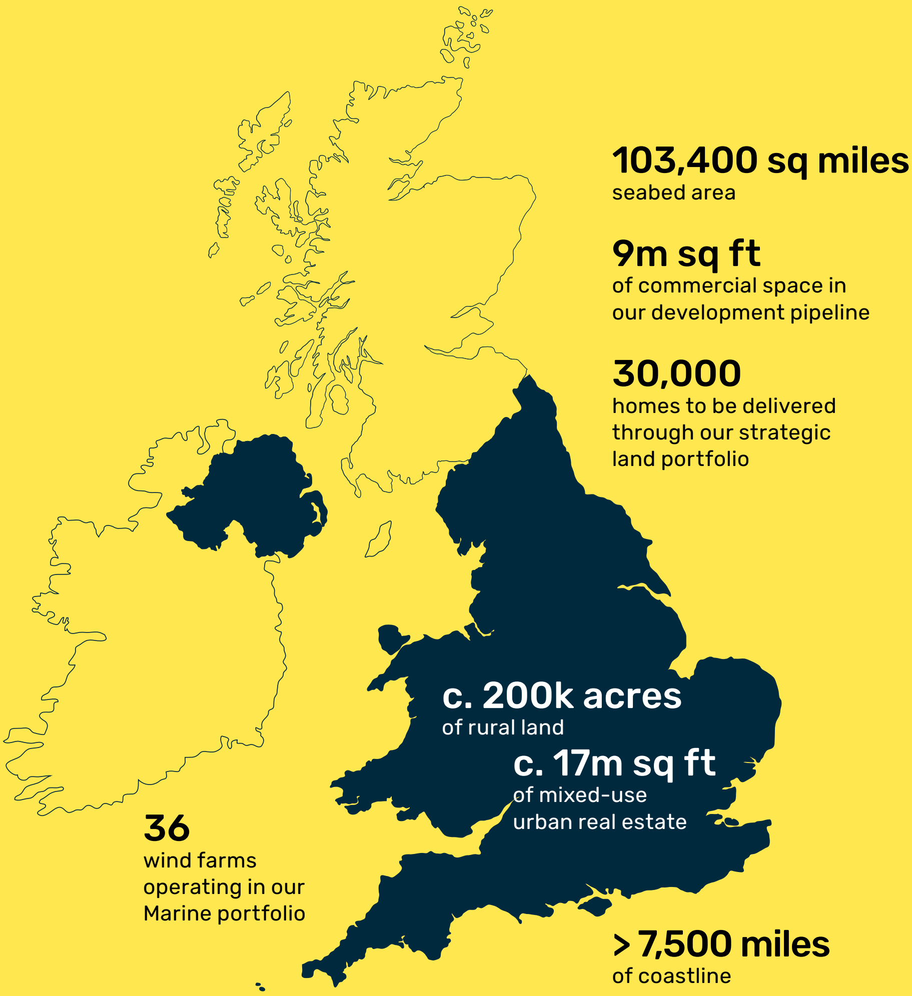
KPMG LLP has provided independent limited assurance over selected non-financial data highlighted in this report with this symbol ⚠. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE (UK) 3000) and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements (ISAE 3410). KPMG has issued an unqualified opinion over the selected data. The KPMG assurance report is available on our website which, together with our Reporting Criteria, should be read in conjunction with the assured data in this report: thecrownestate.co.uk/assurance

About us

We manage land, property and the seabed around England, Wales and Northern Ireland, returning our profits to the Treasury to benefit the nation.

As an independent business with a £13 billion investment portfolio including renewable energy projects, transformational regeneration schemes with a gross development value of up to £44 billion and one of the country's largest rural landholdings, we aim to make an impact for current and future generations.

Our activities are helping to deliver energy security and net zero, protecting and restoring nature, and supporting communities and economic growth while creating financial value for the UK.



How we create value

Established by an Act of Parliament, The Crown Estate sits between the public and private sectors

We operate across three business areas

Marine
We manage the seabed and coastline around England, Wales and Northern Ireland to support the national transition to a resilient, sustainable future.

12GW[A]
current offshore wind capacity

50GW
potential offshore wind pipeline

Urban
Our real estate assets range from London's West End to regional retail and leisure destinations and mixed-use development opportunities.

17 million sq ft
of mixed-use space

9 million sq ft
development pipeline

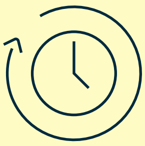
Windsor & Rural
We are stewards of more than 200,000 acres of rural land, including tenanted farmland, uplands and the Windsor Estate and Great Park.

200,000 acres
of rural land

15%
to be dedicated to nature recovery where appropriate

Drawing upon our key strengths

Broad ownership, with a **diverse portfolio of national assets**

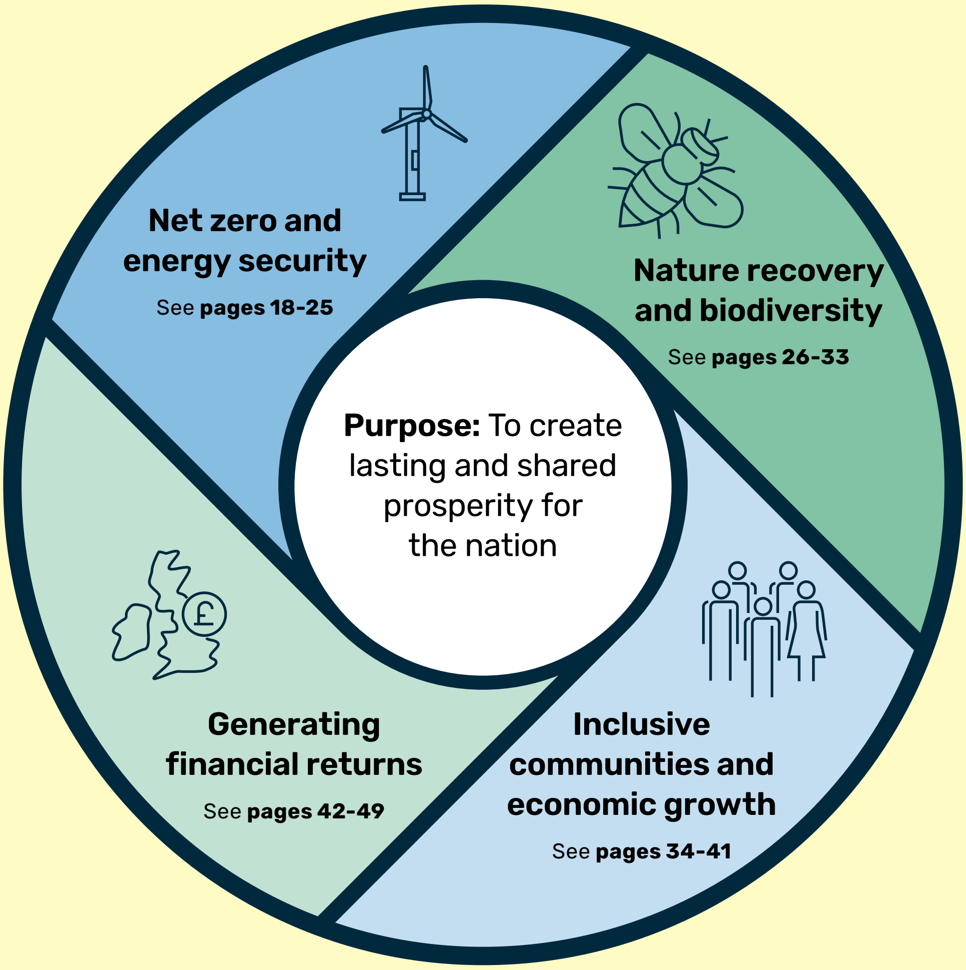


Independence and opportunity to take a long-term view

Ability to **bring stakeholders together** to tackle challenges

[A] Independent limited assurance (see inside front cover)

To deliver our purpose and strategy



Through our core activities

- Investing and developing for the long term
- Active asset management
- Working with our customers
- Harnessing and sharing data
- Building partnerships

For our nation's future

The Crown Estate Act 2025

The passing of the Crown Estate Act 2025, which received Royal Assent in March, was a highly significant moment in our history.

This new legislation enhances our ability to fulfil the duties set out in the Crown Estate Act 1961: to grow the long-term value of the business and the profits it returns to the Treasury for public spending.

Importantly, it provides us with greater flexibility over how and where we invest, as well as the ability to borrow, which we did not previously have. These new powers are vital to enabling us to execute our ambitious strategy to create financial, social and environmental value for the UK.

The 2025 Act increases the maximum number of Board Commissioners from 8 to 12. Three of the new Commissioners will have an additional responsibility to provide advice on conditions in Wales, Northern Ireland or England, further strengthening the Board's ability to act in the long-term national interest.

Under the legislation, all Commissioners are required to consider how our activities contribute to sustainable development in the UK, keeping our economic, environmental and social impact under continual review.

Our performance

Performance highlights for the year ended 31 March 2025

Underlying profit

£1.6 billion

(2023/24: £1.5bn)

Read more on **page 47**

Net revenue profit

£1.1 billion

(2023/24: £1.1bn)

Read more on **page 47**

Revenue excluding Offshore Wind Leasing Round 4 option fees

£560 million

(2023/24: £536m)

Read more on **page 47**

Net assets

£15.0 billion

(2023/24: £15.5bn)

Read more on **page 47**

Cumulative operational offshore wind capacity

12GW (A)

(2023/24: 11.8GW)

Read more on **pages 18-21**

Lost Time Injury Frequency Rate

0.28 (A)

(2023/24: 0.21)

Read more on **page 54**

Employee engagement

77%

(2023/24: 88%)

of employees think The Crown Estate is a great place to work

Read more on **pages 50-51**

Customer satisfaction score

80%

(2023/24: 78%)

Read more on **page 14**

(A) Independent limited assurance (see inside front cover)

All financial figures are prepared on a proportionally consolidated basis. Balance sheet-related items are as at 31 March of each year.

Chair's statement

"The Crown Estate was conceived as an independent, commercial organisation that would serve the long-term national interest. My goal has always been for it to increase its potential over my tenure."

Sir Robin Budenberg CBE
Chair

The Crown Estate's Board and management team are constantly thinking about our responsibilities in terms of stewardship.

Some of the land and property within our portfolio has been part of The Crown Estate for hundreds of years. The task for each successive generation of leaders is to manage those assets and to venture into new areas, ensuring the company is well placed to keep delivering value for the nation for many years to come.

The business I joined as Chair in 2016 was well regarded and financially successful, having been a pioneer in the offshore wind market and transformed Regent Street into a global retail destination. However, the world was changing.

Broader purpose and strategy

The arrival of Dan Labbad, an experienced and visionary Chief Executive, in December 2019 was the start of a new phase. Recognising how an independent and commercial Crown Estate could benefit the country, Dan led a deep strategic review and evolved our purpose to 'Creating lasting and shared prosperity for the nation'. Our approach to value creation also changed, to focus on generating long-term social and environmental as well as financial value. And we began implementing a much broader, more ambitious strategy.

Enhancing our capabilities

To deliver this strategy, we needed to evolve from a traditional property company into an operational business serving a wider range of customers. Dan reshaped the management team to bring in broader experience, and the Board also diversified, helping us to oversee a strategy that spread beyond our historical focus on physical assets and central London.

Over time, the number of our colleagues has grown as we have expanded our priorities, for example, by sustainably managing the ever-growing demands on the seabed; by supporting growing sectors such as science and innovation; by building our digital capabilities to create value from the vast range of data we hold; by creating a Safety First culture; and by serving our customers and communities more effectively.

Generating value

During this period, The Crown Estate has continued to deliver financial value – generating a net revenue profit of over £1 billion for public spending in this year alone. The value of our core property business has continued to outperform its benchmarks despite the dramatic impact of Covid 19. To date, the successful implementation of Offshore Wind Leasing Round 4 has generated an exceptional uplift of £3 billion of option fees. Over the next 20 years, we expect the proportion of our profits coming from Marine to more than double.

We have also created broader value for the nation. Offshore wind delivers an increasing proportion of the UK's electricity; we are supporting nature recovery and biodiversity; and we are progressing urban regeneration projects that will benefit communities and local economies.

Future potential

We are already a leading player in energy security, the built environment and agriculture, three of the most important sectors for the UK, which have all seen dramatic change over recent years. I am confident that our response has only continued to increase our potential.

With the growth of offshore wind and other new technologies such as carbon capture and storage, and tidal power, demand for seabed space has grown exponentially. As a result, we have adopted a more holistic approach to our **Marine** business, managing the different priorities in partnership with our stakeholders to support positive financial, environmental and social outcomes. The seabed is equivalent to double the landmass of England, Wales and Northern Ireland, but the level of competition for even that immense space reinforces our view that there could be significantly more value in the seabed than has so far been reflected in its valuation on our balance sheet.

Our **Urban** business is in the process of redeveloping over a million sq ft of commercial space in London – around a sixth of the space we directly manage in the city. This will allow us to meet our customers' needs as working and leisure demands evolve and to address the need for sustainability in the built environment. Outside London, we have applications under way to build about 5,000 new homes, and we have an ambition to invest £1.5 billion for the development of research and innovation facilities. This level of development will feed through into higher profits, lower carbon emissions and real social impact.

We are investing once more in our **Windsor & Rural** portfolio. The Windsor Estate, while hosting over 5 million visitors a year, is implementing its most ambitious landscape replanting and restoration programme in three centuries to deliver nature recovery and to develop expertise for use across the country. Our Rural business has been revitalised, with new ideas and acquisitions that reinforce our position as a leading rural landowner. We are working with our tenant farmers to deliver our strategy to support a sustainable future for the sector.

The past year has seen two further developments that will have a fundamental impact on our ability to create value in the long term.

The passing of the **Crown Estate Act 2025** was an historic moment – giving us the ability to invest billions of pounds extra to gain the full benefit of our long-term strategy. The 2025 Act expands the range of business activities we can participate in, a flexibility that could be vital as we seek to create lasting benefit, including by supporting the future of the offshore wind sector in a tough global market. These enhanced capabilities will increase our impact over time, and return greater profit to Treasury for spending on vital public services.

The partnership we signed with **Lendlease** in May 2025 gives us access to future development potential of up to 19 million sq ft of space – around double the size of our existing central London portfolio and covering a much broader range of locations and uses, including extensive housing. The Crown Estate's capital and position between the public and private sectors will support Lendlease as an experienced development partner to deliver a long pipeline of projects that stand to unlock significant value for the country.

Lasting value

My goal has always been for The Crown Estate to grow its potential over my tenure. Thanks to the vision and tenacity of Dan and the wider team, of my fellow Commissioners and of our stakeholders, there are strong foundations in place for future value creation that will ensure we are able to continue to fulfil our mandate.

There are many challenges to overcome before that potential can be fulfilled and I am delighted that Ric Lewis will be taking on the role of Chair to help guide the business through them.

It has been a privilege and a personal pleasure to Chair an organisation run by such an outstanding leader as Dan and with such an engaged and talented set of colleagues. I wish them and Ric all the very best in delivering the potential that has been created over recent years, and in generating further potential for future generations.

Sir Robin Budenberg CBE
Chair

17 June 2025

Our growing potential

50GW
potential pipeline of offshore wind capacity in our Marine portfolio; more than enough to power every UK home

1 million sq ft
of workspace being modernised in London, enough to cover about 13 football pitches

100,000
jobs could be created through the proposed joint venture with Lendlease

£1.5 billion
commitment to invest in science and innovation

£24 billion
gross development value of the Lendlease joint venture's programme

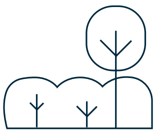
15,000 acres
of rural land dedicated to nature recovery

Chief Executive's review

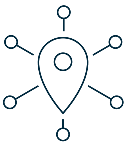
"While the landscape around us is continuing to change rapidly, our priority remains clear: to create a tangible, positive impact and a legacy for future generations."

Dan Labbad
Chief Executive

£5 billion
generated for spending on public services over the past decade



700 acres
of new woodland created through our Rural Environment Fund to date



19 million sq ft
of development space could be delivered through our partnership with Lendlease

At a time when global events are unfolding unpredictably, with issues from economic order and AI to security and climate change putting people and organisations under pressure, it's easy to get caught up in the moment.

Preparing an annual report offers a helpful opportunity to step back and reflect – not only on how we are navigating these times and delivering today, but on how we are protecting and leveraging The Crown Estate's potential to create lasting value for the nation.

Looking back on what we've achieved in 2024/25, we can share examples from across our portfolio of how we are delivering across every part of our business to address national needs where we can have most impact. Our strategy has four focus areas:

- Generating financial returns
- Net zero and energy security
- Nature recovery and biodiversity
- Inclusive communities and economic growth

While they are closely interlinked, and many of our activities will create value against them all, it is helpful for reporting purposes to consider them one by one.

Generating financial returns

This year, we are proud to return a net revenue profit of £1.1 billion (2023/24: £1.1 billion) for public spending. These strong results include the exceptional short-term uplift from Offshore Wind Leasing Round 4 (Round 4) option fees, and interest received on our cash balances.

Our Marine business has played a key role in building the UK's position as a world leader in offshore wind since the first turbines were installed at Blyth, Northumberland some 25 years ago. Our longstanding commitment to the sector is increasing energy security, supporting national decarbonisation and creating economic opportunity, as well as delivering significant funds for the public purse.

As highlighted last year, we expect 2024/25 to be the high point for revenue from Round 4, as we recognised a second full year of option fee income of £1.1 billion (2023/24: £1.0 billion). As in 2023/24, this was matched by a corresponding reduction in the Round 4 valuation from £1.5 billion to £407 million. We are working closely with developers to move their projects into the construction phase as quickly as possible, at which point option fees will cease and our Round 4 income will reduce to £25 million per annum and our results will return to a more normalised level of growth. Round 4 is explained in more detail on page 46.

This is undoubtedly a challenging moment for the sector, which is facing global pressures such as rising costs and supply-chain constraints, and we are engaging with our customers to navigate through and achieve long-term positive outcomes. Offshore Wind Leasing Round 5 is progressing, with enough potential capacity to power around 4 million homes. In June 2025, we awarded seabed rights for two projects and a process for a third site to be delivered is underway.

We are further investing in the future of the sector through our Offshore Wind Evidence and Change programme (see page 21) and by supporting the development of the UK supply chain. Our Marine Delivery Routemap (see page 25) is further intended to de-risk development by giving visibility of geospatial plans out to 2050.

Beyond offshore wind, we are engaged in active asset management across our Marine, Urban and Windsor & Rural portfolios. Our underlying business performed in line with expectations, exceeding our Treasury-agreed net revenue profit target by £7 million.

Despite some uncertainty in the market, five years on from the pandemic, prime real estate is recovering. Our London and Regional real estate outperformed the MSCI bespoke commercial property benchmark by 1.3%. Strong demand for retail and leisure destinations drove rental growth of 1.8% for our Regional portfolio, while a scarcity of prime office space in London helped us achieve rents of 1% over estimated rental value. Modernising our commercial buildings in London and developing new science and innovation workspace in Oxford and Cambridge has left some space vacant, reducing profit levels in the short term – however, the works will position the portfolio for future growth.

Our Windsor & Rural business continues to diversify and broaden its impact; this year's revenue increased by 22% following the transfer of the Windsor Farms and Farm Shop in March 2024.

Over the next three years, we expect our underlying operating profit (excluding Round 4 income) to broadly grow as offshore wind farms continue to progress to their operational phase; as projects in our Urban development pipeline complete; and as we drive efficiency in our cost base. While capital values are always susceptible to market movements, the strength and diversity of our portfolio, enhanced by the targeted investments we have made in recent years, should lead to significant capital growth in the medium to long term. This is the cornerstone of our ambition to build a balance sheet legacy that can continually support financial, environmental and social value creation for the UK. For more on our financial performance, see pages 42-49.

Net zero and energy security

As a national landowner with responsibility for the seabed, The Crown Estate has a unique opportunity to contribute to the UK's energy security and decarbonisation. Renewable energy is central to our ambitions, and amid wider uncertainty in the sector, we have an opportunity to enhance the country's status as a world leader in offshore wind and a stable market for future investment.

We are therefore working with our developer customers to expand offshore wind capacity from its current levels of 12GW⚠ around the coast of England and Wales. For example, we are maximising the potential of existing wind farms through our 5GW Capacity Increase Programme; accelerating the delivery of Round 4 projects that stand to generate another 8GW of electricity each year; and supporting necessary upgrades to the electrical grid (see Net zero and energy security, pages 18-25). Partnering with Great British Energy is an important strategic alliance that will help to accelerate vital progress.

We are also backing innovative new technologies that can further support decarbonisation while creating jobs and economic growth. This year, we continued working to put cutting-edge floating wind farms into the Celtic Sea by progressing Round 5 to auction; as well as supporting Morlais, one of the world's largest tidal power demonstration projects, in Wales; and facilitating the UK's first carbon capture and storage test injection (see page 22).

We have set ambitious targets to decarbonise our own operations, and I am pleased to report that we once again met our target to reduce energy consumption in our buildings, which is now down 20% against a 2021/22 base year. Our London development pipeline will make a further contribution over time, as we retrofit heritage buildings to become more energy efficient. Our project at New Zealand House is a wonderful example, preserving 90% of the original structure of this landmark building while using high-tech glazing to improve thermal performance.

Our work to restore nature also has a vital role to play in decarbonisation, flood protection and climate resilience.

Nature recovery and biodiversity

Launching our Ambition for Nature this year was a step change in The Crown Estate's approach to nature recovery. Developed in partnership with a wide range of experts and stakeholders, it sets out our commitments to increase our positive impacts on urban, rural and marine habitats.

Our work at Windsor Great Park shows these commitments in action, as our team planted more than 2,000 trees and 30,000 plants in 2024/25. Each year, more than 5 million people visit this extraordinary natural asset, which we hope contributes to their wellbeing and inspires them to care for nature wherever they are.

We continue to work with our tenant farmers to create environmental plans for their farms. To date, 200 miles of new hedgerows and 700 acres of woodland have been planted with support from The Crown Estate Rural Environment Fund, providing habitats for birds and other wildlife, and helping to build resilience to floods and soil erosion. We are adding more planting to our urban real estate and building nature-rich green and blue space into all our development plans.

As custodians of the seabed, we have a unique opportunity to support the marine environment through spatial planning for nature. We are also funding extensive research and supporting restoration of key species and habitats. Pages 26-33 set out more detail on these and other activities.

Inclusive communities and economic growth

We are committed to supporting communities and fostering economic growth across the UK through targeted investment, partnerships and innovation that aim to deliver long-term value for people and places.

Modernising our assets in London, whose status as a global city is a major driver of national growth, is a core part of our strategy. This includes working

⚠ Independent limited assurance (see inside front cover) closely with Westminster City Council on the future of Regent Street (see page 37), drawing on an extensive public consultation to deliver an exciting new vision that stands to connect two major parks and make the West End more accessible to people of all backgrounds. We are working with the Greater London Authority and Transport for London to integrate the proposals with nearby plans, such as the pedestrianisation of Oxford Street.

There is huge opportunity in offshore wind, and we launched the Supply Chain Accelerator to help smaller businesses grow in the sector. It has been inspiring to meet some of the people behind businesses that succeeded in the first funding round, which totalled £5 million, and I look forward to seeing the outcome of our second round later in 2025.

On a related note, we are continuing to invest in science and innovation, aiming to diversify our business, support local regeneration and contribute to future economic growth. We are now working to deliver accessible high-tech workspace in Cambridge and Oxford, in partnership with Oxford Science Enterprises and Pioneer Group. Our ambition is to invest up to £1.5 billion in the sectors nationally over the next 15 years.

There is an urgent national need for housing that must be addressed, and we are making a contribution through our strategic land portfolio, progressing projects in the South East and North West of England (see pages 36-37) in close consultation with the surrounding communities. While these projects are relatively small-scale, they are testing and demonstrating sustainable design and construction innovations with the potential for wider application in the sector.

Northern Ireland

It was a pleasure to meet with Ministers and officials on a visit to Belfast in October 2024. It was helpful to learn more about their objectives and how The Crown Estate can support delivery, drawing on our track record in renewable energy and other areas. We look forward to working together even more closely to create lasting positive outcomes in Northern Ireland.

Our new partnership with Lendlease (see panel on page 11) will further help us to increase the impact of our strategy and take The Crown Estate's reach well beyond the West End of London into new areas such as Greenwich and Haringey, as well as the prominent Smithfield district in the centre of Birmingham. The joint venture has the potential to deliver more than 10 million sq ft of science, innovation and technology workspace, more than 100,000 jobs and about 26,000 new homes, set across an exciting programme with a gross development value (GDV) of up to £24 billion. While the agreement is still conditional, the scale of this opportunity to grow the value of our portfolio while leaving a lasting impact is significant.

Business transformation

Over the past five years, The Crown Estate has been on a journey to ensure we have the capability to deliver on our ambitions, and while we are now firmly in the delivery phase, we are still evolving to ensure we maximise our impact across our four strategic pillars.

Safety remains the foundation of everything we do. This means driving a culture of supporting health, safety, security and wellbeing in our own organisation and the sectors in which we operate, from construction to agriculture. More details of our activities and performance are outlined on pages 54-55.

Customer relationships have been a focus for all business units. While we are still working to improve the consistency of our customer service, our teams work hard to support our customers – from urban retailers to ports, farmers and developers – and satisfaction scores are good overall.

The decision this year to merge our London and Regional teams into a single Urban business unit is enabling us to operate more effectively, helping to reduce duplication and share best practice – as well as execute a significant development pipeline across the country.

More broadly, we are continuing to enhance our culture and working to attract the best talent from all backgrounds to our business. It is a positive sign that our gender pay gap has reduced this year, and we have also published our ethnicity pay gap as part of our ongoing commitment to diversity, equity and inclusion.

Our digital capability has grown significantly, helping us to harness the power of data to make our business more effective and sustainable. From sophisticated geospatial planning (see page 56) to detailed insights into energy and carbon use, we have developed bespoke platforms to help us drive our goals forward – and we are increasing our use of AI tools to unlock new opportunities and efficiencies.

An award for Adventure Play

Adventure Play, the timber playground at Windsor Great Park, is extremely popular with young families including my own. The design includes quiet spaces and sensory elements that support neurodiverse needs. In November, we were delighted to learn that it had won a Thea Award – the equivalent of an Academy Award for themed entertainment. The ceremony in March gave us an opportunity to showcase the Windsor Estate, and what makes it special, to a global audience.

Impactful oversight

Managing national assets for the long-term benefit of the country is a significant responsibility, particularly as the world around us continues to change rapidly.

On a personal note, I will always be deeply grateful for the wisdom and leadership of Sir Robin Budenberg CBE, who has been an extraordinary Chair over the past nine years. His unwavering belief in the potential of this unique organisation, coupled with his dedicated focus on our mission, has been truly inspiring. Robin's guidance has not only strengthened The Crown Estate but has also left a lasting impression on me as a leader. He leaves behind a legacy of progress and purpose for which we are grateful and proud in equal measure.

As we work to build on the achievements of recent years, we are extremely fortunate to be joined by Ric Lewis as our new Chair. Ric's deep personal alignment with our values, together with his extensive experience, strategic thinking and drive, will help us to remain accountable as we realise our potential even further in the next chapter of our journey. On behalf of the entire team, I'd like to take this opportunity to welcome Ric to The Crown Estate.

At this moment in time, our unique remit and resources give us a real opportunity to make a meaningful difference for future generations. Our current work, combined with new activities in exciting areas such as renewable energy, life sciences and housing, offers The Crown Estate the dual opportunity of delivering for communities today while building foundational wealth for the country. This notion is genuinely exciting, and demonstrates the ambition towards which we ultimately strive. While we may encounter setbacks, by staying focused and practical, we aim to ensure The Crown Estate continues to contribute to the country's progress, prosperity and resilience.

Dan Labbad
Chief Executive

17 June 2025

Partnership with Lendlease

In May 2025, we announced a transformational partnership with Lendlease, which specialises in delivering regeneration projects.

Our conditional agreement proposes to create a 50/50 joint venture that will deliver six major projects across London and Birmingham.

Including substantial residential and commercial space and supporting infrastructure, the masterplans are designed to address long-term challenges by providing high-quality affordable housing, boosting economic growth, reducing social inequality and tackling the climate crisis. The six projects are:

Euston Station, London

Covering 60 acres, the space around and above the proposed high-speed railway terminus has the potential to deliver around 4.3 million sq ft of commercial space and 2,000 new homes.

Silvertown, London

A 60-acre site that could provide about 1.3 million sq ft of commercial space and 6,300 new homes.

Smithfield, Birmingham

Spanning 40 acres, this development (pictured below) aims to offer over 2 million sq ft of commercial space and 3,400 homes.

Stratford Cross, London

Comprising three land plots, this project is set to deliver more than 1.6 million sq ft of commercial space.

Thamesmead Waterfront, London

Covering 250 acres, this site has the potential for over 11,000 homes and 880,000 sq ft of commercial space.

High Road West, London

This 27-acre development in Haringey is expected to provide over 100,000 sq ft of commercial space and around 2,800 new homes.

Lendlease will continue to act as the development manager across the portfolio. The Crown Estate will use its position to support the joint venture's establishment, working closely with Lendlease and other partners over the months ahead to satisfy the conditions required to complete the agreement.

10 million sq ft
workspace to be delivered together

26,000
homes to be built in addition to our current pipeline

Our context

Our external context

As an independent company operating for the long-term benefit of the country, we continually assess trends and shifts in the world around us, analysing where we can make a difference to national needs.

An uncertain economic outlook

64%
of adults around the world believe their national economy is in bad shape

Source: Pew Research Center / December 2024

Recent trends in global politics have led to greater implementation of protectionist policies, which are influencing global trade dynamics and cross-border action on climate change. This shift is affecting supply chains and has implications for food and energy security. At the same time, there continues to be an opportunity for the UK to offer a stable investment environment, which we aim to support through our focus on key sectors such as science and innovation.

Accelerating climate and nature crises

3.1C
current trajectory vs **1.5C** warming pathway agreed in the Paris Agreement

Source: Emissions Gap Report 2024 / UNEP – UN Environment Programme

Climate, nature and human wellbeing are closely interconnected. In recent years, millions have been affected by heatwaves, extreme weather and floods – including in the UK – with the greatest impact falling on the more vulnerable. Bold action is needed to reverse nature loss, reduce carbon emissions and help people and places adapt to the change that is already occurring.

A shifting political landscape

16
Devolved mayoral authorities to rise from **12** to **16** by the end of 2025

Source: Devolution revolution: six areas to elect Mayors for first time – gov.uk

Since the late 1990s, there has been a push for more legislative and financial powers to be devolved to nations and metropolitan regions. Decentralisation offers benefits by bringing decision-making closer to those who are impacted. Our nationwide footprint means that we need to work with local, regional and national leaders to ensure our strategy has the greatest impact, adding value for communities around the country.

The role for the state for economic stimuli

£5.8 billion
capital allocated to key sectors through the National Wealth Fund

Source: Chancellor sets out strategic priorities for National Wealth Fund / National Wealth Fund

Against a backdrop of fiscal constraint, the UK Government is seeking to stimulate the economy through interventions such as establishing a National Wealth Fund and reforming the planning system. There will be opportunities for The Crown Estate to support in delivering in areas of national interest, for example, through helping to accelerate energy transition and our partnership with Great British Energy.

Global and regional inequality

8.7%
increase in UK private rents in the year to October 2024

Source: Joseph Rowntree Foundation

The impacts of geopolitical events, climate change and nature loss continue to be felt unevenly. Around the world, the number of people forcibly displaced from their homes has doubled in the past decade. The UK continues to have one of the highest levels of income inequality in Europe according to OECD data; living costs are rising and regional disparities are widening. As a national landowner, we need to listen carefully to communities and consider how our actions impact social inclusion and address inequality.

Strain on social infrastructure

>1 .5 million
UK households waiting on a social home

Source: Crisis UK

Amid an ongoing national housing shortage and pressure on public services, families, individuals and particularly young people are feeling the strain of falling living standards. We have an opportunity to play a role by delivering new, high-quality homes and workspace at scale, through our existing pipeline and our proposed joint venture with Lendlease. Several of these projects, such as Cambridge Business Park, connect with wider local regeneration plans.

Artificial intelligence (AI) and cyber security

1.5% points
estimated annual boost to productivity from embracing AI

Source: IMF

Data, digital solutions and AI have the potential to solve some of the greatest challenges of our time. They are also transforming the workplace, changing the types of skills needed, and making data protection and cyber security more important than ever. For the UK to achieve its ambition of becoming a digital-first economy, retaining its competitive edge as the next generation of technologies emerges, significant investment will be needed. We have an opportunity to drive progress by sharing valuable datasets and investing in high-tech lab and workspace.

Stakeholder engagement

Listening to the expertise and unique insights of our colleagues, communities, policymakers, partners and customers helps shape our approach and make decisions that benefit the country. We collaborate with a wide range of stakeholders to address system-level challenges such as the transition to renewable energy and biodiversity loss, so that we can deliver impact on a national scale.

The Crown Estate Act 2025 gives us the ability to deliver on a greater scale than at any time in our history. To achieve that, we are focused on increasing how much we engage, where we engage and who we engage with, so that we can design relevant and impactful interventions for the benefit of our nation's future.

For more information on how our Board has worked to comply with the requirements of section 172 of the Companies Act 2006, see page 96.

"The unique insights of our stakeholders – from MPs to conservation bodies to local communities – help us to make better decisions for the country."

Emily Weighill
Executive Director, Corporate Affairs

HM Treasury

HM Treasury is The Crown Estate's sponsor department, to which we return our net revenue profit, and the Financial Secretary to the Treasury is our sponsoring minister. We share a common objective of ensuring The Crown Estate fulfils its core duties set out in the Crown Estate Act 1961, as well as the Crown Estate Act 2025. We are overseen by an Independent Board of Commissioners. A Framework Document sets out how we work together with HM Treasury. Read more on page 89.

The Sovereign

Our assets are hereditary possessions of the Sovereign held 'in right of the Crown'. This means they belong to the Sovereign for the duration of their reign, but cannot be sold by them, nor do revenues from the assets belong to them. We manage The Crown Estate under the Crown Estate 1961 Act and the Crown Estate Act 2025. Our net revenue profit is returned to HM Treasury. We are required to report to His Majesty The King on our performance. Read more on page 89.

Customers

The people who occupy our places and spaces, taking leases for offices, shops, restaurants, residential homes, offshore wind farms, ports, marinas, farms, and much more. Our customers are central to our ability to achieve our purpose, providing income which is returned to citizens via spending on public services by the UK Government, and by working together to achieve shared goals on net zero, nature recovery and communities.

How we engage

We aim to develop relationships with our customers beyond the transactional, working in partnership with our customers to deliver long-term social, environmental and economic impact. We have a renewed focus on building closer relationships where the customer leads the conversation, where we listen to their needs and priorities, respond in a timely and impactful way and identify common goals.

We've increased face-to-face engagement with our customers, and have been investing in new technologies which allow us to engage with all our customers more consistently and effectively than ever before. Our events create opportunities for our customers to convene on topics of shared interest.

Example outcomes of in-year engagement

- More active engagement is helping us build stronger relationships, creating a powerful base from which we can work together to deliver broad value. Through shifting our engagement approach, our overall customer satisfaction is 80%, up from 78% last year. We achieved 97% customer satisfaction for our Windsor residential customers, 91% for tenant farmers, 87% for Marine customers and 86% for Regional customers.
- In some areas, such as for our London customers, our satisfaction scores are at an average of 70%, which is below the level we strive for. Bringing our London managing agent in-house means we can now engage directly, understand their needs and concerns, and begin the process of improvement.
- Engagement has enabled us to map our customers' priorities against our strategic objectives, allowing us to develop relationships beyond the transactional, towards working in partnership to deliver long-term social and environmental impact.

Our people

Our people are proud to be part of a business with purpose. Colleagues work together and contribute diverse perspectives to deliver on our strategy, guided by our values and in service of our customers.

How we engage

We listen to – and act upon – feedback through our One Voice employee surveys. Leadership development, employee engagement through DEI networks and listening circles, and our Talking Talent practice are key to evolving our culture to be inclusive, innovative and enable growth.

We celebrate our people and their successes through our Impact awards and all-company events.

Company news and insights are shared through regular sessions with the Chief Executive and the Group Leadership Team, internal social media channels and 'Lunch and Learn' sessions. Learning and development opportunities support colleagues to build cross-team relationships and feel part of the whole enterprise.

Example outcomes of in-year engagement

- 91% of our people are proud to work for The Crown Estate, 90% believe in our purpose and 82% would recommend it as a great place to work.
- 18% of our people are engaged with DEI-related activities across the business, and we have met four out of our five stretching DEI targets.
- Our Lived Experience review provided an in-depth understanding of the experiences of our under-represented groups and the inclusivity of our culture, and led to the creation of our Inclusion Index.

Partners

Our partners are a diverse range of organisations we work with across the country. Given the complex national systems and different communities we work in, they are core to the delivery of our ambitious purpose and strategy, helping deliver far greater impact and change than we ever could on our own.

How we engage

Our place-based partnerships help us to understand local needs and deliver far greater, and more relevant, impact then we ever could on our own. We work with partners in an open, transparent manner: listening, innovating, delivering and learning together.

We use the latest data and insights and our wide stakeholder networks to agree shared objectives and activities that help turn bold ideas into reality.

This is supported by our customer relationship management system, artificial intelligence, independent research, site visits, face-to-face meetings and presentations at joint events.

Example outcomes of in-year engagement

- Our partnership with Oxford Science Enterprises, announced in May 2024, is part of a commitment to deploy £1.5 billion to support the UK's science, technology and innovation sectors over the next 15 years. We announced a strategic £125 million investment in Oxford and are developing plans for a new global innovation district on our land in Northeast Cambridge.
- Our engagement with the farming community and the Tenant Farmers Association has led to new innovative Environmental Farm Business Tenancies which, provide a way to balance environmental outcomes within a financially viable farming model.

Stakeholder engagement continued

Governments, regulators and UK Parliament

By working collaboratively with policy and political decision makers at UK, devolved, regional and local government levels – including relevant regulators and statutory bodies, and Members of Parliament and Peers – we can better understand the local and national context, the needs of stakeholders, communities and businesses, and how we can add value.

How we engage

We contribute our perspectives and policy recommendations to the work of governments, regulators and Parliament; and also ask statutory nature conservation bodies, industry groups and UK Government representatives to help to shape our work in line with our strategy and purpose.

We do this in a broad variety of ways, including providing evidence to Parliamentary Committees, hosting Parliamentary receptions, convening stakeholders on topics of national need and through formal partnerships.

Example outcomes of in-year engagement

Through this engagement, we are supporting government agendas to drive economic growth whilst balancing biodiversity and sustainability ambitions; and working with partners to drive growth and contribute data, evidence and information to support policy development. Examples include:

- In January 2025, our Parliamentary Nature Reception raised awareness of our nature commitments, helping embed the inclusion of a sustainable development amendment in the Crown Estate Act 2025, which gives us the licence to focus resource and investment in this critical area.
- Our partnership with Great British Energy will support the accelerated delivery of clean energy infrastructure, benefiting millions of homes and businesses across the country. Read more on page 21.

Communities

By engaging with the people who live and work in the communities in which we operate, we can shape our approach to deliver better outcomes for everyone.

How we engage

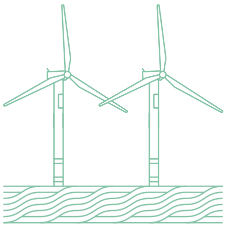
We try to engage at an early stage with the aim of empowering people and communities to have greater opportunity to influence their future. Our methods for engaging are grounded in listening as much as sharing information. They include drop-in sessions, workshops, research, work with schools and young people, and community advisory panels. We aim to be inclusive, proactively seeking views from all sectors of a community, including those representing protected characteristics.

Example outcomes of in-year engagement

- During early engagement around our development plans for our site at East Hemel, we learnt about the importance of local cultural identity and residents' desire to protect it. As a result, we have developed plans that help respect and maintain that existing identity, while connecting with the new development, demonstrating that residents' voices are integral to the design process. Read more on page 36.
- In September 2024, the first cohort of students began studying a new GCSE-equivalent qualification focused on engineering skills for renewable energy at Falmouth Marine School. The Crown Estate seed-funded the Pre-16 Engineering Programme following engagement with communities in the South West, to help young people benefit from the floating offshore wind development planned for the Celtic Sea.

Strategic review

Net zero and energy security



25
years operating at the forefront of UK offshore wind

15 million
tonnes of CO_2 displaced by the use of offshore wind energy from our portfolio

14%
of the UK's energy needs being met by the sector (excluding Scotland)

"Our efforts to build renewable energy capacity are not only supporting decarbonisation but also benefiting nature and communities, while delivering financial gains for the UK."

Anna Swaithes
Chief Sustainability Officer

These are the UN Sustainable Development Goals that relate to this strategic objective, and to which we seek to make a positive contribution:

The world as we know it is changing, and the national need for energy security and decarbonisation has never been more urgent. With a £13 billion portfolio of assets – including the seabed around England, Wales and Northern Ireland, as well as significant land and real estate – The Crown Estate has a responsibility to act.

We see ourselves as having a dual role to play, with both aspects being important to securing new revenue streams and the long-term resilience of our business.

First, we can contribute to national decarbonisation by driving up capacity in renewable energy – particularly through offshore wind, which is a major opportunity for the UK, an island nation, to build its energy security and reduce reliance on imported fossil fuels.

To date, our longstanding investment in the sector has facilitated 12GW (an increase of 0.2GW compared with 2023/24) of annual clean power capacity – about 14% of the UK's energy requirements, displacing an estimated 15 million tonnes of CO_2 in the past year alone. We are working to grow our impact by expanding the capacity of several existing lease areas, and by progressing significant new leasing rounds that will further grow the country's leadership in the sector. The potential pipeline around England, Wales and Northern Ireland now stands at 50GW in total.

The second part of our work is to decarbonise our own operations. Working against a 2022/23 carbon base year, we have set a target of cutting our emissions by 42% by 2030, and by 90% by 2050, with the remaining 10% to be compensated through carbon removals and/or high-quality carbon offsets. For more information on our emissions and energy usage, see pages 23-24.

With a diverse business spanning urban real estate, rural land and the seabed, we are working to define how we will achieve these targets across our business units. Our Value Creation Framework also guides us to make decisions that take into account the carbon cost of our actions, for example, on development plans for St James's Market in London (see page 24).

Ultimately, delivering energy security and decarbonisation is a multi-dimensional challenge, with the solutions still being determined. Our work to drive progress at an organisational and a national level is informed by the latest data, evidence and best practice. We are building and sharing our own datasets – including through the Offshore Wind Evidence and Change (OWEC) programme, see page 21 – and partnering with others to develop new approaches through initiatives such as the Blue Carbon Accelerator.

We have developed our approach in line with global standards such as the Greenhouse Gas Protocol, and we use leading industry frameworks to track our progress and consider our financial, social and environmental risks and opportunities (see pages 66-77).

As the effects of climate change become apparent around the world, including in the UK, we are broadening the scope of our work beyond the adaptation of our own portfolio to consider our role in building resilience at a local and national level.

This section is divided into two parts that illustrate our significant contribution to national decarbonisation and our proactive efforts to reduce our own emissions. Our goal is to show leadership in both areas, working with others to increase our impact over time.

A Independent limited assurance (see inside front cover)

Supporting the UK's energy transition

Our role in managing the seabed around England, Wales and Northern Ireland gives us a unique opportunity to drive and accelerate the national clean energy transition.

We are playing a pivotal role in helping to drive the UK's leading position in offshore wind, and working to grow capacity in line with the government's Clean Power targets. Through our position between the public and private sectors, we are able to take a long-term view and offer clarity and stability to developers.

We are also helping to develop new technologies such as carbon capture and storage and tidal power, and working to influence wider industry through innovative projects such as the Marine Delivery Routemap (see page 25) and our sustainable housing pilots (see pages 36-37).

Offshore wind

The Crown Estate has now been active in the offshore wind sector for a quarter of a century. There are 36 operational wind farms in our Marine portfolio, and we are working with partners to deliver seabed space to support the UK Government's target to deploy up to 50GW of capacity by 2030.

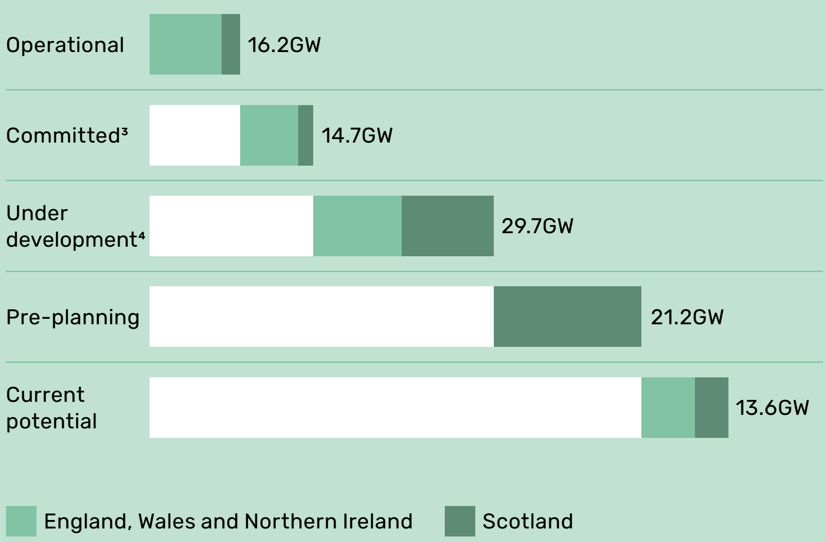
Delivering on these plans (which are outlined in more detail in our Future of Offshore Wind report) is essential to reducing reliance on fossil fuels – supporting national carbon goals and building energy security, while creating economic opportunities and financial value for the nation over time.

Offshore Wind Leasing Round 4 (Round 4) has a major part to play, with the potential to generate up to 8GW of electricity – enough to power 8 million homes. All Round 4 projects are now in their consenting stage, and we are working with developers to continue progressing at pace. Option fees for these projects have generated significant financial value for the nation this year; however, this will reduce as our customers are expected to enter their leases and begin construction from early 2026 (read more on page 46).

Announced in May 2025, our Capacity Increase Programme could generate an additional 4.7GW of electricity annually by amending existing seabed rights to increase the capacity of seven offshore wind farms around England and Wales.

We have also progressed the Round 5 leasing process, which is expected to award rights for innovative floating wind farms in the Celtic Sea, which could generate up to 4.5GW a year. The advancement of floating offshore wind technology means wind turbines can be placed in areas with greater water depths, where the wind is often stronger and more consistent. This offers a generational opportunity for the UK to be at the forefront of an exciting new global industry, creating opportunities for new jobs, investment and growth across Wales, South West England and beyond.

UK total offshore wind pipeline at 31 March 2025 (including Scotland)



The UK pipeline currently stands at **81.8GW**[1]

with the potential to become **95.4GW**[2]

1. 81.8GW comprises those projects operational, committed, under development and in pre-planning.
2. Subject to new leasing.
3. Committed: Capacity under construction or projects that have government support on offer.
4. Under development: Capacity that has an Agreement for Lease and has either received planning consent or is in planning and has not reached final investment decision.

OWEC: Building knowledge around offshore wind

The Offshore Wind Evidence and Change (OWEC) programme funds a range of projects to de-risk and accelerate the delivery of clean offshore technologies while supporting the UK's position as a global leader in offshore renewables. With a £50 million investment from The Crown Estate and more than £12 million in partner contributions, OWEC is helping to enable the UK's energy transition while ensuring marine and coastal ecosystems thrive.

OWEC is led by The Crown Estate in partnership with the Department for Energy Security and Net Zero (DESNZ) and the Department for Environment, Food and Rural Affairs (Defra), and brings together 26 government organisations, industry bodies and environmental NGOs to drive collaboration and action.

The programme plays a pivotal role in creating data to inform the future development of offshore wind and co-ordination of activities across the marine space. Launched in 2020, it has funded 42 projects to date, addressing key knowledge gaps and enhancing our understanding of the seabed and its complex interdependencies.

While much of this research is still ongoing, early outputs are already helping to inform planning and policy direction. For example, the Strategic Marine Net Gain (MNG) Delivery project informed a Defra consultation on MNG principles; while the East Coast Grid Spatial Study was a key input for Ofgem's consultation on offshore energy networks.

This year, we launched five new projects that will fill critical evidence gaps, helping to accelerate offshore wind deployment and support marine and coastal ecosystems. The programme team is currently working with all current projects and key stakeholders including governments to ensure the research supports positive outcomes for climate and nature.

£62 million
investment in offshore wind research

42 projects
addressing knowledge gaps and informing policy

Through the long-term nature of our business model, our partnership with Great British Energy and our work with the National Energy System Operator (NESO) to improve grid connections, we aim to build a stable and attractive market for investors and developers in these and future offshore wind leasing rounds. We are also working to support skills development (see page 38) and grow UK supply-chain capacity through our Accelerator (see page 41).

Electricity and the grid

As the economy electrifies, the electricity network is in need of unprecedented expansion. According to the government's Clean Power 2030 Action Plan, Great Britain will require about twice as much new transmission network infrastructure by 2030 as has been delivered in the past decade. The Crown Estate is helping by working closely with developers, NESO, National Grid (which owns the transmission network in England and Wales), and many other stakeholders on development plans for the electricity network around the coast of England and Wales.

We also lease and license electricity interconnectors, which play a critical role in the energy system by balancing supply and demand between countries. This year, the first cables were installed for the NeuConnect project which will link England and Germany by 2028, and Greenlink, which links Wales and Ireland, commenced commercial operations in January. We have also been engaging with another three new projects chosen by Ofgem in its latest application window for interconnectors. These initiatives will help to build a secure and resilient electricity network as demand increases.

36
wind farms operating in our Marine portfolio

7
set to expand under our Capacity Increase Programme

Great British Energy

In July, we announced our partnership with Great British Energy, which is intended to accelerate the delivery of clean energy infrastructure across the UK. The partnership combines our extensive experience in developing the nation's leading offshore wind sector with Great British Energy's investment capabilities and strategic industrial policy.

Following the passing of the Great British Energy Act 2025 in May, we are working to define the partnership's business plan and scope of work as the new public-owned company is established. Together, we are committed to advancing national decarbonisation and delivering energy security for generations to come.

Carbon sequestration and removals

For emissions that cannot be avoided, carbon removal actions are needed. We are assessing how our portfolio can support this, from nature-based solutions to carbon capture and storage.

On the ground: Don Harty

The Wales-based former intern is helping to unlock tidal power

What does your role involve?

I'm an asset advisor in the new energies team, supporting the development of tidal stream, tidal range and other technologies like floating solar power. The UK has an opportunity to be a world leader in tidal, delivering clean, predictable energy and creating jobs in coastal areas.

Tell us about your background

Growing up in Guernsey, my whole childhood was spent around the sea. I studied marine geography at Cardiff University and wrote my dissertation on marine energy, but struggled to find a job in it when I graduated so I applied for a Marine Research Internship with The Crown Estate.

How was the internship?

I really enjoyed it. I was able to stay in Pembrokeshire, doing a six-month project looking at how marine energy engagement can create value for people and places. I also supported a report which provided valuable insights into the potential effects of tidal stream devices on marine mammals.

Why is your role based in Pembrokeshire?

There's an important site in the Milford Haven estuary called META (the Marine Energy Test Area), where wave and tidal devices can be tested in real-life conditions before being taken out to a site like Morlais, the grid-connected tidal site in North Wales. When I got a permanent job, it made sense to stay nearby and use the Cardiff office, and it means I'm still close to the sea.

What are your future goals?

I'm really passionate about tidal energy and excited to grow my own career in step with the industry. Island communities like Guernsey and Alderney often rely on carbon-intensive diesel generators; I'd love to see it succeed there and around the world.

As well as expanding initiatives around hedge and tree planting, and working to protect carbon-rich habitats, we are evaluating the potential to store carbon using cutting-edge solutions such as biochar and rock weathering.

We're also developing our approach to 'blue carbon', the carbon that is captured and stored on the seabed by ecosystems such as saltmarshes and seagrass meadows. In April 2024, we published a review of the Blue Carbon Accelerator Programme, run by Bright Tide in collaboration with The Crown Estate. The initiative brought together 12 entrepreneurs and NGOs focused on blue carbon solutions. We continue to follow their progress, having attended the launch in December of the USV Pioneer, a new unmanned surface vessel developed through the project.

Carbon capture and storage

The UK has some of the world's best natural resources for storing carbon, giving us an opportunity to lead in carbon capture and storage (CCS) – a new technology that captures CO_2 from hard-to-abate industrial sources, and transports and stores it underground to prevent it from entering the atmosphere.

While CCS cannot replace efforts to cut emissions, meeting the UK's carbon storage targets of 20-30 million tonnes of CO_2 emissions per year by 2030, and over 50 million tonnes by 2035, is vital to achieving national net zero goals. The Crown Estate is driving progress by granting leases for offshore pipeline transportation and storage of CO_2 in the seabed.

In October 2024, we awarded an Agreement for Lease for an innovative project by Eni, a leading developer, that will capture CO_2 from industrial sites in the North West of England and North Wales, and transport it to depleted natural gas reservoirs under the Irish Sea for storage. It will be the UK's first CCS project to repurpose existing infrastructure, reducing costs and environmental impact, and once operational it could remove up to 10 million tonnes of CO_2 from the atmosphere each year.

We have also been working to accelerate the deployment of carbon stores, and launched a new Storage Exploration and Appraisal Agreement (SEAA) to help developers evaluate projects without needing to negotiate a full Agreement for Lease while still defining their projects. So far, we have three SEAAs in place, with more under discussion. An SEAA with Perenco enabled the UK's first test injection, which was successfully completed at Poseidon, a CCS demonstration project off the South East coast, in February 2025.

Meanwhile, the Endurance project in the North Sea achieved its final investment decision, a major step in bringing one of the world's largest carbon storage sites – and wider benefits such as jobs and economic opportunities – to the North East.

Moving CCS forward at scale will take collaboration and we are working closely with governments and industry, including by developing a shared evidence base with the North Sea Transition Authority (NSTA). With seabed space in high demand, we are also looking at how to co-locate offshore wind and CCS projects through the Offshore Wind and CCS Co-Location Forum.

10 million
tonnes of CO_2 a year could be stored by Eni

50 million
tonnes to be stored by 2035 (government target)

"As we prepared for the UK's first test injection of CO_2, we received excellent support from The Crown Estate team. The SEAA is a great co-operation template."

Louis Hannecart
Group CCS Manager, Perenco

Decarbonising our business

The Crown Estate's focus on renewable energy means our business displaces more carbon than it emits. However, we still have a core responsibility to decarbonise our own operations.

To help us do this, we have established our first company-wide carbon baseline – considering emissions from our whole value chain, including our customers and suppliers. Using our 2022/23 base year as a starting point, we have worked out trajectories for each area of our business to help us collectively achieve net zero by 2050. These science-based trajectories align to a 1.5-degree global warming pathway as defined in the Paris Agreement.

As we work to define plans for how each of our business units will reach our targets in practice, we are continuing to make progress in improving our energy efficiency, while testing new initiatives through pilot programmes and partnerships. This includes developing high-quality carbon removal options on our land.

As the effects of climate change become more apparent, we are expanding our focus to consider how our portfolio can support the resilience of surrounding areas, drawing on the UK Transition Plan Taskforce model. This ranges from using nature-based solutions to cool urban centres, to managing flood risk in coastal assets.

In the coming year, we will continue to evolve our approach to decarbonisation based on our learnings, and in line with new guidance and best practice. As well as compiling our Streamlined Energy and Carbon Report (see pages 78-84), we are tracking our progress against the Task Force on Climate-related Financial Disclosures (TCFD) framework (pages 66-77).

20%
energy use reduction against our 2021/22 baseline

Our plans by sector

Our carbon baselining has helped us to understand where we should target our efforts to decarbonise. Our largest source of emissions is associated with the construction of renewable energy assets in our Marine portfolio, although these developments displace many times more carbon than they use.

Our Rural business is another high-carbon area, primarily due to agricultural activities, while the majority of our Scope 1 and 2 emissions, ie those within our direct control, relate to our Urban real estate portfolio (formerly London and Regional).

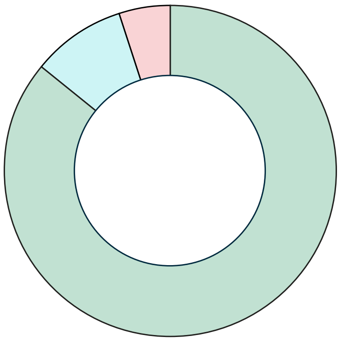
To reduce emissions across our business, we are developing decarbonisation plans for each of the material sectors in which we operate: covering buildings, land use, renewable energy generation and marine aggregates. Collectively, they are designed to inform our path to achieve net zero by 2050.

Using less energy

With a real estate portfolio covering 17 million sq ft, cutting energy use in our buildings is a major part of our efforts to decarbonise. Having missed our energy reduction targets two years ago, we were proud to announce in 2023/24 that we had cut energy use in our buildings by 15% against our 2021/22 energy use base year. Our learnings have supported further progress this year and we can now report a 20% reduction across all our real estate. We achieved this by using data to track our energy use, and making targeted improvements to systems and infrastructure.

In London, we continued to use building passports to track the performance of each asset, with a team of engineers delivering quick fixes. We are working closely with our customers, doing energy audits and helping them to optimise building management systems (BMS), introducing more submetering and providing technical training. We've upgraded systems so that they can be adjusted remotely, and begun switching from gas boilers to electric alternatives.

Our carbon impact by business unit



Marine	86%
Windsor & Rural	9%
Urban and built environment	5%

Total gross emissions (location-based) across Scope 1, 2 and 3 including Marine embodied carbon emissions.

A supply-chain emissions pilot

Scope 3 emissions (those within our value chain but outside our direct control) make up 99% of our overall carbon footprint. As a first step towards reducing this, in 2024 we ran a six-month pilot with a group of suppliers to help us understand their emissions better.

We identified a number of high-spend suppliers and asked them to share their carbon data, which we reviewed and discussed with them.

Previously, our calculations were based on estimations; however, the pilot increased our primary data collection to 10%. Our findings indicated that most of our suppliers' carbon output was below industry average, while highlighting areas of high intensity such as construction. We are using the improved data to tailor our decarbonisation activities.

Since the pilot, our primary data collection has increased to 34%, and we are targeting a further increase in 2025/26. Our goal is to work with even more of our suppliers and customers to reduce our Scope 3 emissions, and support wider decarbonisation in the sectors where we operate.

34%
of suppliers' data gathered so far

Net zero and energy security continued

We have continued to make strong progress in our Regional real estate by implementing quick wins such as reviewing energy meters and upgrading lighting and air conditioning systems. This has led to positive results, even at structurally inefficient assets such as shopping centres.

In our Windsor & Rural business, we are engaging with our tenant farmers and commercial customers, trialling new materials and technologies in residential refurbishments and expanding renewable energy schemes such as solar PV. We also introduced more electric vehicles on the Windsor Estate. This reduced diesel consumption by over 9,000 litres during the year, cutting emissions and fuel costs.

Refurbishing and retrofitting

Adapting our buildings to be more carbon-efficient is vital to our long-term decarbonisation plans and the financial future of our business. Each retrofit project must adhere to our Development Sustainability Principles, which set out minimum standards for whole-life carbon and resource efficiency.

We are in the first phase of our London development pipeline, with main construction works under way at 33-35 Piccadilly, 10 Spring Gardens and New Zealand House, and strip-out works completed at three further properties. We have introduced sustainable building practices on these projects, working with a partner to remove and recycle existing windows that cannot be reused; finding a new life for stripped-out fixtures and furniture; and using living hoardings that contribute to urban biodiversity during development. In time, we hope to see these standards and innovations informing industry best practice.

Retrofitting heritage properties will also support our social impact goals by creating a large number of jobs and offer opportunities for nature recovery in urban centres.

Resilience and adaptation

As well as reducing our carbon footprint, we are working to enhance long-term climate resilience across our portfolio, and have developed a three-year roadmap to build the foundations for adaptation (see page 74).

Our goal is to create functional green and blue space, informed by evidence on the most effective solutions to tackle climate impacts such as air pollution and heat islands. This is driving activities like planting in urban spaces and our work with rural farmers to expand areas of hedgerows, woodlands and nature recovery – actions that support flood mitigation while enhancing biodiversity. Read more on pages 26-33.

Climate resilience is another core focus of our Development Sustainability Principles. These stipulate that our projects must be designed to maintain energy and water security (for instance by managing rainwater) and aid business continuity during potential periods of disruption such as droughts, floods or power cuts, creating lasting environmental and economic value. This work will be a continued focus in years to come.

"We are making significant investments to modernise our buildings, making them more energy-efficient, resilient and desirable."

Kristy Lansdown
Managing Director, Development

The future of St James's Market

One major decision we have taken this year to help decarbonise our business is to reconsider our plans for a key London redevelopment.

The project is the second phase of a masterplan for St James's Market, which sits at the heart of our portfolio, connecting Regent Street and Haymarket. It will redevelop a block of five existing buildings and retain the Grade II-listed former Empire Cinema. Our goal is to deliver high-quality and sustainable workplaces in an accessible, inclusive and welcoming neighbourhood.

After developing a new-build scheme over several years, we acquired full ownership of the project by buying out our joint venture partner in 2025. Subsequently, we commissioned a peer review by industry experts, who concluded that the embodied carbon performance of the initial design did not meet our latest sustainability goals or show carbon leadership.

In response to these findings, we evaluated various options, including refurbishment and an optimised version of the original design, against leading industry standards. We opted to rework the scheme to align with our ambitions. While the additional design work and enhanced performance require investment, our Value Creation Committee agreed that this is the best route to maximise value, ensuring the asset is resilient, carbon efficient and commercially attractive over the long term.

Our chosen approach uses innovative design and supply-chain solutions to reduce the project's carbon footprint. For example, we plan to eliminate one of the two proposed basement levels, modify the structural approach and use more low-carbon materials. This strategy aligns with our commitment to sustainable development.

We are now progressing the redesign in consultation with stakeholders including Westminster City Council.

A plan for the seabed

Our Marine Delivery Routemap is co-ordinating action on energy security and nature

The UK's seabed and coastlines are invaluable resources, providing opportunities for nature restoration, carbon sequestration, economic growth and clean power generation. As custodians of the seabed, it is our task to navigate these interlinked priorities and the increasing demands on marine spaces, aiming to deliver positive outcomes for people and nature.

To help us plan holistically across the whole seabed into the long term, we are developing a tool called the Marine Delivery Routemap. The Routemap is a strategic delivery plan that sets out potential future uses of the seabed.

It features maps illustrating various future-use scenarios and dashboards to show where energy and industry projects might take place, areas that could be prioritised for nature, and the benefits these activities could bring to the UK – such as new jobs and opportunities for local communities and businesses.

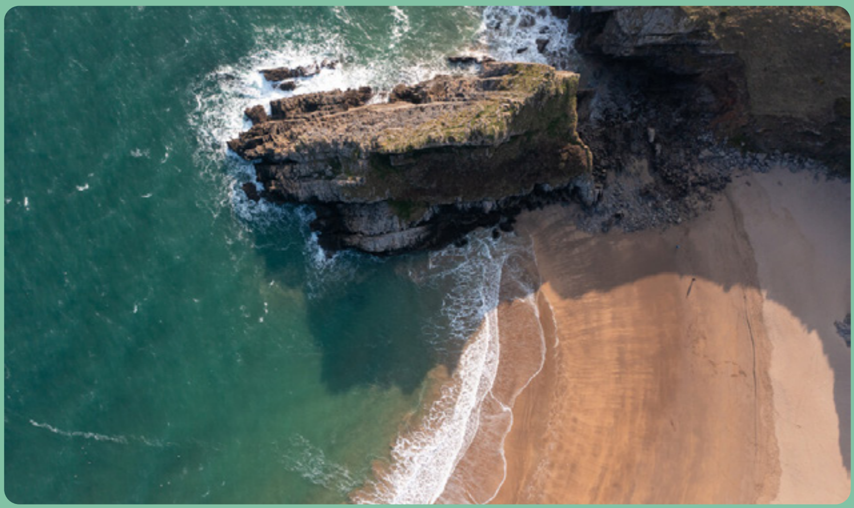
The Marine Delivery Routemap draws on data and evidence from our Whole of Seabed programme, and provides additional insights to enable decision-making internally and externally. It is being brought to life with an interactive digital delivery platform, through which the UK's marine users, regulators and stakeholders will be able to visualise future uses of the seabed based on their interests.

With a long-term focus on the UK's needs out to 2050, the Routemap will guide our spatial planning and leasing decisions, inform investment needs and opportunities and, catalyse UK supply chain opportunities. Created in partnership with key stakeholders, it will help to ensure projects are put in the right place, at the right time, by planning the sea space upfront and actively de-risking development.

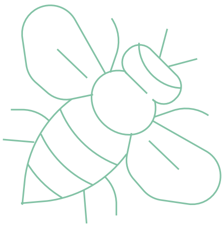
By providing visibility, confidence and certainty for developers and investors, we believe that we can unlock significant benefits, helping to decarbonise the UK, support nature recovery, and drive future economic growth and financial returns.

"We work closely with The Crown Estate, and this Routemap is another step in ensuring we can collectively accelerate deployment of the offshore renewables needed to support Great Britain's future grid."

Fintan Slye
Chief Executive Officer, National Energy System Operator



Nature recovery and biodiversity



£20 million
Crown Estate Rural Environment Fund supporting nature recovery

5 million
visitors connect with nature on the Windsor Estate each year

From woodlands to the seabed, the UK's diverse natural environments are not only habitats for wildlife, but essential ecosystems for people. Nature is fundamental to our economy, our wellbeing and our long-term resilience.

As stewards of urban, rural, coastal and marine environments across the UK, we recognise our responsibility to support biodiversity, restore ecosystems and enhance the natural world – which is also inherent to maintaining our ability to generate long-term financial value. In October 2024, we outlined how we would meet our responsibility in our Ambition for Nature Recovery.

In January, we published an update sharing our three core goals (see below) that aim to systematically and proactively improve outcomes for nature, climate and people. These objectives align with global and national commitments to environmental sustainability, including the UK's pledge to protect 30% of land and sea for nature by 2030.

At the heart of our ambition is a commitment to measurable impact. It is not enough to take well-meaning actions; we need to understand the impact of all our business activity on nature and take decisions that create positive outcomes for nature. To help us do this, we are using data to compile a detailed understanding of our portfolio-wide nature footprint, and investing in research and pilot initiatives to improve our knowledge and test solutions.

And we are working in partnership with government, businesses, conservation organisations and local communities on activities such as restoring native oysters, protecting seagrass meadows, creating green spaces in urban areas and working with farmers to increase areas for nature. Many of these initiatives will also help to sequester carbon and build climate resilience.

Enabling nature recovery will require significant funding over the long term. For this reason, we are investing in nature at scale and investigating the potential of natural capital markets, which could provide the sustainable funding sources the UK needs.

While our progress against our new goals is at an early stage, and we expect to iterate our approach, we believe that our framework to understand, design for, partner for and fund nature will yield results over time – supporting both ecological and economic prosperity for future generations.

"Protecting and restoring freshwater, marine and coastal systems is vital. To make a difference, we are driving research, innovation and impactful partnerships."

Gus Jaspert
Managing Director, Marine

These are the UN Sustainable Development Goals that relate to this strategic objective, and to which we seek to make a positive contribution:

Our nature recovery goals

1
Deliver increased biodiversity
Drive a measurable increase in biodiversity for our holdings across land and sea by 2030, supporting climate adaptation and resilience.

2
Protect and restore freshwater, marine and coastal systems
Identify and tackle causes of water degradation and water stress in areas within our influence by 2030.

3
Increase social and wellbeing benefits from nature
Reconnect people with nature, delivering measurable health and wellbeing benefits by 2030, including community engagement with nature across our projects and developments.

Nature recovery and biodiversity continued

Understanding nature

Increasing our understanding of nature, and basing our decisions on high-quality data, is central to our efforts to protect and restore biodiversity.

As well as building our own extensive datasets, we are supporting research by others, particularly through the Offshore Wind Evidence and Change (OWEC) programme (see page 21). One exciting project, known as Frontward, is conducting academic research into ocean fronts (where two bodies of water meet) and their special relationship to marine biodiversity. The project is pivotal to understanding mobile species – a notoriously difficult area to evidence – and will inform our marine spatial planning and restoration work.

We are also learning by putting new ideas into practice. This year, we ran a series of pilot projects adopting guidance and principles from the Taskforce on Nature-related Financial Disclosures (TNFD) to test and refine our approach to supporting nature. We selected seven diverse assets, including a conservation area in Windsor Great Park, a wind farm and a development project, to consider nature risks and opportunities in each context.

Separately, our Rural team has established a test project at Casthorpe House Farm, a 600-acre arable farm in Lincolnshire, to build our understanding of best practice in balancing nature recovery and agriculture.

At a national level, we support the wider conservation community by sharing our data externally through platforms such as the Marine Data Exchange.

Designing for nature

The State of Nature Report 2023 showed that the UK's biodiversity is in a depleted state, with nearly one in six species threatened with extinction. Restoring it will take careful planning. From the Windsor Estate's ten-year conservation plan to our urban development pipeline, we are actively enhancing biodiversity and climate resilience. Our projects are designed to support nature both within our assets and across the country, for the short, medium and long term.

Our Nature Recovery Ambition Update commits to protecting and expanding nature-rich green and blue spaces across our urban portfolio. We are developing public realm plans to enhance biodiversity and climate resilience between Regent's Park and St James's Park (see page 37), and are already making enhancements such as adding large-scale planters around our London commercial buildings, and using bug hotel lettering at Fosse Park in Leicester.

Nature is also integral to our strategic land development pipeline. We have an ambition to exceed mandatory biodiversity net gain (BNG) requirements, targeting 15% BNG in all greenfield and brownfield projects where we are the developer.

To increase social and wellbeing benefits from nature, we are working with communities to design public green spaces that meet their needs within our housing developments. For example, a pilot project that is set to deliver 50 net zero carbon homes at Wootton in Bedfordshire will include a nature-focused public open space, to be delivered in partnership with the local parish council. The scheme provides habitat connectivity with a local forest, helping species such as birds and insects (learn more on page 37).

In spring 2025, we welcomed the Government's consultation on a Land Use Framework, which aims to use data to balance objectives including growing food and supporting nature recovery. These goals align closely with our Rural strategy, which is now in its third year and includes a long-term ambition to dedicate 15% of our rural land to nature recovery where appropriate, in addition to the priority habitats that make up about a fifth of the portfolio.

"During a placement at Windsor Great Park, I gained hands-on experience in monitoring water quality and the health of aquatic ecosystems, and learnt a lot from the team."

Emily Meredith
BSc student, Royal Holloway

Around Great Britain in 54 eDNAs

A group of six amateur rowers took our understanding of the marine environment one step forward when they circumnavigated Great Britain in the summer of 2024.

The unsupported crew, known as Team Coastal Odyssey, completed the 2,000-mile journey in partnership with The Crown Estate, collecting valuable data through sensors, recorders and hydrophones attached to their boat. They returned with 54 eDNA samples for biodiversity analysis, as well as 28 microplastics pollution samples and temperature, noise and salinity data.

This information is being analysed by researchers at the University of Portsmouth and will be hosted on the Marine Data Exchange (MDE), a leading collection of industry survey data. It will help to build one of the most comprehensive baselines of coastal biodiversity for fish, mammals and birds, supporting marine conservation.

A key aspect of delivery is the ongoing rollout of our innovative environmental Farm Business Tenancy (eFBT) agreements, which were developed in conjunction with the Tenant Farmers Association to support a sustainable future for UK agriculture. About 15,000 acres of Crown Estate land are now leased through these groundbreaking agreements, which give farmers greater stability (through longer, 15-year terms) and help them to diversify and build resilience – for example by improving soil quality, cutting carbon emissions and reducing water usage.

About 30% of the UK farmland area is tenanted, and the eFBT has the potential to influence the sector well beyond our own boundaries. The approach has already been shared with Defra, the Duchies of Cornwall and Lancaster, and the National Trust.

To further support our Rural customers, we have appointed a full-time biodiversity and conservation manager to work with them on Nature Action Plans to support the natural resources their farms rely on. They consider each farm on a field-by-field basis, finding opportunities to introduce improvements from ponds, field margins and cover crops up to larger-scale wetland habitat creation. Such measures are considered carefully against the national need for food security, with the finest arable land left in production and lower-yield areas repurposed for nature recovery.

"The Tenant Farmers Association has been delighted to assist The Crown Estate in developing its revolutionary environmental Farm Business Tenancies – which could be a major driver towards reimagining the landlord-tenant system in agriculture, producing viable farm businesses and delivering important public benefits."

George Dunn
Chief Executive,
Tenant Farmers Association

15,000 acres
of land being managed under sustainable eFBT agreements

15%
of our rural land to be dedicated to nature recovery where appropriate

Similarly, building on a successful pilot project run with grazing associations in partnership the Farming and Wildlife Advisory Group Cymru, we will be working with commoners with grazier rights, local communities and other stakeholders in Wales and Cumbria to develop nature recovery visions and implement action plans for selected common lands within our ownership.

In our Marine business, we are working with practitioners to refine our licensing and leasing products to better enable the delivery of pilot projects. There are currently over 30 projects trialling methods for the restoration and recovery of seagrass, native oysters, saltmarsh and seabirds across more than 1,500 hectares of the seabed and foreshore.

We continue looking at how nature can be supported alongside offshore wind, working with a range of experts to highlight areas of biodiversity importance so that we can design future leasing activity to protect and even restore nature. We are also funding initiatives such as the NICE project to enhance seabed life including corals, mussels and barnacles; and exploring ways to deliver beneficial outcomes for seabirds.

Aquaculture presents significant environmental and economic opportunities, which we are exploring in collaboration with The Earthshot Prize. We attended a June event focused on the future of seaweed in Wales and co-convened a working session on the same topic with Wales's Future Generations Commissioner. In October, we published the 'Future Value of Seaweed Farming in the UK' in partnership with the WWF.

On the ground: Simon Phillips

Tenant farmer Simon is creating new habitats at Starnhill Farm in Nottinghamshire

Tell us about your farm

It's a 500-acre farm and I'm in my second cropping year here, doing regenerative farming with support from The Crown Estate.

What is different about this tenancy?

Part of the agreement is to use 15% of the land for nature recovery. Taking that number of acres out of production sounds daunting, but the way we've done it, it hasn't really impacted. To give an example, we've got a pylon in the corner of one field, so we've planted trees around it and put wild bird food underneath. It's squared the side of the field off perfectly.

How has the farm changed?

The previous tenant had a lot of grass margins, but when you finished combining, it was a bit bleak. Now I've got three blocks of woodland of about a hectare each, and over two miles of hedgerows. Another block that used to be part of the riverbed is in the early stages of becoming a wetland.

How does that help the farm?

You can see the benefits to wildlife, and it's good for climate too – for instance, we're growing multi-species cover crops to restore the soil. We never would have done that before. If we can establish a proper wetland too, that will help wildlife and pile in a bit of flood prevention.

Has it impacted your business?

I was contracting before this, and the tenancy has given me a lifeline in farming. We're not paying market rent for the potential wetland field, and we get funding for planting through the Rural Environment Fund, so it's worth doing.

Nature recovery and biodiversity continued

Partnering for nature

There was an inspiring moment for our Rushden Lakes retail and leisure park in February, when a family of eight beavers were reintroduced to Northamptonshire for the first time in more than 400 years. Parents Boudicca and Alan and their six kits had travelled from Scotland before being released into a former gravel pit at the Nene Wetlands nature reserve managed by our local conservation partner, the Wildlife Trust. As one of the most important species for habitat engineering, it is hoped the beavers will support other species to thrive and help mitigate flood and drought risk.

The Crown Estate, likewise, operates as part of an ecosystem, and we need to work in harmony with others to succeed in our goal of supporting nature recovery and biodiversity on a national scale.

While developing our Ambition for Nature Recovery, we engaged with more than 40 organisations in England, Wales and Northern Ireland. We hosted a webinar to gather feedback and launched the document at a Parliamentary reception hosted by Baroness Hayman, Chair of Peers for the Planet.

Where appropriate, we use our position as a national landowner to drive forward conversations about nature recovery – including at events such as the Blue Earth Summit, which we hosted in October.

We share knowledge and ideas with a wide range of partners, from businesses and universities to not-for-profit organisations, and we are increasingly working with community groups to help us deliver impact at scale. In the past year, we have agreed new memoranda of agreement with organisations including the Environment Agency, working together to develop a digital tool that will track nature enhancement projects across the UK, help enable collaboration amongst restoration practitioners, and increase public awareness about projects in their local area.

We have also been working with ZSL as part of the Transforming the Thames Partnership to develop a seascape-scale, multi-habitat restoration plan for the Greater Thames Estuary. Research that we funded last year has helped to develop the restoration plans for native oysters and the partnership is now moving into a delivery phase, with funding from the Endangered Landscapes & Seascapes Programme. We are now working with the partnership to understand how we can best support its native oyster restoration work going forward.

£3 million
deployed to support our tenant farmers to create new habitats

700 acres
of new woodland planted

Boosting marine health from shell to shore

The UK's native oyster population, which supports marine life by filtering water, has declined by 95% since Victorian times. A major challenge to restoration is creating the right seabed conditions to encourage oyster larvae to settle and reefs to form. The Shell to Shore project is trialling a solution: to collect oyster shells from central London restaurants and use them to create new native oyster reefs. Led by Blue Marine Foundation, Wright Bros Ltd and Essex Wildlife Trust, with support from The Crown Estate and others, Shell to Shore collects shells in barrels and transports them to a farm in Essex, where they are weathered outside before being used in nearby restoration projects.

As part of our work with the project, we hosted a launch event at Bentley's restaurant during the Future of Food festival in September, and created a promotional film. The trial was a huge success and we look forward to working with the team on next steps to support this vital species for marine health.

An anchor for biodiversity

An important aspect of our strategy is to protect marine and coastal habitats. Studland Bay in Dorset is a popular destination for boaters from across the South coast – however, dropping anchors on the seabed harms seagrass meadows, an incredibly important habitat for seahorses and fish.

We worked with the Studland Bay Marine Partnership to provide alternative eco-moorings that use a spring to replace the anchor chain, preventing damage to the seagrass. Eco-moorings also help to protect the ecosystem that allows seahorses and other vulnerable species like undulate rays to thrive, while ensuring visitors can continue to enjoy the beautiful beach by boat.

The solution was showcased in the Sea, Land and City documentary that premiered at the Blue Earth Summit in October 2024, and we are now considering how the pilot project can be scaled up to support seagrass restoration efforts nationally.

Funding nature

It will not be possible to deliver nature recovery at the scale needed in the UK – currently one of the most nature-depleted countries on Earth – without sustainable finance. Recognising that the crisis in nature poses a long-term risk to our business and the country, The Crown Estate is investing in nature recovery and seeking to develop opportunities in high-integrity natural capital markets.

As well as funding research through OWEC (see page 21), and allocating long-term capital to nature recovery through our Marine portfolio, this year, we again increased the size of the Crown Estate Rural Environment Fund, doubling our investment to £20 million. The fund (of which £3 million was spent this year) supports our tenant farmers to create new habitats on their farms, with the long-term goal of supporting a transition to a more sustainable agricultural model. To date, around 200 miles of hedgerows and 700 acres of new woodland have been planted, helping to protect crops from flooding and soil erosion, while building local biodiversity.

We are interested in the broader potential for emerging natural capital markets, and we are working to investigate the possibilities within our own portfolio and beyond.

In May 2024, we published 'High-Integrity Marine Natural Capital Markets in the UK – A Roadmap for Action' in partnership with Blue Marine Foundation, Crown Estate Scotland, Esmée Fairbairn Foundation, Finance Earth and Pollination. Drawing on insights from more than 200 experts across academia, industry, finance, government and not-for-profits, the document sets out a plan to unlock much-needed new sources of finance to protect, restore and sustainably manage marine and coastal ecosystems.

Within our own operations, we are exploring on a shadow basis how different options for financial structuring such as biodiversity net gain credits and habitat banking could work for our Casthorpe House Farm pilot. Our intention is not to make a profit on this particular project but to consider how a biodiversity-focused model could work in the future – supporting nature restoration within our own portfolio and beyond.

Progress at Windsor

One of our most significant responsibilities is managing Windsor Great Park. About half of the estate is designated as a Site of Special Scientific Interest, and it is home to over 7,000 ancient and veteran trees, some of which are considered to be over 1,000 years old. Our onsite team is working to support and build upon this rich biodiversity, in line with the targets and KPIs set out in our Nature Recovery Ambition Update.

During the winter, we planted more than 2,000 standard trees, including 86 mixed, broad-leaved trees on the Poet's Lawn – one for each Head of State who attended His Majesty The King's Coronation. We are also managing existing woodlands and forests to provide sustainable timber and improve conditions for rare wildlife.

We have added more of the estate's signature hedges, with a wide, double-row of native shrubs and occasional trees to offer birds, bats and insects better habitat connectivity. More than 30,000 woodland and hedging plants and flowering shrubs have been planted, providing pollen and nectar for insects including rare beetles and flies that rely on the ancient trees. Our flower-rich meadows were cut for hay to feed the Windsor farm cattle, and we have restored new areas of heathland to benefit bird, insect and reptile species.

We restored or created 11 wildlife ponds during the year; and we used nature-based solutions to slow the flows on some woodland ditches and streams, helping climate resilience and reducing flood risk.

Given Windsor's special status, a combination of expert contractors and volunteers survey and monitor habitats and species. Students from Royal Holloway, University of London, visit to do fieldwork, providing us with useful information on water quality, grassland management and hedgerows. This year's results confirmed that Windsor is supporting some of Britain's rarest woodland bats, and our management has strengthened Woodlark, Nightjar and Dartford Warbler populations.

As well as helping build biodiversity in the historic estate itself, ideas and innovations developed at Windsor inform environmental plans for our Rural portfolio and are shared with the wider conservation community. Our aim is for the estate to be a recognised centre of best practice, helping to inform nature recovery on a national scale.

2,000
new trees planted in Windsor Great Park

11
wildlife ponds restored or created at Windsor

External air quality

We work in partnership with air quality experts at Imperial College London to monitor pollution levels across our London estate and help us to improve the health of our spaces. Since 2020, we have trialled a reduction from four traffic lanes on Regent Street to two.

As members of the London Air Quality Network, our observations of nitrogen dioxide, fine particulate matter and ozone from monitors near Heddon Street and Waterloo Place are publicly accessible. We are also part of the Zero Emission Group and we expect that its measures to reduce road traffic will further improve air quality.

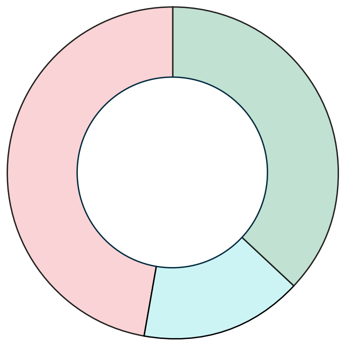
Water consumption

Tackling water stress is a key focus for our Ambition for Nature Recovery. Over the last year, our direct water consumption has reduced to 262,511m^3 (2023/24: 321,281m^3). For more information, see our Sustainability Data Supplement at thecrownestate.co.uk/annual-report.

Managing waste

Our reported operational waste across our Urban (formerly London and Regional) and Windsor portfolios decreased from 6,939 tonnes in 2023/24 to 6,892 tonnes in 2024/25. We diverted 100% of non-hazardous waste from landfill. A breakdown of waste treatment methods is shown below.

Operational waste – end disposal breakdown (2024/25)



Recycled (following onsite segregation)	37%
Anaerobic digestion	16%
Total recycled	**53%**
Incineration offsite (with energy recovery)	47%

A lightbulb moment for scallop fishing

We're looking into how 'disco scallops' could improve both catch and conservation outcomes

Like so many bright ideas, it came about by accident. Dr Rob Enever of the Fishtek Marine consultancy was researching ways to increase the catch of crab when he found that attaching lights to the pots attracted significantly more scallops.

Five years on, the technology behind so-called 'disco scallops' is in use on fishing boats around the UK and abroad, and we are funding research to learn more about how it could help not just catch but conservation – by avoiding the need for dredging, which can be harmful to marine habitats.

"Scallop potting has a much lighter footprint and is naturally selective, helping to support a healthy marine environment," says Dr Enever, who is Fishtek Marine's Director of Science and Conservation. "We want to see it become a means by which inshore fishermen can diversify and support their incomes, especially through the winter when crab and lobster catches decline."

According to Fishtek Marine, about 80 UK vessels are already using the potlights and they have also been shipped to Denmark, Norway and the United States. The chef and restaurateur Mitch Tonks has put 'disco scallops' on the menu of his Rockfish group, and the innovation has been highlighted in national media.

To learn more about how it works and investigate the potential for commercial expansion, we are funding further research through our Offshore Wind Evidence and Change programme (see page 21). Twelve fishermen in the North Sea are sharing data on their catches, of whom four are operating close to wind farms such as Westermost Rough and Dogger Bank. "Co-location of fisheries' activities around wind farms is a potential win-win, ensuring that fishers are not excluded from wind farms," says Dr Enever.

The initiative aligns perfectly with our strategy to create value for nature and people. While disco scallops are unlikely to replace dredging and diving entirely, they have shone a light on a future where marine conservation and commercial fishing can coexist.

"The Crown Estate's OWEC programme is funding research to help us understand more about this innovation and the potential for commercial expansion."

Dr Rob Enever
Director of Science and Conservation, Fishtek Marine

Inclusive communities and economic growth

9 million+ sq ft
of commercial space to be created in our current pipeline to support vital growth sectors

30,000
new homes planned in our strategic land portfolio

68,000
new jobs could be supported in offshore wind by 2030

"With rural and coastal communities facing a range of challenges, The Crown Estate is serious about doing what we can to support."

Paul Sedgwick
Managing Director, Windsor & Rural

These are the UN Sustainable Development Goals that relate to this strategic objective, and to which we seek to make a positive contribution:

Guided by our purpose, we look to drive the performance of our portfolio in a way that adds value for people and places. As the nation faces challenges such as regional disparities, a shortage of housing and accelerating digitalisation, we have analysed where our assets and key strengths can be put to best use, and drive performance.

Drawing on a mixture of qualitative and quantitative data, we have opted to focus on three key themes:

- Safe, accessible and inclusive places
- Skills, jobs and social enterprises
- Conditions for community resilience

The activities detailed in this section are examples of how we are delivering against these priorities, supported by our partnerships with governments and local authorities, businesses, non-profits and communities themselves.

Engaging with a wide range of partners helps us to tailor our approach to the different sectors, places and communities in which we operate, and maximise our impact across different areas of our strategy. For example, our significant investments in science and innovation space in Oxford and Cambridge are intended not only to increase the financial value of our portfolio but to contribute to economic growth at a local and national level.

Maintaining the UK's edge in innovation will be vital to renewables, which research shows will be key for the economy as well as decarbonisation. The Industrial Growth Plan that we developed with partners estimates the UK's economic opportunity in offshore wind at £92 billion by 2040. As we aim to drive that growth through our role managing the seabed, initiatives such as our Supply Chain Accelerator (see page 41) and our focus on skills and education will help to ensure the benefits are shared.

Another area where we are seeking to deliver positive outcomes at scale is through our strategic land portfolio, which has the capacity for up to 30,000 new homes across the country at a time when housing is in short supply. This year, we have commenced planning applications for in excess of 5,000 homes in the South East and North West. As well as testing UK-leading standards in design and construction, we are trialling new approaches to community engagement, helping to create stronger, more inclusive masterplans (see pages 36-37).

In years to come, our proposed joint venture with Lendlease could increase our geographical reach and social impact significantly, delivering several transformative regeneration schemes, containing a combination of science, innovation and technology space and housing to unlock further benefits across London and Birmingham, see page 11.

We will continue to refine our approach on these and other projects in 2025/26, aiming to increase our impact over time.

Our social impact principles

- Place-led approach to value creation
- Listen to and involve communities
- Address national needs and drive systems change
- Collaboration for collective action
- Systemic and part of our DNA

On the ground: Hannah Patrick

It's Luton local Hannah's task to connect with regional communities

Tell us about your role

I work in the Urban business, as the community partnerships manager. We've really stepped up how we engage with people and places in the past few years, whether that's looking at data on skills and innovation gaps in Cambridge, or working with communities on our masterplans for developments in East Hemel, Luton and Feering.

What drives you at work?

The opportunity The Crown Estate has to make a difference. I grew up in Luton during a time of unrest and riots, and a lot of my friends got into criminal activity. I had my son at 19 and built my career while caring for him and my daughter. My background has made me passionate about improving life chances, and I've co-founded a not-for-profit that helps steer individuals away from criminal activity by developing skills and purpose.

How is The Crown Estate building relationships?

Thinking about East Hemel, we've made an effort to engage community voices in visioning and masterplanning. We've also worked with the Sunnyside Rural Trust on a 'meanwhile use' project at Cherry Tree Lane community gardens, bringing land that wasn't accessible into public use.

How can we have an impact?

There is a real opportunity for us to become change-makers through projects like Cambridge Business Park. It's the first part of a much wider redevelopment with a 40-year plan, delivering new innovation space with residential, food and beverage and retail outlets. We've started to work with other landowners leading a skills and employment strategy to help tackle inequality. It's exciting!

Investing in innovation

Thanks to its world-class universities, the UK has significant economic opportunities in science, technology and innovation. One key way we are seeking to increase our impact at a local and national level – and deliver long-term financial returns – is by using our assets to nurture that growth potential.

In May 2024, we announced a partnership with Oxford Science Enterprises and Pioneer Group that marked the first stage in our wider, long-term ambition to invest £1.5 billion in science, technology and innovation. A shortage of suitable workspace is a known barrier to growth, and the partnership's first investment was in a vacant department store that is now being transformed into a 100,000 sq ft high-specification life sciences, technology and innovation space in the heart of Oxford.

Our investments in Oxford connect well with our ambitions in Cambridge, where we are delivering a mixed-use regeneration project at Cambridge Business Park that will become part of a new innovation district. The local authority has identified marked disparities between different areas and groups in the city, and with this in mind, we aim to create a place where businesses and the local community can thrive together.

> "A wider range of stakeholders than ever are helping us evolve our Urban portfolio, using new approaches to ensure the engagement is truly meaningful."
>
> **Hannah Milne**
> Managing Director,
> Real Estate

This year, we consulted local people on our plans to provide more than a million sq ft of office and lab space for startups and established businesses, as well as a residential, leisure and cultural offering that will make Northeast Cambridge a more attractive place to live and work. Their feedback covered wide-ranging themes, from transport to sports and recreation.

The site-wide masterplan is still at an early stage, but subject to further consultation and planning permission, we aim to begin a refit of an existing building at the entrance to the 20-acre site in 2026. Known as Origin, it will include The Crown Estate's first lab space as well as modern offices, a flexible event space and a public café – with the intention to welcome not only startups but the wider community.

Community-driven development

In addition to building economic opportunities, we are working to create safe, accessible and inclusive places where communities can thrive. Local people are our most important partners in this work, sharing their knowledge of the local context and helping to develop masterplans that meet their needs.

A case in point is East Hemel, Hertfordshire, where this year we have begun work on a planning application for up to 4,000 high-quality new homes, as well as 1.8 million sq ft of commercial space, health and community facilities, new schools and transport links, and a country park as part of the wider Hemel Garden Communities regeneration project.

To make sure we approached the development in the right way, we undertook our most comprehensive engagement programme to date. We connected with local people through digital engagement, site visits, community drop-in events, school sessions and a two-day community design workshop that produced a concept masterplan.

We are innovating in our approach at Westwick Row, a nearby demonstration project: working with three panels of local people to understand different perspectives and co-create a masterplan that will deliver 80 homes in total. This project considered people's needs at different life stages to draw up designs that work in scenarios like house-sharing, downsizing and intergenerational living. The plans incorporate nature-based landscapes and active travel.

We are also working with local people to develop our vision and masterplan for 835 new homes in Feering, Essex, and a joint development through which we will add 660 homes to villages on the outskirts of Luton.

Together, these projects represent a step forward in our community engagement, helping to ensure our developments create value for people and places.

A new approach to housebuilding

Tackling the national housing shortage without harming the environment will require innovation in construction. We are making a contribution by running three demonstration projects (at Westwick Row; in Wootton, Bedfordshire; and in Knutsford, Cheshire) that will test new ideas and best practice in sustainable development, delivering nearly 200 high-quality homes in total.

Amid widespread concern about the rising cost of utility bills, the energy-efficient homes will also add value for residents by being lower cost to run.

In January, we were delighted to announce that we will be working with three leading SMEs to deliver the projects. GS8, Igloo and TOWN are helping us to push boundaries and rethink traditional methods – for example, by using modular construction, low-carbon materials and community-led design. Together, we are working to ensure the new homes are built with less than 300kg CO_2/m^2 upfront embodied carbon and energy-use intensity below $35kWh/m^2/$year. We're also targeting a biodiversity net gain of at least 15%.

"We are proud to be partnering with The Crown Estate on this groundbreaking project that will be positive for Wootton's community and environment."

Josh Gordon
GS8 Co-Founder

Vaisakhi at Fosse Park

We want all our destinations to reflect the surrounding community and, in April, we were delighted to host a Vaisakhi celebration at Fosse Park, a retail and leisure park in Leicester. Footfall for the event, an Indian harvest festival that for many Sikhs marks the birth of their faith, went up by more than 1,800 from the same day in the previous year as members of the public visited for bhangra classes, turban-tying workshops and traditional sweets from local businesses.

Working with SMEs to trial new approaches across the three sites means we can test new commercial models while also building capacity for smaller developers to deliver sustainable housing. We hope to understand how such projects can be delivered at scale, apply what we learn to our wider portfolio and open-source our learnings for the wider industry.

A more welcoming West End

Ensuring the West End of London is relevant, accessible and inclusive is a core focus for our Urban team, as we seek to grow the value of our assets and create conditions for community resilience.

Our work with Westminster City Council to transform the public realm of Regent Street, Haymarket and Piccadilly Circus took a step forward this year when we jointly appointed a design partner. Allies and Morrison have been briefed to create an ambitious and groundbreaking design, drawing on insights from our advisory panel representing business, amenity groups and different lived experiences – as well as our extensive stakeholder consultation of more than 3,500 residents, workers and visitors to the area. The goal is to preserve the area's heritage, prioritise pedestrian experience, and encourage more nature and greening.

While the plans are progressing, we are continuing our efforts to attract new groups of people into the West End. The public were invited to watch the Wimbledon tournament on deckchairs in St James's Market and, in February the New Vision Art Gallery used the pavilion space for an open-air exhibition.

In December, we supported the Choose Love charity to create a pop-up store on Regent Street enabling shoppers to send items such as warm winter clothing, blankets and food to refugees. In total, the project raised over £650,000 and generated media coverage with an estimated value of £300,000, highlighting how we use our assets to create a broader impact.

800
residents attended East Hemel drop-in events

3,500 people
consulted on the future of Regent Street, Haymarket and Piccadilly Circus

Building skills for the future

Our research shows that developing a skills base in key sectors like science and engineering, construction, design and sustainability will be vital to delivering the UK's green transition and our own ambitions for future value creation.

The Industrial Growth Plan that we developed in partnership with RenewableUK, the Offshore Wind Energy Council and Crown Estate Scotland estimated that the number of jobs in offshore wind alone will rise from 32,000 to 100,000 by 2030. Meanwhile, the Heritage and Carbon report that we commissioned with Grosvenor, Peabody, Historic England and the National Trust shows that an additional workforce of more than 200,000 skilled tradespeople will be needed to help decarbonise all the UK's heritage buildings.

We are investing to develop these much-needed skills in partnership with leading providers around the UK – helping to upskill the workforce in key sectors and regions, and testing different approaches to delivery to see what is most effective. One focus is on developing qualifications that support the needs of industry.

The first cohort of students are now studying a GCSE-equivalent qualification in Engineering (Renewable Energy) at Falmouth Marine School's Cornwall College, where we have also funded a new pre-16 engineering programme.

We have an established relationship with Pembrokeshire College, which has run a pilot course called Destination Renewables to equip students with the manufacturing and technical skills the sector needs. This year, the college was awarded funding through our Supply Chain Accelerator (see page 41) to continue and expand its renewable energy education provision, and to create pathways for local people into jobs in the sector.

Also in Wales, we have worked with the Welsh Government to create learning resources to help schools teach children about renewables through our Minecraft Education world, and partnered with the Sea Ranger Service, training Sea Rangers to gather environmental data in the Celtic Sea.

During the year, we completed a pilot programme with the Department for Work and Pensions, aimed at upskilling Jobcentre Plus work coaches to connect jobseekers with careers in offshore wind. The project was well received and we are considering how best to take it forward. We also continued to host job fairs in London, and through our Recruit Regional partnership at Rushden Lakes and Fosse Park (see figures on page 39).

Our efforts to build a jobs and skills legacy include offering our own apprenticeships (see page 52) and working with our supply chain to train more young people in the specialist skills needed to retrofit heritage buildings, including carpenters, plumbers, electricians and scaffolders.

Accessible spaces and places

One in four people in the UK are living with a disability, government figures show, and they and other groups (such as older people or families with young children) often face barriers that prevent them from engaging fully in public and commercial spaces. In October, The Crown Estate and Grosvenor published a report highlighting these issues and the social and economic losses that can result.

Titled 'Inclusive Spaces and Places: A Collaborative Approach to Inclusive Design', the research highlights the urgent need for the property sector to co-ordinate practical change. TV presenter and Paralympian Ade Adepitan (pictured) was among speakers at the launch.

We are committed to enacting the report's recommendations in full and working alongside peers in the industry to drive change.

Together with Grosvenor, we created open-source tools that includes an inclusive design brief that includes technical guidance and a set of prompts for design teams, as well as guidance on creating an inclusive design panel so that designs can be informed by people's lived experience.

We have also founded a working group called the Accessible and Inclusive Places Industry Group to support collaboration and action. Several of our founding members – including British Land, Lendlease, Cadogan, Landsec and Heathrow – have already committed to the recommendations in the report.

We will share our progress and, over time, we look forward to seeing more accessible spaces and places bringing economic and social benefits around the country.

Other activities aim to engage the next generation in placemaking and inspire them to tackle challenges. Our Urban team has delivered a number of school workshops in partnership with the Young Foundation and London Interdisciplinary School to encourage young people to focus on systems-based solutions to local problems. A separate session, with the poet Abstract Benna (below), encouraged pupils to write a letter to their local area, considering what made it special and how it could be improved.

Revitalising rural and coastal assets

Our Rural and Marine portfolios can make a vital contribution to the country's long-term resilience. We are investing across both, in ways that benefit rural and coastal communities in particular.

Our Marine business is enabling a range of commercial activities that add value to communities around the country.

The UK's ports are hugely significant to the economy, supporting about 125,000 jobs. We continue to develop proactive relationships with our port customers, who are helping to accelerate and de-risk offshore industries, as well as driving wider social and environmental value in the communities they serve. Building on the new investment powers conferred by the Crown Estate Act 2025, we intend to commit up to £400 million of capital towards infrastructure assets that will help to deliver offshore wind projects. Focus areas include ports and component testing facilities located at quayside sites.

Marine aggregates are a crucial part of the building materials supply chain that supports development of our built environment. They meet almost 25% of the demand for sand and gravel in England and Wales. We continue to work with businesses, statutory advisors and regulators to develop best practice and the sustainable credentials of this important industry, which supports about 1,000 jobs.

Following our most recent tender, we have completed Exploration and Option Agreements for nine new marine aggregates projects in English and Welsh waters. One of these presents an innovative model for nearshore coastal resilience – redistributing aggregates from the seabed to Bournemouth beach, slowing coastal erosion and benefiting local homes and businesses, as well as community wellbeing. We have commissioned a study on balancing the benefits and environmental impacts of aggregate dredging, and will implement its recommendations next year.

In Cornwall, another customer is exploring the potential extraction of lithium from deep geothermal brines. The project is aligned to the UK Critical Minerals Strategy, which aims to create secure, resilient supply chains.

While our work on renewable energy and nature recovery will be essential to securing the long-term health of the seabed, we recognise that the rapid expansion of offshore wind will impact the fishing community. Our Offshore Wind Evidence and Change programme has produced fisheries displacement modelling and we are working with the industry to find solutions that meet their needs and support the very important priority of food security. This year, we ran a workshop with 30 representatives of the sector, gathering data that will be used to inform our Marine Delivery Routemap (see page 25).

Job fair highlights

30
customer and partner brands

260
vacancies

1,900
interviews conducted

As a nation, as people running a business
we endeavour,
To see the numbers but our extended reach
and impact,
Isn't always just the things we can measure,
The successful part of the grind,
Seems to come from this unique position you
hold between the heart and the mind,
Making sure the vision and mission from up high,
Filters down and back up again.

Abstract Benna
Poet

Connecting children with the countryside

In line with our strategy to make a positive impact for people and nature, we were proud to run a pilot project with The Country Trust, which organises food, farming and countryside experiences for disadvantaged children.

The charity's mission is to help children to discover where food comes from and understand their connection to the natural world, and the power they have to make a difference. For some, it will be the first time they have experienced the world outside their own community.

We partnered with The Country Trust to deliver an initial six visits to farms on Crown Estate land, introducing them to our farmers and funding expenses such as coach travel. Its team works with farmers and schools to tailor every visit, creating a Farm in a Bag – an activity pack to prepare the children for their visit including things to touch, such as seeds and feathers, as well as a welcome video from the farmer. Activities during a visit might include feeding the animals or sowing seeds.

The first visit from our pilot was at Albyns Farm on our land at Stapleford Abbotts, Essex. The farmers were outstanding hosts who conveyed their passion for their work to the children and created a classroom made of straw in their coach house to help the children keep warm on a cold day in March. On another, children helped to make and eat a stir-fry from vegetables they had seen growing.

Having seen The Country Trust's work in action, we are even more supportive of its goals, and will be supporting 40 more visits to connect urban children with farms across our rural land in the coming year.

"We are delighted to be working with a landowner that shares our aspirations to connect children with the farming system and the natural world that give us life."

Jill Attenborough
Chief Executive,
The Country Trust

We have since begun the rollout of a fisheries engagement hub, which allows the fishing industry to view, and comment on, the fishing data that The Crown Estate uses. This engagement platform will help us to check national data against the local knowledge of the fishing industry, helping us to make better-evidenced decisions.

Food security is also a key focus of the environmental Farm Business Tenancy agreements that are offering diversification and long-term stability to our tenant farmers (see page 29).

To broaden our impact, this year we made our first rural land acquisition in more than a decade, acquiring the Dissington Estate in Northumberland. We are further investing to refurbish our rural buildings, using local contractors wherever possible.

Our only rural land disposal this year was a 30-acre parcel of land in Taunton, Somerset, sold to the Hestercombe Gardens Trust. The sale will help the charity to complete the patchwork of the former estate for the education and benefit of the public.

Impactful procurement

We aim to ensure that everything we do helps to create wider value. As a member of the Buy Social Corporate Challenge, led by Social Enterprise UK in partnership with the Department for Culture, Media and Sport, we've spent approximately £4.2 million this year with social and not-for-profit organisations, a 55% increase on the previous year.

125,000
jobs supported through UK ports

c. £400 million
intended investment in offshore wind infrastructure assets

"It's great to be able to engage with Crown Estate colleagues on sustainable opportunities that deliver value for our shareholders and the economy in Teesside."

Jerry Hopkinson
Executive Chair, PD Ports

A £5 million boost for UK companies

Our Supply Chain Accelerator is investing to drive opportunities in offshore wind

In December, we announced that we had awarded a total of £5 million match-funding to 13 organisations with early-stage projects that could help to build the UK's supply chain for offshore wind. We created our £50 million Supply Chain Accelerator in 2023/24 as a way to build capacity among UK businesses – supporting future growth in the sector and helping to spread the benefits nationwide.

Projects for the first funding round were evaluated on a number of criteria, one of which was their ability to deliver on the requirements set out in the Celtic Sea Blueprint, from infrastructure and logistics to key skills. The blueprint predicts that if these opportunities are captured, the deployment of floating offshore wind in the waters off South Wales and South West England could create 5,300 jobs and a £1.4 billion economic boost for the UK.

Successful applicants included Plaswire, an innovative, Northern Ireland-based specialist that recycles wind turbine blades and other industrial waste, turning it into construction materials. The investment by The Crown Estate will help Plaswire to open a new recycling facility in the East of England that will more than double its blade recycling capacity, and build a quayside facility, making the huge blades easier to transport. Over time, the firm hopes to build a global franchise from its base in County Armagh.

"We are only a small team and to get that investment has really uplifted me," says Andrew Billingsley, CEO of Plaswire. "We've got where we are today by self-investing, but it's still only a team of 11 and we can't grow fast enough by ourselves to serve the industry. Now we are planning to grow our team to about 50 people by the end of this year."

Blue Abyss Operations was another successful applicant, winning funding to build the business case for an underwater testing pool that could help engineers to replicate the conditions at sea. Business Development Director Jean-Francois Lucas says the award has had benefits beyond the financial. "The team has been very helpful and we are finding externally that when stakeholders find out we've won Crown Estate investment, it gives us more credibility and they are more willing to engage."

Steve Adams of Hutchinson Engineering, a steel fabricator in the North West that supplies components to the offshore wind industry, agrees – adding that he sees potential for the projects being funded to collaborate in the future.

Other organisations to be awarded funding include Marine Power Systems, which has developed a floating offshore wind platform; Tardra, a piling specialist based in Cornwall; and the education providers Pembrokeshire College and Neath Port Talbot Group of Colleges.

The Accelerator's second funding round closed at the end of June 2025.

"The offshore wind sector has lots of ideals. With the Supply Chain Accelerator, we've finally got some structure to coalesce them around."

Steve Adams
Managing Director,
Hutchinson Engineering

Generating financial returns

> "Our strategy is yielding results across our diverse range of assets, and we are optimistic about the possibilities for the future."

Helen Price
Chief Financial Officer

Revenue
£1.6bn
(2023/24: £1.6bn)

Underlying revenue account profit
£1.6bn
(2023/24: £1.5bn)

Net revenue profit
£1.1bn
(2023/24: £1.1bn)

Property value
£13.4bn
(2023/24: £14.1bn)

Net assets
£15.0bn
(2023/24: £15.5bn)

Capital performance
1.3
percentage points outperformance

(2023/24: 2.0 percentage points outperformance) against annual bespoke MSCI commercial property benchmark

Portfolio review

Underlying profit by business unit	Mar 25 £m	Mar 24 £m	Change £m	Change %
Marine, excluding Round 4	**161**	152	9	6
Round 4 option fees	**1,073**	1,040	33	3
London	**162**	173	(11)	(6)
Regional	**81**	81	-	-
Windsor & Rural	**23**	23	-	-
Central costs	**(72)**	(70)	(2)	3
Interest and Parliamentary finance	**162**	127	35	28
Total underlying profit	**1,590**	1,526	64	4

	Value		Capital revaluation surplus	
Valuation movement by business unit	Mar 25 £bn	Mar 24 £bn	Change £bn	Change %
Marine	**3.4**	4.4	(1.0)	(23)
London	**7.1**	6.9	0.2	3
Regional	**1.5**	1.4	0.1	7
Windsor & Rural	**1.4**	1.4	–	-
Total investment property	**13.4**	14.1	(0.7)	(5)

The Crown Estate is an exceptional business. The diversity of our portfolio – from real estate assets such as Regent Street to Windsor Great Park and the seabed – gives us an interest in a wide range of sectors, while our remit means we can take a long-term view of growth beyond current cycles.

This year, we recorded a net revenue profit of £1.1 billion (2023/24: £1.1 billion) to return to the Treasury for public spending.

As in 2023/24, the largest contribution was the £1.1 billion of option fees from Round 4 (see page 46). The third set of option fees were received in January 2025 and are being released into the income statement over the 12 months to January 2026. The developments are due to enter their new phase in January 2026, whereupon income will reduce to £25 million per annum. As a result, the valuation of the Round 4 developments reduced to £407 million at 31 March 2025 (31 March 2024: £1,522 million).

Revenue

Beyond Round 4, our underlying Marine business performed well, with revenue up 7.5% to £173 million (2023/24: £161 million). The increase was driven primarily by the proactive management of our subsea data cable, pipeline and electricity interconnector leases, which added £11 million, partially offset by slower wind speeds, which lowered generation rent from existing offshore wind farms by £3 million.

Our Windsor & Rural business continues to grow, with a 22% uplift in revenue. This was driven by increasing diversification; in particular, the transfer of the Windsor Farms and Farm Shop to The Crown Estate at the end of 2023/24.

Revenue in our London and Regional businesses has increased over the year as a result of strong demand for high-quality retail, commercial and residential space. In 2024/25, new leases slightly outperformed estimated rental value (ERV) by 1%. This was partially offset by the development pipeline driving void rates higher in London and Cambridge, and the sale of non-core regional assets noted in the investment activity section below. We expect these actions to generate greater financial value and reduce our emissions over the long term. Further detail on the performance of each business unit is shared in a commercial review on pages 44-45.

The London and Regional portfolios were combined into a single business unit during the year, but are reported separately here. From the next financial year, they will be reported as Urban.

Expenditure

Our total cost base has increased from £178 million to £206 million as we reshape our business to improve efficiency in the long term and position for future growth. The largest increase in cost has been due to staff costs, where we recruited an additional 263 employees. This increase is largely due to the insourcing of our London Property Management team, with 120 people joining our business in 2024, but is also to support the delivery of our ambitious strategy. In addition, we have been investing in digital infrastructure to help us improve processes and unlock new opportunities.

Investment activity

The Crown Estate Act 2025 has given us important flexibility in when and how we invest, which is essential to deliver our ambitious strategy. In recent years, our ability to ramp up our long-term investment activity has been constrained by our lack of access to debt. Gaining the ability to borrow will enable us to materially increase our investment capacity as we seek to build our impact and grow the value of our portfolio for future generations. See page 4 for further information on the 2025 Act.

In the year, we completed more than £300 million of gross investments, including the milestone acquisition of the Dissington Estate in Northumberland. We also agreed new deals on a number of our long-lease interests in London.

As part of the repositioning of our Regional portfolio, we disposed of several non-core regional assets such as shopping centres in Leeds and Exeter, recycling cash to reinvest in areas such as the science and innovation sector, where we completed the purchase of the former Debenhams store in central Oxford together with Oxford Science Enterprises and the Pioneer Group. We also commenced the design and consultation of regional regeneration projects including Cambridge Business Park, which will result in greater capital spend over the coming years.

We are moving forward with our London development pipeline, with major refurbishment schemes such as 10 Spring Gardens and New Zealand House still ongoing, early works in progress at 33-35 Piccadilly, and planning processes underway for other projects including the second phase of development at St James's Market (see page 24). While the costs associated with these works (including income foregone) are significant, they are necessary to ensure our buildings meet our customers' expectations and meet our carbon goals.

Our London and Regional real estate outperformed the MSCI bespoke commercial property benchmarks by 1% point and 4% points respectively, as a result of our high-quality assets.

We have further invested in offshore wind, helping to build capacity by allocating £40 million to pre-consenting surveys. We also announced the first 13 projects to be funded through our Supply Chain Accelerator, investing £5 million, and launched the next funding round with the intention of delivering wider economic growth and creating an even more secure and attractive investment environment for offshore wind developers.

Outlook

Our headline profit will normalise from 2025/26 as our Round 4 developments move into the pre-generation phase in January 2026. However, the continued development of offshore wind farms in this and other leasing rounds will generate stable long-term income while delivering wider benefits for the UK.

In our Urban business, we believe positive trends in the valuation of, and demand for, prime real estate will continue and that our investment in developing and refurbishing our buildings, along with our new partnership with Lendlease (see page 11), will help us maintain a highly competitive offering.

Overall, we are seeing strong demand for the highest-quality assets in all our categories and as we deliver on our broad and ambitious strategy, we believe we are well positioned for future growth across the portfolio.

Generating financial returns continued

Marine

Our Marine business unit acts as the manager and custodian for the seabed and coastline around England, Wales and Northern Ireland. We generate revenue by leasing and licensing space for vital UK infrastructure, taking a holistic and co-ordinated approach to balance the needs of different sectors and our objective to create value against our four strategic priorities.

Offshore wind is our biggest contributor to performance, through a combination of leases for the 36 wind farms currently operating off the coast of England and Wales, and option fees paid by developers for exclusive rights to future projects. This is particularly noticeable in the impact from Round 4, which is explained in detail on page 46.

Underlying offshore wind revenues decreased by 3% to £93 million (2024: £96 million) due to less favourable weather conditions, while construction challenges delayed commissioning at certain wind farms that were due to expand their capacity.

Looking ahead, we continued to progress Offshore Wind Leasing Round 5, which will put innovative floating wind farms into the Celtic Sea – concluding the pre-qualification and invitation to tender (ITT1) stages and launching ITT2. The auction was undertaken in June 2025.

The Crown Estate also grants rights for the subsea cables, pipelines and electricity interconnectors that are vital to the economy and society. This area of our business performed well, with a contract signed for a new interconnector between England and Germany (see page 21). In June 2024, the world's longest subsea data cable, 2Africa, landed in Bude, Cornwall. The project will connect the UK with 32 other countries across Europe, Africa and Asia.

We expanded our marine minerals business, with one million tonnes of new annual capacity coming on stream, generating additional revenue of £1 million. Aggregate volumes held up well against the background of a weak UK construction market.

Our Marine Delivery Routemap (see page 25) helps with our geospatial planning for these and other sectors in which we have an interest, including ports (page 39) and the emerging carbon capture and storage sector (page 22), as well as other industries such as fishing and shipping, and our ambitions for nature. The data we hold indicates there is significant further value in the seabed that can be unlocked over time.

Portfolio value[1]	Underlying profit excluding Round 4 option fees
£3.4bn	**£161m**
(2023/24: £4.4bn)	(2023/24: £152m)

1. Value excluding Round 4 is £3,0 billion (2023/24: £2.9 billion).

Windsor & Rural

Our Windsor & Rural business manages more than 200,000 acres of rural land, including extensive areas of farmland, uplands and the Windsor Estate. This was a year of significant renewal and growth as we diversified our business, taking over the management of the Windsor Farms and Farm Shop (transferred to The Crown Estate at the end of the previous financial year) and made our first rural land acquisition in a decade. Revenue increased 22% to £50 million (2023/24: £41 million).

The Windsor Estate derives income from property, visitors, events, filming and forestry, as well as the Farms and Farm Shop. The Great Park, which is open daily and free to enter, received more than 5 million visits, making it one of the UK's most popular attractions – including The Savill Garden as well as Adventure Play, which opened in July 2023 and attracted 105,000 visitors this year.

Onboarding the Farms and Farm Shop was a significant focus for the business this year, as we refurbished the buildings and reviewed the farming business, investing £2 million. We are now running a mixed organic livestock enterprise producing beef, pork, lamb, dairy products and eggs.

Our Rural business is driven by an ambition to be at the forefront of the transition to regenerative agriculture. In September, we made what we hope will be the first in a series of acquisitions, purchasing the 2,500-acre Dissington Estate in Northumberland.

Now in its third year, our Rural strategy is yielding tangible results. The Crown Estate Rural Environment Fund has enabled our farmers to create significant new areas of wildlife habitats, supporting nature and climate resilience (see page 31).

We are continuing to invest in refurbishing our rural residential properties, and converting some former farm buildings to commercial use, helping to diversify revenue sources.

These activities are also intended to support our tenant farmers at a challenging time for the sector. Our satisfaction scores are at 91% for our Rural customers; however, service is not currently consistent across all areas and we are working to improve this.

While fixed rents have performed better than variable rents during this period, largely due to poor weather, land values have been resilient. The portfolio as a whole is currently valued at £1.4 billion (2023/24: £1.4 billion).

From 1 April 2025, certain coastal assets transferred from our Marine business unit into Windsor & Rural.

Portfolio value	Underlying profit
£1.4bn	**£23m**
(2023/24: £1.4bn)	(2023/24: £23m)

London

In London, our assets include approximately 10 million sq ft of mixed-use real estate, largely around Regent Street and St James's. From the start of the financial year, this was a period of renewal and change for the business, with a £490 million development pipeline underway and our team of property and facilities managers moving in-house.

Ensuring the West End remains a global destination is central to our future performance strategy. Following an extensive public consultation, this year, we appointed urban designers in partnership with Westminster City Council to deliver an ambitious public realm design for Regent Street, Haymarket and Piccadilly Circus. Making the area more sustainable, accessible and inclusive will help to increase occupancy and drive rental growth.

Regent Street continues to attract global retail brands, with several new openings and a number of customers increasing space. A focus on contemporary menswear at the eastern end of Jermyn Street has proven successful, with the street and the adjoining Princes Arcade now fully let. New restaurants added to the West End's appeal; highlights include the Ambassadors Clubhouse on Heddon Street and Jason Atherton's Sael in St James's Market.

Demand for London offices is strong, driven by a shortage of prime commercial space. While working patterns and customer needs have changed in the past five years, we have adapted by offering more managed workplace solutions, and our portfolio has performed well.

Meanwhile, we are continuing to invest in important refurbishments to our heritage properties, improving our offering to customers and making them more sustainable. A new project at 33-35 Piccadilly is now under construction, with progress on our existing delivery pipeline helping to support performance against our sustainability targets. When our joint venture partner exited the second phase of the St James's Market development, we bought its share and are progressing updated plans (page 24).

The scale of the works has increased the void rate to 22% (2023/24: 17%), with the income foregone contributing to a 6% decline in profit to £162 million (2023/24: £173 million). However, lettable void space was much lower at 3.3%, while rents for let space were 1.2% over estimated rental value. This helped the portfolio value to hold up amid market headwinds, outperforming our MSCI benchmark by 1.3% points (2023/24: 1.8% points).

A key event was the insourcing of our Property Management team, with 120 people joining the business. This has resulted in higher staff costs and property expenses. Work is ongoing to ensure the function is well integrated within our wider operations, with a focus on improving customer service and key processes to reduce the cost base.

Portfolio value	Underlying profit
£7.1bn	**£162m**
(2023/24: £6.9bn)	(2023/24: £173m)

Regional

Outside London, our real estate assets include a broad range of properties including prominent retail and leisure destinations and business parks. Through our strategic land portfolio, we are delivering a number of potentially transformational developments, including housing, retail units and workspace for the UK innovation economy. Across the portfolio, our strategy is to create an amenity-rich environment where people want to spend time.

Our core retail assets performed well, setting new post-pandemic benchmarks with rental growth of 1.8%. Six new openings added to a broad range of brands across Fosse Park and Rushden Lakes, and footfall rose by 3.5% compared with the previous year, showing the continued popularity of our retail and leisure destinations. Occupancy rates are high and we have identified several asset management opportunities that are helping to develop our customer mix.

We disposed of three non-core assets during the year, including the Crown Point shopping centre in Leeds and Princesshay in Exeter, recycling the capital raised to invest a total of £76 million into projects that we see as having greater potential to create lasting value for the nation. These include our £125 million commitment to a science and innovation scheme in Oxford, and the redevelopment of Cambridge Business Park, which will form part of a broader innovation ecosystem in Northeast Cambridge (see page 36).

We are also investing in a number of exciting projects, including in Bedfordshire, Cheshire, Essex and Hertfordshire, with the capacity to deliver up to 30,000 homes – read more about these projects and our progress on page 36-37.

Void rates across the portfolio were down against the previous year's average. Customer retention is at 90% (2023/24: 73%), with satisfaction rates of 86%. While revenue and profit were down due to the asset disposals, this strong performance and our new acquisitions helped drive a 7% valuation increase for the portfolio.

During the year, we took the decision to merge our London and Regional operations into a single business unit to be known as Urban, run by two Managing Directors overseeing real estate and development respectively.

From 2025/26, we will report combined results for our Urban portfolio.

Portfolio value	Underlying profit
£1.5bn	**£81m**
(2023/24: £1.4bn)	(2023/24: £81m)

Offshore Wind Leasing Round 4

Option fees from Round 4 continued to have an outsized impact on our financial performance in 2024/25, as we recognised income to the value of £1.1 billion (2023/24: £1.0 billion). In line with the previous financial year, drawing these option fees means the Round 4 valuation has reduced by £1.1 billion to £407 million.

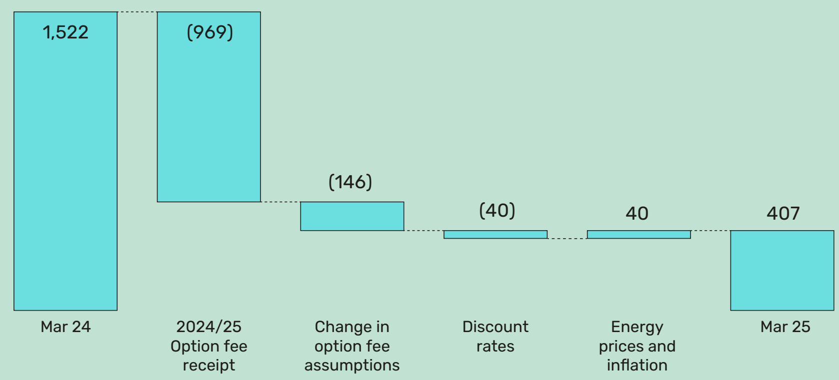
Background

In 2021, we awarded Agreements for Lease to six offshore wind projects through Round 4, giving developers exclusive rights to progress their projects through the planning and consenting process. During this phase, developers pay annual option fees until a seabed lease is granted, usually following development consent.

These option fees, set through an auction process, reflected market conditions and confidence in future delivery. Our customers committed to the first three years of option fee payments, which have now been received. From the fourth year of the option period, our customers can choose to:

- extend their option annually by paying a further year's option fee, up to a maximum of ten years;
- extend their option but scale back their projects by up to 25% (with a corresponding effect on the option fee);
- enter their lease and move on to the development phase (subject to meeting various prerequisites); or
- exit the lease altogether.

Round 4 valuation bridge (£m)



Following the auction close, we received deposits totalling £879 million from the preferred bidders.

When customers signed Agreements for Lease (AfL) in January 2023, we were able to recognise the income from these leases and we started to recognise revenue of approximately £1 billion per annum split across the six projects (being the £879 million deposits plus CPI indexation).

The AfL period continues with payments made each January until leases are signed or exited across the six projects. At this point, our customers will start to build their wind farms. Option fee income will cease and pre-generation rent will commence at up to £25 million per annum over the development period (estimated at three years). Once the wind farms start to generate electricity, we will receive 2% of the revenue generated, subject to a minimum rent of up to £25 million per annum. At the end of the wind farm's life (currently estimated to be around 60 years), we will cease to receive any income.

Progress and performance

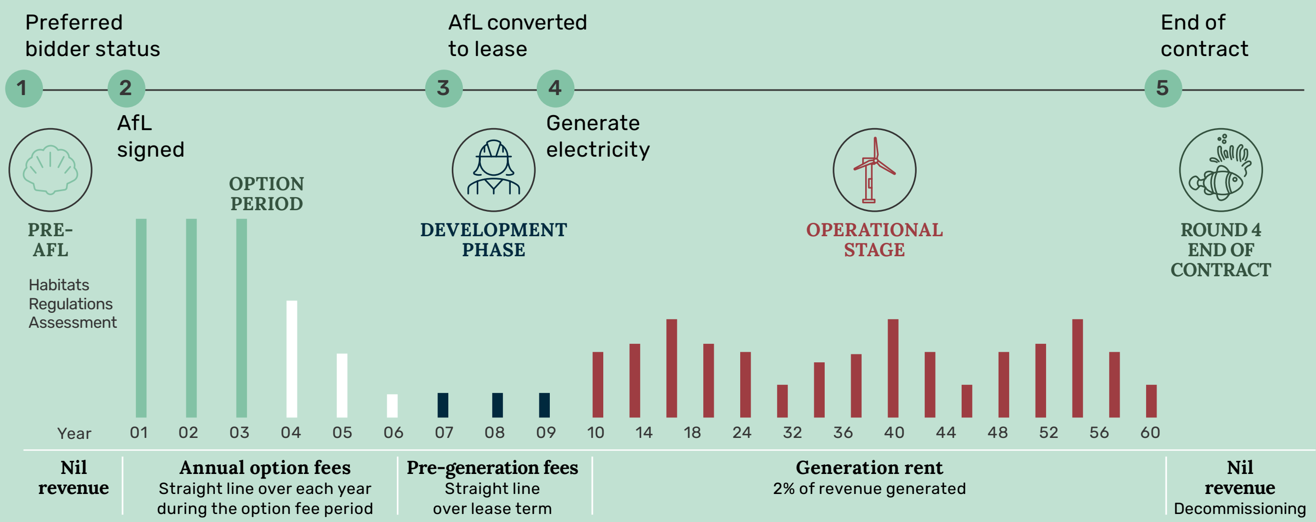
In January 2025, we received the third year's option fee payment of £1,073 million and we have recognised two months of this income, with the remaining £875 million held on the balance sheet at 31 March 2025.

All six Round 4 projects are now in their consenting stage, and we are working with our customers to continue progressing at pace, to deliver up to 8GW of clean, renewable energy for the UK.

Balance sheet valuation

Our independent valuers, Cushman & Wakefield, determine the value of our offshore wind portfolio annually on the basis of discounted future cash flows that reflect the different phases of the project and by applying risk-weighted discount rates.

This year, the valuation of Round 4 has reduced from £1,522 million to £407 million – reflecting the receipt of the third year's option fee payment, as well as the impact of rising inflation and energy prices and changes to discount rates as a result of global trends in renewable energy markets.



Revenue account income statement

	2024/25 £m	2023/24 £m	Change £m	Change %
Revenue (excluding service charge income and Round 4 option fees)	**560**	536	24	4
Round 4 option fees	**1,073**	1,040	33	3
Direct costs (including net service charge expense)	**(136)**	(109)	(27)	25
Gross profit	**1,497**	1,467	30	2
Administrative expenses	**(70)**	(69)	(1)	1
Operating profit	**1,427**	1,398	29	2
Net investment revenue and other income	**163**	128	35	27
Underlying revenue account profit	**1,590**	1,526	64	4
Income retained as capital	**(441)**	(425)	(16)	4
Net revenue account profit	**1,149**	1,101	48	4

Revenue

Underlying revenue increased by £24 million, due to active asset management across the portfolio. In Marine, cables and pipelines generated an additional £11 million compared with the previous year. Active asset management in our London and Regional segments was partly offset by divestments, leading to revenue increasing by £4 million. Meanwhile, taking over the management of the Windsor Farms and Farm Shop added £8 million of income to Windsor & Rural. Round 4 options fees increased by £33 million due to indexation (see previous page).

Other income

Net investment revenue and other income increased by £35 million, as our cash balances are attracting higher interest rates.

Direct costs

Our direct costs rose by £27 million as we took over the management of our London properties and the Windsor Farms and Farm Shop, as well as inflation, and the positive benefit of the release of bad debt provisions in 2023/24 held against arrears that had built up during Covid – which caused a £6 million increase in costs year-on-year.

Administrative expenses

Administrative expenses increased by £1 million. This was driven mainly by inflation, as well as the impact of recent hiring, and investment in data projects as we continue to build our capability in support of our ambitious long-term strategy.

Net revenue profit

At £1,590 million, our underlying revenue profit reflects a high watermark for The Crown Estate, This will reduce in the next financial year as option fees from Round 4 are expected to cease (see previous page).

As required by the Crown Estate Act 1961, we retain an element of income for future investment in the business. This statutory transfer is set at 27% of revenue (defined in the glossary on page 169), and the increase to £441 million is consistent with our higher revenue.

Balance sheet

	Mar-25 £bn	Mar-24 £bn	Change £bn	Change %
Investment property at valuation	**13.4**	14.1	(0.7)	(5)
Cash	**3.9**	3.5	0.4	11
Other net liabilities	**(2.3)**	(2.1)	(0.2)	(10)
Net assets	**15.0**	15.5	(0.5)	(3)

Net assets have decreased by £0.5 billion to £15.0 billion, driven primarily by a reduction in the property valuation as a result of the receipt of the third year's Round 4 option fee income as described on page 46.

Generating financial returns continued

Investment properties

	Mar-25 £bn	Mar-24 £bn
Investment properties	**12.6**	13.2
Owner occupied properties	**0.2**	0.2
Investment properties in joint ventures	**0.5**	0.6
Other property investments	**0.1**	0.1
Total	**13.4**	14.1

The investment property portfolio was valued at £13.4 billion at 31 March 2025 (2023/24: £14.1 billion). The largest component of the reduction year-on-year was the Marine portfolio valuation, which decreased from £4.4 billion to £3.4 billion. The reduction was principally due to a £1.1 billion reduction in the Round 4 valuation, partially offset by increases in the valuation of Rounds 1-3. This increase is due to the impact of the Round 3 project extensions, changing operations and maintenance around projects in their operational phase, as well as updating the valuation for latest energy price and inflation information. In addition, we increased the weighted average discount rate 1.7% to 9.4% (2023/24: 7.7%), reflecting an underlying movement in the risk free rate and increased uncertainty in global offshore energy markets and offshore wind supply chain issues.

We invested £122 million in acquisitions as we put our ambitious new strategy into practice. These include the purchase of a former Debenhams Store in Oxford, made in partnership with the Oxford Science Enterprises and Pioneer Group to provide much-needed lab and workspace in the centre of Oxford; the acquisition of the Dissington Estate in Northumberland – our first acquisition of a rural estate since 2014; and buying out the share of our joint venture partner on the St James's Market Phase 2 project as we prepare the site for future development.

We made capital investments in the year of £212 million on projects including the New Zealand House, 10 Spring Gardens and 33-35 Piccadilly. We continue to invest for the future in development schemes such as St James's Market Phase 2, 10 Piccadilly, the former Debenhams store in Oxford and our strategic land projects at East Hemel Hempstead in Hertfordshire, the Croxton Estate near Cambridge and Cambridge Business Park.

Property sales of non-core assets, including the Princesshay shopping centre in Exeter and our share of Crown Point in Leeds, together with long lease extensions generated £151 million for future investment in the business. The majority of sales occurred at above book value, generating a gain on disposal of £86 million.

Presentation of financial information

Our portfolio includes investments we manage directly, including assets where strategic partners share an interest through a lease arrangement; those managed through joint venture entities; and those where we hold a minority interest or that are managed by third parties on our behalf.

This report is presented on a proportionally consolidated basis, reflecting our proportionate interest in the underlying assets and liabilities. This basis represents our underlying economic interest better than the legal form of the investment. Proportionally consolidated results are considered 'alternative performance measures', as they are not defined under IFRS. See pages 165-166 for a reconciliation between the reported results and these alternative measures.

Income statements

Our consolidated statement of comprehensive income is presented in two constituent parts: the revenue account and the capital account.

The revenue we generate from managing our portfolio, net of associated costs and statutory transfers to the capital account (under agreement with HM Treasury), constitutes our revenue account. All the net profit generated in our revenue account (net revenue profit) is paid to the Treasury for the benefit of the nation's finances.

Our capital account chiefly comprises net revaluation movements, gains or losses on the disposal of assets and statutory transfers from the revenue account income statement. The main volatility in the capital income statement arises from net revaluation movements and gains on investment disposals. See page 147 for more details.

Taxation position

With our net revenue profit paid to the Treasury, we are not subject to corporation tax or capital gains tax. We are subject to VAT and stamp duty, and are transparent in our dealings with HMRC. We do not enter into any form of tax mitigation that could credibly be seen as unethical.

Cash flow

	2024/25 £m	2023/24 £m
Net cash inflow from operating activities	**1,666**	1,579
Net cash outflow from investing activities	**(243)**	(76)
Payment to Consolidated Fund (see note 12 on page 148)	**(949)**	(483)
Other items	**(5)**	(5)
Net cash inflow	**469**	1,015
Cash at 31 March 2024	**3,450**	2,435
Cash at 31 March 2025	**3,919**	3,450
Analysed between:		
Revenue cash	**2,221**	1,992
Capital cash	**1,624**	1,425
Third party cash	**74**	33
Cash at 31 March 2025	**3,919**	3,450

Net cash inflow from operating activities has increased as a result of our increased underlying profitability.

Cash flows from investing activities are as described on page 43 and increased as we invest in our ambitious new strategy.

The payment to the Consolidated Fund is higher, reflecting increased profitably last year and the structured payments of our net revenue surplus to the Treasury.

As described on page 135, the Act specifies certain distinctions between capital and revenue. Analysis of cash balances between capital, revenue and third party deposits is set out above.

The Crown Estate Act 2025

On 11 May 2025, the Crown Estate Act 2025 came into effect. The new Act modernises our investment powers and gives us the ability to borrow for the first time. Additionally, the entire cost of the Commissioners' salaries and the expense of their office will now be paid from The Crown Estate's income, whereas previously, Parliament provided a contribution towards these costs.

Going concern and viability

The Board's assessments of going concern and viability were carried out in the context of the 1961 and 2025 Act, which both constitutes The Crown Estate and places certain restrictions on us as outlined on page 89.

The Board has assumed the Act will continue in place throughout the period of assessment. The structured payment process for our net revenue profit, which includes consideration of contingent liabilities, is set out in our Framework Document, which provides resilience in revenue cash over the long term.

The Board's process for assessment for both going concern and viability included consideration of: the strength of our balance sheet including cash balances; our principal risks (which are detailed on pages 61-65); our risk appetite; our strategy; the breadth of our customer base; the range of sectors in which we operate; and our financial forecasts, including our ability to control the pace of investment.

The going concern assessment was completed over the period to 30 September 2026 and confirms that we hold sufficient cash to meet our liabilities for the period under review without any further income.

A five-year period was considered when assessing our viability after considering the corporate strategy timeframe, development life cycles and our approach to capital forecasting. The viability statement assumes ongoing impact on real estate revenues from the effects of the cost-of-living pressures on consumers and businesses; contracted and planned capital spend; as well as assumptions arising from our Group strategic plan.

Stress testing was performed by flexing a number of assumptions in the revenue and capital requirement forecasts through a range of severe but plausible scenarios. Under all realistic scenarios The Crown Estate is able to continue to satisfy all revenue and capital account obligations over both the going concern and viability periods.

The Board confirms it has a reasonable expectation that The Crown Estate has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. In accordance with the 2018 UK Corporate Governance Code, the Board confirms that it has a reasonable expectation that The Crown Estate will continue in operation and meet its liabilities as they fall due, over the five years to 31 March 2030.

Pensions

For information on our pension arrangements, please refer to the Remuneration Committee report on pages 106-118.

Supplier payments

We aim to pay our suppliers within 30 days of the invoice date unless our contractual terms specify a shorter period. Over the past financial year, on average, suppliers were paid within 39 days (2023/24: 32 days) of invoice date. We paid 68% (2023/24: 77%) of invoices within 30 days, 15% (2023/24: 11%) of invoices were paid between 31 and 60 days and 17% (2022/23: 12%) of invoices were paid after more than 61 days, which includes disputed invoices and invoices that were received late.

Supplier days were adversely affected this year as a result of a systems migration, which involved planned downtime of six weeks, and as we insourced our London Property Management business.

People and culture

As our business continues to evolve its scope and ambitions to create value for the country amid a fast-moving external context, it is more important than ever to create the conditions for our team to realise their potential.

In 2024/25, we continued to shape the organisation around our strategic ambitions. Key changes to our leadership structure reflect our broader scope and remit, with the Chief Sustainability Officer, the Executive Director, Corporate Affairs, and the Managing Director, Development joining the Group Leadership Team. Our new Chief Financial Officer was appointed to the Board – a significant milestone as we ensure financial leadership remains at the centre of our enterprise decision-making.

We also combined our London and Regional teams into a single Urban business unit, helping to improve efficiency and consistency in our real estate and development activities. Another major focus this year was to welcome the Windsor Farms and Farm Shop team and the managing agents for our London properties to our business, further increasing our scale and capabilities.

Even without these significant changes, our retention rate of 91% would be considered exceptionally high. Our survey results indicate this is driven by our positive culture and our people's commitment to our purpose, which focuses on creating value for the whole nation.

Ensuring our team reflects the wider population is essential to helping us understand the places where we operate, and ensuring our company strategy is as effective as it can be. Our diversity, equity and inclusion targets have been a key driver of progress in this area and our new Inclusion Index will help us to measure our results over time.

For the past three years, our People strategy has focused on Culture, Talent and Performance. This section of our report considers each one. In the coming period we will evolve our strategy to ensure we maintain and build on our progress.

"We are proud of the great talent we have attracted into The Crown Estate and how we are transforming and improving the capability of our business."

Lisa White
Executive Director,
People & Culture

95%
of leaders feel more able to drive inclusive culture

79%
employee engagement survey participation

27%
of roles filled through internal moves

263
new hires made

Our values

Our values are the guiding principles that define our culture

Caring
We are committed to looking after the world around us and each other. We treat people, places and the environment with the care and respect they need to thrive.

Together
We work together and with others to deliver on our purpose. To build trust, we focus on understanding the real needs of those around us.

Creative
We believe that creativity enables us to unlock new ideas and solve problems. To be a true catalyst for change, we embrace original thinking and the best ideas.

Impactful
We believe that positive impact and financial performance must go hand in hand. We ask ourselves how our actions align with our purpose and make a meaningful difference.

Culture

Our focus on culture over the past three years has delivered measurable results, even as our operations have diversified and our headcount has grown. Our employee engagement survey results show that people are exceptionally proud to work for The Crown Estate, and we are building more connectivity, collaboration and innovation across our business.

We have achieved this by investing in our Enterprise Leadership Community, developing their capabilities and driving an inclusive culture. Following an inclusive leadership programme, 95% of our leaders said their understanding of how they can drive our culture forward had improved, and this is being reflected in actions. Another highlight is our leaders' personal connection to our Safety First approach, which they support by role modelling and recognising desired behaviours.

Our Lived Experience review in 2023 highlighted several areas of improvement on diversity, equity and inclusion (DEI) and, this year, we put in place a DEI Action Plan including practical goals, overseen by a steering committee. Key actions include developing our Inclusion Index; creating an adjustment guide to help us meet the needs of team members with a disability or long-term condition; and launching Elevate – a pilot sponsorship programme that aims to offer greater equity in development for Black, Asian and minority ethnic colleagues, who are currently under-represented at leadership level.

In 2024/25, we introduced a new listening platform called Qualtrics, which has transformed how we gather and act on feedback from our people. It allows for more regular pulse surveys and sharper insights, sending results directly to managers, who are encouraged to create action plans based on the data. Our first full survey using this tool saw 79% participation – exceeding high-performing norms.

For our next phase of development, we will be working to build greater consistency and agility, and become an even more inclusive, diverse and supportive workplace – drawing on our cultural catalysts of safety, customer, sustainability and digital.

How our DEI networks helped us grow stronger this year

Race, Ethnicity and Culture

"The REC network is focused on allyship and support, giving our minority colleagues a safe space to voice and address concerns, and promoting their career advancement; improving cultural awareness and understanding across the organisation; and looking to harness best practice externally. Together with other network leads, we attended away days to help leaders walk the walk on DEI. We supported a leadership session on allyship and inclusive language and helped to design the Elevate pilot. We saw high engagement with our events and content for Race Equality Week and a podcast we created for Black History Month."

Adrienne Chan and **Sandra Nwajiaku**
Co-Chairs

EmpowHer

"The Gender network has undergone a rebranding and is now known as the EmpowHer Network. Our membership has grown by 78% and we have had a positive response to our activities. In the run-up to International Women's Day, we ran a two-week campaign celebrating inspirational women from around The Crown Estate, visited Windsor to engage with colleagues in customer-facing roles and organised an internal talk on inclusive cities. Looking ahead, we aim to raise more awareness about women's health, host self-promotion workshops and organise an event with our external networks."

Jayshree Patel and **Arya Li**
Co-Chairs

Out on the Estate

"Our network has grown to its largest membership ever. We hosted our first Pride in Property event, in collaboration with British Land, Berkeley Group, CBRE, Grosvenor, Landsec, Lendlease and Savills – celebrating our LGBTQIA+ community and raising money for the charities Micro Rainbow and Just Like Us. We organised a charity lunch for elderly LGBTQIA+ people in Westminster, and an internal talk on the Same Sex Marriage Act. For the upcoming year, we would love to see improvement in our colleagues' ability to feel safe and be themselves at work, and continue building our external partnerships and delivering benefit for the community."

Abby Haines and **Becks Shaw**
Co-Chairs

Accessibility

"This year, the Accessibility network has reset our strategy and priorities. Our renewed focus has been on raising the profile of the network, encouraging colleagues to share their lived experience to foster a culture of openness and awareness and continued learning from our external environment and connections. Over the year, we have attracted 12 new members to join us. We have also continued our #DefiningDisability series, in which two members shared their lived experience with neurodiversity. Two other members have now established a neurodiversity community to offer peer support."

Fran Dommett and **Cass Humble**
Co-Chairs

People and culture continued

Talent

Ensuring we have the right talent and skills to deliver our ambitious strategy will always be a top priority for The Crown Estate. Our levels of direct hiring continue to remain high at 90% this year and 27% of roles were filled through internal moves, including three promotions to our Group Leadership Team.

Guided by our annual talent mapping and succession planning exercise, we offer structured pathways for growth at all levels of our organisation, through initiatives such as Elevate and Realise Your Potential, a personalised development programme. Our succession pool remains engaged and diverse, and our internship schemes are expanding in partnership with organisations like 10,000 Interns and the Drive Forward Foundation, which help us access a broad range of talent.

This year, 26 apprentices began to develop their skills across a wide range of disciplines – from AI and accountancy to horticulture, surveying and butchery – reflecting the diversity of roles across our business, from our London office to the Windsor Farm Shop.

Leader IQ, our new leadership framework, is helping our senior team to develop their capabilities. Shaped by participants of the DNA (Discover, Nurture, Accelerate) programme we ran in the previous year, it defines the meta-skills needed to navigate change, lead with empathy and drive long-term value. We have also continued our accredited People Leadership Programme, running workshops to give leaders the mindset, skills and tools to manage their teams effectively.

"The People Leadership Programme helped me be a better manager, supporting my team to undertake complex and challenging tasks while fulfilling their own career aspirations."

Tory Harud
Commercial Director, Marine

We have set ourselves stretching targets for DEI, based on the Office for National Statistics census data, to ensure our teams reflect our customers and the communities around us. We are proud to have met four targets and made progress against all five, improving representation at leadership level and in the organisation as a whole.

An inclusive recruitment guide for managers has helped to drive these results by focusing on skills-based recruitment, encouraging inclusive language in job posts and ensuring our interview panels are diverse.

Several times a year we organise informal events for our Board to meet new and established team members. These relaxed gatherings enable our Board members to hear directly from the people delivering our company strategy, and support our team's development and perspective on our wider direction.

On the ground: Daniel Ogunseye

Our Cyber Assurance and Compliance Specialist won a Jack Petchey Foundation Award for outstanding leadership in his community.

Tell us about your role and background

I joined The Crown Estate about a year ago through the 10,000 Interns programme, having studied computer science and gained experience as a software engineer. My internship was extended from six weeks to six months and I'm now on a fixed-term contract in the cyber security team, focusing on assurance and compliance.

How did you get into volunteering?

It started in 2019 when a youth club opened up near my house in Dagenham. I was still at university and would volunteer at the club when I was home for the holidays because I wanted to be part of giving young people opportunities that I didn't have growing up. It's been fantastic to feel I'm part of creating positive change and I'm proud to see someone I worked with studying medicine at King's College, and others on basketball scholarships in the US.

Has volunteering helped you develop?

Definitely. Volunteering has taught me empathy, resilience, patience and communication skills. Those skills translate directly into the workplace, especially in areas like governance, compliance and risk.

What's next following your leadership award?

Right now I'm focused on learning as much as I can and building my career in cyber security at The Crown Estate. My long-term goal is to leverage my professional skills and network to advance my community work, creating pathways for young people in my community so they too can gain professional work experience.

Performance

We are continuing to mature our performance culture, supported by the rollout of a new framework, and we have improved our use of data to help us make decisions.

Annual targets are set for financial, capital and sustainability outcomes at the Group level and are evaluated alongside our business KPIs to determine our overall performance each year. Individual performance is assessed against specific objectives set at the beginning of the performance year and discussed during development conversations with line managers. Both company and individual performances are considered when determining incentives at the end of the year.

We track teams' progress regularly and share updates through town halls, quarterly business reviews (QBRs) and leadership cascades.

We are working to equip managers to provide effective feedback, and our performance processes encourage regular check-ins and structured conversations. At the end of the year, colleagues are given an overall performance rating that summarises the year's achievements. This creates transparency and helps everyone to understand how performance impacts rewards.

We are now in the process of developing a new recognition framework, designed to celebrate both individual and team success across the enterprise. This began with our Impact Awards, which celebrate those individuals or teams who are making an exceptional contribution to activities that are really important to us – from customer service to promoting safety and creating lasting prosperity for future generations.

"The Impact Awards are our way of recognising exceptional contributions towards creating value for the nation, celebrating individual and collective successes."

Kelly Skingley
Head of Reward

Pay and diversity

This year, we voluntarily published our ethnicity pay gap in addition to our gender pay gap, reflecting our commitment to diversity, equity and inclusion.

We have seen progress on our gender pay gap, as the mean and median base pay gap have both slightly decreased. The mean bonus gap also improved, although the median bonus gap widened due to the timing of new hires.

Regarding our ethnicity pay gap, the mean and median figures indicate higher average pay for Black, Asian and minority ethnic employees compared with white employees. Due to the make-up of our senior leadership team, our mean bonus gap favours minority ethnic employees, while the median bonus gap favours white employees.

Among our leadership group, 48% are women and 16% are Black, Asian or minority ethnic. While our data shows there is more to do, we are making progress, and being transparent about our progress will help us to improve still further.

Gender

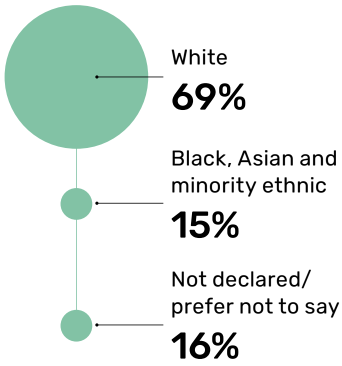
Mean pay gap	Median pay gap
8%*	11%*
Mean bonus gap	**Median bonus gap**
19%*	11%*

Ethnicity

Mean pay gap	Median pay gap
-13%*	-5%*
Mean bonus gap	**Median bonus gap**
-53%*	17%*

Colleague diversity

at 31 March 2025



Proportion of women working for The Crown Estate

at 31 March 2025

51%

* KPMG LLP has provided independent limited assurance over selected gender pay gap and ethnicity pay gap data, using the assurance standard ISAE (UK) 3000. KPMG has issued an unqualified opinion over the selected data. KPMG's full assurance statement, together with our reporting methodology, can be found online at thecrownestate.co.uk/pay-gap-report

Health, safety and wellbeing

Putting Safety First is integral to how we operate. Our goal is to become leaders in health, safety, security, environment and wellbeing (HSSEW), making our own assets as safe as possible and driving a culture of best practice in wider industry.

Our HSSEW team's remit includes protecting physical safety, security and mental wellbeing. This is the foundation of our success as a company, so we work hard to ensure our whole leadership community has a personal connection to Safety First.

The strategy has three pillars:

Improve, ensuring we get the foundations right in our own operations.

Inspire, supporting progress in the sectors where we operate.

Imagine, envisioning new, innovative solutions to create a positive legacy.

During 2024/25, our external ISO auditor re-certified The Crown Estate to ISO 45001 (occupational health and safety management) and ISO 14001 (environmental management). We have created a new visual identity to help us communicate about Safety First with our people, which has been especially important as we have integrated new teams into our Urban and Windsor business units.

We are piloting a bespoke, behaviour-based safety programme in Windsor that will be implemented throughout the company to help anyone in any role make Safety First decisions, and we built a comprehensive plan for our Marine business that we hope to replicate in other areas of our business (see panel).

Our Head of HSSEW acts as the Construction Leadership Council's lead on health and safety, helping to champion HSSEW across the sector and organising stakeholder events including a cross-industry summit on mental health. This helps to inform the measures we put in place within our own development pipeline. We have improved our assurance programme around smaller construction projects, building our induction to ensure our team, contractors and managing agents are aware of their risks and responsibilities.

We are continuing to progress works on our buildings to ensure they are compliant with the Building Safety Act, which was passed after the Grenfell Tower tragedy and came into force in 2023. We are working closely with the Crown Premises Fire Safety Inspectorate, who conduct regular audits of our properties. A dedicated Building Safety Manager has been appointed to focus on our London residential portfolio.

We also appointed a Wellbeing Director during the year to ensure we are being proactive about wellbeing in our operations, with an initial focus on our own team (see page 55).

Key metrics show that our approach has delivered results, even as our team has grown in size. We saw three RIDDOR-reportable incidents in 2024/25, primarily related to musculoskeletal disorders – highlighting the importance of effective work planning and risk assessment. Our Construction Accident Frequency Rate was 0.14△ (2023/24: nil). Our Lost Time Injury Frequency Rate has remained low on average over the past three years.

Our priority for the next year is continuing to strengthen our foundations across HSSEW, setting clear expectations throughout our employee life-cycle to build and sustain our skills and ensure we put Safety First at all times.

"Nothing is more important to our leadership team than ensuring everyone – our team, our customers, our partners and members of the public – gets home safely."

Oliver Smith
Executive Director, Operations

3
direct RIDDOR reportable incidents (2023/24: 1)

3
indirect RIDDOR reportable incidents (2023/24: 1)

0.17△
Accident Frequency Rate (2023/24: 0.08)

0.28△
Lost Time Injury Frequency Rate (2023/24: 0.21)

△ Independent limited assurance (see inside front cover)

Security

Security is vital to our success, allowing businesses and people to flourish. To help us be proactive about protecting our portfolio, our customers and the community, we have undertaken a detailed security assessment of some of our most valuable assets. This has given us a detailed picture of the potential consequences of a major security incident that will help to inform our mitigation work. We have also successfully passed a comprehensive, industry-standard assessment of our security arrangements across a range of assets.

Our assets in central London are in high-profile, high-traffic areas and are patrolled regularly throughout the day. Security officers recorded almost 1,700 security and non-security related incidents during the year. We also worked with our partners to respond sensitively to various protests in the vicinity of our London assets, aiming to minimise the disruption to our customers. This has helped us develop stronger links with businesses and authorities to co-ordinate proportionate responses where needed.

In July, we launched a new Incident & Crisis Management Framework to empower our people to deal effectively, methodically and consistently with incidents that require an elevated response. The framework has been designed in line with standard approaches across industry, but tailored to the needs of The Crown Estate. It has already been used to great effect in planning for and responding to incidents.

The Terrorism (Protection of Premises) Act, also known as Martyn's Law, was passed on 3 April 2025. While the Act will not come into force straight away, we have begun making arrangements to ensure we are compliant, and will be fine-tuning our approach in the coming period. More broadly, we will be continuing to improve and develop our security systems, structures and cultures across the business and beyond.

A step change in wellbeing

Supporting good mental wellbeing is a cornerstone of Safety First. It is a central part our strategic goal to help communities thrive, and it underpins our performance as a business.

This year, we commissioned a Working Well Wellbeing Maturity Assessment to map our activities against frameworks including ISO 45003 (managing psychosocial risk) and Health & Safety Executive (HSE) Management Standards. Through site visits, stakeholder interviews, focus groups and an all-employee survey, the assessment will give us a rounded picture of our provision, highlighting areas of strength and best practice, as well as potential for development.

We will use the data gathered to develop an integrated, holistic, proactive and preventative plan to improve employee health and wellbeing. While the strategy is being developed, we have focused on awareness-raising events around topics such as stress and burnout, tailoring content to particular teams or business areas based on our One Voice survey feedback (see page 51). We continue to grow our network of wellbeing champions and Mental Health First Aiders, who offer peer support across the organisation.

We are also engaging more proactively in key sectors for our business, particularly construction and agriculture. For example, we have delivered mental health awareness training to 25 managing agents in our Rural portfolio, who interact regularly with our tenant farmers and their families.

In January, we were proud to launch the AgriWellbeing Alliance in partnership with Mates in Mind, the National Association of Agricultural Contractors (NAAC), IOSH Rural Industries Group, Agrii, the Farm Safety Foundation (Yellow Wellies) and the Farming Community Network (FCN). Together, we want to create a farming sector where mental health and wellbeing are prioritised, supported and openly discussed.

114
Mental Health First Aiders active across our business

25
managing agents trained to support farmers

On the ground: Alan Chivers

The Health & Safety Manager for Marine has helped mature our approach to Safety First

Tell us about your role and background

I've been working in offshore wind since 2000, so I've known The Crown Estate for at least 25 years. In 2024, I was challenged to create an ambitious Safety First strategy and action plan for the Marine business unit.

Why do a Marine-specific plan?

The business is expanding and moving into new technologies, against a backdrop of climate change, coastal erosion and rising sea levels – and ongoing potential for incidents like the collision of two vessels off the coast of East Yorkshire in March. There is risk but also opportunity, because good safety is good business.

What have you put in place?

An approved Marine Safety First action plan for 2025-2028 that aims to deliver the safest marine environment in the world. We've also done internal training and improved our systems and procedures to deliver a step change in maturity.

How is the plan being rolled out?

We worked with individual managers to create sector and sub-sector plans. The actions are wide and varied, tackling day-to-day risks as well as specific longer-term goals. We've also built Safety First into our business planning, looking at impacts of co-location to further help us control risk.

What are the outcomes?

I'm proud we have progressed our culture, increased our competence and matured our HSSEW leadership. We're engaging with customers and enhancing our relationships with important external agencies like the Health & Safety Executive and HM Coastguard to drive best practice. Ultimately, I believe that will help drive accidents and ill health down.

Technology, data and innovation

The Crown Estate's history dates back to the 16th century, and we are dedicated to delivering benefits that will endure long into the future. Harnessing the potential of data and technology innovation is therefore a significant priority for us as we work to maximise our impact for the nation.

From data-driven decision-making to automated processes and smart buildings, we are embedding technology at the heart of our operations to better serve our customers, deliver on our strategic goals, and navigate complex challenges.

Over the past year, we have made substantial strides in three key areas: establishing a data-driven organisation, bolstering our cyber and information security resilience, and operationalising artificial intelligence (AI) to unlock efficiencies and support innovation across our business. As our business expands, we will place greater emphasis on delivering digital products and services to strengthen our relationships with customers and partners, and to generate new revenue streams for our company.

We will continue to reinforce our core technology foundations and processes using automation, deepen our AI capabilities and skills, and enhance our cyber security measures. It is essential that innovation and digital thinking become deeply ingrained in our culture so that technology is perceived not as a separate component of our work but as fundamental to our future success.

Data

We consider data to be a strategic asset that can support our long-term objectives. This year, we initiated a programme aimed at unlocking its potential. The programme focuses on enhancing our data maturity, quality and literacy, thereby improving our reporting, analysis and evidence-based decision-making processes.

This is particularly valuable to our sustainability work. The Carbon Emissions Transparency and Insights (CETI) platform we are developing will significantly enhance our capacity to measure and report energy and carbon emissions across our real estate assets.

In our Marine business, we continue to advance our evidence-based decision-making through our world-class geospatial programme, which utilises data to plan and manage seabed use with unprecedented precision. In July, this programme was honoured with a special achievement award at the Esri User Conference – the largest global event for Geographic Information Systems (GIS).

Another area where we are optimising the value of our datasets is our Marine Data Exchange, which is a globally renowned collection of offshore data and evidence made freely available to promote sustainable development of the seabed, providing offshore projects in the UK with a valuable advantage.

Our long-term goal is to ensure that high-quality and accessible data is available across every part of our organisation, helping us to manage everything from energy use to customer engagement. Achieving this objective requires ongoing investment in our systems, people and culture to ensure the use of data in our everyday decision-making.

Cyber security

As our digital maturity grows, our exposure to new forms of cyber and information security threats also increases. Our objective is to establish a robust cyber security capability that can protect our business from these evolving risks.

We are aligning our strategy with the industry-recognised NIST Cybersecurity Framework and the MITRE ATT&CK framework, and we are focused on fostering a strong security culture in our team.

"By embracing data and emerging technologies, we aim to enhance the value and impact of our diverse portfolio, fostering a smarter, more connected future."

Linda Morant
Chief Digital Officer

Artificial intelligence

We recognise the transformative potential of AI in enabling us to execute our strategy and fulfil our purpose: enhancing efficiency and automation, improving quality, providing valuable insights and uncovering new opportunities across our portfolio.

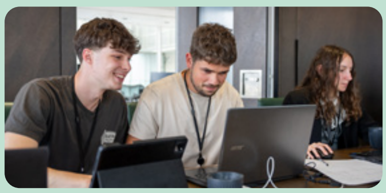
In 2024/25, we formalised our approach by implementing a new policy and governance framework to ensure that AI initiatives are developed and deployed responsibly, in alignment with our purpose and values. We have piloted the AI for Business Value programme and delivered AI masterclasses to better equip our workforce with the skills needed to leverage this technology and unlock additional value.

We have identified and successfully implemented AI pilot projects within our business, including creating a more intuitive experience for accessing the extensive repositories of information in our Marine Data Exchange, assisting with data quality validation in our property systems, and automating various manual back-office processes.

Thinking outside the box with Inversity

In pursuit of our dedication to digital innovation and the cultivation of next-generation skills, we collaborated with Inversity, an AI-focused education provider, to facilitate a challenge for A-Level students in July.

Inversity organised a hackathon where students were tasked with proposing AI-powered solutions aimed at aiding the UK's goal of generating 50% of its energy sustainably from the seabed by 2050. The challenge prompted a variety of creative ideas. Several students were granted internships with our Marine and Digital teams, and the winning team received a prize designed to support their continued development.



Risk and disclosures

Risk management

Strategic context

Risk management is woven into the fabric of The Crown Estate's operations, from the Board and Value Creation Committee (VCC), to the Group Leadership Team (GLT) and individual project teams. This ensures that every level of our organisation seeks to proactively understand and mitigate risks as an integral part of its activities. This approach safeguards our assets and fosters a resilient and agile environment, enabling us to seize opportunities with confidence. We start with our strategic objectives, and our principal risks are managed to enable these to be delivered. In the year ending 31 March 2025, we thoroughly reviewed and simplified our principal risks (see pages 61-65).

External risk landscape

In 2024/25, the economic landscape remained challenging, marked by cost inflation, resource scarcity, geopolitical volatility and labour shortages.

Political shifts including national and local elections have created additional uncertainty, as have trends in digital disruption, patterns of work, societal pressures and significant pressures on climate and nature.

Each year, our research team assesses the external environment to ensure that our strategy remains relevant and we are managing emerging risks appropriately. The seven themes identified for 2024/25 are outlined on page 13.

Double materiality assessment

A double materiality assessment (DMA) is a tool in sustainability reporting which helps organisations to identify which sustainability matters are most material to them and their stakeholders. It does this by evaluating which matters impact on environmental and social factors (inside-out perspective), while also considering how these factors influence the organisation (outside-in perspective). A DMA is mandated under the Corporate Sustainability Reporting Directive (CSRD); however, it is also considered as best practice in identifying gaps in sustainability risks and opportunities.

While we are not subject to the CSRD, the DMA aligns with our purpose and strategy through its inside-out and outside-in approach. We believe that by considering the impact we have on society and the environment, and how our business is impacted by sustainability issues, we can make better decisions and ensure we create long-term value in line with our remit. This aligns with our additional responsibilities for sustainable development under the Crown Estate Act 2025 (the 2025 Act).

Last year, we completed a comprehensive double materiality assessment with the aim of establishing a wider perspective on risks and opportunities relating to sustainability and identifying any gaps. We identified more than 200 risks and opportunities; 16 key topic areas were most relevant to us and were mapped to our four strategic priorities. We are now using the DMA as another way to review our progress in the area of sustainability. See table below.

We are also considering our ongoing use of DMA as part of our risk management framework, particularly in the area of sustainability. By continuing to explore topic interdependencies, including the trade-offs and joint benefits, we are able to concentrate resources where we can make the most impact. This work is essential for the ongoing development of our sustainability commitments and decision-making processes across the business.

This year, we also published our Nature Recovery Ambition which was developed based on our understanding of risks, opportunities, impacts and dependencies.

See pages 66-77 for our Task Force on Climate-related Financial Disclosures (TCFD) report for more detail on our climate-related risks and opportunities.

Strategic objectives	Key areas of sustainability risk relevant to The Crown Estate identified as part of our 2023/24 DMA)	Progress in 2024/25
Responsibly generate value and financial returns for the country	Data privacy	We continue to be compliant with data privacy regulations with respect to all regulated datasets we hold.
	Diversification of business model and assets	We continue to diversify our portfolio of assets through new property developments and additional revenue-producing activities to responsibly generate value and deliver financial returns for the country. We consistently integrate carbon, nature, social impact and financial value in our decision-making through our enhanced Value Creation Framework (VCF).
	Market and policy interventions	The 2025 Act includes a requirement for Commissioners to keep under review the impact of their activities on the achievement of sustainable development in the UK.
	Supply chain and third party partnerships	We have strengthened our governance with respect to our partnership working. Specifically, we have: – applied additional rigour in how we manage existing key third parties (including joint ventures) – announced our partnership with Great British Energy (see page 21) – expanded our role in science and innovation through partnerships – continued to apply our Supplier Charter and enhance controls over our supply chain – announced a joint venture partnership with Lendlease (see page 11)
	Transparent reporting and disclosure	We have continued to report sustainability disclosures to measure our progress in this area. See our TCFD framework report on pages 66-77. We also published our Nature Recovery Ambition which includes nature targets (see page 27).

Strategic objectives	Key areas of sustainability risk relevant to The Crown Estate identified as part of our 2023/24 DMA)	Progress in 2024/25
Be a leader in supporting the UK towards a net zero carbon and energy-secure future	Pathway to net zero	We exceeded our internal energy reduction target (see page 79). We also established our company-wide carbon baseline, identified our net zero trajectories, and we are developing three-year decarbonisation delivery plans.
	Technology and innovation	We are implementing robust data solutions to measure and report on energy and carbon emissions accurately. In particular, our Carbon Emissions Transparency and Insights (CETI) platform will be fully deployed in 2025/26.
	Resilience and adaptation to climate impacts	We have developed a three-year TCFD roadmap (see page 74) to set out future actions required based on specific climate risks to our assets.
Take a leading role in stewarding the UK's natural environment and biodiversity	Land use and biodiversity	As part of our Nature Recovery Ambition, we set a goal to deliver a measurable increase in biodiversity for The Crown Estate's holdings across land and sea. This is underpinned by the biodiversity targets and action plans that we launched as part of our Nature Recovery Ambition.
	Water usage	Our Nature Recovery Ambition includes a water goal to identify and tackle the causes of water degradation and water stress in areas within The Crown Estate's influence by 2030.
	Resource circularity	Our Marine team is part of a Beneficial Use Working Group which aims to encourage more opportunities for resource circularity. The Group includes third party organisations such as government, industry and statutory nature conservation bodies. One example of this is outlined on page 41.
	Mineral and material extraction	We continue to work with customers and regulators to develop best practice and the sustainability credentials of the marine aggregates industry (see page 39).
	Pollution	We continue to review our impact on pollution through our carbon reduction and waste initiatives.
Help create inclusive communities and support equality, economic growth and productivity	Local economies	Our social impact principles guide us to take a place-based approach, listening to and involving communities, and working in partnership with others to foster regeneration and increase opportunity for all (see pages 34-41). Examples of this include: — our £50 million Supply Chain Accelerator (see page 41) — funding Falmouth Marine School's Cornwall College offshore wind engineering qualification (see page 38)
	Health, safety and wellbeing	We have Safety First action plans for each area of our business. Where applicable, we have engaged with the high-risk sectors we work with, such as marine, farming and construction, to support higher levels of health and safety. See Health, safety and wellbeing on pages 54-55.
	Diversity, equity and inclusion	We are committed to supporting a diverse and inclusive workforce within The Crown Estate and outwardly support this in our community engagement. See People and culture on pages 50-53.

Risk management continued

Risk management framework
Our risk management framework is aligned to the Government's 'Orange Book: Management of Risk – Principles and Concepts' and corporate governance best practice. As such, the GLT is responsible for our principal risks, which are approved by the Board.

At an operational level, individual business units are the owners of the operational risks facing their area of the business. They maintain registers of risks and controls, which are reviewed.

Risks are evaluated against impact and likelihood, using a range of criteria including financial, environmental and social (reflecting our VCF).

Impact is measured as minor, moderate, major, serious or critical. The likelihood of a risk event happening is assessed across several timeframes (within 0-2 years, 2-5 years and more than 5 years). For sustainability risks we have also considered risks with a time horizon of more than 10 years.

Our Risk team facilitates risk management activities in the business to ensure that everyone is equipped with the tools and support they need to manage risk.

Our risk model

Risk

Our purpose and values
↓
Our strategic objectives
↓
Our principal risks
↓
Operational risks in business units and Group partners

Governance

	Controls	Assurance and oversight
Principal risks	**Key controls and mitigations** (see pages 61-65)	– Leadership self-assessment of key controls – Internal audit – The Board – Audit Committee
Operational risks	**Risks registers detailing mitigating actions**	– Internal audit – Control assessment – Monitoring and reporting in business units and QBRs – Risk reviews – Lessons learnt exercises

Oversight and challenge to our management of risk
The Head of Internal Audit, Risk and Assurance challenges operational and individual project risk registers to ensure robustness.

Operational risks are discussed at Quarterly Business Review (QBR) meetings, where GLT members provide an update on their current and emerging risks. The Head of Internal Audit, Risk and Assurance attends these sessions to provide challenge and advice.

Operational and strategic risks are used to inform executive decision-making, for example, VCC submissions must include an explicit reference to risk.

Principal risks are reviewed twice a year with the Board.

Annually, the GLT self-assesses its management of risk through the completion of control statements. These confirm effective operation of key controls relevant to the principal risks. These are reported to the Accounting Officer and Audit Committee to inform their opinion on internal control. For more information about the Audit Committee's roles and responsibilities see pages 97-101.

The Risk and Assurance Group, which comprises senior leaders within the Group, supports consolidation of effective control and risk management into the business. The Group reviews internal audit results, new policies and procedures, and changes to operational risk.

The Internal Audit function acts as a third line of defence, reporting directly to the Audit Committee. It provides independent assurance on control and risk management effectiveness.

Principal risks

The tables on the following pages summarise the principal risks which could impact The Crown Estate's ability to achieve its strategic objectives. They could significantly affect our:

- financial performance
- licence to operate
- ability to meet our customers' needs
- reputation negatively

These tables do not cover all risks and uncertainties faced by The Crown Estate.

The GLT and Board, with the support of the Head of Internal Audit, Risk and Assurance, have thoroughly assessed the principal risks in light of emerging risks relevant to The Crown Estate. The movement in risk compared with the previous financial year has been agreed with the Board and is detailed in the table on the right. We have also started to consider any further risks to us following the introduction of the 2025 Act and this will be fully embedded in our risk management for 2025/26.

Understanding our risk appetite

The Board approves the strategic objectives that determine the level and types of risk that The Crown Estate is prepared to accept. The Board reviews these objectives and associated risk appetite at least annually. Our risk management framework is designed to support the delivery of our strategic objectives and the longer-term sustainability of the business and its investment portfolio, within the agreed risk appetite parameters. These parameters drive decision-making and support the business to create financial, environmental and social value in line with our VCF, while protecting us from downside exposure.

In 2024/25, our risk appetite was unchanged from the prior year but our operational context became more challenging, as shown in the movement in principal risks.

Our approach to managing risk appetite for each principal risk will vary depending on the strategic objective. Risk appetite will vary according to enterprise priorities. This is accepted if the overall portfolio risk appetite is consistent with the Board's.

Our principal risks

Principal risk*	Strategic objectives	Movement in risk
Climate and Nature	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth	↔
Health, Safety and Wellbeing	Net zero and energy security; Generating financial returns	↔
Investment Allocation	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↓
Marine Strategy Delivery	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↑
Operational Resilience	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↑
People, Skills and Culture	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↓
Political and Macro Environment	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↑
Stakeholders and Our Brand	Net zero and energy security; Nature recovery and biodiversity; Inclusive communities and economic growth; Generating financial returns	↓
Urban Development Delivery	Net zero and energy security; Inclusive communities and economic growth; Generating financial returns	↔

* Principal risks are listed alphabetically

Strategic objectives

- Net zero and energy security
- Nature recovery and biodiversity
- Inclusive communities and economic growth
- Generating financial returns

Movement in risk

- ↔ No change
- ↓ Decreased risk
- ↑ Increased risk

Principal risks

Climate and Nature	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ⟷	The climate and nature crises could adversely impact our portfolio and our business in a number of scenarios. Our assets themselves may adversely impact climate and nature. Failing to transition to a low-carbon, nature positive economy and/or inadequately addressing the physical risks and effects of climate change on our assets could diminish value creation for future generations.	The accelerating climate emergency could further constrain our efforts to enhance nature and biodiversity alongside sustainable food production and limit outcomes. Equally, failing to deliver nature-based solutions at scale could limit our climate resilience. Without decarbonisation and adaptation interventions, our assets could become stranded or obsolete. We may not deliver on our specific responsibility to maintain the Windsor Estate as a Royal park and forest, balancing many competing land use demands.	– Our Sustainability Committee, sets our annual sustainability objectives for approval by the Board. Sustainability objectives are embedded in the business unit strategic plans, and monitored through QBR meetings. – Our VCF ensures all investments consider our sustainability objectives (read more on page 121). – We have set our enterprise carbon baseline and net zero trajectory, split into four sectors, and developed three-year decarbonisation delivery plans for our key sectors. – Climate, nature and other sustainability-related risks (in accordance with TCFD and other relevant frameworks) are managed by business units and monitored by the Risk team. – Habitats Regulations Assessments (HRA) are completed where applicable and are overseen by our HRA Oversight Group, chaired by one of our Board Members.

Health, Safety and Wellbeing	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ⟷	There is a risk to the health, safety and wellbeing of our people, customers, supply chain, or anyone interacting with our operations or assets.	A health and safety (H&S) incident could arise either from a failure to provide sufficient ongoing support or a significant H&S incident on our premises or within our portfolio. This could adversely impact people or our reputation, cause financial loss and/or result in criminal liability. There is also a risk that our wider supply chain is not in line with our Safety First approach.	– Our Safety First framework and H&S policies ensure individual Safety First action plans, which outline our commitments to health and safety, are prepared and approved by all business units. – Health and safety performance is owned by the business units, supported by the Health & Safety team. Performance is recorded in appropriate management systems and reported in QBR meetings and to the Board. – External assessments and audits are completed to ensure compliance to health and safety regulation, such as fire safety.

Principal risks

Investment Allocation	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ↓	We risk misallocating capital by not balancing future financial risk, asset sustainability, and environmental and social objectives. We risk limiting the diversification of our asset base, thereby weakening the overall resilience and adaptability of our investment portfolio.	We may not balance the need to deliver short-term returns with our remit to create long-term value and pursue sustainable development. The impact of our investments may not realise their full potential if our investments are not aligned with wider stakeholder plans and/or raise an over-expectation on The Crown Estate.	– Our VCF is applied to all investment decisions over £4 million to assess our investments against both financial return and sustainability objectives. Investments and their VCF assessment are reviewed and approved by our VCC. – Our operational delivery is planned through our strategic business planning process, which sets out our operational, financial and sustainability objectives for the current year, with a three-year forecast. This is approved by the Board and delivery is monitored through QBR meetings.

Marine Strategy Delivery	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ↑	Delivery of our Marine strategy could be impaired by market, global and national political instability.	Our customers and stakeholders may not invest in unstable and unpredictable markets, and this could slow decision-making. We may not listen effectively and provide a stable environment for them to invest. There may be challenges in delivering both our Offshore Wind (OSW) strategy alongside our Nature Recovery Ambition.	– Our Marine business unit has key project and portfolio governance forums (Marine Management meetings and development Board) where operational delivery is reviewed and approved. – Expenditure is planned in the Marine Strategic Business Plan. – Marine projects are managed applying our project management handbook, which is aligned to the Infrastructure Projects Authority (IPA) guidelines.

Operational Resilience	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ↑	Our current processes and controls may not be sufficiently effective, hindering our ability to adapt to changes and/or operational risks. We may fail to modernise our processes and ways of working to be an agile and efficient organisation.	Cyber attacks, infrastructure issues or failures in internal controls could disrupt operations, result in data loss, damage our reputation and lead to financial penalties. Additionally, we may struggle to meet our technological needs, keep pace with evolving technology and satisfy our customers' digital expectations. We may not operate as a mature commercial entity, be sufficiently agile, innovate and improve efficiency in our core delivery. We may not harness the full value of our data to unlock additional value and efficiency.	– Our IT environment is managed by our Digital team, which applies controls to manage cyber security, data privacy and automated controls within our IT systems. – Training in relation to IT security is delivered to all staff. – Opportunities for efficiency are supported by our Operational Excellence team. – Our risk management framework is applied across the organisation and internal audits are completed to assure key risks to our operations.

Principal risks

People, Skills and Culture	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ↓	We may not be able to attract, keep or develop the talent we need, and our culture may not evolve to support high performance and the wellbeing of our people.	Our people may not be empowered to drive the delivery of our ambitious objectives by applying an innovative, commercial and empathetic mindset. Our people may not operate in line with our core values, particularly **our** customer service ethos and the adoption of technology to maximise the impact of their delivery. They may not take personal ownership and accountability for their contributions to the business. We may not have identified and planned for successful succession in the organisation.	– Our People team supports the business in the management of our people through HR business partners aligned to the business units. – Our reward and performance management framework is applied across the organisation to encourage high standards of individual performance. – Our senior leaders are part of our Enterprise Leadership Community, which focuses on leadership development training. – Recruitment is managed and recorded through appropriate systems, ensuring compliance with employment regulation. – Our annual One Voice employee engagement survey gathers feedback, which is reviewed and actioned.

Political and Macro Environment	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24 ↑	A systemic change resulting from global crises or changes in national policy, the economy, geopolitics or technology may impact our ability to achieve our objectives and serve our customers.	We may not effectively balance our long-term objectives while navigating an ever-changing external environment. Many of our objectives are long-term and require us to plan into the future, while remaining live to an ever-changing external environment. Our development and energy programmes may not deliver their full potential without policy consistency and a stable economic environment. We may not be able to adapt effectively as the speed of systemic change accelerates, which could result in underperformance.	– Our research and insights teams provide strategic updates to GLT and the Board quarterly to enable these groups to assess the impact on our strategic business plan and overall objectives. – Our Corporate Affairs team engages externally and supports our leaders in navigating change which could impact the delivery of our objectives. – The business engages at local community, devolved and UK Government levels to support the delivery of our strategy.

Principal risks

Stakeholders and Our Brand	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24	Failing to collaborate through relevant strategic relationships and listen actively to our stakeholders, including our customers and local communities, could lead to financial losses and poor decision-making, and damage our brand and reputation, weakening our influence.	We might not make the most impact from our deliverables if we don't have effective relationships with organisations of all sizes, including: our constitutional stakeholders, all levels of government, joint ventures, partners, customers, suppliers and communities. They are crucial for achieving our strategic objectives. We may not be equipped to manage the expanding range of stakeholders that we need to engage with. We may not work effectively to communicate who we are, what we stand for, and what impact we deliver. Our partnerships may not enhance trust in our brand.	– Our key stakeholders are mapped and owned by individuals in the business. – Our Corporate Affairs team supports the business in proactive and reactive communications and engagement with key audiences and stakeholders to effectively communicate who we are and what we stand for. – Joint ventures and formal partnerships are underpinned by formal contracts and/or a Memorandum of Understanding (MoU) which govern our interactions.

Urban Development Delivery	Risk description	Potential impact	Risk mitigations
Link to strategic objectives Movement in risk status from 2023/24	Supply-chain issues and the challenge of decarbonising our heritage properties may prevent us from meeting customer expectations and environmental goals, affecting our revenue and valuation.	We may not maximise future financial returns, decarbonise our assets and meet the expectations of our customers if we don't deliver our development pipeline. Financial return from our prime real estate could be affected in the short term as we invest to secure our resilience and long-term value. We may not deliver our long-term ambition for our London assets and targeted place-based development plans in other cities in the UK without long-term commitment and strategic partnerships to support our planning and execution.	– Our Urban business unit has a key governance forum (Development Control Group and Urban Governance Group) where development activity is appraised and approved. Major investment decisions are approved by the Value Creation Committee. – Our development governance is aligned with the Royal Institute of British Architects (RIBA) Plan of Work Stages. We have targets set for embodied carbon and investment financial hurdle rates for all development work. – Expenditure is planned in the Urban business plan. – Major Urban development plans are approved by the Board.

Task Force on Climate-related Financial Disclosures

Building on our commitment to support the UK's carbon reduction ambitions and decarbonise our own operations, we are also focused on preparing for and adapting to the physical impacts of climate change.

We have identified Climate and Nature as one of our principal risks (see page 61). We recognise that addressing our climate-related risks and opportunities now is vital to securing our long-term ability to create financial value, as well as supporting nature recovery, communities and local economies.

As custodians of diverse urban, rural and marine holdings across England, Wales and Northern Ireland, we are responsible for protecting nature, livelihoods and infrastructure from a changing climate. We play a dual role in addressing climate change through:

- our contribution to the energy transition and nature recovery at scale
- decarbonising and strengthening the climate resilience of our own assets

This dual responsibility requires us to carefully balance and prioritise actions, taking a long-term perspective even when it involves, at times, short-term trade-offs.

In 2024/25, we took meaningful steps to strengthen our climate resilience and align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The summary below outlines our key achievements.

TCFD-aligned disclosures

Our climate-related financial disclosures are consistent with the four pillars and 11 recommended disclosures of the TCFD, including the TCFD all-sector guidance, and in compliance with the requirements of LR 9.8.6R.(8) (UK Listing Rules). This disclosure also complies with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

We currently meet the minimum compliance standards. However, we remain committed to achieving full compliance with the TCFD recommendations. The table on page 67 shows our progress: we believe that we are fully compliant with nine out of the 11 recommendations (in 2023/24, we reported compliance with six recommendations).

Our aim is to enhance our disclosures over time by improving the quality and depth of our data and analytical tools – with a particular focus on quantifying the financial impact of our key climate-related risks. This will help us further integrate climate risk into our strategic and financial planning processes and support our long-term resilience.

"We firmly believe we can help play a role in supporting the UK's energy transition, but we are not complacent about the climate risks we already face."

Anna Swaithes
Chief Sustainability Officer

2024/25 key achievements

1.	Developed a three-year TCFD roadmap, focused on embedding climate considerations into our risk management and decision-making processes, and identifying opportunities to build resilience through targeted risk quantification.
2.	Enhanced our Value Creation Framework (VCF), a set of guides and tools which integrate environmental and social alongside financial considerations in capital allocation and wider decision-making.
3.	Established our first company-wide carbon baseline, enabling us to report full value chain emissions for Scope 1, 2 and 3. We have also developed science-led net zero trajectories, and continue to develop decarbonisation plans for the sectors in which we operate.
4.	Published a new Nature Recovery Ambition – guided by the Taskforce on Nature-related Financial Disclosures (TNFD) framework – to identify, prioritise and address nature-related dependencies, impacts, risks and opportunities, and to set goals and commitments.

TCFD compliance summary

Pillar	Recommended disclosure	Alignment	Pages
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Compliant	67-68, 86-123
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant	69, 86-123
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant	70-72, 58-65
	b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Compliant	73
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Part-compliant	73
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	74, 58-65
	b. Describe the organisation's processes for managing climate-related risks.	Compliant	74, 58-65
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant	74, 58-65
Metrics and Targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Compliant	75-76, 78-84
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Compliant	76-77, 78-84
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Part-compliant	77, 78-84

Governance

a. Board oversight of climate-related risks and opportunities

As outlined in our risk management framework, our Board has overall accountability for The Crown Estate's strategic objectives, which include supporting the UK towards a net zero carbon and energy-secure future.

The Board stays informed and retains oversight of climate-related impacts through regular updates from its standing Committees, in addition to a biannual briefing on our sustainability strategy and targets, and a dedicated sustainability session as part of its annual strategy refresh.

In 2024/25, we strengthened our climate governance by holding our first joint meeting of the Audit and Sustainability Committees. Combining the skills and experience of both Committees ensures climate-related risks and opportunities are evaluated from multiple perspectives. Key matters discussed included: the external reporting landscape, progress on energy targets, updates on double materiality and carbon reporting.

Board Committees

The **Sustainability Committee** meets four times a year to ensure environmental and social considerations are embedded in the delivery of our strategy. It advises the Board on sustainability strategies, targets, policies, performance and reporting, including commitments on carbon, biodiversity and nature. The Committee also identifies sustainability-related risks, ensures they are incorporated into formal risk reporting, and supports the delivery of sustainability training. Following each meeting, the Committee updates the Board on matters arising.

The **Audit Committee** oversees our risk management process, which includes Climate and Nature – judged a principal risk to our business (read more on page 62). The Committee also reviews our financial and sustainability-related information in the Annual Report and retains oversight of internal and external audit processes.

Task Force on Climate-related Financial Disclosures continued

The **Remuneration Committee** integrates climate considerations into our remuneration schemes. An internal energy reduction target currently accounts for 20% of the overall company-wide bonus pool, while climate metrics are also embedded into executive remuneration policies, including long-term incentive plans (LTIPs) for the Chief Executive, members of the Group Leadership Team (GLT) and our wider leadership community.

The **Nomination Committee** ensures the Board has the right mix of experience and capabilities to oversee our purpose and strategy. Board members have wide-ranging experience in sustainability and climate matters. Knowledge of the environment is considered a core skill when we conduct skills assessments for Board Members and Counsellors.

The diagram below sets out our governance structure for the oversight of climate-related risks and opportunities. Read more about our governance structure on pages 86-123.

Climate risk governance

The Board
Responsible for providing guidance and constructive challenge in furtherance of the delivery of The Crown Estate's purpose and strategy, including climate-related impacts.

Sustainability Committee
Responsible for overseeing that the approach to all aspects of sustainability (including climate-related impacts) and best practice are embedded in the delivery of our strategy for value creation, including considering external stakeholder perspectives.

Audit Committee
Responsible for overseeing the effectiveness of our overall corporate risk and external disclosure processes, including climate considerations.

Remuneration Committee
Responsible for integrating sustainability targets into our remuneration schemes.

Nomination Committee
Responsible for ensuring the appropriate mix of skills on the Board in support of our strategic objectives, including sustainability priorities.

Value Creation Committee
Responsible for ensuring we meet our wider financial, environmental and social commitments in line with our purpose.

Group Leadership Team
Responsible for day-to-day decision-making and implementation of our sustainability strategy and business plans.

Management-level working groups such as the Sustainability Taskforce and TCFD Steering Committee
Responsible for ensuring cross-team collaboration, sharing knowledge, day-to-day decision-making and management in pursuit of our carbon and climate-related strategic objectives including managing risks and capturing opportunities.

b. Management's role in assessing and managing climate-related risks and opportunities

The key management governance structures responsible for climate-related risks and opportunities are outlined in the table. The climate risk governance diagram shows how they interact with the Board and its associated Committees. In addition to the forums outlined, multiple teams across the business, including our Finance, Risk and Sustainability teams, along with business units, collaborate to address climate, nature and community-related considerations. The Finance team oversees sustainability disclosures, including our TCFD statement, while the Risk team works with the business to embed climate-related risks. The Sustainability team develops our sustainability commitments, goals and strategies, working closely with business units to implement the plans.

All employees have access to a dedicated sustainability website featuring news, videos and learning modules on climate, biodiversity, greenhouse gas accounting, double materiality and climate risk. In 2024, we launched Carbon Capability Training to outline our net zero approach and key emissions across Scope 1, 2 and 3. Information on climate impacts and sustainability continues to be shared through business-wide meetings.

In 2024/25, we launched an internal 'Game Changers' campaign to inspire employees to contribute to creatively tackling sustainability challenges. It empowers employees to implement positive change in the face of issues such as inequality, climate change and nature decline.

Climate risk key management governance structures

Management activity	Responsibilities
Value Creation Committee (VCC)	The VCC ensures investment divestment and strategic decisions align with our enhanced VCF, reflecting all our strategic priorities, including sustainability. The VCC, which met 26 times in 2024/25, is made up of the Chief Executive, the Chief Financial Officer and the Chief Sustainability Officer as voting members. Read more on page 121.
Group Leadership Team (GLT)	The GLT manages our principal risks, including Climate and Nature. The GLT stays informed of relevant operational sustainability risks and opportunities through forums including Quarterly Business Reviews (QBRs). The Chief Sustainability Officer oversees how our business units manage and mitigate the risk of climate change. Climate-related risks identified in 2023/24 have been assigned to managers with the appropriate skills to manage them.
Sustainability working groups	Our **Sustainability Taskforce** meets monthly to troubleshoot challenges and drive progress against our sustainability priorities. The Taskforce comprises representatives from all business units. Outcomes are actioned and incorporated into QBR updates and Committee reports where relevant. In 2024/25, the **TCFD Steering Committee**, comprising senior leaders from Sustainability, Risk, Finance and Governance, continued to meet regularly to integrate climate-related considerations into existing governance, strategy and risk management. Established in 2023/24 as a temporary forum, we plan to embed its functions into the broader Sustainability Taskforce from next year, ensuring that climate-related impacts are considered collectively by the group to drive progress. In 2024/25, we also had a dedicated **Nature Recovery Working Group**, meeting monthly to shape and set enterprise-wide nature recovery and biodiversity targets. This is now moving to a project-specific group, focused on developing our best available baseline and tracking our progress against targets and KPIs.

Collaborating for change with wider stakeholders

We believe that working with others will drive better, faster action to combat the climate and nature crises. Hearing different views and perspectives also helps us stay up to date with the latest climate thinking and monitor emerging climate issues and regulations.

We collaborate with public bodies, NGOs, experts, industry organisations, the private sector and communities to support sustainability priorities and national climate and nature goals. Examples include our Marine Delivery Routemap (see page 25) and our Nature Recovery Ambition (see page 27). Membership in industry forums like the UK Green Building Council, Better Buildings Partnership and Accounting for Sustainability helps share information and drive impactful solutions.

Strategy

a. Climate-related risks and opportunities identified over the short, medium and long term

Our four strategic objectives underpin our purpose of creating lasting and shared prosperity for the nation. Supporting a net zero and energy-secure future is one of our strategic priorities, making responsiveness to climate change crucial to achieving our purpose.

In 2023/24, we conducted a qualitative scenario analysis to identify and assess climate-related risks and opportunities. This analysis considered four climate scenarios and impacts across the short, medium and long term. We mapped our value chain to understand exposure across upstream, operational and downstream activities, covering our Urban (formerly London and Regional), Windsor & Rural and Marine business units.

This assessment identified 28 risks and 20 opportunities, prioritising them based on relevance across time horizons and warming scenarios, using criteria aligned with our risk management framework. Risks were assessed for impact and likelihood, while opportunities were evaluated for impact and ease of implementation. These risks and opportunities remained relevant for 2024/25.

All 28 risks are linked to the Climate and Nature principal risk and are included in our risk registers. We disclose ten risks and related mitigations, as well as five opportunities we have identified as key (see pages 71-72). We monitor these and stay alert to emerging climate-related issues to foster long-term resilience.

In our three-year TCFD roadmap (see page 74), we have identified the key climate-related risks that would benefit from further quantitative analysis.

Risk definitions

- **Physical risk:** Physical impacts from climate change, such as increased flooding, leading to impacts on operations, supply chains, employee productivity and revenue.
  - **Chronic risk:** Impacts stemming from the gradual, long-term effects of climate change, such as sea level rise, changing precipitation and wind patterns, and shifts in temperature.
  - **Acute risk:** Impacts due to sudden and severe events caused by climate change, such as extreme weather events.
- **Transition risk:** Changes in climate policy and technological uptake which could impact our business and our supply chain, such as changes in policies, regulations or market dynamics.

Time horizons

The short, medium and long-term time horizons we used in our scenario analysis mirror our risk management framework and financial planning cycles. We have added a fourth extended time horizon (longer-term) to ensure that we capture climate-related impacts that unfold gradually over time.

- Short-term: 0 to 2 years
- Medium-term: 2 to 5 years
- Long-term: 5 to 10 years
- Longer-term: more than 10 years

Scenario analysis pathways

Our scenario analysis was based on a combination of Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs), which we determined as the most relevant for our business to navigate a range of climate futures:

1.5°C

Sustainable development – renewable energy sources prioritised as the world transitions towards a low-carbon economy through international co-operation (SSP1/ RCP2.6 combination).

2.5°C

Regional rivalry – persistent reliance on fossil fuels with inadequate global co-operation result in worsening climate impacts and socioeconomic disruption (SSP3/ RCP6.0 combination).

2.8°C

Inequality – inconsistent international co-operation with varying degrees of progress in mitigating climate change, leading to uneven global impacts and challenges (SSP4/ RCP4.5 combination).

4.0°C

Fossil-fuelled development – rapid economic growth resulting in extensive use of fossil fuels exacerbating the physical impacts of climate change (SSP5/ RCP8.5 combination).

Climate-related risks and opportunities

Climate-related risks

Physical: Chronic and Acute 2.8°C 4.0°C — Medium to long term

Description	Potential impact (unmitigated)	Mitigations
1. Rising sea levels and shifts in wind patterns, reducing potential profitability of energy infrastructure.	– Lower asset values (across our portfolios) – Assets becoming stranded/obsolete or difficult to insure – Reduced capacity to deliver renewable energy generation, impacting the achievement of financial and environmental goals – Reduced viability, or in some cases, non-viability, of farming businesses, including both our own operations and those of our customers	As part of the creation of our Marine Delivery Routemap and three-year TCFD roadmap, we will explore and assess third party research and data to understand climate patterns and their impact on lease areas. These insights will guide strategic and financial planning including (if necessary) adapting leasing structures and addressing insurance risks.
2. Increased severity and frequency of extreme weather events (storm surges/windstorms) causing physical damage to assets or operational disruption to the delivery of renewable energy generation.		Based on the measure described above, we will use these insights to inform mitigation measures for extreme weather events affecting energy infrastructure on lease areas and dependent onshore transmission and other infrastructure.
3. Long-term changes to the land, caused by erosion of coastlines, rising sea levels and other severe weather events (eg flooding) causing physical damage to assets that are close to sea level.		As part of our coastal Safety First approach, we're implementing a risk register for tenanted coastal assets and in-hand land, considering risks from sea level rise, flooding and erosion. Reviewed annually, it will guide plans for high-risk assets, implemented by tenants, managing agents and ourselves.
4. Severe weather conditions (flooding/drought) leading to a decrease in agriculture productivity across our rural assets.		We support sustainable land management and promote regenerative farming practices through initiatives such as the Rural Environment Fund and Environmental Farm Business Tenancy (eFBT) agreements. We plan to undertake assessments, including soil carbon monitoring across our Windsor & Rural portfolio, aligned with our net zero and nature recovery goals.
5. Increased likelihood of heat events, causing overheating within owned assets across our real estate portfolios.		Measures such as ventilation and shading are considered as part of retrofit and redevelopment decisions. We continue to explore measures like these as part of our wider plans for places and communities.

Transition: Market 1.5°C 2.5°C 2.8°C — Short to long term

Description	Potential impact (unmitigated)	Mitigations
6. Inability to provide leased assets that meet the needs of customers, changing customer preferences, and strengthened market standards for low-carbon, energy efficient and climate-resilient buildings.	– Loss of customers or reduced demand for our assets – Assets becoming stranded/obsolete – Lower asset values (across our portfolios) – Potential business disruption	We've developed net zero trajectories and are developing decarbonisation plans for the sectors where we operate, including reducing emissions from buildings. Making our buildings more carbon-efficient is essential to our long-term plans and the financial resilience of our business. Read more on pages 23-24.
7. Inability to diversify The Crown Estate's range of climate-related activities and revenue sources.		We are supporting a diverse range of marine renewables and technologies, including offshore wind, tidal energy, carbon capture and storage (CCS), and green hydrogen,

Transition: Reputation 1.5°C 2.5°C 2.8°C — Medium term

Description	Potential impact (unmitigated)	Mitigations
8. Reduced capacity to effectively collaborate with key stakeholders – such as partners, the public sector, NGOs and industry peers – to foster a co-ordinated response to climate change.	– Negative reputational perception and impact – Reduced capacity to meet carbon and climate commitments, impacting the achievement of financial and environmental goals	We are strengthening partnerships, enhancing engagement and consultations, and leveraging data and evidence with a range of stakeholders through programmes such as the Offshore Wind Evidence and Change (OWEC) programme (see page 21).
9. Challenges in minimising Scope 3 emissions due to the difficulties inherent in influencing complex, global supply chains to transition to low-carbon practices.		To address the challenge of reducing Scope 3 emissions from complex global supply chains, we are focused on improving marine emissions data and actively participating in cross-industry initiatives to better understand our role in decarbonising shipping and renewables construction.

Key
Impact of climate change on our operations and activities
Impact of climate change on our operations and activities and the UK's strategic climate resilience

Climate-related risks

Description	Potential impact (unmitigated)	Mitigation
Transition: Policy and legal 1.5°C		Short to medium term
10. Inability to comply with increasingly stringent low-carbon, energy-efficient building regulations on owned and managed assets.	– Negative consequences to maintaining business operations and a licence to operate – Assets becoming stranded / obsolete – Increased cost of compliance and operational costs – Increased risk of legal action – Negative reputational impact	We are working to reduce energy use, improving building efficiency and minimising environmental impact across our real estate assets. We are also actively assessing climate-related stranding risks in our Urban business unit and developing long-term decarbonisation plans, collaborating with industry partners and pursuing best practices to ensure compliance with environmental regulations.

Climate-related opportunities

Description	Potential impact	Strategic alignment
Resource efficiency 1.5°C		Short to long term
1. Increased energy efficiency from retrofitting existing real estate and other built assets to create more resilient and attractive assets across our Urban and Windsor & Rural portfolios.	– Reduced carbon emissions, reduced exposure to carbon taxes, and improved valuations and lease terms	Our Development Sustainability Principles (DSPs), which emphasise resource circularity, help us improve resilience across our real estate assets by retaining resource value and minimising new resource use. See page 24.
Products and services 1.5°C		Short term
2. Measuring and sharing data to support and deliver our climate and sustainability goals.	– Enhanced capacity to deliver on climate goals and environmental commitments – De-risked assets and investments	The Marine Data Exchange supports climate and sustainability goals by providing a platform for sharing offshore marine industry data and research, which helps achieve national carbon reduction targets. See page 56.
Market 1.5°C 2.5°C 2.8°C		Short to long term
3. Co-ordinating a response to climate change, and the transition to a low-carbon future, with the public sector, NGOs and industry peers, focusing on developing the necessary skills and expertise.	– Increased resilience to external shocks – Decreased business disruption – Positive stakeholder perception and enhanced reputation – Enhanced capacity to support national decarbonisation and energy targets – Enhanced delivery of nature recovery, improving nature restoration and resilience	The Crown Estate's £50 million Supply Chain Accelerator fund is one of the ways we are co-ordinating with the industry to overcome supply chain challenges to enhance the UK's offshore wind supply chain capacity and capability. See page 41.
4. Catalysing low-carbon energy and carbon capture development and innovation.		Our Marine Delivery Routemap strategically supports the growth of low carbon energy in the marine sector. We also support CCS technologies and promote carbon sequestration through tree and hedgerow planting, habitat restoration and blue carbon (carbon captured and stored by ocean and coastal ecosystems). See page 25.
5. Catalysing nature-based solutions to climate change.		In 2024/25, we launched our Nature Recovery Ambition with goals to increase biodiversity, address water challenges and reconnect people with nature, supporting climate change mitigation and enhancing ecosystem resilience. See page 27.

Key

Impact of climate change on our operations and activities

Impact of climate change on our operations and activities and the UK's strategic climate resilience

b. Impact of climate-related risks and opportunities on our business, strategy and financial planning

Our VCF guides all our capital allocation and decision-making. It is underpinned by a set of performance criteria that enable us to assess and balance the impact of our business decisions in line with our strategy and purpose. Climate-related factors include:

- **Decarbonisation:** Considering how the activity aligns with relevant sector net zero pathway
- **Contribution to UK carbon reduction:** Considering how the activity displaces or sequesters emissions, eg through renewable energy or natural assets
- **Climate Value at Risk (CVaR):** Considering potential financial losses due to climate-related risks

Climate adaptation

We consider climate adaptation both from the perspective of ensuring our assets, operations and wider value chain remain resilient in the face of new climate realities, and through the lens of using our portfolio to support national resilience and adaptation endeavours. Following the identification of key physical climate risks through our qualitative scenario analysis, we are advancing a range of adaptation measures to build resilience. Read more on pages 71-72.

c. Resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The world is rapidly changing and uncertainty is growing over the true cost of our planetary crises. Amidst this insecurity, we recognise that climate resilience is an ongoing, evolving process that will require vigilance and agility to continuously adapt to the new climate impacts we may experience. As a result, this year we focused our attention on strengthening our processes for managing and mitigating climate-related risks, readying ourselves for a range of plausible futures.

As outlined earlier in this strategy section, we identified our key climate-related risks and opportunities through a qualitative scenario analysis across four climate scenarios, including a 1.5°C pathway. These risks and opportunities span our entire value chain and reflect our role in supporting the UK's climate objectives (see pages 18-25 for more detail). Using these insights, we are embedding climate risks into our business processes and have identified a range of mitigation actions to address them (see Risk management on pages 58-65).

Understanding Climate Value at Risk

In 2023/24, we committed to conducting quantitative analysis to bring more rigour to the process of understanding how climate impacts may affect our portfolio.

To reinforce our physical resilience to climate change, we continued to broaden our application of MSCI's Real Assets Climate Value-at-Risk tool, which helps identify potential vulnerabilities across our real estate portfolio. We plan to use insights from this exercise to guide a more comprehensive quantitative climate scenario analysis of our most material physical risks.

The tool provides a forward-looking financial indication of how physical climate risk might impact our asset value for investment decisions in our Urban portfolio.

Our assessment shows that if global temperatures increase within a range of 1.5°C and 4°C, the financial impact on real estate assets could result in a loss of between 0.6% to 1.0% of their value at 30 September 2025.

Financial impacts of warming scenarios on our Urban real estate portfolio

1.5°C–4°C blended warming scenarios	2024/25 CVaR %	2023/24 CVaR %
Urban assets	-0.6 to -1.0	-0.6 to -1.7
Benchmark	-0.3 to -0.7	Not reported

An updated MSCI flood risk model, which now accounts for national flood protection measures, has reduced our flooding risk for 2024/25, thereby reducing our overall financial impact from last year.

Our analysis shows that the main climate hazards our Urban real estate assets are likely to face across different warming scenarios include flooding, extreme heat and high wind speeds.

In London, the clustering of our real estate assets makes us more susceptible to damage and business interruption due to high wind speeds, whereas our urban assets outside of London, particularly in coastal zones, are more at risk of flooding.

This year, we deepened our analysis by comparing our results with benchmark data to understand our climate risks relative to others. Our higher risk exposure is likely due to factors such as geographical location (eg regional assets in coastal areas) and asset characteristics (eg our heritage portfolio in London).

We acknowledge potential data limitations in the benchmarking exercise, as portfolios and assets may not be directly comparable. Nonetheless, exploring these factors helps us identify areas for improvement and better manage climate-related risks. We plan to improve the use of benchmarking data and quantitative assessments to identify portfolio hotspots.

Nature and climate resilience

Building resilience requires a focus on nature-based solutions that address both climate impacts and nature loss simultaneously.

We are conducting TNFD-aligned pilot assessments to strengthen how we measure and manage our nature-related impacts and dependencies. To help us identify and prioritise our impacts, we drew on guidance from the TNFD framework and applied the LEAP (Locate, Evaluate, Assess, Prepare) approach. These pilot assessments contribute to our wider nature recovery initiatives, which support climate change mitigation and help build long-term resilience to sustainability risks. Read more about these pilot studies and our nature recovery plans on pages 26-33.

Task Force on Climate-related Financial Disclosures continued

Risk Management

a. Processes for identifying and assessing climate-related risks

Identification of climate-related risk and our double materiality assessment
At The Crown Estate, risk is a shared responsibility, integrated into all functions and levels of the organisation – supported and facilitated by the Risk team. Climate risks may be identified by individuals or teams in related fields of expertise from across the business.

Principal risks are owned by the GLT and overseen by the Board. Climate and Nature is one of our principal risks and a member of the GLT. Where appropriate, specific climate and sustainability risk are owned by our business units, supported by the Sustainability team. Read more about our principal risks, controls and overall risk management approach on pages 58-65.

Details of our double materiality assessment, which supported our sustainability risk identification, are outlined on page 58. We plan to further embed the results of double materiality into our business systems and processes, strategic planning and performance measurement in the year ahead.

b. Processes for managing climate-related risks

We follow the same processes to manage climate-related risks that we use for all of our business risks, as outlined in our risk management framework (see page 60).

Climate-related risks are managed and used by management in the following ways:

- Through business systems and processes, such as regular reviews of our risk register during QBRs, which are attended by the Head of Internal Audit, Risk and Assurance, and consider strategic, operational and emerging sustainability risks
- Climate risk is incorporated in the VCF, which all investment and strategic activities must align with as part of the approval process
- By staying up-to-date with existing and emerging changes in climate regulations through horizon scanning exercises. This helps us anticipate any potential impacts on our business and risk management approach and highlight key issues to the Board

c. Processes for integrating the identification, assessment and management of climate-related risks into our overall risk management

We have designated Climate and Nature as a principal risk. We have identified 28 climate-related risks and 20 opportunities through the 2023/24 qualitative analysis.

Once a climate-related risk has been identified, it is evaluated for impact and likelihood using our risk management framework. The impact is judged as minor, moderate, major, serious or critical. For likelihood we assess the risk against a number of different timeframes (as highlighted on page 70). Read more on our risk management process on pages 58-65.

The Audit Committee holds delegated authority for the oversight of principal risks (including Climate and Nature), reporting its findings to the Board. The Risk team works collaboratively with the Sustainability and Finance functions and our business units to ensure that the identification, assessment and management of climate-related risk is subject to the same processes and controls as all other risks.

Our TCFD roadmap

During 2024/25, we developed a three-year TCFD roadmap to build long-term resilience to climate risks and to leverage opportunities. This roadmap aims to integrate climate considerations into business planning processes and prepare for quantitative scenario analysis, coming into effect in 2025/26. The key outcomes of this exercise in 2024/25 included:

- **Prioritising risks for quantification:** We reviewed our initial longlist of climate-related risks to prioritise a shortlist of risks most suitable for future quantitative scenario analysis.
- **Embedding climate risk through stakeholder engagement:** We engaged stakeholders across the business to build awareness, secure buy-in and embed climate risk into business-as-usual processes.
- **Identifying and resourcing critical risk management actions:** We mapped key actions required within each business unit, aligning them with resource and planning cycles to secure appropriate funding and support.

The roadmap is already driving action, supporting both the enhancement of our climate resilience and the development of decarbonisation plans. As part of this, we are conducting quantitative assessments across our real estate assets to evaluate compliance with building regulations and market expectations.

Metrics and Targets

a. Metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

The table outlines the key targets and metrics we use to measure and manage our climate-related risks, opportunities and nature recovery initiatives. These are mapped to the most relevant risks and/or opportunities, as shown on pages 71-72.

Metric category	Description	Unit of measurement	2024/25 performance	Most relevant risk/opportunity
Greenhouse gas (GHG) emissions	Absolute Scope 1, 2 and 3	tCO_2e	Our 2024/25 GHG emissions performance is reported on pages 78-84.	Risks 6, 9 & 10 Opportunity 1
Energy use in real estate	Absolute energy consumption	MWh	Our 2024/25 energy data is detailed on pages 78-84.	Risks 6 & 10
	Purchased renewable electricity	Percentage	97%Ⓐ of electricity purchased was from renewable sources.	Risks 6 & 10
Energy generation in Marine	Offshore renewable wind generation	GW	12GWⒶ cumulative operational offshore wind capacity. Read more on page 19.	Risks 1 & 2 Opportunity 4
Physical risks	Understanding financial exposure of real estate assets	Climate Value at Risk (percentage)	We used quantitative tools to assess financial risks to our real estate assets from physical climate threats. Read more on page 73.	Risk 5 Opportunity 1
Transition risks	Obtaining primary data from suppliers	Percentage	34% of suppliers' data gathered so far (see page 23) to support Scope 3 measurement.	Risk 9
	Promoting sustainability within leases	Amount	By 2024/25, around 15,000 acres of Crown Estate land is now leased through eFBT agreements. We embed environmental requirements into real estate lease agreements and we have set a new target to double the area leased to marine and coastal nature recovery-focused activities by 2030.	Risks 4, 6 & 10
Climate-related opportunities	Implementation of our Development Sustainability Principles (DSP)	n/a	We continued to apply our DSP to new real estate developments, setting minimum requirements across themes including, but not limited to, whole life carbon, resource efficiency and climate resilience. See page 24.	Risks 6 & 10 Opportunity 1
	Implementation of the Marine Delivery Routemap	n/a	We continued to develop the Marine Delivery Routemap to guide decision-making, taking into account strategies and initiatives to enhance climate resilience. Read more on page 25.	Risks 1 & 2 Opportunities 2, 3, 4 & 5
Capital deployment	Offshore Wind Evidence and Change (OWEC) programme	Monetary (£)	In 2024/25, over £7 million was invested in research projects as part of our OWEC programme to de-risk and accelerate the delivery of clean offshore technologies, supporting the UK's green energy transition. Read more on page 21.	Risk 8 Opportunities 2, 3 & 4
	Rural Environment Fund	Monetary (£)	£3 million of The Crown Estate's Rural Environment Fund was spent this year, helping farmers to transition to a more sustainable agricultural model.	Risk 4 Opportunity 5
	Transformative Capital Account	Monetary (£)	As part of our VCF, we created a centralised capital pool for initiatives that have the potential for transformative long-term impact.	Opportunities 1 & 5
Remuneration	Company-wide annual bonus linked to real estate energy reduction	Weighting/ percentage	We exceeded our target for energy reduction of 18%, achieving 20% (against a base year of 2021/22). This is linked to company-wide annual bonuses (20% weighting) (see page 109). Climate metrics are also included in long-term incentive plans.	Risks 6 & 10
Carbon budgeting	Embodied carbon targets	$kgCO_2e/m^2$	We further embedded our Net Zero Filter across real estate assets, setting carbon targets in line with industry benchmarks. For our London assets, we've maintained a portfolio-wide target of 400 $kgCO_2e/m^2$ as a weighted average across the portfolio.	Risks 6 & 10
Resource efficiency	Waste and water	Percentage/m^3	Our waste and water performance for real estate assets in the Urban and Windsor Estate portfolios is detailed on page 32.	Opportunity 5

Ⓐ Independent limited assurance (see inside front cover)

Metric category	Description	Unit of measurement	2024/25 performance	Most relevant risk/opportunity
Nature recovery	Nature goals and commitments	n/a	In 2024/25, we delivered key nature recovery initiatives, including the continued implementation of the Marine Delivery Routemap, planting over 700 acres of new woodland and 200 miles of hedgerows across Windsor & Rural, and setting targets to exceed mandatory biodiversity net gain of 15% where feasible. Read more on Nature recovery on pages 26-33.	Risk 7 Opportunity 5

b. Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks

We have committed to aligning our activities with a 1.5-degree warming trajectory and have developed a company-wide carbon baseline for our organisation to help us drive progress. For a more detailed breakdown of our Scope 1, 2 and 3 GHG emissions, see our SECR statement on pages 78-84.

Descriptions of our Scope 1, Scope 2 and Scope 3 emissions and data collection sources are shown in the table (right). We follow the GHG Protocol for our emissions reporting, focusing on activities we control and influence.

We worked with a third party specialist consultancy to support the development of our company-wide carbon baseline. This baseline has not been subject to independent assurance. However, selected energy and emissions metrics for our real estate assets are subject to limited assurance. For details on the specific metrics included, see our Independent Limited Assurance Report at thecrownestate.co.uk/assurance.

In 2024/25, we achieved reductions in Scope 1 and 2 emissions associated with direct gas consumption and electricity usage, aligned with our broader energy efficiency improvements and overall reduction in energy consumption. However, total Scope 1 emissions increased due to the acquisition of Windsor Farms in March 2024, which introduced new emission sources.

Scope descriptions

	Description	Data sources and methods
Scope 1	Direct emissions from the heating and cooling of our buildings, the use of company-owned vehicles and machinery, and farmland activities such as fuel use for machinery, methane from livestock digestion and nitrous oxide from fertiliser application (as a result of the acquisition of Windsor Farms in March 2024).	– Data from gas meters installed in buildings, invoices, third party reports and company fuel management systems – Emissions calculated using relevant emission factors for fuel usage and energy consumption – Emissions estimated based on farm management activities
Scope 2	Direct emissions originating from electricity, heat, steam and cooling purchased for operationally controlled assets.	– Data from electricity meters installed in buildings, invoices and electricity contract information – Emissions calculated using UK Government Conversion Factors for purchased electricity and heat
Scope 3	Indirect emissions from various sources across our value chain. Key areas covered include: embodied emissions from the production and installation of offshore wind infrastructure; emissions from marine aggregates extraction and processing; agricultural emissions from practices such as fuel use, livestock and fertilisers; emissions from purchased goods and services and capital goods; and tenant energy use in properties.	– Data from suppliers through reports, questionnaires and spend, with relevant emission factors applied – Life cycle assessment (LCA) data and relevant emission factors to estimate capital goods – Employee surveys and travel expense reports to collect data on commuting patterns and business travel – Operational data associated with downstream leased assets is estimated based on activity data through customer surveys, external reports, and size and volume information, combined with relevant emission factors

Scope 3 emissions are the largest contributor to our carbon footprint, primarily driven by the construction of marine renewable infrastructure, marine aggregates and land use linked to agricultural activity. These include activities from customers and tenants not directly in our control but where we can seek to influence.

Most of our direct emissions occur in urban and built environment activities where we have the greatest ability to effect change. Scope 3 emissions have increased this year, primarily due to the expansion of our Scope 3 reporting to include emissions from rural and marine activities for the first time.

The quantification of Scope 3 emissions is subject to inherent scientific uncertainty, due to limitations in current methodologies and incomplete scientific knowledge around the measurement of certain greenhouse gas sources. This contributes to broader risks around data quality and estimation. Given the complexity and breadth of Scope 3 emissions, improving our data quality and methods to collect reliable activity data and using the latest and most accurate industry models to estimate emissions remain a priority. This includes ongoing collaboration with suppliers and customers to improve our emissions reporting, roll out new technologies to automate data collection, and improve the coverage, granularity and accuracy of data.

As we strengthen our Scope 3 reporting, we aim to focus on, and carefully balance, strategies to reduce our own emissions while also supporting the growth of the offshore wind sector which is vital for the UK's energy transition. We recognise that decarbonising marine sectors involves complex, system-wide challenges, including the development of low-carbon fuel supply chains and the expansion of supporting infrastructure, both onshore and offshore. These transitions require significant investment, co-ordination and time. As such, while our carbon reduction targets remain a priority, we acknowledge that the scale and pace of change required make our net zero goal particularly ambitious.

c. Targets used to manage climate-related risks and opportunities and performance against target

Our metrics and targets reflect both climate and nature-related goals.

We are committed to aligning our activities to a 1.5-degree warming, aiming to reduce emissions by 42% by 2030 and 90% by 2050. We plan to use high-quality carbon removals for the remaining 10% of emissions and we are investigating options linked to our portfolio to develop these.

We have developed a company-wide carbon baseline, along with net zero trajectories and we are developing decarbonisation plans covering emissions from buildings, land use, renewable energy generation and marine aggregates.

We are further evolving our land use pathway using the FLAG (Forest, Land and Agriculture) trajectory and developing our decarbonisation plans. See pages 18-25 for information on our decarbonisation activities.

We have also set ambitious goals for nature recovery, supporting climate adaptation and resilience. Our 2030 goals include:

- Deliver increased biodiversity
- Protect and restore freshwater, marine and coastal systems
- Increase social and wellbeing benefits from nature

These goals form part of a broader strategy to align with global ambitions for nature recovery, aiming to halt nature's decline by 2030 and contribute to nature's recovery by 2050. Read more on pages 26-33.

Our commitment to addressing climate-related risks and opportunities is integral to delivering our purpose. By adhering to the TCFD recommendations, we can ensure transparency, enhance our resilience, and contribute to a sustainable future. We will continue to refine our approach, engage with stakeholders and integrate climate considerations into our decision-making processes, along with nature-related considerations, to drive meaningful progress and create lasting value.

Non-Financial and Sustainability Information (NFSI) statement

Information related to our climate-related disclosures can be found on the following pages:

Pillar	Pages
Governance	67-69, 86-123
Strategy	70-73, 1-84
Risk Management	74, 58-65
Metrics and Targets	75-77, 78-84

Streamlined Energy and Carbon Report

Our decarbonisation ambition

Decarbonising our business is central to aligning our activities with a 1.5-degree warming trajectory and meeting our net zero ambition.

We have developed a company-wide carbon baseline to drive long-term progress, covering our real estate, rural and marine assets. Historically, our focus has been on real estate, which has been the largest contributor to our reported Scope 1 and 2 emissions and where we have the most direct influence over energy use and emissions reductions. Building on this foundation, we are now able to report full value chain emissions for the first time. These include Scope 1 and 2 (direct and indirect emissions from owned or controlled sources and purchased energy) and Scope 3 (indirect emissions across our wider value chain).

Using these insights, we have developed net zero trajectories aligned with a 1.5-degree pathway and best practice for the sectors in which we operate, aiming for emissions reductions against a 2022/23 base year of 42% by 2030 and 90% by 2050. We are further developing decarbonisation plans and initiatives for each business unit to guide our transition to net zero by 2050.

Our energy consumption, energy reductions and emissions data for 2024/25 are detailed in the tables on pages 80-84, developed in accordance with the Greenhouse Gas (GHG) Protocol and Streamlined Energy and Carbon Reporting (SECR) legislation. Emissions calculations follow industry-standard data sources and emission factors. Additional information on the methodologies applied to our environmental data can be found in our Environmental Reporting Criteria, and supplementary data is available in our Sustainability Data Supplement at thecrownestate.co.uk/annual-report.

Reporting boundary and methodology

Previously, our energy and emissions reporting has focused on our real estate assets, where we have the most direct influence over energy use and emissions reductions. With improved methodologies, enhanced data quality and growing expectations around Scope 3 transparency, we have taken the decision to expand on our reported Scope 3 emissions to include rural and marine assets. These activities represent a significant portion of our Scope 3 emissions, with limited impact on previously reported Scope 1 and 2 emissions.

We apply the operational control approach for Scope 1 and 2, in line with the GHG Protocol. For Scope 3, we prioritise emissions sources where we have the greatest influence – such as embodied carbon in offshore wind, marine mineral extraction, farmland operations and tenant energy use.

Activities with lower levels of influence, such as long-lease real estate, Welsh Common land and coastal assets, are outside our defined reporting boundary. These assets are typically held on long leases, limiting our ability to influence emissions. As a result, they are not included in our Scope 3 emissions reporting. However, we continue to monitor these areas to explore potential opportunities for future engagement, including those currently beyond our reporting scope.

For more information, refer to our Environmental Reporting Criteria at thecrownestate.co.uk/assurance.

Summary of our carbon baseline

We selected 2022/23 as our base year as it reflects more typical business activity following the disruptions of Covid 19. Our total Scope 1, 2 and 3 emissions for the 2022/23 base year are detailed on pages 81-83.

Offshore wind construction represents the largest source of emissions within our value chain, followed by land use associated with agricultural activity. These emissions primarily arise from leaseholders, tenants and suppliers – areas we influence but do not directly control. We have greater operational control over parts of our urban and built environment and some farmland activities (following the acquisition of Windsor Farms in March 2024). These are areas where we can drive more immediate change.

Data quality and restatements

We continue to invest in our data collection processes and have further strengthened our internal governance and estimation methodologies throughout 2024/25. Improvements include: enhanced completeness and accuracy of our energy consumption data; improved granularity of supplier-specific estimates for Scope 3 emissions from purchased goods and capital goods; and reporting biomass-related emissions. These enhancements support the accuracy and completeness of our energy and emissions reporting, helping us prioritise effective decarbonisation interventions.

Where methodology improvements or identified errors result in a material change to previously reported data, we restate our historical results accordingly. Our restated data is shown and described on page 84.

Reported emissions for rural and marine activities are largely based on estimates derived from available activity data, industry benchmarks, and emissions factors. Year-on-year changes in reported emissions predominately reflect changes in activity levels and the application of changing external industry benchmarks and emissions factors rather than interventions. We are committed to improving data quality, coverage and methodologies, and will continue to report transparently on changes resulting from these improvements.

Our energy and emissions

Energy use and efficiency

Reducing energy consumption and improving the efficiency of our real estate assets across our Urban business unit (formerly London and Regional) and the Windsor Estate are essential to decarbonising our business. Our energy data, including total consumption, like-for-like, intensity and year-on-year comparisons, is detailed in the tables on pages 80-81.

This year, we achieved an energy reduction of 20% against a base year of 2021/22, exceeding our internal target of 18% (see page 79).

Our total energy consumption in 2024/25 was 80,851 MWhⒶ, representing a 7% reduction compared with the previous year (see page 80). Like-for-like energy consumption decreased by 5% and 18% compared with 2023/24 and 2022/23 respectively (see page 80).

These results reflect the impact of targeted energy efficiency measures across our real estate portfolio, including:

- **Building upgrades:** improvements to heating, ventilation and air conditioning (HVAC) systems and the installation of LED lighting
- **Building management:** continued optimisation of systems and software to enhance energy efficiency and fix faults quickly. Improvements in asset

Ⓐ Independent limited assurance (see inside front cover)

information, including up-to-date asset data and building passports
- **Solar energy:** installing additional solar photovoltaic (PV) arrays across the Windsor Estate led to an approximately 400% increase in solar energy supplied to our directly managed sites
- **Supplier and customer collaboration:** ongoing engagement with suppliers and customers to achieve shared energy and carbon reduction goals

While energy efficiency measures have driven reductions in consumption, changes in occupancy and vacant properties, often due to renovations, also contribute to variations in overall energy consumption. These vacant periods offer opportunities to implement lasting upgrades that support long-term performance. To ensure meaningful year-on-year comparisons, we report energy on a like-for-like basis, excluding assets purchased and sold and meters where the responsibility for procuring energy changed between tenant and landlord. We continue to monitor these factors to better understand trends and refine our approach.

Energy intensity helps track building efficiency and identify areas for improvements. We monitor this across offices, shopping centres and retail parks. As shown on page 80, intensity reduced for offices, aligning with absolute reductions. Shopping centres saw a 28% increase due to the disposal of a low-intensity asset (Princesshay in Exeter), which had previously lowered the portfolio average. This reflects a portfolio shift: like-for-like intensity for shopping centres improved, reducing from 62 kWh/m² to 59 kWh/m².

Renewable energy use

As well as reducing energy consumption and improving efficiency, sourcing renewable and low-carbon energy remains part of our decarbonisation approach. During 2024/25, we procured 97%Ⓐ (2023/24: 97%) of our electricity from renewable sources (where we are responsible for purchasing the electricity).

In addition, we continue to expand our use of onsite renewables, including PV systems, which help reduce reliance on the grid and lower operational emissions. For example, during the year, solar PV systems used at the Windsor Estate generated over 290 MWh, supporting both own consumption and export to the grid.

Energy target progress

We set an internal target to reduce energy consumption by 18% for assets where we procure the energy, using 2021/22 as the base year. This excludes Electric Vehicle (EV) charging and any assets purchased or sold between 2021/22 and 2024/25.

We are pleased to report a 20% reduction. This target is linked to our 2024/25 company-wide annual bonus scheme, with a 20% weighting (see page 109).

	Absolute MWh 2024/25	Absolute MWh 2021/22	2024/25 v 2021/22 (decrease) %
Total excluding EV charging (see page 80)	**80,560** Ⓐ	101,188	(20)
Assets purchased or sold since 2021/22	**(1,385)**	(2,491)	-
Total excluding assets purchased or sold since 2021/22	**79,175** Ⓐ	**98,697**	**(20)**

At the Windsor office, more than 95% of the solar energy generated was used for our own consumption.

Emissions overview

Scope 1 and 2 (direct and indirect emissions)

Emissions from gas and electricity consumption have decreased in line with our overall reduction in energy use. Scope 1 emissions from gas consumption decreased by 25% compared with 2023/24. Scope 2 emissions also fell, with a 20% reduction in location-based emissions and a 2% reduction in market-based emissions.

Total reported emissions across Scope 1 and 2 have increased significantly this year, primarily due to the acquisition of Windsor Farms in March 2024. This acquisition introduced new emission sources related to crop production, land use and the management of cattle and other livestock. A detailed breakdown of Scope 1 and 2 emissions is provided in the emissions table on page 81.

Scope 3 (value chain emissions)

Scope 3 emissions account for approximately 99% of our total reported emissions in 2024/25.

Emissions from purchased goods and services and capital goods increased in 2024/25 due to higher supplier spend, including on development activities. These investments support asset enhancements and long-term sustainability goals. We continue to work with our suppliers to improve data quality (see page 23 for more on our supply chain data improvements).

Most rural and marine activities are reported under Scope 3, Category 13 (downstream leased assets), covering emissions from leased land and marine assets. See page 83 for a breakdown.

Our customers developing offshore wind infrastructure is the largest contributor to our Scope 3 emissions, driven by embodied carbon in construction and operational energy use. Emissions increased in 2024/25 with the continued expansion of offshore wind farms. However, these developments are estimated to have displaced 15 million tCO_2e in 2024/25, playing a vital role in decarbonising the UK energy system. Within our Marine portfolio, mineral extraction is another significant source of emissions, primarily arising from third party operations on leased seabed areas. This is a critical sector for UK construction, and its decarbonisation will depend on the decarbonisation of other sectors, including shipping.

Farmland and onshore mineral extraction are the main Scope 3 emission sources in the Windsor & Rural portfolio. Farmland emissions have declined, while onshore mineral emissions decreased between 2022/23 and 2023/24 but increased in 2024/25. This variance is attributed to updates in external emissions factors rather than direct interventions.

As we evolve our approach, we will track progress against net zero trajectories and assess how decarbonisation measures influence Scope 3 emissions.

Ⓐ Independent limited assurance (see inside front cover)

Our energy data

Absolute and like-for-like energy consumption, and energy intensity, are detailed in the following tables:

Energy consumption – Absolute[1,2,3,4,5]

	Absolute MWh			Absolute MWh	
	2024/25	2023/24	Year-on-year (decrease) %	2022/23	2024/25 v 2022/23 (decrease) %
Electricity	**58,797**	63,159	(7)	68,755	(14)
Fuel	**22,054**	23,357	(6)	29,707	(26)
Total including EV charging	**80,851**	**86,516**	**(7)**	**98,462**	**(18)**
EV charging[6]	**(291)**	(552)	(47)	(908)	(68)
Total excluding EV charging	**80,560**	**85,964**	**(6)**	**97,554**	**(17)**
Number of assets	**192**	184		187	

1. All data relates to those assets where The Crown Estate is responsible for procuring the energy, including 44,605 MWh (2023/24: 40,217 MWh) procured in respect of, and recharged to, tenants.
2. The absolute energy data reported above represents 98% (2023/24: 98%) of floor areas of directly managed properties in our Urban (formerly London and Regional) portfolio and on the Windsor Estate.
3. The table above relates to energy procured for our real estate assets. As such it excludes 1,431 MWh of energy consumed by the operation of vehicles and machinery in the Regional portfolio and the Windsor Estate, and vehicles used by employees for business travel.
4. The table above relates to energy procured for our real estate assets. As such it excludes energy generated and consumed from onsite renewable sources including biomass and PV sources and consumed within our assets. The energy generated from biomass and consumed in Windsor Estate real estate assets in 2024/25 was 7,233 MWh (2023/24: 6,245 MWh). The energy generated from PV, and consumed in our Urban portfolio and on the Windsor Estate, was 351 MWh in 2024/25 (2023/24: 111 MWh). For more information, see the Sustainability Data Supplement at thecrownestate.co.uk/annual-report.
5. The absolute energy data reported above does not include an estimated 266 MWh (2023/24: 266 MWh) of energy consumed in void assets within the Rural portfolio. This has been excluded from the reported data above as it is not material and is largely based on estimates.
6. EV charging points are provided across our Regional sites and on the Windsor Estate. Following the introduction of customer charging for the use of EV charging points across our Regional portfolio in 2023/24, electricity consumption for EV charging reduced from 552 MWh in 2023/24 to 291 MWh in 2024/25.

Energy consumption – Like-for-like

Like-for-like metrics are recalculated for each two years being reviewed and include only data where we have two full years of data on a meter-by-meter basis. As such they exclude assets purchased and sold and meters where the responsibility for procuring energy changed between tenant and landlord.

	Like-for-like MWh			Like-for-like MWh		
	2024/25	2023/24	Year-on-year (decrease) %	2024/25	2022/23	2024/25 v 2022/23 (decrease) %
Electricity	**56,472**	59,238	(5)	55,893	61,775	(10)
Fuel	**21,651**	23,014	(6)	21,632	32,801	(34)
Total including EV charging	**78,123**	**82,252**	**(5)**	**77,525**	**94,576**	**(18)**
Number of assets	**173**	173		171	171	

Energy intensity[1]

	kWh/m^2			kWh/m^2
	2024/25	2023/24	Year-on-year (decrease)/ increase %	2022/23
Offices	**225**	234	(4)	260
Shopping centres[2]	**59**	46	28	49
Retail parks	**3**	3	–	4

1. All data relates to those assets where The Crown Estate is responsible for procuring the energy. Energy intensity is calculated for properties where our data satisfies the requirements specified in our Environmental Reporting Criteria at thecrownestate.co.uk/assurance. Energy intensity coverage represents 59% (2023/24: 57%) of the floor area of directly managed properties in our Urban portfolio and on the Windsor Estate. Assets contributing to the intensity data account for 58% (2023/24: 62%) of the absolute energy consumed.
2. Energy intensity relating to our shopping centre assets increased in 2024/25 following the disposal of a shopping centre with lower than average energy intensity.

Independent limited assurance (see inside front cover)

Our GHG emissions data

Absolute Scope 1 and 2 emissions, and emissions intensity, are detailed in the following tables:

GHG emissions – Absolute Scope 1 and 2[1]

		Absolute tCO_2e			Absolute tCO_2e
	GHG Protocol category	**2024/25**	**2023/24 (restated[2,3])**	**Year-on-year (decrease)/ increase %**	**2022/23 (restated[2,3])**
Scope 1	Direct emissions from gas consumption[4]	**1,722**	2,290	(25)	2,981
Scope 1	Refrigerants	**793**	609	30	55
Scope 1	Owned vehicles and machinery[2]	**305**	348	(12)	343
Scope 1	Biomass (non-CO_2 GHG emissions)[3]	**82**	67	22	70
Total assured Scope 1		**2,902** Ⓐ	**3,314**	**(12)**	**3,449**
Scope 1	Emissions from non-mechanical sources[5]	**7,710**	-	-	-
Scope 1	Emissions from mechanical sources[5]	**255**	-	-	-
Scope 1	Emissions from land use change[5]	**1,240**	-	-	-
Total Scope 1		**12,107**	**3,314**	**265**	**3,449**
Scope 2 (location-based)	Emissions from generated electricity use[4]	**5,513** Ⓐ	6,934	(20)	7,038
Total Scope 1 and 2 (location-based)		**17,620**	**10,248**	**72**	**10,487**
Scope 2 (market-based)	Emissions from generated electricity use	**685** Ⓐ	696	(2)	1,049
Other	Biomass CO_2 emissions[3]	**2,557**	2,207	16	2,338

1. All Scope 1 and 2 data relates to those assets where The Crown Estate is responsible for procuring the energy and excludes emissions relating to energy recharged to tenants.
2. Prior years' emissions from vehicles and machinery held on finance leases have been recategorised from previously reported Scope 3 Category 8 (leased vehicles/machinery/tools) to Scope 1 (owned vehicles and machinery) to better reflect the operational control of the assets. This recategorisation does not affect total emissions reported. See page 84 for further details on restatements.
3. We continue to build on the completeness of our reported emissions, and emissions from biomass combusted in the Windsor Estate district heating system have been reported for all years for the first time in 2024/25.
4. The absolute emissions data reported above does not include an estimated 47 tCO_2e (2023/24: 47 tCO_2e) of Scope 1 (direct emissions from heating of buildings) and an estimated 19 tCO_2e (2023/24: 19 tCO_2e) of Scope 2 (emissions from generated electricity usage (location-based)) relating to void assets within the Rural portfolio. These have been excluded from the reported data above as they are not material and are largely based on estimates.
5. Following the acquisition of Windsor Farms in March 2024, new Scope 1 categories have been reported, including direct emissions from non-mechanical sources such as methane emissions from livestock and nitrous oxide emissions from fertiliser use, mechanical sources and land use change. Equivalent data for the period of ownership in 2023/24 has not been reported as it is not material. Prior to the acquisition, these emissions formed part of Scope 3 Category 13 (downstream leased assets).

Emissions intensity[1]

	$kgCO_2e/m^2$			$kgCO_2e/m^2$
	2024/25	**2023/24**	**Year-on-year (decrease)/ increase %**	**2022/23**
Offices	**45** Ⓐ	47	(4)	49
Shopping centres	**12** Ⓐ	9	33	9
Retail parks	**1** Ⓐ	1	-	1

1. Emissions intensity is calculated for properties where our data satisfies the requirements specified in our Environmental Reporting Criteria at thecrownestate.co.uk/assurance. Emissions intensity coverage represents 59% (2023/24: 57%) of the floor area of directly managed properties in our Urban portfolio and on the Windsor Estate. Assets contributing to the intensity data account for 58% (2023/24: 62%) of the absolute energy consumed.

Ⓐ Independent limited assurance (see inside front cover)

GHG emissions – Absolute Scope 3 (indirect)[1]
Our reported Scope 3 emissions are detailed below:

	GHG Protocol category	tCO₂e 2024/25	tCO₂e 2023/24 (restated[1,2])	Year-on-year (decrease)/increase %	tCO₂e 2022/23 (restated[1,2])
Scope 3	Category 3: fuel-and energy-related activities (not included in Scope 1 or 2)[3]	**1,124**	1,192	(6)	1,216
Scope 3	Category 6: business travel	**217**	60	262	47
Scope 3	Category 13: downstream leased assets (evidenced tenant energy)	**8,930**	8,066	11	8,700
Total assured Scope 3		**10,271** Ⓐ	**9,318**	**10**	**9,963**
Scope 3	Category 1: purchased goods and services[2]	**16,535**	13,194	25	15,441
Scope 3	Category 2: capital goods[2]	**47,883**	29,255	64	20,532
Scope 3	Category 5: waste generated in operations	**51**	134	(62)	143
Scope 3	Category 7: employee commuting	**327**	147	122	117
Scope 3	Category 10: processing of sold products[4]	**2,758**	5,213	(47)	3,223
Scope 3	Category 12: end-of-life treatment of sold products[4]	**574**	1,084	(47)	670
Scope 3	Category 13: downstream leased assets (see breakdown on page 83)	**1,415,740**	1,437,015	(1)	1,089,590
Total Scope 3		**1,494,139**	**1,495,360**	**-**	**1,139,679**

1. Prior years' emissions from vehicles and machinery held on finance leases have been recategorised from Scope 3 Category 8 (leased vehicles/machinery/tools) to Scope 1 (owned vehicles and machinery) to better reflect the operational control of the assets. This recategorisation does not affect total emissions reported. Further details on restatements can be found on page 84.
2. Prior years' Scope 3 Category 1 (purchased goods and services) and Category 2 (capital goods) emissions have been restated to include emissions from our Marine and Rural portfolios as part of our decision to expand on our reported Scope 3 emissions. The restatements also incorporate improvements made to the calculation methodologies, including applying a more granular and accurate approach. Further details about methodologies can be found in the Environmental Reporting Criteria at thecrownestate.co.uk/assurance. As we continue to evolve our methodology, including incorporating Whole Lifecycle Assessments emissions from developments and increasing emissions data directly from key suppliers, these are likely to be restated again in future years.
3. EV charging points are provided across our Regional sites and on the Windsor Estate. Prior to 2023/24, EV charging was supplied to customers free of charge and the related emissions included in Scope 2 (emissions from generated electricity usage). Following the introduction of customer pricing for the use of EV charging points across our Regional portfolio during 2023/24, usage decreased; the related emissions are included in Scope 3 Category 3 (fuel-and energy-related activities (not in Scope 1 or 2)) in line with the GHG Protocol.
4. Following data and reporting improvements, Scope 3 Category 10 (processing of sold products) and Category 12 (end-of-life treatment of sold products) have been reported for the first time in 2024/25. This includes the emissions associated with timber dispatched from the Windsor Estate, arising from processing and end-of-life treatment.

Ⓐ Independent limited assurance (see inside front cover)

Breakdown of Category 13: Downstream leased assets

	tCO₂e		
GHG emission source	**2024/25**	**2023/24**	**2022/23**
Downstream leased assets (estimated tenant energy)	**34,591**	40,257	41,988
Marine offshore wind (fuel and energy use – operational activity and embodied carbon)	**1,106,848**	1,118,550	745,235
Marine minerals (fuel and energy use from dredging and mineral extraction)	**168,746**	168,149	176,984
Marine cables (power and telecoms)	**852**	253	2,143
Marine natural gas storage (fuel and energy use associated with running of facility)	**9,377**	9,972	8,981
Farmland (fuel and energy use, crop residue, fertiliser, pesticide, methane, waste management)	**81,573**	88,713	94,365
Onshore minerals (energy use associated with mineral extraction)	**12,360**	9,772	18,578
Fixed infrastructure (including telecom masts, radio masts)	**1,336**	1,296	1,261
Renewable generation	**57**	53	55
Total downstream leased assets	**1,415,740**	**1,437,015**	**1,089,590**

Estimations and uncertainty

We are always seeking to improve the quality, consistency and transparency of our data, and we aim to use the most up-to-date and accurate industry methodologies and models available. However, environmental reporting, particularly in areas such as Scope 3 emissions, remains an evolving area. As such, our disclosures involve a degree of estimation and the use of assumptions, eg within Rural and Marine portfolios, where primary data is limited or unavailable. In particular, our reporting of Scope 3 Category 13 (downstream leased assets) includes a high level of estimations. We are committed to refining our approach over time as data quality improves, methodologies evolve and industry standards mature. Where a refined approach or improved data quality leads to a material change in previously reported data, we will be transparent and will restate the prior years' reported results.

Definitions

Location-based emissions: emissions from electricity usage calculated using average emission factors for the National Grid, reflecting the overall mix of energy sources (eg fossil fuels and renewables) used to generate electricity over the reporting year.

Market-based emissions: emissions from electricity usage calculated based on the specific sources of energy purchased, such as validated renewable energy backed by certificates (eg REGOs) and the associated emissions factors provided by suppliers or contractual instruments.

Methodology for quantification and reporting of emissions

We quantify and report our organisational greenhouse gas (GHG) emissions according to the GHG Protocol, using the operational control approach. Energy use data has been collated and converted into carbon dioxide equivalent (CO_2e) using a range of conversion factors, including the UK Government Conversion Factors for Company Reporting and relevant industry-specific factors, to calculate emissions from corresponding activity data.

This report is prepared in line with the GHG Protocol's Scope 2 Guidance, and includes both location-based and market-based Scope 2 emissions figures. The market-based figure reflects emissions associated with our electricity purchasing decisions. Where available, we use supplier-specific emissions factors; if these are not provided, we apply a residual mix emissions factor. We also report Scope 3 emissions in accordance with the GHG Protocol Corporate Standard, providing a more complete view of our value chain emissions. This includes relevant upstream and downstream categories, based on data availability and materiality.

More information can be found in our Environmental Reporting Criteria at thecrownestate.co.uk/assurance.

Streamlined Energy and Carbon Report continued

Restatements

Greenhouse gas emissions – Absolute Scope 1, 2 and 3

		tCO$_2$e			
	GHG Protocol category	2023/24 (restated)[1,2,3]	2023/24 (previously reported)[4]	2022/23 (restated)[1,2,3]	2022/23 (previously reported)[4]
Scope 1	Owned vehicles and machinery[1]	348	215	343	212
Scope 1	Biomass (non-CO$_2$ GHG emissions)[2]	67	-	70	-
Scope 3	Category 1: purchased goods and services[3]	13,194	21,134	15,441	16,672
Scope 3	Category 2: capital goods[3]	29,255	18,988	20,532	13,909
Scope 3	Category 8: leased vehicles/machinery/tools[1]	-	133	-	131

1. Prior years' emissions from vehicles and machinery held on finance leases have been recategorised from Scope 3 Category 8 (leased vehicles/machinery/tools) to Scope 1 (owned vehicles and machinery) to better reflect the operational control of the assets. This recategorisation does not affect total emissions reported.
2. We continue to build on the completeness of our reported emissions, and emissions from biomass combusted in the Windsor Estate district heating system have been reported for all years for the first time in 2024/25.
3. Scope 3 Category 1 (purchased goods and services) and Scope 3 Category 2 (capital goods) emissions have been restated to include emissions from our Marine and Rural portfolios as part of our decision to expand on our reported Scope 3 emissions. The restatements also incorporate improvements made to the calculation methodologies, including applying a more granular and accurate approach. Further details about methodologies can be found in the Environmental Reporting Criteria at thecrownestate.co.uk/assurance. As we continue to evolve our methodology, including incorporating Whole Lifecycle Assessments emissions from developments and increasing emissions data directly from key suppliers, these are likely to be restated again in future years.
4. Previously reported data refers to reported data in the 2023/24 Annual Report and Sustainability Data Supplement.

This Strategic Report was approved by the Board on 5 June 2025 and signed on its behalf on 17 June 2025 by:

Dan Labbad
Chief Executive

Governance

Chair's introduction

Further to my statement on pages 6-7, I would like to thank the Board for their commitment to this unique organisation and what it can achieve.

Our collective task is to oversee, to support and, where necessary, to challenge the strategy, ensuring we stay true to our values and purpose. Balancing different priorities is not always an easy task, and the Board's perspectives have been invaluable in helping to guide the business and to ensure that it is effective and efficient in pursuit of its ambitions.

The following pages give more detail about the Board's oversight during the year.

Board changes

During the year, I was delighted to welcome two new members to the Board.

Peter Hofbauer joined as Board Counsellor in September. Peter brings a wealth of experience in infrastructure investment and management across all infrastructure sectors, including renewables.

Helen Price joined as Chief Financial Officer and an Executive Board Member at the beginning of January. Helen brings a diverse range of financial experience from FTSE-listed businesses and expertise across the alternative asset sector, alongside a deep commitment to sustainability. Her appointment to the Board supports our continued commitment to ensuring that financial leadership remains central to our decision-making.

It gives me great pleasure to congratulate James Darkins on receiving the award of Officer of the Order of the British Empire in The King's New Year Honours List 2025 in recognition of his invaluable work with The Crown Estate.

James completed his time on the Board in December, having joined as a Commissioner in 2016. He has served as Chair of both the Audit Committee and Remuneration Committee and oversaw the development and implementation of a new Remuneration Framework which ensured that incentive structures align to our purpose and strategic goals. I am grateful for his commitment and support during his time on the Board.

Sara Wood stepped down as a Board Counsellor in February. I would like to thank her for her support and insight during her tenure, which has been particularly valued during the digital transformation of the business.

With the appointment of Ric Lewis as Chair, I am leaving the Board in very good hands, and I wish Ric and our fellow Commissioners well as they continue to exercise robust governance.

The following pages explain more about our governance structure and activities.

Board evaluation/development

The Board has greatly diversified during my time at The Crown Estate. It is now gender-balanced, with Commissioners bringing a wide range of experience and insight to support and challenge the business.

This year, the Executive Director, People & Culture, led our annual Board Effectiveness Review. We received positive feedback overall, with improvements across ten of the 11 categories. The Board's collective role and individual contributions are highly valued, as is its engagement with talent throughout The Crown Estate.

At the end of 2024, we ran a development workshop focused on understanding our individual differences and how we can approach problem-solving together by leveraging our collective insights. Read more on pages 102-105.

Supporting our culture

The Board welcomes the chance to meet with colleagues, both formally at Board meetings and on more informal occasions, which provide an opportunity for members of the Board to get feedback from a wide range of colleagues from across the business in a more relaxed setting. Our Meet the Board podcast series continued, with colleagues interviewing Board Members about their work and life experiences. In the summer, the Board attended the all-employee celebration in Windsor, and I led a townhall session with our Chief Executive in December.

During the year, the Board carried out site visits in Cambridge and London, where we had the chance to meet with colleagues and other stakeholders.

"The Board has greatly diversified during my time at The Crown Estate, bringing a range of business experience and insight to support and challenge the business."

Sir Robin Budenberg CBE
Chair

Partnership with Lendlease

The transaction with Lendlease which was announced in May 2025 (see page 11) arose as a result of exploratory discussions in early June 2024 between the CEO of Lendlease and Dan Labbad. Given that Dan's previous employment with Lendlease might give rise to the perception of a personal conflict of interest, he immediately informed both me and the Interim Company Secretary and sought our advice on how to proceed. Dan undertook a high-level assessment of the opportunity, and he and I concluded that it was in The Crown Estate's interest to consider the prospect further.

In discussion with the Interim Company Secretary, it was concluded that Oliver Smith, Executive Director, Operations, should lead the detailed discussions with Lendlease. Following its June 2024 meeting, the Board set up a Board sub-committee to support Oliver and ensure ongoing Board oversight. Given Dan's experience in real estate development and urban regeneration, it was also agreed that it was in the best interest of The Crown Estate for him to oversee the transaction as Chief Executive.

Both Dan and Lendlease confirmed to the Interim Company Secretary that he has no ongoing direct or indirect financial interest in the success of Lendlease or any part of its business, including the projects forming part of the transaction.

Sir Robin Budenberg CBE
Chair

UK Corporate Governance Code

UK Corporate Governance Code

The Framework Document requires The Crown Estate, without limitation so far as is consistent with the Crown Estate Act 1961, as amended (the Act), to comply with the principles and provisions of the Corporate Governance Code 2018 (the Code), as amended and updated from time to time. The Code serves as a benchmark for our corporate governance performance and its disclosure requirements serve as a means to demonstrate good governance practice to all of our stakeholders.

There are a number of components of the Code that are either not appropriate to the circumstances of The Crown Estate, or are overridden by the need for compliance with the Framework Document. During the year ended 31 March 2025, The Crown Estate complied with all of provisions of the Code relevant to it. The Code is available from frc.org.uk.

The Board notes the release by the FRC of the revised Corporate Governance Code 2024 (the 2024 Code) in January 2024. As directed by the 2024 Code, it will work to ensure full compliance with the elements of the 2024 Code relevant to the Board and The Crown Estate.

The table shows where stakeholders can find further information on how The Crown Estate has applied the principles of the Code.

Read more about our constitution and governance framework on page 89.

Compliance with the Code

Principles	Pages
Board leadership and company purpose	
A – An effective Board	92-93
B – Purpose, values and culture	3, 50-53
C – Governance framework and Board resources	89-90
D – Stakeholder engagement	96
E – Workforce policies and practices	86, 50-53
Division of responsibilities	
F – Board roles	91
G – Division of responsibilities	91
H – Non-Executive Board Members	91, 94
I – Key activities of the Board in 2024/25	95
Composition, succession and evaluation	
J – Appointments to the Board	103-105
K – Board skills, experience and knowledge	103
L – Annual Board evaluation	105
Audit, risk and internal controls	
M – Financial reporting, external auditor and internal audit	97-101
N – Review of 2024/25 Annual Report and Accounts	100
O – Risk management and internal controls	98
Remuneration	
P – Linking remuneration with purpose and strategy	109-110
Q – Remuneration Framework	107
R – Performance outcomes in 2024/25	109-110

Accounting Officer’s statement

The Accounting Officer

The Treasury has appointed The Crown Estate’s Chief Executive (the Second Commissioner) as the Accounting Officer for The Crown Estate. His responsibilities as Accounting Officer, including those relating to the propriety and regularity of The Crown Estate’s finances and for the keeping of proper records, are set out in the Framework Document between The Crown Estate and the Treasury, and in ‘Managing Public Money’. The Framework Document, which was recently updated, can be found online at: thecrownestate.co.uk/governance.

With regard to this Annual Report and Accounts, the Accounting Officer discharges part of that personal responsibility in confirming the accuracy and completeness of the Annual Report itself, in alignment with determining that it is fair, balanced and understandable in accordance with both the UK Corporate Governance Code 2018 (the Code) and the UK Companies Act 2006 (the Companies Act) and underlying regulations to the extent they apply to a large unquoted business and insofar as they apply to The Crown Estate, in accordance with the Accounts Direction issued by the Treasury.

The Accounting Officer’s responsibilities are delivered in alignment with the requirements and duties provided in the Crown Estate Act 1961, and as updated by the Crown Estate Act 2025. To that end, the Chief Executive is supported in discharging his responsibilities as Accounting Officer by the Board of The Crown Estate.

The Board is responsible for ensuring that The Crown Estate has in place a proper system of controls, financial and otherwise; and under section 2(5) of the Crown Estate Act 1961 is required to prepare a statement of accounts in the form and on the basis determined by the Treasury. The financial statements are prepared on an accruals basis and must give a true and fair view of The Crown Estate’s revenue and capital position, the state of affairs at the financial year end and of income and expenditure and cash flows for the financial year in question.

In preparing The Crown Estate’s accounts the Board is required to:

- Observe the accounts directions issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- (as appropriate) Prepare the financial statements on a going concern basis

The Accounting Officer’s statement

As Accounting Officer, it is my judgment that The Crown Estate is supported by an appropriate governance framework. I also confirm that this Annual Report accurately represents the operational activity and financial performance of The Crown Estate in the 2024/25 financial year and sets out the principal issues and opportunities facing the business, and the processes in place to manage them.

I believe that this Annual Report satisfies both the Code and Companies Act requirement to be fair, balanced and understandable and satisfies the level and form of reporting required by the Crown Estate Act 1961 (as amended), our framework document with the Treasury and ‘Managing Public Money’.

So far as I am aware, there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

In July 2022, The Crown Estate wrote to HM Treasury to draw attention to the fact that outdated restrictions contained in the Crown Estate Act 1961, particularly on our ability to borrow and on the types of investment that we could make, were placing in jeopardy our long-term resilience. After extensive discussions with and support from government officials and ministers to give The Crown Estate access to borrowing, the King’s Speech in July 2024 included a commitment to introduce legislation to amend the Crown Estate Act 1961. This commitment led to the new Crown Estate Act 2025, which came into force on 11 May 2025, which allows us to borrow and to invest more flexibly in line with our core remit and duties. Obtaining the ability over the coming months to have access to future borrowing allows The Crown Estate to both deliver its strategic objectives and maximise the value of its return to HM Treasury for the benefit of the nation’s finances.

As I noted in last year’s Accounting Officer’s statement, there is an ongoing multi-year plan to strengthen our processes and controls and transform our business to be capable to deliver our ambitious strategy. Throughout the year we have continued to make steady progress against these targets. Specifically, we insourced our London Property Management business and created a leadership role for Real Estate development, recognising the importance of the delivery of our pipeline. In addition, we made several changes to our Group Leadership Team and appointed a Chief Financial Officer as a Board Commissioner to ensure our leadership team remains appropriate to respond to a rapidly changing world.

As Accounting Officer, I believe it is important that we place particular focus on the following matters in the coming financial year:

- Ensuring that, as we deliver across a broad range of areas in partnership with stakeholders, we operate in line with the 1961 Act and the 2025 Act, including the need to act independently and satisfy the obligations placed upon us by Parliament;
- Making sure that, in line with its remit, The Crown Estate positively impacts the UK and its people;
- Working with stakeholders to ensure that The Crown Estate is well placed to respond and adapt to the challenges and opportunities of the future, enabling us to maximise our positive impact both now and into the future by implementing the new powers granted to us in the Crown Estate Act 2025;
- Ensuring we have best in class governance and assurance in place;
- Driving a high performance culture and reassessing our workforce requirements considering our need to transform our business as efficiently and cost effectively as possible;
- Improving our operational processes and efficiency, with a particular focus on 3rd party supplier management, integrating previously outsourced activities and improving our customer service;
- Improving the quality, efficiency and effectiveness of our control infrastructure encompassing health and safety, our supply chain, procurement and data quality;
- Responding to the rapidly changing digital world, including AI, by continuing to enhance our technology and bolstering our cyber security; and
- Continuing our efforts to attract, retain and develop a diverse talent pool as we embrace new businesses and embed a culture to drive our performance and operate in line with our values.

Dan Labbad
Accounting Officer

17 June 2025

* The statutory transfer is a percentage of the current year revenue of The Crown Estate, as set out in our audited accounts, that is transferred to our capital account in accordance with the Crown Estate Act 1961 (as amended).

Our constitution and governance framework

The Crown Estate Act 1961 and the Crown Estate Act 2025

The Crown Estate Act 1961 (the Act) constituted the Crown Estate Commissioners as a body corporate operating with an independent commercial mandate in the management of The Crown Estate. In March 2025, the Crown Estate Act 2025 (the 2025 Act) received Royal Assent.

The Crown Estate Commissioners operates as a statutory corporation and not a company for the purposes of the Companies Act 2006. The formal name of the organisation is the Crown Estate Commissioners, but we operate under the trading name 'The Crown Estate' and any reference to 'the Commissioners' in this report is to the Executive Board Members and Independent Non-Executive Board Members collectively. The Commissioners collectively form the Board.

The Crown Estate has been classified as a non-financial public corporation by the Office for National Statistics.

The primary statutory duty of the Board is to maintain The Crown Estate as an estate in land and to maintain and enhance its value and the return obtained from it with due regard to the requirements of good management. Good management encompasses broad value creation, including a commitment to environmental and social value creation, in alignment with strong financial performance.

Subject to express restrictions contained in the Act, The Crown Estate in discharge of its functions under the Act has the powers to do anything which is calculated by it to facilitate, or is conducive or incidental to, the discharge of those functions.

The net revenue profit of The Crown Estate is paid into the UK Consolidated Fund, where it is added to the funds arising from general taxation and is available to HM Treasury to use for the benefit of the nation.

Governance of our assets

The assets managed by The Crown Estate are not the property of the government, nor are they part of the Sovereign's private estate. The assets form part of the hereditary possessions of the Sovereign in right of the Crown; in other words, lands owned by the Crown corporately, not personally.

The Crown is distinct from the Sovereign Monarch. It encompasses both the Sovereign and the Government, and it is one of our oldest institutions.

In 1066, all land in England was deemed to belong to William the Conqueror 'in right of the Crown'. By the time George III ascended to the throne, the size of the estate had reduced and it was producing insufficient revenue, and so he surrendered Crown revenues to the management of Parliament as part of a settlement for Crown Lands in 1760.

Since 1760, the Sovereign has played no part in managing Crown Lands. The functions of the Crown are ordinarily exercised by Ministers of the Crown accountable to Parliament. However, in the Act, Parliament charged the Commissioners with the function on behalf of the Crown of managing and turning to account the land and other property, rights and interests vested in the Crown. HM Treasury oversees The Crown Estate in the performance of that function. The Sovereign is an important stakeholder for us as we manage our estate on behalf of the Crown, and the Act requires the Commissioners to make to His Majesty a report on the performance of their functions in each year and to lay a copy of their report before Parliament. This Annual Report and Accounts is addressed to His Majesty The King, as referenced on the contents page.

Relationship with HM Treasury

The Crown Estate's activities and governance are also shaped by the Framework Document between The Crown Estate and HM Treasury, which was most recently updated in May 2025 and is available on our website: thecrownestate.co.uk/governance.

The Crown Estate's sponsor department is HM Treasury and its sponsoring minister, the Chancellor of the Exchequer Secretary, answers for all matters concerning it in Parliament. HM Treasury is charged with general oversight of The Crown Estate's business. The Crown Estate therefore supplies HM Treasury with regular updates, including the quarterly financial information supplied to the Board, and information about significant business developments and any unusual or innovative proposals. In addition, The Crown Estate regularly discusses with HM Treasury its corporate plan and revenue targets looking forward to the next financial year and projecting the two following financial years, as well as the strategy for the year ahead. The remuneration policy and framework for The Crown Estate's staff is the responsibility of the Board's Remuneration Committee. The Committee shares any planned changes to the Remuneration Framework with HM Treasury to seek its agreement. Remuneration of our Board Members is set by HM Treasury.

Other elements of our governance framework

The Crown Estate observes the Nolan Principles of Public Life. As such, it is committed to selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Crown Estate must follow the standards in 'Managing Public Money' which is specific HM Treasury guidance. Our Chief Executive is our Accounting Officer and he is thus bound by the requirements of chapter 3 of 'Managing Public Money', with personal responsibility for leading the organisation in an ethical manner, seeking good value for money, and securing the quality and integrity of its business. Should a conflict arise between a decision of the Board and his personal view of his duties as Accounting Officer, he must seek guidance from the HM Treasury Permanent Secretary before acting.

The UK Companies Act 2006 is the technical accounting guide for the preparation of the Annual Report. It complements guidance on the handling of public funds and thus also informs our governance.

We are unique as a non-financial public corporation in that we also have an independent commercial mandate and thus we seek to apply the standards that are most appropriate to the various elements of our business in pursuit of applying best practice. We also recognise that governance is not just about best technical practice and having the right principles, processes and structures in place; we know that good governance is as much about our culture and behaviours.

Governance structure

Non-Executive Board Committees

It is the responsibility of the Board to constitute such committees as necessary for it to fulfil its function. In line with the UK Corporate Governance Code 2018, as a minimum, the Board should have three committees. Currently, the Board has four standing Committees of the Board: Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee. Each Committee consists of Commissioners, except the Audit Committee and Remuneration Committee which may have up to one Board Counsellor. The Committees ensure focus and challenge around those areas at the heart of the delivery of The Crown Estate's purpose and strategy. The terms of reference are reviewed annually for all Committees.

Audit Committee

Responsible for reviewing, monitoring, overseeing and challenging the integrity of The Crown Estate's financial and narrative statements, its internal control environment, risk management systems and framework, internal audit process and external audit process.

Read more on **pages 97-101**

Remuneration Committee

Responsible for ensuring that remuneration policies and practices support strategy and promote the long-term sustainable success of The Crown Estate, and that they are aligned with the purpose, culture and values, and linked to the delivery of its long-term strategy.

Read more on **pages 106-118**

Nomination Committee

Responsible for ensuring that the Board and its Committees have an appropriate combination of skills, experience and knowledge to effectively challenge The Crown Estate's strategy and monitor its execution.

Read more on **pages 102-105**

Sustainability Committee

Responsible for ensuring that The Crown Estate exemplifies best practice in all matters related to sustainability and that this is embedded in the delivery of the strategy for value creation and aligned with its purpose.

Read more on **pages 119-120**

The Board

The Board operates independently of government and has the power to regulate its own procedures. The Board has responsibility for the purpose, principal risks, strategy and values of The Crown Estate, and to ensure that, together, they enable The Crown Estate to deliver successfully its statutory mandate in perpetuity. It also decides upon all exceptional matters and transactions. The Board consists of eight Commissioners and one Counsellor. The Crown Estate Act 2025 allows that number to be increased to twelve.

As at 31 March 2025, the Board comprised:	
Independent Non-Executive Chair (or First Commissioner)	1
Executive Board Members (of which one is Second Commissioner)	2
Senior Independent Board Member (Senior Independent Director)	1
Independent Non-Executive Board Members (excluding the Chair and Senior Independent Member)	4
Board Counsellors	1

Commissioners may normally serve for up to eight years over two four-year terms. The Board is assisted by non-voting co-opted Board Counsellors. No Non-Executive Board Member may serve on the Board, as a Board Member and Counsellor, for more than a total of ten years.

Board Counsellors support the delivery of the Board Members' duties and functions, and this may occur both in and outside of Board and Committee meetings.

Read more on **pages 92-94**

Value Creation Committee

Responsible for reviewing, monitoring and overseeing the Value Creation Framework and all investment and divestment proposals which require its approval under the financial delegated authorities.

Read more on **page 121**

Group Leadership Team

Responsible for the implementation of strategy and business plans and provision of overall Group leadership and management.

Read more on **pages 121-122**

Division of responsibilities

The Board

The membership of our Board is built on the principle that a diversity of skills, background, experience and approach underpins strong decision-making. Our Board's purpose is founded on independence and diverse thinking which it leverages to set strategy and constructively challenge our business in service of The Crown Estate's purpose – creating lasting and shared prosperity for the nation.

Role*	Responsibilities
Leadership	
Chair	The Chair is First Commissioner and leads the Board in providing support and challenge to the Chief Executive and executive team, keeping under review the general progress and long-term development of The Crown Estate. The Chair is responsible for formulating the Board's objectives; ensuring that the Board complies with any direction given in writing by the Secretary of State under and in accordance with the Act; promoting the efficient and effective use of staff and other resources; delivering high standards of regularity and propriety; and representing the views of the Board to the general public. The Chair also has further obligations that include, but are not limited to, ensuring the Board has a balance of skills and diversity which is appropriate to directing The Crown Estate's business; there are regular internal and external reviews of Board performance and composition; and there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Code.
Chief Executive	The Chief Executive is Second Commissioner and an Executive Board Member. The executive role encompasses developing and implementing strategy, overseeing operations and ultimate responsibility for risk management, people and culture. The Chief Executive also has independent duties and responsibilities to HM Treasury as Accounting Officer.
Chief Financial Officer	The Chief Financial Officer is an Executive Board Member and Commissioner, and the executive role encompasses managing The Crown Estate's financial affairs and proposing policies to support sound financial decision-making. The Chief Financial Officer supports the Chief Executive in the implementation and achievement of strategic objectives and risk management.
Oversight	
Senior Independent Board Member	In addition to the role of Non-Executive Board Member, the Senior Independent Board Member's role includes leading a meeting with other Non-Executive Members without the Chair present at least once annually to appraise the Chair's performance; representing the Board in Board Member recruitment; acting as a check and balance to the Chair; providing a sounding board for the Chair; and acting as an intermediary for other Board Members when necessary.
Independent Non-Executive Board Member	The role of the Independent Non-Executive Board Member is to bring exemplary skills, experience and knowledge to the Board, constructively challenging where necessary. This ensures an adequate balance of skills is available to The Crown Estate to fulfil its strategic objectives in compliance with its constitution and in service of its purpose. An Independent Non-Executive Board Member will act in good faith and in the best interests of The Crown Estate, and in accordance with their statutory, common law and fiduciary duties as a Board Member.
Guidance	
Board Counsellor (Non-Executive)	The role of the Non-Executive Board Counsellor is to support the delivery of the Crown Estate Commissioners' duties and functions. They supplement the collective skills, expertise and knowledge of the Board Members to inform Board decision-making, including constructively challenging the Executive where necessary. Board Counsellors attend Board meetings as advisors (in a non-voting role). They may have been a Crown Estate Commissioner or may be expected to become a Crown Estate Commissioner in due course, or they may be appointed to bring specific expertise to the Board, to a Committee, or otherwise.
Governance	
Company Secretary	The Company Secretary advises the Chair, the Board and individual Board Members on their responsibilities under the prevailing regulatory framework. The Company Secretary supports all meetings and ensures clear and timely information flows both between the Board and its Committees. They work with the Chair to facilitate the induction of new Non-Executives and the provision of professional development as required. The Company Secretary is a Board appointee.

* All Board Member appointments are documented in a formal contractual appointment, which supplements the Royal Warrant granted to Commissioners.

Our Board

Sir Robin Budenberg CBE

Chair, Independent Non-Executive Board Member and First Commissioner

Appointment: Robin took up the post of Chair of The Crown Estate on 1 August 2016 and was reappointed for a further four years on 1 August 2020. Robin's term technically expired on 31 July 2024, but to ensure a smooth transition for the appointment of a new Chair, his term has been extended until 31 July 2025.

Committees: N R

Tenure: 8 years 8 months

Key strengths: Strategic Overview/Leadership/Finance/Governance

Dan Labbad

Chief Executive, Accounting Officer, Executive Board Member and Second Commissioner

Appointment: Dan was appointed as Chief Executive on 9 December 2019 and to the Board on 1 January 2020. Dan was reappointed for a further four years in 2023.

Committees: None

Tenure: 5 years 3 months

Key strengths: Leadership/Property/Infrastructure/Sustainability/Change Management

Dame Karen Jones DBE

Independent Non-Executive Board Member and Senior Independent Board Member

Appointment: Karen was appointed to the Board on 1 January 2020 and as Senior Independent Board Member on 9 June 2020. She was reappointed for a further four years on 1 January 2024.

Committees: N S

Tenure: 5 years 3 months

Key strengths: Food, Retail and Leisure Markets/Digital and Online Retail/Property and Placemaking/Transformation/Culture/Brands and Customer/Growing Businesses/Financial – Risk and Audit/Environment – Net Zero/Ecology/Biodiversity

Vijay Bharadia

Independent Non-Executive Board Member

Appointment: Vijay was appointed a Board Member with effect from 1 April 2023. His first term expires 31 March 2027.

Committees: A

Tenure: 2 years

Key strengths: Finance/Audit/Governance/Risk and Assurance/Transformation/Culture

Juliet Davenport OBE

Independent Non-Executive Board Member

Appointment: Juliet was appointed to the Board on 1 September 2020. She was reappointed for a further four years on 1 September 2024.

Committees: A S

Tenure: 4 years 7 months

Key strengths: Renewable Energy/Marine Renewables/Carbon Capture/Environment – Net Zero/Ecology/Biodiversity/Commercial Investments

Peter Hofbauer

Board Counsellor

Appointment: Peter was appointed as Board Counsellor on 1 September 2024. His first term expires 31 August 2028.

Committees: A R

Tenure: 7 months

Key strengths: Infrastructure Investment/Finance/Investment Management/Strategic Overview/Governance

Anne Kavanagh

Independent Non-Executive Board Member

Appointment: Anne was appointed to the Board on 4 July 2022. Her first term expires 3 July 2026.

Committees: R A N

Tenure: 2 years 9 months

Key strengths: Commercial Investment/Real Assets Investment/Capital Markets/Property Development/Regeneration/Social Community Engagement/Societal Dynamics/Diversity

Helen Price

Chief Financial Officer and Executive Board Member

Appointment: Helen was appointed as Chief Financial Officer on 1 January 2025. Her first term as a Commissioner expires on 31 December 2028.

Committees: None

Tenure: 3 months

Key strengths: Finance/Audit/Leadership/Real Assets Valuation/Governance/Transformation

Clare Shine
Independent Non-Executive Board Member

Appointment: Clare was appointed to the Board on 4 July 2022. Her first term expires 3 July 2026.

Committees: R S

Tenure: 2 years 9 months

Key strengths: Net Zero/ Biodiversity/Marine and Coastal/ Political/Public Sector/ Social Policy and Law/ Growing Businesses

James Darkins OBE
Board Counsellor

Appointment: James was previously a Board Member from 1 January 2016 to 31 December 2023 and was appointed as a Board Counsellor with effect from 1 January 2024. His term expired on 31 December 2024.

Committees: A R

Tenure: 9 years*

Key strengths: Real Estate Investments/Capital Markets/ Property Development/ Financial/Risk/ Commercial Investments/ Transformation/Culture

* A Board Commissioner for 8 years and a Board Counsellor for 1 year to 31 December 2024

Sara Wood
Board Counsellor

Appointment: Sara was appointed as Board Counsellor on 1 July 2021. She stepped down from the Board in February 2025.

Committees: None

Tenure: 3 years 8 months

Key strengths: AI/Automation/ Platform/Data/Software and Commercial/Brands and Customer/Growing Businesses/ Development of New Products and Services

Lucy Gray
Head of Company Secretariat and Governance

Lucy joined The Crown Estate in January 2024 as Interim Deputy Company Secretary and was appointed Head of Company Secretariat and Governance on 25 September 2024.

Nicholas Cheffings
Interim Company Secretary

Nicholas is a Special Advisor to the Chief Executive and Board. He was appointed as Interim Company Secretary from 26 September 2023 to 24 September 2024.

Committee membership key

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- Committee Chair

All tenures as at 31 March 2025.

Our Board continued

Board and Committee meetings attendance

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Robin Budenberg	8/8		2/2	5/5	
Dan Labbad	8/8				
Vijay Bharadia	8/8	5/5			
James Darkins[1]	6/6	4/4		4/4	
Juliet Davenport[2]	8/8	3/3			4/4
Peter Hofbauer[3]	5/5	3/3		1/1	
Karen Jones	8/8		2/2		4/4
Anne Kavanagh	8/8	5/5	2/2	5/5	
Helen Price[4]	2/2				
Clare Shine	8/8			5/5	4/4
Sara Wood[5]	3/8				

1. James Darkins attended meetings in his role as a Board Counsellor until the end of his term on 31 December 2024.
2. Juliet Davenport was appointed to the Audit Committee on 1 September 2024.
3. Peter Hofbauer joined the Board on 1 September 2024 and attended meetings in his capacity as Board Counsellor.
4. Helen Price was appointed to the Board on 1 January 2025.
5. As agreed in advance with the Chair, Sara Wood did not attend a number of Board meetings due to personal circumstances, which ensured the continuation of her broader role as a Board Counsellor until February 2025.

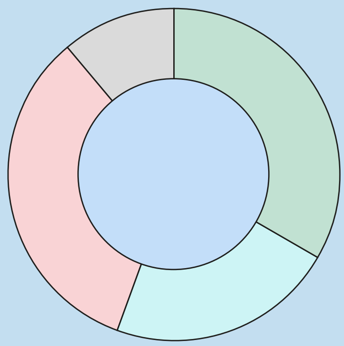
Terms of appointment

Each Board Member of The Crown Estate is appointed as a Commissioner under Royal Warrant for a period of up to four years. In general, a Board appointment may be renewed for a further period of up to four years. The Crown Estate Act 1961 specifies that there may be no more than eight Commissioners, one of whom will be First Commissioner, who will chair the Board. The Crown Estate Act 2025 increases the maximum number of Commissioners on the Board from eight to twelve. Board Counsellor appointments are not to the statutory position of Commissioner and are therefore made under a contractual appointment. No Non-Executive Board Member may serve on the Board, whether as a Member or Counsellor, for more than ten years in total.

Board diversity

Diversity brings a wider range of insights and experiences, which is essential for effective governance and innovation. We remain committed to fostering an inclusive culture and will continue to focus on diversity across gender, social background and ethnicity. Ensuring we not only maintain but actively review an appropriate balance, including a diverse range of skills, experience, knowledge and background on the Board is important to us. Read more on page 104.

Board tenure



0-2 years	3
2-4 years	2
4-6 years	3
6-8 years	0
8-10 years	1

As at 31 March 2025

Key activities of the Board

The Board held eight scheduled meetings, including a strategy session in November 2024 and an offsite meeting in Cambridge in March 2025.

Board meetings are generally scheduled for at least six hours and are augmented by time spent in closed session for Board Members (both with and without the Chief Executive and Chief Financial Officer).

Board and Committee meetings are pre-scheduled on a rolling calendar year's notice and high-quality information relating to each individual meeting is provided at least one week ahead of the meeting to allow proper consideration (other than in exceptional circumstances). This year, the Board found the quality of the papers to be acceptable and provided management with feedback as part of our ongoing improvement efforts.

Administration of the Board is the responsibility of the Company Secretary who operates the key procedures and policies of the Board and maintains our corporate records and the terms of reference for our Board and Committees. The Board appointed Nicholas Cheffings as Interim Company Secretary from 26 September 2023, and on 24 September 2024, the Board appointed Lucy Gray as Company Secretary, effective from 25 September 2024.

A typical Board meeting will comprise the following elements:

- A strategy session
- Performance reports from the Chief Executive and Chief Financial Officer
- Deep-dive reports into areas of strategic importance, such as business unit performance, brand, technology and people
- Updates from the Chairs of our Board Committees
- Legal and governance updates including Risk and Health and Safety
- Requests for approvals for investments
- A closed session for the Chair to discuss matters with Non-Executive Members without Executives present

The table provides further insight into the key activities of the Board during the year.

Strategic Planning and Execution	Group strategy
	Digital strategy including Innovation and Artificial Intelligence overview
	Customer updates
	Net Zero and Decarbonisation planning
	Approval of major capital allocation projects
	Support the management team to implement the powers granted in the Crown Estate Act 2025, given its long-term strategic importance
People and Culture	People strategy
	Diversity, Equity and Inclusion
	Talent review
Sustainability	Carbon Capture and Storage
	Health, safety and environment
	Nature Recovery
	Social Impact
	Marine strategy
Corporate Governance and Reporting	Annual Report and Accounts 2023/24
	Amendment to the Crown Estate Act
	Board Operating Framework including Matters Reserved for the Board
	Board objectives
	Board effectiveness review
	Board Diversity policy
	Modern Slavery statement
Business Operations and Security	London development
	Rural strategy
	Windsor & Rural
	Brand and insights
	Cyber security
	Regional strategy
	Offshore Wind Leasing Rounds 4 and 5
	Capacity Increase Programme
Risk Management and Governance	Chief Financial Officer's report
	Accounting Officer's Report and Management Assurances on Internal Controls
	Going Concern and Viability Assessment
	Reappointment of National Audit Office as external auditor and consideration of external audit effectiveness
	Principal risks and key mitigations
	Risk Spotlight: Operational risk and Data
	Litigation update
	External cyber/information security review
	Enterprise Policy review

Section 172 statement

Under section 172 of the Companies Act 2006, directors of companies must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard to various factors.

Although section 172 does not strictly apply to The Crown Estate, the stakeholder considerations set out therein are important nationally and thus we want to be transparent about how our Board Members have regard to them when making decisions. Further information on how section 172(1) has been applied by our Board members can be found in the table.

Our stakeholder groups

Section 172 duties	Relevant disclosure	Pages
Likely consequences of Board decisions in the long term	Chief Executive's review	8-11
	Our strategy	1-84
	Stakeholder engagement	14-16
	Financial review	42-49
	Risk management	58-65
	Statement of viability	49
	Double materiality assessment	58
Interests of The Crown Estate's employees	People and culture	50-58
	Annual performance	50-58
	Stakeholder engagement	14-16
	How the Board monitors culture	86
Need to foster The Crown Estate's business relationships with suppliers, customers and others	Our strategy	1-84
	Stakeholder engagement	14-16
	Customers	1-84
	Double materiality assessment	58
	Sustainability Committee report	119-120
Impact of The Crown Estate's operations on the community and environment	Our strategy	1-84
	Stakeholder engagement	14-16
	Task Force on Climate-related Financial Disclosures	66-77
	Net zero carbon and energy security	18-25
	Nature recovery and biodiversity	26-33
	Inclusive communities and economic growth	34-41
	Sustainability Committee report	119-120
Desirability of The Crown Estate maintaining a reputation for high standards of business conduct	Stakeholder engagement	14-16
	People and culture	50-53
	Health, safety and wellbeing	54-55
	Risk management	58-65
	Board evaluation	102-105
	Governance structure	90
	Division of responsibilities	91
	Remuneration Committee report	106-118
Need to act fairly between stakeholders of The Crown Estate	Stakeholder engagement	14-16

Audit Committee report

"The Audit Committee plays an important role in ensuring the integrity of the financial and non-financial reporting, and that the internal control environment and risk management processes at The Crown Estate are robust and resilient amidst evolving business and external uncertainties."

Vijay Bharadia
Chair of the Audit Committee

Overview

This has been my first full year as the Chair of the Audit Committee (the Committee) and I would like to convey my thanks to James Darkins OBE who continued to attend Audit Committee meetings in his capacity as Board Counsellor until 31 December 2024. On 1 September 2024, we welcomed Peter Hofbauer as a Board Counsellor to the Committee and we value his insight and support.

The Committee's role and primary focus is to assist the Board in fulfilling its oversight responsibilities relative to the integrity of financial reporting and effectiveness of internal controls and regulatory compliance, in addition to the internal and external auditing processes. The Committee also supports the Board in providing oversight and challenge of the risk management framework and processes to ensure that we meet the expectations of our stakeholders.

Audit Committee membership

The Audit Committee is a Board Committee with a minimum of three members. The Board believes that members of the Committee have the necessary range of financial, risk, control and commercial experience required to provide effective challenge to the executive team, external auditor, and other advisors as appropriate. In particular, the Board is satisfied that members of the Committee together have the recent and relevant financial experience as outlined in the Financial Reporting Council's 2018 Corporate Governance Code (the Code). For further information about the members as well as a full list of Committee roles and terms of reference, see thecrownestate.co.uk/governance.

The Audit Committee has access to the National Audit Office (NAO) and its framework partner, Forvis Mazars, acting on behalf of the Comptroller and Auditor General, and to key senior staff of The Crown Estate. The Committee reports its findings and recommendations to the Board, which retains the ultimate responsibility for the financial statements.

Attendance at Committee meetings

During the year, the Audit Committee held five meetings. In addition to the Audit Committee members, the Chief Executive (in his dual capacity as Chief Executive and Accounting Officer); Chief Financial Officer; representatives from the NAO; Executive Director, Operations; Head of Internal Audit, Risk and Assurance; Group Financial Controller; Company Secretary; Deputy Company Secretary and others as specified by the Committee attended meetings when appropriate.

Following each meeting, the Committee provides a formal update to the Board to ensure effective knowledge transfer and transparency, and to provide insight on key matters discussed.

Key duties of the Committee

The key duties of the Audit Committee include to:

- monitor the integrity and framework compliance of The Crown Estate's financial statements and recommend their approval to the Board;
- review and report to the Board on the effectiveness of The Crown Estate's systems of risk management and internal controls;
- approve the annual Internal Audit plan and resourcing, and management's response to their findings, reviewing the effectiveness of the Internal Audit function;
- recommend to the Board the appointment, and approve the remuneration, of the external auditor, including reviewing the external auditor's effectiveness and independence; and
- review other relevant non-financial external reporting such as sustainability-related disclosures.

Audit Committee report continued

Committee evaluation

An internal Committee evaluation commenced in late 2023/24. Its learnings were actioned in 2024/25, particularly in relation to information flow and decision-making between the Audit, Remuneration and Sustainability Committees in relation to the performance of their respective roles.

Risk management

The Crown Estate has ongoing processes and procedures for identifying, evaluating and managing its principal and emerging risks, which are embedded within the ongoing business activities. The Audit Committee has a responsibility to oversee the management of the principal risks, which are reported to and approved by the Board (see pages 58-65).

The Committee works closely with the Head of Internal Audit, Risk and Assurance.

Other prominent themes in the Committee's work relating to risk management throughout 2024/25 included:

- review of valuation reports and the investment portfolio valuation as an important area of reporting risk related to the valuation of our portfolio (see pages 150-154);
- risk deep dives on data governance and management, cyber and information security, procurement, culture, and sustainability and climate change;
- governance and risk management of the integration of our London Property Management operations during 2024/25;
- overseeing the additional assurance required for the Habitats Regulation Assessment (HRA) with respect to the Capacity Increase Programme for Offshore Wind to support a derogation case submitted to the Secretary of State.

Annually the Committee receives a report, which sets out The Crown Estate's processes, systems and assurance processes. In preparation for this, detailed updates were provided with respect to the upcoming refresh of The Crown Estate's internal control framework and operational resilience. As a result, the Committee has concluded that it has complied with its obligations under the Code in relation to the assessment of risk together with the monitoring and review of the effectiveness of internal controls and risk management.

Additionally, the Committee received updates on:

- annual transparency report covering the Freedom of Information Act and Environmental Information Regulations;
- litigation, ethics and compliance; and
- material joint ventures status, governance and reporting.

Internal Audit and assurance

The Committee reviews and endorses the annual Internal Audit plan and reviews the results of that work, together with management's progress in strengthening and enhancing internal controls where improvement opportunities have been identified.

The delivery of the Internal Audit plan is supported by a co-source partnership with PwC. The Audit Committee has applied safeguards to ensure PwC's independence, which are overseen by the Head of Internal Audit, Risk and Assurance and reported to the Audit Committee at each meeting. In addition to Internal Audit and in order to best enable the discharge of its duties, the Committee reviewed and obtained reports and assurances from a number of internal and external contributors, for example, valuation reports.

The Committee was satisfied that the scope, extent and effectiveness of the Internal Audit function was appropriate for The Crown Estate for 2024/25.

Internal control

The Board is responsible for the adequacy and effectiveness of The Crown Estate's internal control system and risk management framework. To fulfil its responsibilities in this area, the Board has delegated authority to the Committee. To assess financial and operational controls, the Committee reviews the work of the Internal Audit function to consider whether significant process and control weaknesses have been identified, subsequently improved and monitored, and also that risks have been identified, evaluated and managed. The Committee reviews The Crown Estate's internal control systems and receives updates from the Chief Financial Officer at every meeting, prior to reporting any significant matters to the Board.

The Crown Estate's internal control and risk management systems, including those in relation to the financial reporting process include:

- an overview of the system of key control and oversight processes, line manager reviews and systems access controls;
- updates for the Committee on accounting developments, including draft and new accounting standards and legislation;
- approval of the annual budget by the Board and a comprehensive system of financial reporting to the Board, based on the annual budget, with quarterly reporting of actual results, analysis of variances, scrutiny of key performance indicators and regular reforecasting;
- reports from the management team on matters relevant to the financial reporting process, including quarterly assessments of internal controls, processes and fraud risk;
- independent updates and reports from the external auditor on accounting developments, application of accounting standards, key accounting judgments and observations on systems and controls, where appropriate; and
- limited assurance on sustainability reporting.

The Committee is committed to ensuring The Crown Estate's internal control and governance arrangements reflect best practice and welcomes the recommendations of the UK Corporate Governance Code 2024.

Ethics, compliance and whistleblowing

The Committee takes seriously its role of oversight in the prevention and detection of unethical behaviour including fraud, bribery and corruption. The Ethics and Compliance framework, which encompasses controls relating to fraud, bribery and corruption, sanctions, money laundering and the facilitation of tax evasion is currently undergoing a review, particularly in light of the requirements relating to the new offence of failure to prevent fraud created by the Economic Crime and Corporate Transparency Act 2023, which will come into effect on 1 September 2025. Our framework review will be informed by the reasonable fraud prevention procedures guidance as set out by the Home Office.

Our Speak Up process, which can be used to report potential financial and non-financial misconduct by an employee or associated person of The Crown Estate (eg fraud, bribery, harassment or similar issues) is available to employees, customers, suppliers, members of the public and other stakeholders. This is a key component of our fraud prevention mechanism.

The Audit Committee is informed of the outcome of any investigations.

No material substantiated instance of fraud was reported to the Committee in the 2024/25 financial year.

Financial reporting

The Committee reviewed The Crown Estate's Annual Report in June 2025, including the relevant accounting policies and financial reporting estimates. The Committee also considered the estimate resource accounts 2023/24 during the year. The reports to the Committee by the external auditor were considered in reaching its conclusions.

Going concern and viability assessment

The Commissioners are required to make a statement in the Annual Report as to The Crown Estate's long-term viability. The Committee provides advice to the Board on the form and content of the statement, including the underlying assumptions, shown on page 49. To enable it to provide this advice, the Committee evaluated a report from the Executive setting out its view of The Crown Estate's long-term viability and content of the proposed viability statement. This report was based on The Crown Estate's five-year strategic plan and covered forecasts for investments and realisations, liquidity and gearing, including forecast outcomes of the stress test of the plan and forecast capital and liquidity performance against an assessment of The Crown Estate's risk profile.

Areas of accounting judgment and control focus

In reviewing the Annual Report and Accounts, the following matters of significance were considered by the Committee and addressed as set out below. These matters are described in more detail in note 15 to the consolidated financial statements.

Offshore wind valuation, with a focus on Offshore Wind Leasing Round 4

Significant accounting matter	Audit Committee actions and conclusions
The valuation of the offshore wind portfolio is a major determinant of The Crown Estate's performance. Valuation estimates are inherently subjective and the management of the seabed around the United Kingdom is unique. Assumptions and judgments made by the valuer in determining valuations include determining a yield using similar asset classes and estimating income streams with a variable component.	The offshore wind valuation is completed annually, and reviewed by the in-house valuation team as well as the external auditor. The Audit Committee reviewed and challenged the process, methodology, assumptions and outcomes of the valuation and audit processes, with a particular focus on industry trends and comparable asset classes used to inform the discount rate. It challenged assumptions around the estimated life and rental income from offshore wind farms. To facilitate this review, the Audit Committee met Cushman & Wakefield (the external valuers) and Forvis Mazars' in-house valuation expert (in his capacity as the external auditor to the offshore wind portfolio) at the June meeting. The Committee also reviewed the process to preserve independence and manage conflicts in relation to Cushman & Wakefield. The Committee was satisfied that the valuation process was robust and had been professionally conducted, resulting in an appropriate valuation.

Urban investment property valuations

Significant accounting matter	Audit Committee actions and conclusions
The valuation of The Crown Estate's Urban portfolio (formerly London and Regional) is a significant component of the business's performance. The external valuers use a range of assumptions including investment yields, forecast rental income and expenditure, including maintenance costs and development expenditure. The valuers make reference to transactions in the market for similar properties and also have regard to the environmental performance of each of the properties, including forecast costs of ensuring properties meet energy performance thresholds and the associated forecast impact on income.	The property valuation was performed quarterly, and reviewed by the in-house valuation team and annually by the external auditor. The Audit Committee reviewed and challenged the process, methodology, assumptions and outcomes of the valuation and audit processes. To facilitate this review, the Audit Committee met CBRE (the external valuers) and Forvis Mazars' in-house valuation expert (in his capacity as the external auditor to the property valuation) at the June meeting. The Committee also reviewed the process to preserve independence and manage conflicts in relation to CBRE. Based on the degree of oversight and challenge applied to the valuation process, the Committee was satisfied that the valuation process was robust and had been professionally conducted, resulting in an appropriate valuation.

Fair, balanced and understandable

Significant accounting matter	Audit Committee actions and conclusions

The Code requires the Board to present a fair, balanced and understandable assessment of the Company's position and prospects. The Crown Estate's primary reporting is prepared on a proportionally consolidated basis, in accordance with IFRS.
 	
The Audit Committee advises the Board and helps the Board Members to make sure the Annual Report and Accounts are fair, balanced and understandable.
	To evaluate whether the Annual Report and Accounts are fair, balanced and understandable and to give the stakeholders the necessary information to assess The Crown Estate's business model and strategy, the following actions were taken:
	— factual context was thoroughly verified by internal team of reviewers;
	— the external auditor reported on any material inconsistencies; and
	— comprehensive reviews were undertaken during the process by:
	  — the Board Members and Independent senior management to make sure key messages in the Annual Report were in line with The Crown Estate's performance and strategy, and that narrative sections were consistent with the financial statements, paying particular attention to key judgments;
	  — independent senior management to consider messaging and balance; and
	  — management confirming to the Audit Committee that they had followed the assurance framework when preparing the Annual Report and Accounts.
	
	As such, the Audit Committee was able to provide confirmation to the Board for it to fulfil its obligations under the Code.

External auditor

The appointment of the Comptroller and Auditor General as external Auditor is mandated by the Crown Estate Act 1961 (as amended).

The Committee has the primary responsibility on behalf of the Board for overseeing the relationship between The Crown Estate and the NAO, including its framework partner, Forvis Mazars, acting on behalf of the Comptroller and Auditor General. The auditor's regular attendance at the Audit Committee ensures the Committee is aware of external reporting requirements. The working relationship between the Forvis Mazars and NAO teams and The Crown Estate remains constructive, and the Committee thanks them for their rigour, robust challenge and insight over the years.

Independence of external auditor

As our external auditor, the NAO and its framework partner are given access to all financial and other information, and the Committee meets (without management present) with the external auditor and (separately) with the Head of Internal Audit, Risk and Assurance. In addition, the Audit Committee Chair meets with the Head of Internal Audit and Assurance on a regular basis.

The Committee receives regular reports summarising the amount of fees paid to the auditor. The table below is the auditor's remuneration in respect of its audit of the financial statements:

Financial year	Audit fees
2024/25	£0.3 million
2023/24	£0.3 million
2022/23	£0.2 million

Neither the NAO nor its framework partner provides non-audit services to The Crown Estate.

Effectiveness of external auditor

The Committee undertook a structured assessment process of the NAO and its framework partner Forvis Mazars's performance for the 2023/24 audit year. The review process enables insightful feedback to be provided formally, under a performance framework agreed between The Crown Estate and the NAO. To assess the effectiveness of the external auditor, the Committee reviewed:

- the proposed plan of work presented by the external auditor, including significant audit risks, materiality, terms of engagement and fees prior to commencement of the 2024/25 audit;
- the external auditor's fulfilment of the agreed audit plan and any variations from the plan;
- evaluation from key management personnel and members of the Committee of the external auditor's exercise of professional scepticism and challenge;
- robustness, scepticism and perceptiveness of the auditor in its handling of the key accounting and audit judgments;
- internal control and risk content of the external auditor's report; and
- independence of thought and potential for conflict.

The conclusions from the assessment were that the external auditor had challenged management's position, was robust in its audit approach and that the NAO and its framework partner worked well together. It also identified an opportunity for the auditor to provide greater insights to the Committee, for example, in the areas of the UK Corporate Governance Code 2024 and the Procurement Act 2023.

The Audit Committee is satisfied with the NAO's effectiveness and independence as auditor, having considered the degree of diligence and professional scepticism demonstrated by it.

Looking ahead

Looking ahead to 2025/26, there are a number of priority areas on which the Committee will be focusing its attention. Risk deep dives into cyber security and third-party contract management form part of the Committee's forward-calendar.

In addition to the focus on corporate reporting and oversight of both external and internal audit, the adequacy of The Crown Estate's internal controls will be a particular area of emphasis. This will provide oversight over processes to ensure The Crown Estate is well prepared for the changes within the UK Corporate Governance Code 2024, and any change in the broader corporate governance or legislative environments.

Nomination Committee report

"The Board is very clear that the success of our enterprise rests on the skills, talents and effectiveness of our people. Much of the work of the Nomination Committee this year has focused on succession planning for the Chair, the Board and the Group Leadership Team."

Dame Karen Jones DBE
Senior Independent Board Member
and Chair of the Nomination Committee

Overview

Meeting twice this year, the Nomination Committee (the Committee) is responsible for leading the process for Board appointments. The Committee keeps under review the structure, size and composition of the Board so that the Board and its Committees have the optimum balance of diversity, skills, knowledge and experience. It also ensures plans are in place for the orderly succession to positions as Board Members (Commissioners), Board Counsellors, members of the Group Leadership Team (GLT) and the Company Secretary.

Nomination Committee membership

The Nomination Committee is a Board Committee, which comprises a minimum of three members, one of whom is the Chair of the Board. It is recognised that the number of members may fall below three for temporary periods due to departures and pending new appointments. The quorum necessary for a Committee meeting is the presence of the Committee Chair and the Chair of the Board. Each Committee member is a Commissioner and independent as determined by the Board.

Attendance at Committee meetings

The Committee shall meet at least two times a year and otherwise as the Committee Chair shall determine. In addition to the Nomination Committee members, others may be invited to attend for all or part of any meeting, as and when appropriate and necessary, and with the agreement of the Committee Chair. This may include the Chief Executive; Executive Director, People & Culture; Head of Talent; Company Secretary; Deputy Company Secretary; and external advisors.

Reporting to and by the Nomination Committee

The Committee reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. It prepares a formal report on its activities and how the Committee has discharged its duties to be included in the Annual Report, which describes the work of the Committee within its terms of reference and according to applicable guidance and laws. The Board has undertaken to comply with the Corporate Governance Code 2018, with this extending to the Board's Committees, including the Nomination Committee. The Committee has written terms of reference which clearly set out its authorities and duties, and are reviewed annually.

Key duties

The key duties of the Nomination Committee are to:

- regularly review the structure, size and composition of the Board and its Committees, and make recommendations to the Board with regard to any changes deemed necessary;
- regularly review the leadership needs of the organisation, for both Board and senior management, and make appropriate recommendations;
- ensure plans are in place for orderly succession to both the Board and senior management positions, and oversee the development of a diverse pipeline for succession;
- initiate the process of Board appointments and oversee the selection process for Commissioners in keeping with the process set out by the Office of the Commissioner for Public Appointments;
- assist the Chair of the Board with the implementation of an annual evaluation process to assess the overall and individual performance and effectiveness of the Board and its Committees;
- conduct the annual evaluation of the Board Chair's performance over the year, including leadership, meeting facilitation and Committee oversight. This assessment is led by the Senior Independent Board Member and reported back to the Board;

- review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning, its diversity and how effectively the members of the Board work together to achieve objectives;
- review annually the time required from Commissioners, excluding the Executive Board Members and Board Counsellors;
- recommend to the Board the appointment of the Senior Independent Board Member, and the membership and Chairs of the Board Committees; and
- make recommendations concerning any matters relating to the continuation in office of a Commissioner or Counsellor, including the suspension or termination of service of an Executive Board Member as an employee of The Crown Estate.

Succession planning

Chair

As previously reported, the term of office of our current Chair, Robin Budenberg, was extended to July 2025, in agreement with HM Treasury, to ensure a smooth transition to the appointment of a new Chair. The appointment of our Chair (and of all other Non-Executive Board Commissioners) is a Public Appointment conducted in accordance with the Governance Code on Public Appointments (the Public Appointments Code). The Committee authorised Karen Jones as the Senior Independent Board Member to ensure that all necessary steps were taken to support the appointment process and secure the best possible candidate for the role.

An Advisory Panel was appointed by HM Treasury comprising the Permanent Secretary to HM Treasury as Chair; Karen Jones; Debbie Gillatt as Senior Independent Member; and Alexander Chartres as Independent Member. The formal recruitment process began in April 2024, with Egon Zehnder appointed as a search partner. The Panel assessed candidates against clearly defined eligibility criteria and subsequently decided whom it should interview based on discussion of a longlist and shortlist. After their meeting in November 2024, the Panel recommended Ric Lewis to Ministers as a candidate judged by them to be appointable to the role in accordance with the Public Appointments Code.

Key skills matrix

All our Board appointments are supported by analysis based on the skills, experience and diversity of the existing Board combined with a strategic projection of future skills requirements, including sustainability-focused skills embracing nature, biodiversity, social impact or climate change expertise.

Core skills – one of the strongest areas of skills and expertise of a Commissioner or Board Counsellor.

Supplementary skills – an area in which a Commissioner or Board Counsellor is competent or has experience but it is not the primary skill or attribute they bring to the Board.

Core skills

- **Governance and Risk**
- **Financial** – Risk / Audit
- **Commercial** – Investments
- **Customer**
- **Marine** – Renewables On and Offshore / Carbon Capture
- **Real Assets** – Investments / Capital Markets / Property Development / Regeneration
- **Land Management / Rural**
- **Environment** – Net Zero / Ecology / Biodiversity
- **Digital / Technology, Research and Innovation**
- **Political / Public Sector / Policy**
- **Infrastructure**

Supplementary skills

- **Social** – Community Engagement / Societal Dynamics / Diversity / Ethics / Health and Safety
- **Brands**
- **Transformation and Culture**
- **Growing Businesses / Development of New Products and Services**

As part of the process, on 19 March, Ric Lewis appeared before the House of Commons Treasury Committee, which was satisfied that he has the appropriate professional competence and personal independence to be appointed as Chair of The Crown Estate.

Ric's appointment has been approved by HM Government and by His Majesty, and he will take up office as Chair on 9 July 2025.

Board and Executive

As Robert Allen, Chief Financial Officer, was due to leave the business on 31 March 2025, the Nomination Committee approved the appointment of Odgers Berndtson to assist in the search for a new Chief Financial Officer. The Committee approved an outline brief and role specification, and Odgers Berndtson was instructed to produce a diverse list of candidates for consideration. Following a thorough search process, Helen Price was appointed as Chief Financial Officer and Commissioner with effect from 1 January 2025.

The matter of Chief Executive and GLT succession is a regular item for discussion and is reviewed by the Board on an annual basis. We also have contingency plans in place for the temporary absence of the Chief Executive for health or other reasons. Succession planning for the Board as a whole is considered at least annually by the full Board, and on an ongoing basis by the Committee. The Committee has defined a set of specific criteria for potential new Non-Executive Board Members, in particular giving consideration to the skills, experience, knowledge and aptitude required in any candidates. We expect all Non-Executive Board Members to demonstrate the highest level of The Crown Estate's values and also a commitment to devote the necessary time to the company's business.

An open and fair approach

In accordance with the Public Appointments Code, our appointment processes and criteria are all developed to ensure that we act in compliance with the principles of public appointments which include:

Integrity | **Merit** | **Openness** | **Diversity** | **Assurance** | **Fairness**

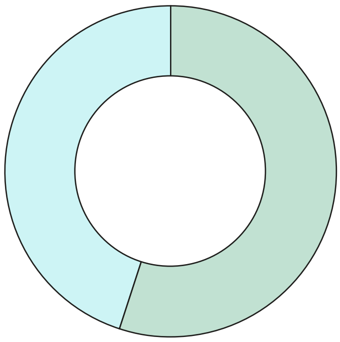
Diversity

Developing the diversity of the Board is a key responsibility of the Nomination Committee, and all our searches have a clear focus on bringing forward applicants through each stage of the process with characteristics that will serve to broaden this aspect of Board composition. The Board has also participated in the annual declaration of diversity and social mobility characteristics, in line with employee measures.

The Board believes that a diverse Board, with Commissioners and Counsellors contributing a range of views, insights, perspectives and opinions, will improve the Board's decision-making and effectiveness. During the year, the Board approved a Board Diversity, Equity and Inclusion Policy (the Policy). The Committee is pleased to confirm that, at 31 March 2025, all the objectives of the Policy have been met, as shown in the table below.

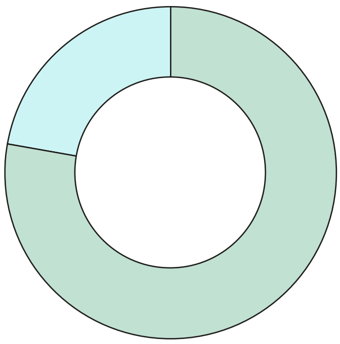
Policy objectives	Objective met	Comments
Appointments/ Succession Plan	✓	The Nomination Committee oversaw the succession process for the Chair
Only engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search firms	✓	– Egon Zehnder engaged for appointment of the Chair, Ric Lewis – Odgers Berndtson engaged for appointment of Helen Price – Korn Ferry engaged for appointment of Peter Hofbauer All three firms have signed up to the Voluntary Code of Conduct for Executive Search Firms
Board evaluation	✓	The Executive Director, People & Culture led the Board evaluation process during the year
At least 40% of the individuals on the Board are women	✓	55% of the individuals on the Board are women
At least one of the senior positions (Chair, Chief Executive, Senior Independent Director, Chief Financial Officer) is held by a woman or whose assigned gender is female	✓	Both the Senior Independent Board Member and the Chief Financial Officer are women
At least one of the Commissioners is from a minority ethnic background	✓	Two members of the Board are from a minority ethnic background
Oversee the diversity, equity and inclusion plans across all operations of The Crown Estate	✓	The Board set and monitored progress towards attainment of diversity, equity and inclusion targets on gender, ethnicity and disability

Gender diversity
As at 31 March 2025



Female	55%
Male	45%

Ethnic diversity
As at 31 March 2025



White	78%
Black, Asian or other minority ethnic	22%

Conflicts and Board independence
Conflicts of interest may arise from time to time. Commissioners annually declare interests and are given an opportunity at the start of each Board or Committee meeting to declare again. Ensuring Board independence is paramount, as it safeguards against conflicts of interest and promotes transparent decision-making aligned with the best interests of The Crown Estate. As such, there are clear guidelines for identifying, addressing and resolving conflicts promptly to uphold the Board's independence. The same assessment of independence is conducted and reported with regard to each of our Board Counsellors, though it should be noted that they are non-voting participants at Board meetings.

A full list of declared interests of our Board can be found on our website at thecrownestate.co.uk/governance.

Executive Board appointments
Executive Board Member appointments (the Chief Executive and Chief Financial Officer are Executive Board Members) are not strictly subject to the requirements of the Public Appointments Code. However, by agreement with HM Treasury, The Crown Estate ensures that the spirit and principles of the Code are followed for the appointment of Executive Board Members.

Use of executive search agents
The Crown Estate uses executive search agents to assist with the management and administration of our appointment processes. In the past year, we have worked with Egon Zehnder, Odgers Berndtson and Korn Ferry.

We can confirm that none of the executive search agencies used have any material connection with The Crown Estate or The Crown Estate's individual Commissioners and Board Counsellors.

Committee activities during the year
In the financial year of 2024/25, the Committee met in June 2024 and November 2024 to discuss the recruitment and succession of our Board and Committee members. These discussions focused on ensuring the skills, experience and knowledge of the Board and Committees meet the evolving needs of The Crown Estate both now and in the future.

Board evaluation
The Board supported a process of self and peer assessment led by the Executive Director, People & Culture. This review focused on the evaluation of key skills and a 360-degree assessment followed by individual meetings to discuss feedback for each Commissioner and Counsellor with the Chair. The Senior Independent Board Member, having met with Independent Board Members in the Chair's absence, conducted the evaluation of the Chair and discussed the feedback directly with him. The evaluation informed a Board conversation and the Board development plan for the year ahead.

Committee evaluation
An internal Committee evaluation was commenced in late 2023/24 and learnings actioned in 2024/25, particularly in relation to information flows between Committees and decision-making between the Audit, Remuneration and Sustainability Committees in relation to the performance of their respective interlocking roles.

Outcomes
Overall, feedback on the Board has continued to be very positive and shows further improvement on previous evaluations.

The Board culture is recognised as welcoming and inclusive, providing a supportive environment where individuals feel able to contribute and are valued and respected. The Board acknowledged that greater time scheduled for Board engagement activities with staff was valued, giving them an opportunity to have insightful conversations.

The Board has achieved greater diversity of perspectives and challenge in Board conversations – building on an open and constructive relationship with the GLT and colleagues across the business. As a result of the evaluation, the Board confirmed that its structure, balance of skills and operation continue to be satisfactory and appropriate for the Group. Overall, the feedback of the internal evaluation was positive from all Commissioners and Board Counsellors; however, for continuous improvement, the Board identified a number of focus areas for 2025 arising from the evaluation. These included continued improvement to the quality and clarity of meeting papers and materials; emphasis on candid conversations; and focus on the right composition, skills and experience on the Board.

Looking ahead
The Crown Estate Act 2025 increased the maximum number of Commissioners on the Board from eight to twelve. Three of the twelve Commissioners will have an additional responsibility to provide advice on conditions in Wales, Northern Ireland and England respectively; and that responsibility will further strengthen the Board's ability to act in the long-term national interest.

With this in focus, new appointments and succession planning will remain central items on the Committee's agenda to ensure we maintain the strong and diverse range of perspectives needed to take the business forward.

Remuneration Committee report

"This year, the Remuneration Committee has been instrumental in maintaining fair, competitive reward practices that align with our company's long-term strategy. We have focused on enhancing pay transparency and equity, strengthening the connection between performance and outcomes, and continuing to attract top talent to drive our strategic objectives forward."

Anne Kavanagh
Chair of the Remuneration Committee

Introduction

Our Remuneration Framework is essential to ensuring that we are attracting and retaining the right skills and talent to drive financial and sustainability performance in line with our purpose and strategy. This is integral to driving better outcomes and creating lasting and shared prosperity for our customers, stakeholders and the nation.

This year, the Committee has taken positive steps to support:

- better transparency, equity and fairness in pay outcomes
- a high-performance culture where reward and performance outcomes are aligned
- workforce engagement and listening to the important views of people across the Group

Composition of the Committee

The Remuneration Committee (the Committee) is a Board Committee and the terms of reference state that the Committee shall have a minimum of three members, each being a Board Member, one of whom may be a Board Counsellor. The Committee will be quorate with the presence of two members.

Attendance at Committee meetings

In addition to the Remuneration Committee members, the Chief Executive; Executive Director, People & Culture; Head of Reward; Company Secretary; Deputy Company Secretary; and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary, and with the agreement of the Committee Chair.

Other senior employees (for example the Chief Financial Officer) and key stakeholders such as the Chair of the Pension Scheme Trustees may attend all or part of meetings at the invitation of the Committee as required. No attendee is involved in any decision relating to their own remuneration. The professional external advisors to the Remuneration Committee are invited to attend as required.

Role and duties of the Remuneration Committee

The role of the Remuneration Committee is to ensure that remuneration policy and practices support the delivery of our long-term strategy and promote the sustainable success of The Crown Estate.

In summary, the main duties of the Committee are to:

- review workforce remuneration and related policies, ensuring that total reward is aligned with our purpose, values and culture as well as the requirements set out in the Framework Document between HM Treasury and The Crown Estate
- exercise its judgment and discretion when authorising remuneration outcomes in respect of the Chief Executive and members of the Group Leadership Team (GLT) and senior management to ensure outcomes are appropriate and reflective of performance
- review and approve the design of any bonus schemes and determine targets and key performance indicators (KPIs) in relation to such schemes, and regularly assess performance against targets and KPIs
- review and approve the design of any long-term incentive plans (LTIP) and associated performance conditions
- review the malus and clawback provisions and policy
- approve the terms of service contracts of the Chief Executive and members of the GLT
- make recommendations in relation to remuneration for Board Members (excluding the Chief Executive) and Board Counsellors

Look back on 2024/25

Remuneration highlights

A market-aligned pay award was implemented during 2024 for base salaries and, in response to external cost pressure, this was structured in a way to provide greater levels of support to those on lower incomes.

Our overall Group performance against financial, capital and sustainability targets resulted in an annual bonus award for employees, reflecting good progress and delivery against our key financial and strategic goals. These are set out in Chart B on page 109. This included the potential for maximum outcomes for individuals with outstanding performance ratings, ensuring that the highest level of award is available to the highest performers in years of strong company performance.

Our approach to Chief Executive pay is outlined on pages 107–108.

Transparency, equity and fairness

Pay transparency and equity remained an area of importance this year, with further work undertaken within the business to provide greater clarity and understanding of performance targets and alignment with reward outcomes. Improvements in the application of benchmarking data was also a priority to enable greater equity and transparency in pay decisions.

The Committee deepened its understanding of the different types of pay gap, looking to the action required to positively influence those gaps in the future. This extended to include the voluntary reporting of the ethnicity pay gap this year, demonstrating our commitment to pay equity and transparency (see page 53).

The Committee also reviewed the outcome of the pay and bonus exercise this year to ensure greater fairness and equity for underrepresented groups, with an aim of reducing gaps for our current employees.

Engaging with our people

Engaging and listening to our people to create a two-way dialogue is a key part of improving the Remuneration Committee's decision-making and ensuring greater transparency and equity in our approach to pay and reward. Last year, the Committee introduced a formalised engagement framework focused on key activities that encourage greater information sharing between the Board and workforce. Progress and further opportunities were reviewed throughout the year.

Malus and clawback

The Committee introduced a revised malus and clawback policy in 2023/24 which provides greater clarity on the trigger events and process that would be followed if the clause was invoked.

The Committee may decide to apply clawback and/or malus to all or part of any award and/or payment in the event of: material misstatement of financial accounts; errors or inaccuracies in performance target assessments; participant fraud or misconduct; reputational damage to The Crown Estate; and corporate failure.

The Committee reviews the malus and clawback policy during the annual cycle.

Remuneration Framework

Full details of the revised approach to pay and reward through our Remuneration Framework can be found in the 2022/23 Annual Report.

The key components of our Remuneration Framework are set out below:

- Total expenditure on variable pay is linked to the performance of The Crown Estate such that we align the interests of our leaders and our colleagues with those of our stakeholders.
- While the overall funding of the bonus pool is driven by Group performance, colleagues are measured, managed and rewarded upon their team and individual performance. Our approach to performance management distinguishes and rewards those who deliver the greatest impact.
- Our incentives are linked to the financial performance of the Group and to our purpose and strategic priorities. Sustainability continues to be integral to how we will deliver value to the nation in both the short and long term. Sustainability targets therefore account for 20% of the overall bonus pool.
- In addition to ensuring an approach that is aligned with the market and focused on rewarding stretching performance, the Remuneration Committee also strives to ensure that policy and practice support The Crown Estate's culture and values. This includes continuing to understand how we can better promote a consistent and equitable approach, for example, through alignment with our diversity, equity and inclusion action plan.
- With the exception of the Chief Executive, the remuneration levels for our people are benchmarked in comparable organisations to ensure overall competitiveness. Our aim is to compete for talent through a combination of offering attractive reward combined with working for a unique, purpose-driven organisation that provides excellent opportunities for personal development. The Remuneration Committee has reviewed the total remuneration of the Group Leadership Team, ensuring that reward remains aligned to our comparators at a median level.
- For the Chief Executive, our remuneration approach results in total compensation positioned at a discount to the market.

Chief Executive remuneration

Our approach to Chief Executive pay and reward seeks to ensure that The Crown Estate can attract and retain a world-class leader from a diverse pool of eligible candidates, with the ability to lead an organisation that, in value terms, would rank in the top 50 companies of the FTSE 100 if it were publicly listed. At the same time, it recognises that some form of discount to total remuneration remains appropriate in leading an organisation that serves the nation.

For this reason, Chief Executive pay is benchmarked against the lower quartile of FTSE peers (rather than the median). The maximum total remuneration for Chief Executive pay shown in Chart A on page 108 represents around a 31% discount to the maximum remuneration of the lower quartile of the FTSE peer group. Chart A also shows that, by focusing on the lower quartile of a broader peer group, the outcome reflects an even more significant discount (42%) to our property peers, which are operationally less diverse than The Crown Estate.

Remuneration Committee report continued

Effective 1 January 2025, the Chief Executive's base salary increased by 5% per annum in line with his contract. As previously communicated, base salary will continue to increase by a minimum of 5% per annum over the term of the contract with the aim of reducing the discount of the core element of Chief Executive total remuneration to the total remuneration level of the selected benchmark. This core element excludes the two five-year LTIPs granted this year and last, which were intended to address some of the shortfall in the core package.

Rather than this discount being reduced by the 5% salary increase, as intended, the discount has actually increased due to the impact of inflation and higher remuneration levels in the FTSE peer group. The gap is expected to widen further over the remainder of the Chief Executive term, given current trends in UK executive pay. At the same time, the passing of the Crown Estate Act 2025 and the signing of the joint venture with Lendlease will significantly broaden the scope and value of The Crown Estate's activities, further undermining the basis for any discount in the pay of the Chief Executive beyond that already assumed by benchmarking against lower quartile pay. In order to ensure that we can continue to retain, motivate and incentivise strong and sustained performance against our stretching goals, it is critical that we are able to offer a competitive total reward package for a Chief Executive that provides meaningful reward relative to performance.

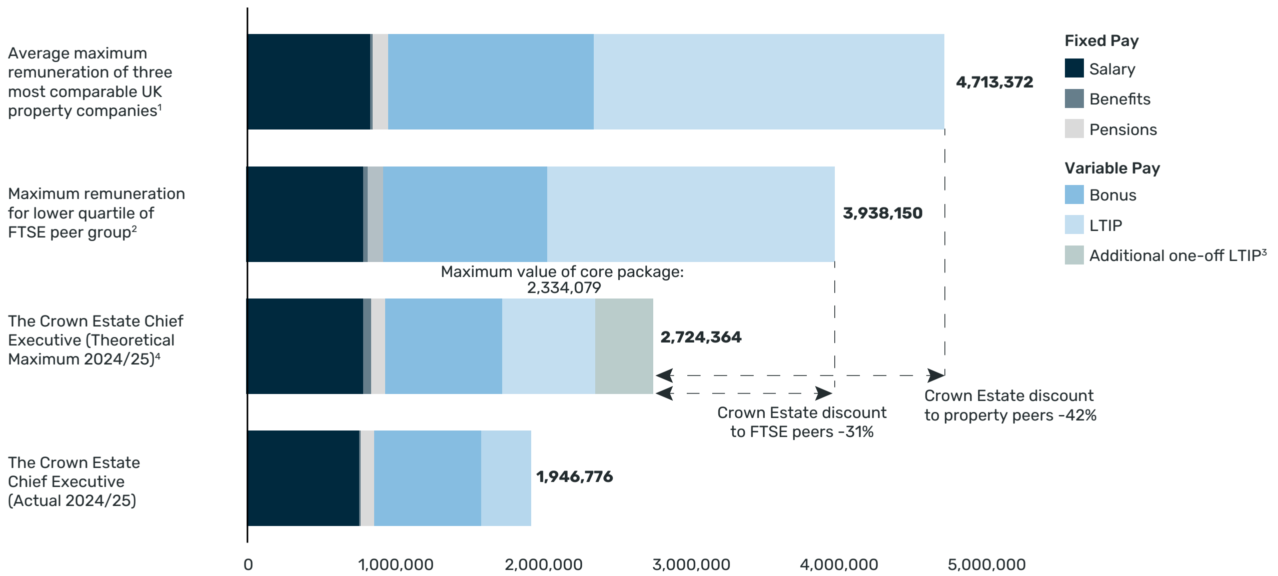
Following a comprehensive review of the package against our benchmark groups, we have agreed to the implementation of a staged increase to the Chief Executive performance-related incentive levels over the next three years, commencing next year (2025/26), with a 10% increase to both the annual bonus and the core LTIP maximum opportunity. Similar increases will continue over the following two years. This should result in narrowing the discount in maximum total remuneration under the core package by the end of the Chief Executive's current term. This core package will be the basis of the remuneration of The Crown Estate Chief Executive for the following term, so it is essential that it is competitive with the market by that time.

The resulting package will be consistent with our Framework Document with HM Treasury, ensuring a clear majority of pay remains subject to performance and increasing the proportion of total remuneration that is conditional upon long-term performance. This change is intended to further enhance the alignment between financial and strategic performance and total reward outcomes.

The Chief Executive reward package continues to be constructed with a high percentage of pay at risk relative to the public sector (57% being performance pay compared with approximately 25% for a basket of relevant public sector enterprises), and structured to incentivise long-term performance against key financial and strategic goals, including sustainability.

During 2024/25, the second of the two one-off, five-year LTIPs (two years longer than standard LTIPs) was granted which, subject to performance, will vest in 2029. As previously disclosed, taking into account the inflexibility of a four-year term contract and the importance of retaining the Chief Executive to the end of that term, pro-rating will not apply to the three and five-year LTIP schemes provided that the Chief Executive remains employed until the end of his contract.

Chart A – Chief Executive remuneration comparison 2024/25

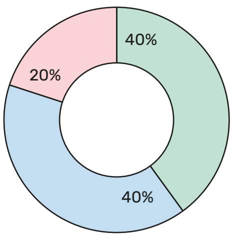
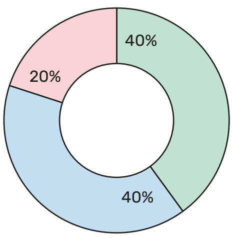


Source: PwC 2025

1. British Land, Land Securities and SEGRO.
2. The originally selected FTSE peer group comprises property, utilities, housebuilding and infrastructure companies in the FTSE 100 as at June 2023.
3. The additional LTIP represents the illustrative value of two 150% of salary LTIP awards spread over 6 years ie an additional maximum opportunity of 50% of salary per year based on this additional LTIP entitlement.
4. Theoretical Maximum is not comparable with Actual given different LTIP entitlements included.

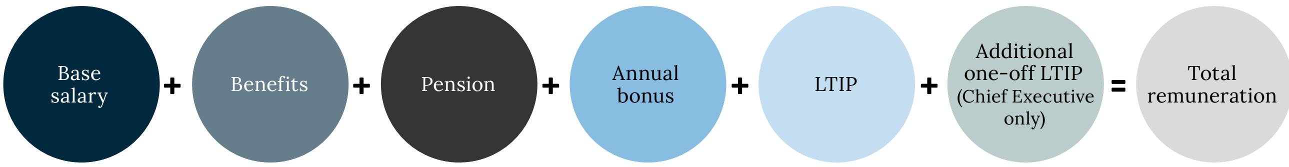
Chart B – Incentive measures and how they link to our strategy

The table below sets out the key performance metrics used in our remuneration schemes for 2024/25 and how these are linked to our Value Creation Framework (VCF).

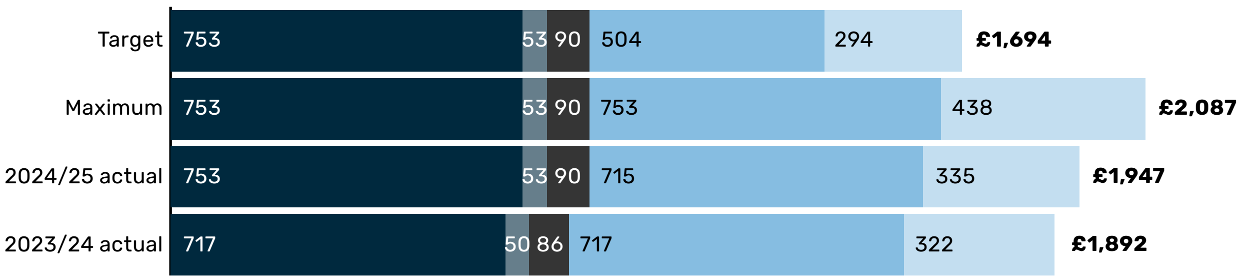
	Our Value Creation Framework		
Link to our incentives	**Financial**	**Capital**	**Sustainability**
Annual bonus measures 2024/25 	Net revenue profit (NRP) versus pre-agreed targets (40%)[1]	Market relative measure of total return against real estate portfolio Delivery of offshore wind capacity supporting achievement of financial as well as environmental goals (40%)	Estate energy reduction targets (20%)
Three-year LTIP measures (2022 award, vesting in 2024/25) 	Relative performance versus MSCI total return benchmarks (40%)	Additional Marine pipeline capacity and storage (25%) Enabling infrastructure through new investments (10%) Long-term sustainable value from approved developments (5%)	Delivering for the UK, through progression of renewable technologies (10%) and reduction in real estate Scope 1 and 2 carbon emissions compared to 2020 levels (10%)

1. For these purposes, net revenue profit excludes the impact of Round 4 option fees.

At a glance – Chief Executive and GLT remuneration for 2024/2025



Total Chief Executive remuneration outcomes (£000)[1]



1. There is a rounding difference on the Chief Executive's 2024/25 actual remuneration figure which is immaterial.

Annual bonus – measures and outcomes for 2024/25

Key performance metrics used in our annual bonus and how these are linked to our Value Creation Framework.

Alignment to VCF	Measure	Weighting	Outcome
Financial	Operating profit excluding Round 4 option fees versus pre-agreed targets	40%	Outcome partially met
Capital	Market relative measure of total return against real estate portfolio Delivery of offshore wind capacity supporting achievement of financial as well as environmental goals	40%	Met in full
Sustainability	Estate energy reduction targets	20%	Met in full

Context on annual bonus outcomes

Adjusted underlying operating profit (which excludes various items including Round 4 option fees) was £5 million (1%) ahead of target but short of stretch. Given the underlying profit outcome, the overall bonus pool outcome if all other targets were exceeded would be just below maximum. We met our two capital targets by exceeding our bespoke MSCI property benchmark and continuing to progress the Round 5 tender, launching the Invitation to Tender (ITT2). We met our sustainability targeted energy savings. The business met several key performance targets and exceeded our sustainability goals; however, there were some areas of performance challenges, including customer satisfaction and the transition of property and facilities managers in central London, leading to a less positive overall outcome in relation to key performance indicators than the previous year.

Taking all this into account, the Committee agreed that The Crown Estate's performance – relative to the bonus measures set out in Chart B and related KPIs – would result in a bonus pool which is just ahead of target but short of the stretch pool available. The above target bonus pool will allow for individual bonus recommendations to reflect personal performance ratings and enable a payment of up to maximum bonus level to those who performed at the highest level in the organisation.

Given the Chief Executive's significant personal contributions, including in relation to the passing of the Crown Estate Act 2025, the extension of offshore wind capacity and the joint venture with Lendlease, the Remuneration Committee considered it appropriate to award him 95% of his maximum annual bonus for 2024/25, recognising his outstanding leadership and achievements. This outcome is consistent with the ranges of outcome for other colleagues whose contribution was considered to be outstanding.

GLT awards ranged from 33% to 100% of their individual maximum annual bonus opportunities.

LTIP outcomes

Alignment to VCF	Measure	Weighting	Outcome
Financial	Relative performance versus MSCI total return benchmarks	40%	Stretch delivered – 40%
Capital	Delivery of renewable energy output and additional storage capacity	25%	Partially met – 16.5%
	Meet or exceed the benchmark performance for approved developments	5%	Met – 5%
	Enabling infrastructure	10%	Not met – 0%
Sustainability	Delivering for the UK – progression of renewable technologies	10%	Threshold met – 5%
	Reduction in real estate Scope 1 and 2 carbon emissions	10%	Stretch delivered – 10%
	Final outcome approved by the Committee	**100%**	**76.5% outcome for Chief Executive and other participants**

Context on LTIP outcomes

The LTIP award granted in 2022 vested on 31 March 2025. The Committee assessed performance against a scorecard of metrics relating to capital, strategic value and sustainability performance over this period. All the outcomes were met or partially met except for strategic investments, where we had looked to complete an investment in enabling infrastructure. Within the partially met outcomes, one was in capital, where we set an amount of GW to be delivered and, while the GW within the pipeline is ahead of forecast, the shortfall relates to the amount of GW delivered into Agreements for Lease (AfL) relative to the target. Secondly, we had a stretch target for two innovative renewables technologies, where we delivered one but not the other. Therefore the Committee approved an overall award value of 76.5%.

Summary of our Remuneration Policy and implementation for 2025/26

A summary of our Remuneration Policy (Policy) and its implementation for the following financial year with respect to the Chief Executive and GLT is outlined below.

Key elements	25/26	26/27	27/28	28/29	29/30		Overview of Remuneration Policy	Implementation for 2025/26
Base salary, benefits and pension						**Salary**	Reviewed 1 January each year for the Chief Executive and 1 July for the GLT.	Chief Executive: £780,570. GLT salaries reviewed 1 July 2025.
						Pension	Maximum contribution is 12% of base salary. Employees may opt out of pension schemes available and receive a cash allowance where they are at risk of exceeding HMRC pension tax allowances.	The Chief Executive has opted out of pension scheme membership and along with other eligible employees receives a cash allowance equal to 12% of base salary.
						Flexible benefits	Eligible employees receive a flexible benefits allowance of 5.34% of base salary.	In line with Policy.
Annual bonus (Cash portion)						**Maximum opportunity**	Chief Executive: 100% of base salary (target: 67%). GLT: 90% of base salary (target: 60%).	Chief Executive: 110% of base salary (target: 73%). GLT: 90% of base salary (target: 60%).
(Deferred cash portion)						**Operation**	Any bonus amount over 50% of salary is deferred for one year and paid subject to continuing employment and/or good leaver provisions. Awards are subject to: (i) leadership and behaviours, and (ii) provisions for malus and clawback.	No change to the operation for 2025/26.
Long-term incentive plan (three-year scheme paid in cash)						**Maximum opportunity**	Chief Executive: 80% of base salary. GLT: 60% of base salary.	Chief Executive: 90% of base salary. GLT: 60% of base salary.
						Operation	Cash plan, with a three-year vesting and performance period. Awards are subject to: (i) leadership and behaviours, and (ii) provisions for malus and clawback.	

Key elements	25/26	26/27	27/28	28/29	29/30		Overview of Remuneration Policy	Implementation for 2025/26
One-off long-term incentive plan (five-year scheme) Applicable only to the Chief Executive						**Maximum opportunity**	Chief Executive only: 150% of salary.	No grant in 2025/26.
						Operation	One-off five-year LTIP awards available only to the Chief Executive.	
Malus and clawback						**Circumstances**	The malus and clawback policy may apply in the following events: material misstatement of financial accounts, errors or inaccuracies in performance target assessments, participant fraud or misconduct, reputational damage to The Crown Estate, and corporate failure. If any of these events occur, the Committee may apply the malus and clawback policy within 24 months following an annual bonus payment or at the end of the performance period for an LTIP award.	

Advisors to the Remuneration Committee
Following a public procurement process in 2024, the Committee appointed PwC as an independent external professional advisor to the Remuneration Committee. Effective from February 2025, PwC replaced Willis Towers Watson, who acted as advisor since 2014. The Crown Estate has received appropriate assurance that none of the advisors from either firm have any connection with The Crown Estate's GLT or Board Members.

Alignment with the UK Corporate Governance Code 2018
The terms of reference for the Board and its Committees were revised to reflect our strategic goals and the requirements of the UK Corporate Governance Code 2018 (the Code). Those changes have focused on ensuring that the Remuneration Committee has an active and appropriate role in ensuring that The Crown Estate's remuneration policies are properly formulated and applied throughout the business. We regularly review our strategic objectives and we will make sure that the terms of reference reflect any change as and if required. The Crown Estate is not required to comply with the Code. However, we supplement our statutory requirements by seeking to align with the Code where consistent with our constitution. Our established approach complies with many of the requirements of the Code because the Committee's remit extends to pay policy for all staff and is not limited to the GLT.

Committee evaluation
An internal Committee evaluation commenced in late 2023/24. Its learnings were actioned in 2024/25, particularly in relation to information flow and decision-making between the Audit, Remuneration and Sustainability Committees in relation to the performance of their respective roles.

Appointment terms
Each voting Board Member of The Crown Estate is appointed as a Commissioner under Royal Warrant for a period of up to four years. In general, a Board appointment may be renewed for a further term of up to four years. No Member may serve for more than ten years.

Dan Labbad, Chief Executive, was initially appointed on a four-year contract expiring on 31 December 2023 with a notice period of six months. The Board unanimously agreed to extend the Chief Executive's term for a further four years, and he was appointed as Second Commissioner by Royal Warrant expiring on 31 December 2027.

Helen Price joined The Crown Estate as Chief Financial Officer (CFO) on 1 January 2025 on a permanent contract of employment, and was appointed as a Board Member and Commissioner by Royal Warrant.

External non-executive board appointments held by the GLT

The Board of The Crown Estate supports non-executive appointments to third party organisations where the Board is satisfied that these are manageable alongside their responsibilities and do not generate any conflict of interest with accountabilities at The Crown Estate, and sees these as part of the professional development of our people. They are permitted to retain earnings from these appointments. Dan Labbad, Chief Executive, held a non-executive appointment as a non-executive director of Raspberry Pi Holdings plc.

Executive appointments

The Committee has continued to review the remuneration packages for new appointments to the GLT, to ensure that the business has the required skill and capability to deliver the future strategy. There is an established process with regard to remuneration on recruitment of our Chief Executive. This involves correspondence with HM Treasury to agree the core elements of the package, which may differ from the Policy agreed for the current Chief Executive; however, the principles used to set the pay will be consistent.

Changes in Chair, Commissioner and Counsellor fees for 2025/26

The Chair, Commissioner and Counsellor fees were last updated in January 2024 following a market review and the need to reflect the increased demands of these roles. No changes were made to the fees during 2024/25.

	Fee 2024/25	**Fee 2025/26**
Chair and First Commissioner	**£105,500**	£105,500
Board Commissioners and Counsellors	**£30,000**	£30,000
Audit and Remuneration Committee Chairs	**£8,000**	£8,000
Sustainability Committee Chair	**£6,500**	£6,500
Nomination Committee Chair	**£3,000**	£3,000
Chair of the Internal Habitats Regulations Assessment Oversight Group	**£5,000**	TBC

Loss of office

The Crown Estate's policy is to compensate leavers within contractual terms for loss of office and/or early termination. The annual bonus and LTIP schemes both contain termination provisions which mean that awards would lapse for a leaver in ordinary circumstances. The schemes also contain provisions which allow for awards to pay out in circumstances where an individual is deemed a good leaver.

Robert Allen's employment ended on 31 March 2025 and Judith Everett's employment ended on 30 September 2024, with their total single figure for compensation included in the additional voluntary disclosure table on page 118.

Pensions
Three pension schemes are in operation in The Crown Estate: The Crown Estate Pension Scheme (CEPS), the Civil Service Pensions (CSP) and the Royal Household Worksave Pension Scheme (RHWPS). The CEPS and the CSP comprise several sections which offer different pension benefits as shown below.

Scheme name	Section	Type of scheme	Open to new members	Status
CEPS	Opal	Defined benefit	No	Open to existing active members for contributions and benefit accrual.
	Quartz	Hybrid 'Core' defined benefit, with optional defined contribution top-up	Yes	Core – contributions and benefits subject to Scheme Earnings Cap (£38,163 for 2024/25). Top-up – contributions paid on pensionable earnings above the Scheme Earnings Cap.
	Topaz	Defined contribution	Yes	Member contributions voluntary.
	Sapphire	Defined contribution	No	Member contributions. Open to JLL employees whose employment was TUPE transferred to The Crown Estate in 2024. Closed to new employees.
RHWPS	n/a	Defined contribution	No	Open to Royal Household employees whose employment was TUPE transferred to The Crown Estate on 22 March 2024. Closed to new employees.
CSP	Alpha		No	Open to pre-1 April 2022 members for future contributions and benefit accrual.
	Partnership	Defined contribution	No	Open to CSP members only.

In the past, employees who opted out of pension membership could receive a cash allowance equal to 8% of basic pay; this cash allowance has been withdrawn to new members. For employees who are at risk of exceeding HMRC pension tax allowances for the accrual of pension benefits, a cash allowance equal to 12% of basic pay is available.

At 31 March 2025, there were 789 CEPS members, 65 CSP members and 55 RHWPS members. There were 29 non-pensionable members of whom seven were in receipt of the cash allowance.

The latest CEPS triennial actuarial valuation was completed at 31 March 2023. The Crown Estate and CEPS Trustees determined that the scheme had around 20% more assets than required to meet its expected obligations. As a result, we have agreed with the Trustees that no deficit reduction contributions are required, and The Crown Estate and CEPS Trustees have agreed that from 1 March 2024 until 31 March 2027, the scheme will meet some costs from the surplus assets, including employer contributions. We have agreed a number of safeguards with the Trustees to ensure that the scheme members' benefits are protected, which includes resuming company contributions should the funding surplus fall below 105% of scheme liabilities.

Pension benefits for key management personnel and the Board
Dan Labbad, Chief Executive, and Helen Price, Chief Financial Officer, are not members of CEPS and elected to receive payment in lieu of pension contributions as disclosed in the single figure table for remuneration on page 117.

Non-Executive Commissioners and Board Counsellors do not receive any pension benefits from The Crown Estate.

All employee pay in the context of executive pay

The table below sets out how each element of all employee pay aligns with pay for the Chief Executive and GLT.

Element of all employee remuneration	All employee operation	Comparison with Chief Executive and GLT
Base salary 5% average base salary increase awarded across all our eligible employees	– We evaluate the competitiveness of base salaries in the market. – The competitiveness of job roles is continually monitored, taking into consideration both external market benchmarks and comparisons with internal colleagues. – Additionally, salary adjustments may be considered to account for changes in an individual's role, increased responsibilities or gained experience.	– Similar factors are taken into account when setting GLT pay including changes in role, responsibility and experience. – Average employee pay increases are taken into account when setting GLT and Chief Executive pay. – The Chief Executive's base salary increased by 5% per annum in line with his contractual entitlement. Base salary will continue to increase by a minimum of 5% per annum over the term of the contract as part of efforts to reduce the discount of the core element of Chief Executive remuneration to the remuneration level of the selected benchmark.
Pension and benefits Pension levels for GLT and Chief Executive do not exceed the employee rate	– The company aims to offer a pension and benefits package that is in line with competitive market standards in the UK.	– Employees are entitled to the same types of benefits as the Chief Executive and the GLT as described in the pensions section above.
Annual bonus 94% of our employees received an annual bonus for 2024/25	– All employees take part in a performance-based plan centred on key business and financial metrics. – These metrics are tailored to align with the specific priorities of each business area. – Employee remuneration is also linked to individual performance ratings.	– The calculation of the bonus pool is consistent for all employees including executives. – The determination of bonus outcomes for each member of the GLT considers performance at both an individual and business area level.

Fair pay disclosures (audited)

Under the fair pay regulations, The Crown Estate is required to identify the employee pay and benefits at the 25th, 50th and 75th percentiles of all our people for the financial year and compare them to the total remuneration figures for the Chief Executive. The figures used to determine the ratio were calculated based on the March 2025 payroll, which provides reasonable full-time equivalent (FTE) information. This involves calculating the actual remuneration for all relevant employees for the selected month and applying adjustments to ensure the pay and benefits were representative for each individual on an annualised FTE basis. Employee FTE remuneration has been calculated using basic pay, bonus awards, allowances, benefits and incentives, but excluding pension contributions. These values were then listed in order from lowest to highest and the values at the three percentile points were identified. All required components were included in the single figure remuneration for the Chief Executive. The base pay for the Chief Executive and employees at each of the three percentiles is also presented along with the associated ratio.

In considering these disclosures, the Committee notes the following:

- The employees used in the calculations are considered to be representative of the 25th, 50th and 75th percentiles of the company's remuneration for the relevant financial year.
- The single figure for remuneration for the Chief Executive includes a payment in lieu of a pension, whereas pension benefits paid to one of the schemes in which we participate are excluded from all other calculations.
- The Crown Estate runs a number of apprenticeship schemes where, in addition to compensation, apprentices receive a significant amount of training, where reported salary costs do not recognise our investment in their training.
- Employees who join after 1 January or resign before the start of July are generally not eligible to receive a bonus.

The Committee considers that the salaries of colleagues, including those included in the table and the associated ratios, are consistent with The Crown Estate pay, reward and progression policies. The movement in ratios from 2023/24 (24.4) to 2024/25 (27.8) primarily reflects the change in staffing profile as a result of colleagues who joined The Crown Estate from the Windsor Farms and Farm shop as well as JLL, and this is the first time their data has been captured on the fair pay disclosures.

The Group's approach to total remuneration is to pay at median levels compared with the market benchmark for comparable roles and experience. The Chief Executive's total remuneration reflects a discount when compared with relevant benchmarks as set out above. The Chief Executive's base salary review is implemented annually from 1 January, whereas the pay reviews for all other employees usually take place each year from 1 July. As a result, the reported percentage increase for the Chief Executive is not directly comparable with the percentage increase for other colleagues.

Chief Executive pay ratios		25th percentile	50th percentile	75th percentile	Pay range for all eligible employees[1,2]
2024/25	Colleague total pay and benefits[3]	£43,204	£69,956	£96,166	£25,962–£1,946,775
	Chief Executive ratio for total pay and benefits	45.1	27.8	20.2	
	Colleague salary and allowances component of total pay and benefits[3]	£41,442	£67,198	£96,166	£25,622–£896,341
	Chief Executive ratio for salary and allowances component of total pay and benefits	21.6	13.3	9.3	
2023/24	Colleague total pay and benefits[3]	£44,102	£77,435	£119,480	£24,000–£1,892,278
	Chief Executive ratio for total pay and benefits	42.9	24.4	15.8	
	Colleague salary and allowances component of total pay and benefits[3]	£41,124	£70,322	£103,376	£24,000–£853,028
	Chief Executive ratio for salary and allowances component of total pay and benefits	20.7	12.1	8.3	

1. The Chief Executive is the highest paid employee for each of the pay ranges.
2. Casual workers at Windsor Great Park and absentees are excluded from this table.
3. Amounts include a 5.34% flexible benefits allowance and an allowance in lieu of pension contribution for the Chief Executive.

Percentage change in pay	Salary and allowances	Performance pay and bonuses
Chief Executive[1]	5.1%	1.1%
Colleague average (excluding Chief Executive)	6.7%	(0.4)%

1. The Chief Executive's salary and allowances includes base salary, a 5.34% flexible benefits allowance and benefits in kind.

Remuneration and pension benefits

Single total figure for remuneration

Board Members (audited)

	Salary/fee (£)[1,2]		Bonus award (£)[3]		Long-term incentive plan (£)		Other payments (£)[4]		Benefits in kind (to the nearest £100)[5]		Total (to the nearest £1,000)	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Sir Robin Budenberg CBE	**105,500**	50,000	**-**	-	**-**	-	**-**	-	**-**	200	**106,000**	50,000
Dan Labbad	**792,886**	755,130	**715,058**	716,850	**335,376**	322,400	**90,323**	86,022	**13,100**	11,900	**1,947,000**	1,892,000
Helen Price[6]	**125,091**	-	**77,302**	-	**-**	-	**14,250**	-	**200**	-	**217,000**	-
Vijay Bharadia[7]	**38,000**	23,750	**-**	-	**-**	-	**-**	-	**-**	-	**38,000**	24,000
Juliet Davenport OBE	**30,000**	20,000	**-**	-	**-**	-	**-**	-	**3,100**	1,500	**33,000**	22,000
Dame Karen Jones DBE	**39,500**	27,000	**-**	-	**-**	-	**-**	-	**100**	-	**40,000**	27,000
Anne Kavanagh[8]	**38,000**	21,250	**-**	-	**-**	-	**-**	-	**-**	100	**38,000**	21,000
Clare Shine	**30,000**	20,000	**-**	-	**-**	-	**-**	-	**2,500**	1,000	**33,000**	21,000

1. Salary amounts for Dan Labbad and Helen Price include a 5.34% flexible benefits allowance.
2. The Audit and Remuneration Committee Chairs receive an additional £8,000 (2023/24: £5,000), the Sustainability Committee Chair receives an additional £6,500 (2023/24: £5,000) and the Nomination Committee Chair receives an additional £3,000 (2023/24: £2,000) per annum (pro-rated when applicable) to reflect the increased time commitment.
3. The payment of any bonus amount over 50% of basic salary is deferred by 12 months. For 2024/25, deferral for Dan Labbad is £338,712 (2023/24: £358,425) which is included in the figure disclosed.
4. Other payments for Dan Labbad and Helen Price comprise an allowance in lieu of pension contribution. None of the other Commissioners receive any pension benefits.
5. Benefits in kind is private medical insurance and taxable expenses.
6. Helen Price's appointment as a Commissioner commenced on 1 January 2025. Her full-time equivalent salary for 2024/25 was £475,000.
7. Vijay Bharadia was appointed on 1 April 2023 and he was appointed as Chair of the Audit Committee on 1 July 2023. His full-time equivalent fee (excluding additional Chair fees) for 2023/24 was £20,000.
8. Anne Kavanagh was appointed as Chair of the Remuneration Committee on 1 January 2024.

Board Counsellors (audited)

	Fee (£)		Bonus award (£)		Long-term incentive plan (£)		Other payments (£)		Benefits in kind (to the nearest £100)		Total (to the nearest £1,000)	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Peter Hofbauer[1]	**17,500**	-	**-**	-	**-**	-	**-**	-	**-**	-	**18,000**	-
James Darkins OBE[2]	**26,250**	26,250	**-**	-	**-**	-	**-**	-	**7,400**	300	**34,000**	27,000
Sara Wood[3]	**26,696**	20,000	**-**	-	**-**	-	**-**	-	**-**	-	**27,000**	20,000
Paula Hay-Plumb OBE[4]	**-**	15,000	**-**	-	**-**	-	**-**	-	**-**	300	**-**	15,000

1. Peter Hofbauer was appointed as a Board Counsellor on 1 September 2024. His full-time equivalent fee for 2024/25 was £30,000.
2. James Darkins' appointment as a Commissioner expired on 31 December 2023 and he served as a Board Counsellor from 1 January 2024 to 31 December 2024. His-full time equivalent fee for 2024/25 was £30,000. He received an additional £5,000 per annum pro rated, reflecting the increased time commitment as Chair of the Internal Habitats Regulations Assessment Oversight Group. Benefits in kind covers taxable expenses for the period from May 2023 to December 2024.
3. Sara Wood's appointment as a Board Counsellor ended on 19 February 2025. Her full-time equivalent fee for 2024/25 was £30,000.
4. Paula Hay-Plumb's appointment as a Commissioner expired on 31 December 2022 and she served as a Board Counsellor from 1 January 2023 to 31 December 2023. Her full-time equivalent fee for 2023/24 was £20,000.

Voluntary disclosures (audited)

Single total figure for remuneration

Members of the Group Leadership Team[1]

	Number (within a £50,000 band) 2024/25
£300,001-£350,000	2
£350,001-£400,000	1
£400,001-£450,000	-
£450,001-£500,000	4
£500,001-£550,000	2
£550,001-£600,000	2
£600,001-£650,000	1
£650,001-£700,000	-
£700,001-£750,000	-
£750,001-£800,000	-
£800,001-£850,000	-
£850,001-£900,000	1

1. Details of Dan Labbad and Helen Price's remuneration can be found on page 117.

Additional voluntary disclosure

Number of other employees receiving salary > £150k and performance bonuses > £17,500	69

Compensation for loss of office (audited)

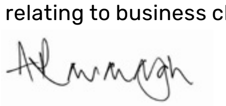
Exit packages during the year.

	2024/25 Number	2023/24 Number
Less than £10,000	**1**	-
£10,001-£25,000	**1**	-
£25,001-£50,000	**4**	4
£50,001-£100,000	**3**	2
£100,001-£150,000	**1**	-
£150,001-£200,000	**-**	-
£200,001-£250,000	**1**	-
Total	**11**	6

Staff and Commissioners report (audited)

	2024/25 £m	2023/24 £m	2024/25 Average number	2023/24 Average number
Staff with employment contracts and Commissioners (note 6 to the financial statements)	**89**	73	**868**	642
Other staff engaged on the objectives of The Crown Estate	**11**	10	**91**	94
Total	**100**	83	**959**	736

There were no off-payroll payments made during the year. The Crown Estate expensed £4 million (2023/24: £4 million) of fees relating to business change and transformation.



Anne Kavanagh
Chair of the Remuneration Committee

17 June 2025

Sustainability Committee report

> "Our updated Value Creation Framework guides us in making decisions that deliver lasting environmental and social benefits while creating financial value."
>
> **Dame Karen Jones DBE**
> Chair of the Sustainability Committee

Overview

The Sustainability Committee (the Committee) is now well established and oversees The Crown Estate's progress towards its long-term climate, nature and social impact goals through a regular cadence of meetings and activities.

In 2024/25, the company's Value Creation Framework (VCF) was updated to ensure our decisions align to our four strategic priorities, as set out on page 3. The framework guides our approach to navigating competing demands and trade-offs, ensuring that The Crown Estate's activities deliver sustainable development for the country.

The Committee has received updates and supported progress against the VCF's core requirements throughout the year. Notable recent progress includes publishing our Ambition for Nature, with a public launch in Parliament in January 2025. The Committee advised on the development of this ambition, which includes three core goals and our first set of biodiversity targets, and recommended its approval to the full Board. Going forward, those goals and targets will help to build on our existing efforts to support nature recovery and climate resilience on land and the seabed.

We also discussed the setting of targets to decarbonise The Crown Estate's own operations (considering Scope 1, 2 and 3 emissions), defining net zero trajectories for each business unit. The Board approved these targets and the Committee tracks progress against them. One early area of success has been to focus on reducing operational energy consumption in the real estate portfolio, and we were pleased to note a further reduction this year.

In March, The Committee visited Cambridge to hear from the team how they are bringing our social impact principles to life as they redevelop Cambridge Business Park, with a focus on how to contribute to tackling inequality in the area while supporting growth. It is encouraging to see the business engaging with our stakeholders more comprehensively than ever before on this and other projects. Further details of these and other activities are shared in the Strategic report, on pages 1-84.

As the environmental and social impact reporting landscape matures, the Committee is working to ensure we align with best practice, and navigate the risks and opportunities presented. We received an update on the sustainability-related risks identified in the double materiality assessment and Task Force on Climate-related Financial Disclosures (TCFD). See pages 66-77.

We also monitor progress against our sustainability targets, some of which are included in our annual performance and long-term incentive plans (see pages 106-118).

Sustainability Committee membership

The Sustainability Committee is a Board Committee that comprises a minimum of three members, each of whom is a Commissioner and at least one of whom shall have appropriate knowledge, skills and expertise regarding sustainability.

It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments. The quorum necessary for a Committee meeting is the presence of two members.

The Committee values the open, constructive and progressive discussions that take place at our meetings, and within the wider Board, as we continue to challenge ourselves and management to deliver fully on our purpose.

Attendance at Committee meetings

During the year, the Committee held four meetings. In addition to the Sustainability Committee members, others may be invited to attend for all or part of any meeting with the agreement of the Committee Chair, as and when appropriate and necessary. This may include the Chief Executive; Chief Financial Officer; Chief Sustainability Officer; Company Secretary; Deputy Company Secretary; and external advisors.

Reporting to and by the Sustainability Committee

The Committee reports to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. A dedicated session on topics within its terms of reference is delivered as part of the Board's annual strategy session, and we support management in reporting to the Board on progress made on our sustainability targets that have been set in this context.

The Board has undertaken to comply with the Corporate Governance Code 2018, with this extending to the Board's Committees, including the Sustainability Committee. The Committee has written terms of reference which clearly set out its authorities and duties, and are reviewed annually. See thecrownestate.co.uk/governance.

There is a clear reporting line within our enterprise-level governance, the Board and its Committees, and there is a good information flow and oversight of sustainability matters and climate-related risks and opportunities. You can read more about our governance framework and key management governance structures responsible for climate-related risks and opportunities on pages 66-77.

Key duties

The key duties of the Sustainability Committee are to:

- ensure The Crown Estate identifies and adopts global best practice (as appropriate) in relation to sustainability
- oversee and advise the Board on The Crown Estate's strategies, targets, policies, procedures, performance and reporting related to sustainability
- oversee the approach to sustainability, including performance measurement reporting and transparency
- consider external stakeholder perspectives on sustainability, and oversee The Crown Estate's efforts in, and highlight opportunities for, establishing better working relationships with key stakeholders, customers and suppliers on sustainability matters
- recommend The Crown Estate's sustainability strategy, targets, policies, procedures and reporting for approval by the Board
- identify sustainability-related risks and ensure they are incorporated into formal risk reporting
- promote and oversee knowledge sharing and capability building on sustainability within The Crown Estate including the delivery of relevant regular and effective training throughout The Crown Estate at all levels
- monitor current trends and developments to identify emerging sustainability laws, rules, regulations, voluntary frameworks, accreditations and initiatives of relevance to The Crown Estate – and advise the Board on implementing any consequent actions or changes recommended
- guide The Crown Estate's sustainability communication strategy (both internal and external)
- consider and review The Crown Estate's sustainability and associated ratings and accreditations
- review The Crown Estate's policies, and oversee procedures, systems and controls for collection management and monitoring of sustainability and associated information

Committee evaluation

An internal Committee evaluation commenced in late 2023/24. Its learnings were actioned in 2024/25, particularly in relation to information flow and decision-making between the Audit, Remuneration and Sustainability Committees in relation to the performance of their respective roles.

Committee activities during the year

Throughout the year, the Committee paid attention to the continued evolution of our sustainability ambitions and commitments, in line with our enterprise strategy, including how it aligns to our greatest areas of opportunity and challenge as a business, and how to communicate its importance to our stakeholders in a clear and impactful way.

Set out below are some of the key matters addressed by the Committee:

- carbon baselining and net zero trajectory
- ongoing policy and political updates
- nature ambition including goals and targets
- social impact principles and areas of focus
- oversight of performance and delivery risks, including input into remuneration targets
- deep dives into the plans and performance of our business units

Looking ahead

The Crown Estate Act 2025 came into force in May, including a statutory obligation for Board Commissioners to keep the impact of our activities on sustainable development under review.

As this report highlights, sustainability is embedded in our organisational purpose and strategy. In the coming period, the Sustainability Committee will support and challenge the team to deliver against our nature goals, develop a full set of enterprise-wide social impact commitments and progress decarbonisation plans for each business unit. We will continue to inform the Board, building on our learnings and celebrating progress as we work together to produce lasting and shared prosperity for the nation.

Group Leadership Team

The Chief Executive, who is also the Second Commissioner and Accounting Officer, and the Chief Financial Officer are the only Executive Members of the Board. The Chief Sustainability Officer and Executive Director, Operations attend all Board meetings, as does the Special Advisor to the Chief Executive. Other members of The Crown Estate's leadership team attend by invitation.

Group Leadership Team

The Group Leadership Team (GLT) supports the Chief Executive to deliver all aspects of what The Crown Estate does and seeks to do. The GLT has 12 members, including the Chief Executive.

Details of the members of the GLT can be found on page 122. For full biographical details, visit: thecrownestate.co.uk/our-leadership.

Detailed below are changes to the GLT that occurred during the year:

Anna Swaithes joined the GLT as Chief Sustainability Officer in June 2024.

Kristy Lansdown became part of the GLT in November 2024 as Managing Director, Development.

Hannah Milne moved into a new role as Managing Director, Real Estate in November 2024.

Helen Price joined as Chief Financial Officer, Executive Board Member and member of the GLT in January 2025.

Emily Weighill joined the GLT in January 2025, as Executive Director, Corporate Affairs.

Sol Anitua stepped out of the GLT in January 2025 to take up a role in our Marine business.

Judith Everett, Executive Director of Purpose, Sustainability & Stakeholder, left The Crown Estate in September 2024.

Simon Harding-Roots, Managing Director, London, left The Crown Estate in November 2024.

Robert Allen, Chief Financial Officer, left The Crown Estate in March 2025.

Value Creation Committee

The primary purpose of the Value Creation Committee (VCC) is to ensure that executive decision-making is balanced, holistic and based on our Value Creation Framework (VCF).

This year, we enhanced our VCF, providing updated guides and tools to better clarify expectations on all aspects of value (net zero and energy security, nature recovery, communities and financial returns), ensuring that they are all considered in capital allocation and decision-making.

All capital allocation and decision-making is aligned with our VCF, and submissions to the VCC provide evidence of alignment via a VCF scorecard, which ensures we are able to track how we are delivering long-term value creation in line with our purpose of lasting and shared prosperity for the nation, and how we are contributing to sustainable development.

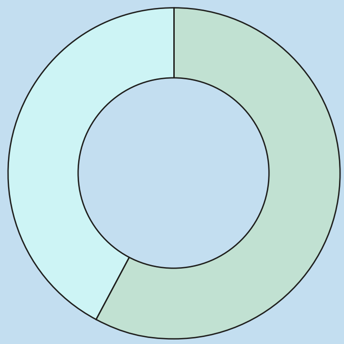
Reflecting the importance of this process to The Crown Estate, the VCC has three voting members: the Chief Executive, Chief Financial Officer and Chief Sustainability Officer. The quorum necessary for the transaction of business at a VCC meeting is the Chief Executive, or their nominee, plus one additional member. Where a proposal exceeds the delegated authority of the VCC, it will be escalated to the Board.

GLT diversity

The diversity of the GLT sets the tone for our commitment to diversity right from the top and throughout The Crown Estate.

We are committed to continuing to further embed diversity, equity and inclusion into our succession and talent development plans.

Membership of the GLT has been set to ensure a strong balance of experiential, cultural and cognitive diversity, with representation from a range of professional backgrounds and a broad international perspective.



Female	58%
Male	42%

Group Leadership Team continued

Value Creation Committee

Dan Labbad
Chief Executive, Executive Board Member and Second Commissioner (Chair of the VCC)

A leader in global property and infrastructure, and an active champion of sustainability, Dan joined us in 2019 from LendLease, where his roles included Chief Executive Officer, International Operations and Chief Executive Officer, Europe. Dan is also a non-executive director of Raspberry Pi Holdings plc.

Helen Price
Chief Financial Officer and Executive Board Member (Member of the VCC)

Helen joined us in January 2025. Previously she was CFO of InfraRed Capital Partners Ltd and CFO of HICL Infrastructure plc and CFO of EFG Private Bank. Helen has also held roles at 3i Group and Close Brothers Group.

Anna Swaithes
Chief Sustainability Officer (Member of the VCC)

With a background in sustainability, strategy and partnership building from previous roles in UK Government, SABMiller and Cadbury, Anna joined us in February 2022, becoming Chief Sustainability Officer in June 2024. She works to integrate climate, nature and social impact into the heart of The Crown Estate.

Nicholas Cheffings
Special Advisor to the Chief Executive

Nicholas advised us for over 20 years as a partner and latterly Global Chair of the international law firm Hogan Lovells before joining us as Interim Group Head of Legal and Company Secretary. He was then appointed as Special Advisor to the Chief Executive and again took on the role of Interim Company Secretary for a period this year.

Gus Jaspert CMG
Managing Director, Marine

Gus joined us in October 2022. He has extensive experience working in major programmes, policy and operations across government, including internationally. Gus was made a Companion of the Order of St Michael and St George following his work as Governor of the British Virgin Islands in recovery after devastating hurricanes.

Kristy Lansdown
Managing Director, Development

Kristy previously worked at Lendlease Europe and joined us as Head of Development in 2022. She brings a wealth of experience having delivered a variety of large-scale projects across residential, workplace and retail uses, to help create thriving and inclusive places.

Hannah Milne
Managing Director, Real Estate

A chartered surveyor with over 30 years' experience of strategy, portfolio management, investment and development, Hannah joined us in 2011 from Knight Frank, and led our Regional business from 2016 before becoming Managing Director, Real Estate in November 2024.

Linda Morant
Chief Digital Officer

Linda has over 20 years of experience in senior leadership roles with Fortune and FTSE 100 companies in the technology and energy sectors, focusing on growth and strategic transformations. A Non-Executive Director for the Arcadis Supervisory Board in the Netherlands, and member of the UK Cabinet Office CTO Council.

Paul Sedgwick LVO
Managing Director, Windsor & Rural

A chartered surveyor, Paul joined in 2014 as Deputy Ranger at Windsor, and also manages our Rural portfolio. Part of RASE Bledisloe Gold Medal-winning teams twice: the Windsor Estate (2022) and the Yattendon Estate (2013). A Non-Executive Director of the Duke of Wellington's Stratfield Saye Estate. Member of the Rural Committee of The Duchy of Lancaster. Appointed to the Royal Victorian Order by The King in 2023.

Oliver Smith
Executive Director, Operations

With 20 years of experience across some of our diverse industries, and a particular focus on the property sector, Oliver previously worked on our London portfolio before moving into his current position. Oliver originally joined us from Jones Lang LaSalle in 2008.

Emily Weighill
Executive Director, Corporate Affairs

Emily joined The Crown Estate in January 2024, bringing 17 years of experience from central government, where she worked on some of the most high-profile and politically relevant issues of the day, primarily in the Justice and Home Affairs space.

Lisa White
Executive Director, People & Culture

With an extensive career as an HR professional, and with a particular focus on the property sector, Lisa is a qualified coach and joined us in 2021 from CBRE, where she was part of its Global Leadership Team.

Directors' Report

The Crown Estate does not have directors but rather 'commissioners' under our enabling legislation, the Crown Estate Act 1961 (as amended). We interchangeably use the terms 'Commissioner' and 'Board Member' to describe our equivalent to company directors.

The Commissioners present to His Majesty the Annual Report and Accounts of The Crown Estate and its subsidiaries. The Crown Estate is domiciled in the United Kingdom. Its principal activity in the year to 31 March 2025 was the investment and management of land in, and the seabed around, England, Wales and Northern Ireland.

Commissioners

The Commissioners who held office during the year ended 31 March 2025 are set out on pages 92-94.

Value Creation Committee

The VCC has the responsibility of directing and controlling our major investment or value creation activities (outside of matters reserved for the Board). It considers significant investment decisions and divestment proposals, reviewing them against the strategy and VCF. For more information on the VCC and its members, see pages 121-122.

Corporate governance

The Crown Estate, without limitation so far as is consistent with the Crown Estate Act 1961, (as amended), seeks to comply with the principles and provisions of the Corporate Governance Code 2018. See pages 87-89 for more information, as well as the other elements of our governance framework.

Company directorships and other significant interests

The Annual Declaration of Interests of Board Members, Board Counsellors and members of the GLT is available at: thecrownestate.co.uk/governance.

Personal data incidents

There were no reports relating to a personal data breach made by The Crown Estate to the Information Commissioner's Office in 2024/25.

HMT PES papers

We are not aware of any applicable disclosures promulgated by HM Treasury through any Public Expenditure System (PES) papers.

Third party indemnity

The Crown Estate meets the personal civil liability of Board Members to third parties where such liability is incurred in the proper execution of Board functions provided Board Members have acted in compliance with their duties honestly, reasonably and in good faith without negligence. The Crown Estate also has directors' and officers' liability insurance and will maintain adequate cover both for the full term of the appointment and in respect of liabilities arising in respect of the appointment (whether arising during or after the termination of that appointment). Such provisions were in force during the financial year and continue to be.

Relevant audit information

The necessary steps were taken by our Board Members to make themselves aware of any relevant audit information. There has been no relevant audit information of which the auditor is unaware.

Indemnity insurance

The Crown Estate provides indemnity insurance for the Commissioners, the directors of subsidiary undertakings and trustees of the pension schemes. Such provisions were in force during the financial year and continue to be.

Charitable donations

Under the terms of the Act, we are restricted in our ability to make charitable donations. As permitted by section 4(2) of the Act, we made donations during the year of £37,400 (2023/24: £20,000).

Political donations

No political donations were made in 2024/25 in the year.

Financial risk management

Disclosure in respect of The Crown Estate's financial risk management is set out in note 10 to the financial statements.

Subsequent events

Events subsequent to year end are described in note 28 to the financial statements.

Research and development

We undertake research activities in pursuance of our strategic objectives. Examples can be found throughout the Strategic report on pages 1-84.

Branches outside the UK

We have no branches or properties outside the United Kingdom.

Disabled employees

Further information on diversity, equity and inclusion can be found on pages 50-53. Details regarding accessibility and inclusivity can also be found on pages 50-53.

Employee engagement

Details on employee engagement can be found on pages 50-53.

Business relationships with suppliers, customers and others

For information on our business relationships with suppliers, customers and others, please see pages 14-16.

Our supply chain

Our Supplier Charter embodies our purpose, values and priorities, and sets clear expectations on how they should apply across our supply chain. This includes requirements for suppliers to demonstrate their commitment to our priorities. This supports our pursuit of transparency and good practice, and ensures we deliver the best possible supply chain management for our business and customers.

The Crown Estate follows the Procurement Act 2023. Find out more at: thecrownestate.co.uk/suppliers.

We comply with UK laws, including human rights and employment regulations. Our supply chain, extending beyond the UK, operates in accordance with the UN Universal Declaration of Human Rights and International Labour Organization Core Conventions. We take anti-slavery measures seriously and actively demonstrate this commitment. For more information see: thecrownestate.co.uk/modern-slavery-act.

Sustainability and greenhouse gas emissions

For information on greenhouse gas emissions, refer to pages 78-84.

The Directors' Report was approved by the Board on 5 June 2025 and signed on its behalf on 17 June 2025.

By Order of the Board.

Dan Labbad
Chief Executive

Financial statements

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of The Crown Estate and its Group for the year ended 31 March 2025 under the Crown Estate Act 1961. The financial statements comprise The Crown Estate's and The Crown Estate Group's:

- Balance Sheets as at 31 March 2025;
- Consolidated Statements of Comprehensive Income, Statements of Changes in Capital and Reserves and Statements of Cash Flows for the year then ended; and
- the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of The Crown Estate and its Group's affairs as at 31 March 2025 and of the Group's consolidated revenue account profit and consolidated capital account loss for the year then ended; and
- have been properly prepared in accordance with the Crown Estate Act 1961 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require us to comply with the Financial Reporting Council's Revised Ethical Standard 2019 . I am independent of The Crown Estate and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The framework of authorities described in the table below has been considered in the context of my opinion on regularity.

Framework of authorities

Authorising legislation	The Crown Estate Act 1961
HM Treasury and related authorities	Framework Document between The Crown Estate and HM Treasury Managing Public Money

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Crown Estate and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the Board's assessment of The Crown Estate and its Group's ability to continue to adopt the going concern basis of accounting included understanding how they have assessed the prospects of the Group, over what period they have done so, and why they consider that period to be appropriate. I have also reviewed the evidence supporting their going concern and Viability Statement assessments. I made no observations with respect to that assessment.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Crown Estate and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to The Crown Estate and its Group's reporting on how they have applied the UK Corporate Governance Code, I have nothing material to add or draw attention to in relation to the Accounting Officer's statement in the financial statements about whether the Accounting Officer considered it appropriate to adopt the going concern basis of accounting.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Overview of my audit approach

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified through the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of management override of controls, an area where my work has not identified any matters to report.

The key audit matters were discussed with the Audit Committee; their report on matters that they considered to be significant to the financial statements is set out on page 100.

In this year's certificate, I made one change to the risks identified compared to my prior year certificate. This being the migration of service charge data between IT systems following the service charge function being brought in house by The Crown Estate in 2024/25.

Investment Property Valuations

Description of risk

The value of investment properties held by The Crown Estate as at 31 March 2025 was £9.6 billion, excluding offshore wind assets which are considered separately.

The Crown Estate's properties are valued by independent, professional valuers using a number of unobservable inputs (classified as Level 3 in the fair value hierarchy). These valuations involve a significant degree of judgement. Therefore, I consider that they present a significant risk of material misstatement.

How the scope of my audit responded to the risk

My audit procedures included:

- Obtaining an understanding of the design and implementation of controls in place at The Crown Estate over the valuation of investment property process by conducting a walkthrough test;
- Assessing the skills, experience and qualifications of the third-party valuers engaged by The Crown Estate (as management's experts), and considering the appropriateness of the instructions to the valuers from The Crown Estate by inspecting information that was shared with valuers for a sample of assets;
- Using the work of valuation expert, I formed an expectation of an acceptable range for valuation movements for London and Regional, and Residential portfolios with reference to relevant indices and independent databases. I confirmed that the valuation movements were within the acceptable range and challenged The Crown Estate's valuers to provide sufficient and reasonable rationale and evidence where this was not the case for investment properties from the London and Regional and Residential portfolios.
- Engaging an auditor's valuation expert to analyse the residual Crown Estate portfolio of investment properties and challenge the basis of valuation for a sample of individual assets. This included considering any Material Valuation Uncertainties and sensitivity analysis performed by The Crown Estate's valuers, considering other key events and developments that occurred throughout the year and agreeing underlying assumptions to supporting documentation;
- Sample testing the completeness and accuracy of underlying data provided by The Crown Estate and used by the valuer as part of their valuations by reconciling the Investment Property register to the Trial Balance and to the accounts and inspecting information that was shared with the valuer; and
- Agreeing the benchmarking disclosures included within The Crown Estate's Annual Report to underlying source data.

Key observations

I found The Crown Estate's key controls over the valuation process to be designed and implemented adequately and that asset valuations have been prepared using appropriate methodology and assumptions.

I found that the valuation movements were within the acceptable range, or had sufficient and reasonable rationale and evidence where this was not the case to support the valuation.

The disclosures within notes 3 and 15 of the financial statements provide further details of the key assumptions underpinning the valuations and the sensitivity of the valuations to a change in assumptions.

Offshore Wind Asset Valuations

Description of risk
The value of the offshore wind assets amounted to £2.6 billion as at 31 March 2025. There is a lack of directly comparable transactions for interests in these assets. Establishing appropriate discount rates is inherently subjective and there is a greater degree of valuer judgement required in comparison to a traditional investment property valuation. For 2024/25, The Crown Estate also need to consider the impact on discount rates of developments in the offshore wind sector including the outcome of the Round 5 auction and actions being taken by developers in global projects.

As a result, the valuation of interests in offshore wind assets are subject to a high degree of uncertainty and are determined on the basis of assumptions which may change with future events. I have therefore assessed the valuation of offshore wind asset valuations as a separate significant risk to the valuation of other investment property.

How the scope of my audit responded to the risk

My audit procedures included:

- Utilising an auditor's valuation expert to engage with The Crown Estate and its third-party valuer (management's expert) throughout the year to ensure the audit team had a good understanding of the approach for valuing offshore wind assets;
- Obtaining an understanding of the design and implementation of controls in place at The Crown Estate over the valuation of offshore wind assets process by conducting a walkthrough test;
- Testing the accuracy and completeness of the underlying data shared by The Crown Estate with its external valuers by reconciling the Investment Property register to the Trial Balance and to the accounts and inspecting information that was shared;
- Assessing the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from The Crown Estate;
- Using the work of my auditor's valuation expert to consider the reasonableness of the valuation approach, to challenge the key assumptions used in the valuations by agreeing the inputs to source data and supporting evidence, and to consider whether the estimation uncertainty inherent is material or significant; and
- Using the work of my auditor's valuation expert to challenge management on the reasonableness of the discount rates applied by examining whether The Crown Estate's valuation expert's level of perceived risk to receive the income was reasonable and examining how the discount factor had been derived with reference to risk free rates and subsequent market based risk adjustments.

Key observations
I found The Crown Estate's key controls over the valuation process to be designed and implemented adequately and that asset valuations have been prepared using an appropriate methodology and assumptions.

I have concluded that the valuation approach, modelling, and assumptions (including discount rates) applied to the offshore wind assets are appropriate and reasonably reflect the present value of The Crown Estate's right to receive future income.

The disclosures within notes 3 and 15 of the financial statements provide further details of the key assumptions underpinning the valuations and the sensitivity of the valuations to a change in assumptions.

Revenue Recognition

Description of risk	
There is a presumption in ISA 240 (UK) that there are risks of fraud through revenue recognition, in particular where performance is measured in terms of revenue growth or profit. Auditors are required to assess the risk for each revenue stream. Total revenue in 2024/25 was £1,631.8 million (2023/24: £1,576.2 million) comprising £451.2 million (2023/24: £435.4 million) of lease contractual rental income, £1,073.3 million (2023/24: £1,039.8 million) Offshore wind option fees, £37.5 million service charge (2023/24: £40.1 million) and £69.8 million (2023/24: £60.9 million) other revenue streams such as royalties for the extraction of minerals and other miscellaneous income. I recognise a risk of fraud in the recognition of all revenue for 2024/25 and this is mainly because of the risks inherent in offshore wind option fees and the complexity associated with The Crown Estate's decision to insource activity related to the management of its London property portfolio. Accordingly, I am unable to rebut the significant risk for lease revenue or the other revenue streams mentioned above. Furthermore, I consider that there is an inherent risk of fraud because management bonuses are rewarded based on KPIs, some of which incorporate a consideration of The Crown Estate's overall profit, providing an incentive for the overstatement of revenue. I also note that The Crown Estate continued to recognise option fees income from the offshore wind leasing Round 4. During 2024/25, option payments have continued to be released from deferred income following confirmation that Agreements for Leases were signed during in 2022/23. I consider there is a risk surrounding the calculations of the Round 4 income recognition meaning I cannot rebut the presumption fully for this revenue stream. For the year ended 31 March 2025, I have recognised a risk in the recognition of all revenue.	
How the scope of my audit responded to the risk	My audit procedures included: – Obtaining an understanding of the design and implementation of controls in place at The Crown Estate over the processing of revenue by conducting a walkthrough test; – Testing a sample of other income and lease revenue to source documentation to confirm transactions have been recorded accurately and in the correct period; – Testing a sample of year-end receivables and accrued income to source documentation to confirm that these are correctly valued and genuine receivables at year end, reviewing the expected credit loss provision against lease revenue to ensure that it is IFRS compliant and calculated reasonably; – Confirming that statutory transfers of capital expenditure made between the capital and revenue accounts are appropriate and in accordance with the Crown Estate Act 1961 by agreeing transfers to source documentation; – Considering the reasonableness of the assumptions applied by The Crown Estate in the recognition of Round 4 revenue by verifying the key input of the inflation factor to an independent source and recalculating the application of the annual inflationary uplift; – Critically assessing the appropriateness of Round 4 revenue recognition against the requirements of IFRS 15; and – Testing the accuracy of Round 4 revenue and valuation of deferred income through agreement to source data including lease agreements and bank statements, and recalculating the application of the annual inflationary uplift applied to option fees. **Key observations** I found The Crown Estate's key controls over the recognition of revenue to be designed and implemented adequately. I did not identify any significant issues from my sample testing of rental and non-rental income, receivables and accrued income. In respect of Round 4 income I: – Was satisfied with the assumptions used by The Crown Estate in determining the revenue; – Confirmed that performance obligations in the Round 4 contracts were satisfied for The Crown Estate to recognise the revenue; – Confirmed the accuracy of the Round 4 revenue calculations; and confirmed that the deferred income liability was reduced by the amount recognised in Round 4 income.

Migration of data into IT systems	
Description of risk During 2024/25, The Crown Estate brought two external managing agent mandates back in house. This involved the transfer of data relating to service charge income from external IT systems into The Crown Estate's Horizon system. The omission of such data could ultimately lead to material misstatement within the financial statements. The implementation of a new system also poses a significant risk to the integrity and validity of financial reporting if change management processes are not robust, and the new system is not correctly tested and implemented. Furthermore, there is a risk that the different database structures within the two applications could compromise the accuracy of the data being transferred over, with this potentially having an impact on the values reported for service charge income in the financial statements. The migration could also lead to a loss of data and accounting records during transfer. Such a loss of data may result in a risk that during the audit, I am unable to obtain sufficient and appropriate evidence to support transactions entered into by The Crown Estate.	
How the scope of my audit responded to the risk	My audit procedures included: – Using IT specialists within our team to obtain an understanding of the overall IT environment at The Crown Estate and document key features of the control environment, particularly around the handling of data transfers; – Using IT specialists within my team to review the project mobilisation, system requirements and design and governance of the transition; and – Confirming the completeness and accuracy of the data migration by reperforming the reconciliation of data between the old and new systems, confirming that the migrated data was complete and accurate, and that no data was lost in the migration process. **Key observations** I obtained sufficient appropriate evidence to conclude that a material misstatement had not occurred in the financial statements as a result of the IT system upgrade and associated data migration.

Application of materiality

Materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for The Crown Estate and its Group's financial statements as a whole as follows:

	Group	The Crown Estate
Materiality	£263.8 million	£262.8 million
Basis for determining overall account materiality	1.5% of gross assets of £17,565.5 million (1.5% of gross assets of £17,737.4 million in 2023/24)	1.49% of gross assets of £17,647.7 million (1.49% of gross assets of £17,843.2 million in 2023/24)
Rationale for the benchmark applied	I chose gross assets as a benchmark as I consider it to be the principal consideration for users assessing the financial performance of The Crown Estate and its Group. This is because The Crown Estate's objective is to maintain and enhance the value of its estate and the return obtained from it. This benchmark was considered individually for both the Group and The Crown Estate. However, due to the nature of the structure of The Crown Estate, I have concluded that the same rationale is applicable for both parent and Group.	

I determined that for financial statement components connected with the consolidated revenue account, misstatements of a lesser amount than overall materiality could influence the decisions of users of the accounts given the consolidated revenue account profit is distributable to the Consolidated Fund. I therefore determined that the level to be applied to these components is £51.0 million (£52.6 million for 31 March 2024), being approximately 10% of the underlying profit, with adjustments for Round 4 option fee revenue and statutory transfers.

Performance Materiality
I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality of the financial statements as a whole. Group performance materiality was set at 80% of Group materiality for the 2024/25 audit (2023/24: 75%). In determining performance materiality, I have also considered the low level of uncorrected misstatements identified in the previous periods, and that there have been no significant changes to The Crown Estate's financial reporting process during the year.

Other Materiality Considerations
Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

Error Reporting Threshold
I agreed with the Audit Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences reported to the Audit Committee have increased assets by £5.3 million.

Audit scope

The scope of my Group audit was determined by obtaining an understanding of The Crown Estate, its Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Total assets for the Group at 31 March 2025 are £17,565.5 million. The Crown Estate (parent) held assets of £17,647.7 million as at 31 March 2025.

My Group audit approach focused on those balances assessed as being of the greatest significance to the Group financial statements and their users. In establishing an overall approach, I considered the size and risk characteristics of the component entities' financial information and determined the type of work that needed to be performed on each.

The parent is individually significant by virtue of its size and I have audited its full financial information. The remaining consolidating (subsidiary) entities have been subjected to audit work for the purpose of confirming that there is no risk of material misstatement within these entities to the Group financial statements.

In addition, I have completed specific audit procedures on the material transactions and balances within The Crown Estate's joint ventures' financial information to confirm its share of joint venture net assets and profit as included under the equity method in the Group accounts.

This work covered substantially all of the Group's assets and net income, and together with the procedures performed at Group level, gave us the evidence I needed for my opinion on the Group financial statements as a whole.

Other Information

The other information comprises the information included in the Strategic Report, Governance and Additional Information sections of the Integrated Annual Report and Accounts, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration Committee Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Crown Estate Act 1961.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Governance sections of the Integrated Annual Report and Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Governance sections of the Integrated Annual Report and Accounts have been prepared in accordance with the applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes, and about share capital structures, in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- Information about The Crown Estate's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which I report by exception

In the light of the knowledge and understanding of The Crown Estate and its Group and their environment obtained in the course of the audit, I have not identified material misstatements:

- in the Strategic Report or the Governance sections of the Integrated Annual Report and Accounts; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA rules.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by The Crown Estate and the Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Remuneration Committee report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's directions issued under the Crown Estate Act 1961 have not been made; or
- the Governance section of the Integrated Annual Report and Accounts does not reflect compliance with HM Treasury's guidance.

Corporate governance statement

The Listing Rules require me to review the Board's and the Accounting Officer's statement in relation to going concern, longer-term viability and that part of the Governance section of the Integrated Annual Report and Accounts relating to The Crown Estate's and its Group's compliance with the provisions of the UK Corporate Governance Code specified for my review.

Based on the work undertaken as part of my audit, I have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or my knowledge obtained during the audit:

- Board's statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49;
- Board's and Accounting Officer's explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 49;
- Accounting Officer's statement on fair, balanced and understandable set out on page 88;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 58-65;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 58-65; and
- The section describing the work of the Audit Committee set out on pages 97-101.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Accounting Officer's Statement, the Chief Executive as the Accounting Officer and the Board are responsible for:

- Maintaining proper accounting records;
- Providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Providing the C&AG with additional information and explanations needed for his audit;
- Providing the C&AG with unrestricted access to persons within The Crown Estate from whom the auditor determines it necessary to obtain audit evidence;
- Ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- Preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Crown Estate Act 1961 and applicable law;
- Preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Crown Estate Act 1961 and applicable law; and
- Assessing The Crown Estate and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer and Board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Crown Estate Act 1961 and applicable law.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- Considered the nature of the sector, control environment and operational performance including the design of The Crown Estate and its Group's accounting policies, key performance indicators and performance incentives.
- Inquired of management, The Crown Estate's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The Crown Estate and its Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Crown Estate and its Group's controls relating to The Crown Estate's compliance with the Crown Estate Act 1961 and Managing Public Money,
- Inquired of management, The Crown Estate's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- Discussed with the engagement team including involving valuation expert and IT audit specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Crown Estate and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Crown Estate and Group's framework of authority and other legal and regulatory frameworks in which The Crown Estate and Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Crown Estate and its Group. The key laws and regulations I considered in this context included the Crown Estate Act 1961, Managing Public Money, relevant property, health and safety, employment, pensions and tax legislation.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

Audit response to identified risk
To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and Head of Legal concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I completed the audit procedures detailed within the Key audit matters section of my audit certificate in respect of revenue to address the risk of fraud through revenue recognition.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including IT auditors and in-house valuation experts and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities
I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report
I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office

157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

25 June 2025

Consolidated statements of comprehensive income

Consolidated revenue account for the year ended 31 March

	Note	2024/25 £m	2023/24 £m
Revenue	4	**1,632**	1,576
Expenses	5	**(236)**	(206)
Operating profit		**1,396**	1,370
Net finance income	7	**160**	125
Share of profit from joint ventures	16	**31**	28
Share of profit from other property investments	17	**1**	1
Parliamentary supply finance	11	**2**	2
Underlying profit		**1,590**	1,526
Depreciation of tangible fixed assets	8	**(4)**	(3)
Statutory transfers	8	**(437)**	(422)
Consolidated revenue profit		**1,149**	1,101

Consolidated statement of comprehensive income of the revenue account

Consolidated revenue profit		**1,149**	1,101
Item that will not be reclassified subsequently to revenue profit:			
Re-measurement gain/(loss) in retirement benefits		**4**	(1)
Total consolidated comprehensive income of the revenue account		**1,153**	1,100

Consolidated capital account for the year ended 31 March

	Note	2024/25 £m	2023/24 £m
Capital account expenditure		**(80)**	(38)
Net revaluation loss in investment properties (including gain on disposal)	9	**(868)**	(1,691)
Share of revaluation gain/(loss) in joint ventures (including gain on disposal)	9	**22**	(41)
Share of revaluation gain in other assets (including capital distribution)	9	**4**	1
Capital loss before transfers from the revenue account to the capital account		**(922)**	(1,769)
Statutory transfers	8	**437**	422
Consolidated capital account loss		**(485)**	(1,347)

Consolidated statement of comprehensive income of the capital account

Consolidated capital account loss		**(485)**	(1,347)
Items that will not be reclassified subsequently to capital account profit:			
Revaluation gain in owner occupied properties	9	**8**	21
Total consolidated comprehensive loss of the capital account		**(477)**	(1,326)

The Crown Estate Act 1961 specifies certain distinctions between capital and revenue transactions. The consolidated revenue account represents income generated from managing the portfolio of assets, net of any associated costs and, by agreement with the Treasury, certain adjustments between the revenue and capital accounts. The consolidated capital account includes gains or losses on disposal of investment properties, revaluation gains or losses, staff and other relevant costs incurred to enhance the estate and the adjustments with the revenue account noted above. Further detail can be found in note 1.

A total comprehensive income of the revenue account of £1,153 million (2023/24: £1,100 million) and a total comprehensive loss of the capital account of £502 million (2023/24: £1,312 million loss) are recorded in the financial statements of the Parent for the year ended 31 March 2025.

No income statement or statement of comprehensive income is presented for the Parent.

The notes on pages 140-163 form part of these financial statements.

Balance sheets

As at 31 March

	Note	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Assets					
Non-current assets					
Investment properties	13	**12,203**	12,851	**11,851**	12,598
Owner occupied properties	14	**205**	180	**205**	180
Investment in joint ventures	16	**556**	612	**556**	612
Other property investments	17	**55**	51	**–**	–
Trade and other receivables	18	**426**	434	**426**	434
Other assets		**50**	46	**50**	46
Total non-current assets		**13,495**	14,174	**13,088**	13,870
Current assets					
Asset held for sale	13	**–**	18	**–**	18
Trade and other receivables	18	**170**	120	**669**	535
Cash and cash equivalents		**3,901**	3,426	**3,891**	3,420
Total current assets		**4,071**	3,564	**4,560**	3,973
Total assets		**17,566**	17,738	**17,648**	17,843
Liabilities					
Current liabilities					
Payables and deferred income	19	**2,505**	2,192	**2,499**	2,184
Provisions	20	**–**	5	**–**	5
Total current liabilities		**2,505**	2,197	**2,499**	2,189
Non-current liabilities – payables and deferred income	19	**73**	80	**73**	80
Total liabilities		**2,578**	2,277	**2,572**	2,269
Net assets		**14,988**	15,461	**15,076**	15,574
Capital and reserves					
Revenue reserve available for distribution to the Consolidated Fund		**4**	3	**4**	3
Pension reserve		**11**	8	**11**	8
Capital reserve		**14,881**	15,361	**14,969**	15,474
Revaluation reserve		**92**	89	**92**	89
Total capital and reserves		**14,988**	15,461	**15,076**	15,574

The notes on pages 140-163 form part of these financial statements.

Dan Labbad
Chief Executive, Second Commissioner and Accounting Officer

17 June 2025

Statements of changes in capital and reserves

For the year ended 31 March

Group	Revenue account: Revenue reserves available for distribution to the Consolidated Fund £m	Revenue account: Pension reserve £m	Revenue account: Total £m	Capital account: Capital reserve £m	Capital account: Revaluation reserve £m	Capital account: Total £m	Total £m
As at 1 April 2024	**3**	**8**	**11**	**15,361**	**89**	**15,450**	**15,461**
Net consolidated profit/(loss) for the year	**1,149**	**–**	**1,149**	**(485)**	**–**	**(485)**	**664**
Other consolidated comprehensive income:							
Revaluation gain in owner occupied properties (note 14)	**–**	**–**	**–**	**–**	**8**	**8**	**8**
Re-measurement gain in retirement benefits	**–**	**4**	**4**	**–**	**–**	**–**	**4**
Total consolidated comprehensive profit/(loss) for the year ended 31 March 2025	**1,149**	**4**	**1,153**	**(485)**	**8**	**(477)**	**676**
Transfer from owner occupied reserve	**–**	**–**	**–**	**5**	**(5)**	**–**	**–**
Pension reserve adjustment	**1**	**(1)**	**–**	**–**	**–**	**–**	**–**
Payable to the Consolidated Fund in respect of current year net revenue profit (note 12)	**(1,149)**	**–**	**(1,149)**	**–**	**–**	**–**	**(1,149)**
As at 31 March 2025	**4**	**11**	**15**	**14,881**	**92**	**14,973**	**14,988**

Group	Revenue account: Revenue reserves available for distribution to the Consolidated Fund £m	Revenue account: Pension reserve £m	Revenue account: Total £m	Capital account: Capital reserve £m	Capital account: Revaluation reserve £m	Capital account: Total £m	Total £m
As at 1 April 2023	4	8	12	16,719	57	16,776	16,788
Net consolidated profit/(loss) for the year	1,101	–	1,101	(1,347)	–	(1,347)	(246)
Other consolidated comprehensive income:							
Revaluation gain in owner occupied properties (note 14)	–	–	–	–	21	21	21
Re-measurement loss in retirement benefits	–	(1)	(1)	–	–	–	(1)
Total consolidated comprehensive profit/(loss) for the year ended 31 March 2024	1,101	(1)	1,100	(1,347)	21	(1,326)	(226)
Transfer to owner occupied reserve	–	–	–	(11)	11	–	–
Pension reserve adjustment	(1)	1	–	–	–	–	–
Payable to the Consolidated Fund in respect of current year net revenue profit (note 12)	(1,101)	–	(1,101)	–	–	–	(1,101)
As at 31 March 2024	3	8	11	15,361	89	15,450	15,461

The notes on pages 140-163 form part of these financial statements.

Statements of changes in capital and reserves continued

For the year ended 31 March

Parent	Revenue account			Capital account			Total
	Revenue reserves available for distribution to the Consolidated Fund £m	Pension reserve £m	Total £m	Capital reserve £m	Revaluation reserve £m	Total £m	£m
As at 1 April 2024	**3**	**8**	**11**	**15,474**	**89**	**15,563**	**15,574**
Net profit/(loss) for the year	**1,149**	**-**	**1,149**	**(510)**	**-**	**(510)**	**639**
Other comprehensive income:							
Revaluation gain in owner occupied properties (note 14)	**-**	**-**	**-**	**-**	**8**	**8**	**8**
Re-measurement gain in retirement benefits	**-**	**4**	**4**	**-**	**-**	**-**	**4**
Total comprehensive profit for the year ended 31 March 2025	**1,149**	**4**	**1,153**	**(510)**	**8**	**(502)**	**651**
Transfer from owner occupied reserve	**-**	**-**	**-**	**5**	**(5)**	**-**	**-**
Pension reserve adjustment	**1**	**(1)**	**-**	**-**	**-**	**-**	**-**
Payable to the Consolidated Fund in respect of current year net revenue profit (note 12)	**(1,149)**	**-**	**(1,149)**	**-**	**-**	**-**	**(1,149)**
As at 31 March 2025	**4**	**11**	**15**	**14,969**	**92**	**15,061**	**15,076**

Parent	Revenue account			Capital account			Total
	Revenue reserves available for distribution to the Consolidated Fund £m	Pension reserve £m	Total £m	Capital reserve £m	Revaluation reserve £m	Total £m	£m
As at 1 April 2023	4	8	12	16,818	57	16,875	16,887
Net profit/(loss) for the year	1,101	–	1,101	(1,333)	–	(1,333)	(232)
Other comprehensive income:							
Revaluation gain in owner occupied properties (note 14)	–	–	–	–	21	21	21
Re-measurement loss in retirement benefits	–	(1)	(1)	–	–	–	(1)
Total comprehensive profit for the year ended 31 March 2024	1,101	(1)	1,100	(1,333)	21	(1,312)	(212)
Transfer to owner occupied reserve	–	–	–	(11)	11	–	–
Pension reserve adjustment	(1)	1	–	–	–	–	–
Payable to the Consolidated Fund in respect of current year net revenue profit (note 12)	(1,101)	–	(1,101)	–	–	–	(1,101)
As at 31 March 2024	3	8	11	15,474	89	15,563	15,574

The notes on pages 140-163 form part of these financial statements.

Statements of cash flows

For the year ended 31 March

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Operating profit – consolidated revenue account	**1,396**	1,370	**1,388**	1,360
Increase in provisions for retirement benefits	**2**	–	**2**	–
(Increase)/decrease in receivables	**(25)**	12	**(63)**	18
Increase in payables	**101**	44	**103**	42
(Decrease)/increase in provisions	**(5)**	1	**(5)**	1
Cash generated from operating activities	**1,469**	1,427	**1,425**	1,421
Interest received	**160**	119	**160**	119
Revenue distributions from investments in joint ventures and subsidiaries	**36**	32	**36**	32
Distributions received from other property investments	**1**	1	**-**	–
Net cash inflow from operating activities	**1,666**	1,579	**1,621**	1,572
Cash flows from investing activities				
Acquisition of investment properties	**(122)**	(10)	**(82)**	(6)
Capital expenditure on investment properties	**(282)**	(175)	**(281)**	(174)
Proceeds from disposal of investment properties	**132**	107	**132**	107
Other capital receipts	**-**	14	**-**	14
Net investment in joint ventures	**(3)**	(5)	**(3)**	(5)
Acquisition of business	**-**	(4)	**-**	(4)
Purchase of plant and equipment (net of proceeds from disposals)	**(5)**	(3)	**(5)**	(3)
Proceeds from disposal of joint venture	**37**	-	**37**	-
Net cash outflow from investing activities	**(243)**	(76)	**(202)**	(71)
Cash flows from financing activities				
Finance lease payments	**(1)**	(2)	**(1)**	(2)
Parliamentary supply finance	**2**	2	**2**	2
Net cash inflow from financing activities	**1**	–	**1**	–
Net increase in cash and cash equivalents before Consolidated Fund payment	**1,424**	1,503	**1,420**	1,501
Consolidated Fund payment	**(949)**	(483)	**(949)**	(483)
Increase in cash in the year after Consolidated Fund payment	**475**	1,020	**471**	1,018
Cash and cash equivalents at start of the year	**3,426**	2,406	**3,420**	2,402
Cash and cash equivalents at end of the year	**3,901**	3,426	**3,891**	3,420

The notes on pages 140-163 form part of these financial statements.

1. Basis of preparation

The consolidated financial statements incorporate the financial statements of The Crown Estate. The financial statements have been prepared in accordance with UK adopted international accounting standards (IFRS and IFRIC Interpretations), section 2(5) of the Crown Estate Act 1961 (the Act) and directions made by the Treasury.

The Accounts Direction from the Treasury requires that the financial statements are prepared in accordance with UK adopted international accounting standards and in accordance with the Companies Act 2006 as far as they are applicable to large private companies and to The Crown Estate.

The Board's assessment of going concern was carried out in the context of the 1961 and 2025 Act, which both constitutes The Crown Estate and places certain restrictions on us as outlined on page 49.

The Board has assumed the Act will continue in place throughout the period of assessment. The structured payment process for our net revenue profit, which includes consideration of contingent liabilities, is set out in our Framework Document, which provides resilience in revenue cash over the long term.

The Board's process for assessment of going concern included consideration of: the strength of our balance sheet including cash balances; our principal risks (which are detailed on pages 61-65); our risk appetite; our strategy; the breadth of our customer base; the range of sectors in which we operate; and our financial forecasts, including our ability to control the pace of investment.

The going concern assessment was completed over the period to 30 September 2026 and confirms that we hold sufficient cash to meet our liabilities for the period under review without any further income.

These financial statements are prepared in sterling, which is the functional currency of The Crown Estate, and rounded to the nearest million pounds.

Impact of the Crown Estate Act 1961 on the financial statements

The Crown Estate is a body corporate regulated by the Act and domiciled in the UK. The provisions of the Act specify certain distinctions between capital and revenue reflecting the Report of the Committee on Crown Lands before the Act was passed, to the effect that The Crown Estate resembles a trust, in which the revenue beneficiary is the Exchequer and the capital is held for His Majesty and His successors.

The revenue account represents income generated from managing the portfolio of assets on behalf of His Majesty and His successors, net of any associated costs and subject to the charge from revenue for salary costs for certain staff and the transfers between the capital and revenue accounts as required by statutory provisions and the Framework Document between The Crown Estate and the Treasury.

The capital account includes gains or losses arising on disposal of assets from the portfolio, revaluation gains or losses, the premium arising on the grant of certain leases and other adjustments with the revenue account noted above.

The Act requires that capital and revenue accounts are distinguished in the financial statements. Staff and other relevant costs incurred to enhance the assets are charged to the capital account as appropriate.

The Act specifies that:

- any sum received by way of premium on the grant of a lease shall be carried to the revenue account if the lease is for a term of 30 years or less and to the capital account if the lease is for a term exceeding 30 years
- net earnings from mineral workings shall be carried one half to the capital account and one half to the revenue account

To meet the requirements of the Act, and the directions made by the Treasury:

- separate income statements are presented for the revenue and capital accounts
- movements in comprehensive income are analysed between the revenue and capital accounts

Statutory transfers

The Act places a statutory duty on the Commissioners to maintain and enhance the value of the estate. It allows adjustments between revenue and capital accounts for this purpose. The Board has agreed with the Treasury a transfer from the revenue to the capital account of an amount equivalent to 27% of the current year's revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment.

Changes in accounting policies

These financial statements have been prepared on a consistent basis as those presented for the year ended 31 March 2024, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year as shown below.

New standards adopted during the year

The following standards, amendments and interpretations were effective for the first time for the Group's current accounting period. They did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- IAS 1 (amended) – Classification of liabilities as current or non–current, Non–current Liabilities with Covenants
- IAS 7 and IFRS 7 (amended) – Supplier Finance Arrangements
- IFRS 16 (amended) – Lease Liability in a Sale and Leaseback

Standards in issue but not yet effective

The following standards, amendments and interpretations were in issue at the date of approval of these financial statements but were not yet effective for the current accounting period and have not been adopted early. Based on the Group's current circumstances The Crown Estate does not anticipate that their adoption in future periods will have a material impact on the financial statements of the Group, with the exception of IFRS 18 where The Crown Estate is assessing its potential impact.

- IAS 21 (amended) – The Effects of Changes in Foreign Exchange rates
- IFRS 7 and IFRS 9 (amended) – Classification and Measurement of Financial Instruments
- IFRS 10 and IAS 28 (amended) – Sale or Contribution of Assets between an investor and its Associate or Joint venture
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability Disclosures

2. Significant accounting policies

2a. Basis of consolidation

The consolidated financial statements for the year ended 31 March 2025 incorporate the financial statements of The Crown Estate and all of its subsidiary undertakings. Subsidiary undertakings are those entities controlled by The Crown Estate. The Crown Estate controls an entity when it is exposed to, or has rights to, variable returns from the entity and has an ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

2b. Properties

Investment properties are those which are held to earn rental income or for capital appreciation or for both. Investment properties and those in the course of development are held at fair value, which is considered to be open market value.

Investment properties are measured initially at cost, including related transaction costs. Additions to investment properties consist of costs incurred in relation to capital activities. At the balance sheet date investment properties are revalued to fair value.

Offshore wind, energy, mineral and other marine assets are valued only where a letting or licence exists, where a lease has been entered into, or where an interest is expected to provide either a revenue cash flow or capital receipt within the foreseeable future.

Gains or losses arising on revaluing investment properties are recognised in the consolidated capital account.

Fair value measurement of investment property

Properties are valued by independent external valuers at the balance sheet date. The valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards (Red Book Global Standards) and the RICS Valuation Practice Guidance Application 1.

IFRS 13 requires the use of valuation techniques for which sufficient data is available, maximising the use of observable inputs and minimising the use of unobservable inputs. The degree of detail of the disclosure depends on the observability of the inputs used. For this purpose, IFRS 13 establishes a fair value hierarchy that classifies the inputs into three levels:

- Level 1: unadjusted quoted prices in active markets
- Level 2: observable inputs other than quoted prices included within level 1
- Level 3: unobservable and observable inputs where significant adjustments have been applied

Investment properties under development

Investment properties under development comprise properties subject to a major programme of redevelopment or development. They are categorised as such from the start of the programme until practical completion.

Owner occupied properties

The Crown Estate treats as owner occupied: properties occupied in the course of business; properties where significant ancillary services are provided by The Crown Estate to its customers; and certain dwellings occupied by staff and pensioners at the Windsor Estate. Any gains or losses arising on the revaluation of properties occupied by The Crown Estate are taken to revaluation reserve unless any loss in the period exceeds any cumulative gains previously recognised in the revaluation reserve. In this case, the amount by which the loss in the period exceeds the net cumulative gain previously recognised is recorded in the consolidated capital account.

Disposals

Disposals are recognised at the date of legal completion or the date on which a long lease interest is granted to a customer. Gains and losses arising on disposal are recognised through the consolidated capital account. The gain or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the date of disposal plus any costs directly incurred as a result of the sale.

Property assets held for sale

The Crown Estate will report assets as held for sale when a contract to sell the property has been exchanged, the property is immediately available for sale in its current condition, the sale is expected to complete within one year of the balance sheet date and it is highly likely the transaction will complete.

2c. Joint arrangements – joint ventures

A joint venture is a joint arrangement whereby The Crown Estate has joint control and has rights to its share of the net assets of the arrangement. Joint ventures are accounted for under the equity method. The balance sheet incorporates The Crown Estate's share of the net assets of the joint venture. The consolidated revenue account incorporates the share of the joint venture's profit after tax and the consolidated capital account incorporates The Crown Estate's share of revaluation of investment properties including gains and losses on disposal.

2d. Joint arrangements – joint operations

A joint operation is a joint arrangement whereby contractually there is an agreed sharing of control, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Crown Estate accounts for joint operations by recognising its share of assets, liabilities, income and expenses on a line-by-line basis.

2e. Other property investments

Other property investments are shown at fair value which is equivalent to the share of net asset value (NAV).

2. Significant accounting policies continued

2f. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less and customer deposits.

2g. Leases

At the inception of a contract, The Crown Estate assesses whether a contract contains a lease. A contract contains a lease if the contract conveys the right for either The Crown Estate or its customers to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, The Crown Estate assesses whether:

- the contract involves the use of an identified asset, which is physically distinct or represents substantially all of the capacity of a distinct asset and there are no substantive substitution rights
- the contract conveys the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- the lessee has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, The Crown Estate allocates the consideration in the contract to each component on the basis of their relative stand-alone prices. However, for the leases of buildings and motor vehicles in which it is a lessee, The Crown Estate has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Crown Estate as a lessor

Where The Crown Estate acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, The Crown Estate makes an overall assessment of whether the lease substantially transfers all of the risks and rewards of ownership of the underlying asset to the lessee. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When The Crown Estate is an intermediate lessor, it accounts for its interests in the headlease and the sub-lease(s) separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the headlease, not with reference to the underlying asset. If an arrangement contains lease and non-lease components, The Crown Estate applies IFRS 15 to allocate the consideration in the contract.

Operating leases

Leases granted to customers where substantially all the risks and rewards of ownership are retained by The Crown Estate as lessor are classified as operating leases. Under the requirements of the Act, a lease premium received on the grant of a lease with a term of 30 years or less is recorded within the revenue account.

The Crown Estate recognises lease payments received for operating leases on a straight-line basis over the lease term from the date of lease commencement to the earliest termination date within the revenue account. This includes applying adjustments for lease incentives, such as rent-free periods and contributions towards tenant costs. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews.

Finance leases

Where the grant of an extended lease includes deferred payments, the asset is derecognised as investment property and recognised as a finance lease receivable equal to the net investment in the lease at inception. Rentals received are accounted for as repayments of principal and finance income as appropriate. Lease income is recognised within the revenue account at a constant rate of return over the period of the lease. A lease premium received on the grant of a lease with terms of more than 30 years or more is recorded within the capital account.

The Crown Estate as a lessee

The Crown Estate recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset related to investment properties is recognised as an asset as the sum of the premium paid on acquisition and the present value of minimum lease payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a finance lease obligation.

The Crown Estate presents right-of-use assets as either investment property or property, plant and equipment on the balance sheet, depending on the nature of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using The Crown Estate's theoretical incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments. The lease liability is measured at amortised cost using the effective interest method.

The Crown Estate has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Crown Estate recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting policies continued

2h. Revenue

Lease revenue and non–lease revenue are recorded net of VAT and only to the extent that economic benefit is expected to flow to The Crown Estate.

Lease revenue

The majority of The Crown Estate income arises from leases, the accounting for which is described in note 2g.

Non–lease revenue

Non–lease revenue is recognised using a five–step model: identification of the contract; identification of the performance obligations within the contract; determination of the transaction price; allocation of the price to the performance obligations; and then revenue is recognised as the performance obligations are met.

The different types of non–lease revenue are described below:

- **Option fee revenue**
  Option fee revenue is received from customers in return for exclusivity over certain areas of the seabed for the purpose of future construction of an offshore wind farm. Option fee revenue is recognised on a straight–line basis over the period to the next available break clause.

- **Service charge revenue**
  The Crown Estate incurs certain costs in relation to properties that are occupied by its customers which, as is common with commercial leases, are recharged to its customers. Service charge income is reported separately, as it represents a separate performance obligation. Service charge income is recognised as associated costs are incurred.

- **Royalty income**
  Royalty income is received in return for the extraction of minerals and aggregates from the land and seabed by customers or their agents. Royalty income is recognised as the minerals are extracted and is invoiced semi–annually in arrears.

  In respect of both royalty income and service charge income, contracts, performance obligations and prices relating to performance obligations are clearly defined in writing and revenues are actually received as performance obligations are met.

- **Licence revenue**
  Licence revenue arises primarily from granting customers rights to lay under–sea pipes or cables and granting coastal rights, such as mooring fees. Licences share many of the same terms and attributes as leases, but do not qualify as leases as the asset is not explicitly identified within the contract. Revenue from licences is recognised on a straight–line basis over the term of the licence and is reported separately from lease revenue.

  Customers typically pay licence fees and service charges before the services are rendered and are primarily commercial organisations that operate across a wide range of sectors.

- **Other revenue**
  The majority of other revenue relates to admission fees, and the sale of goods and services at Windsor Great Park. These sales are typically to the general public and are not subject to the same formal contracts as other revenue streams. Revenue is recognised when cash is received, which is typically also the point when the goods or services are provided.

- **Property management and support services to partners**
  The cost of property management and support services provided to joint venture and joint operating partners in relation to the properties managed is recognised evenly across the period over which the services are provided.

2i. Taxation

The Crown Estate is not subject to corporation, income or capital gains tax. The consolidated revenue account profit is paid in instalments to the Consolidated Fund as described in note 12. As a result of this unique position, The Crown Estate does not recognise any deferred tax.

2j. Financial instruments

The Crown Estate holds the following financial assets: equity and partnership interests; joint venture interests; net pension assets; trade and other receivables; and finance lease receivables. The Crown Estate has no financial liabilities except trade and other payables and finance lease liabilities. There are no embedded derivatives within these contracts.

IFRS 9 does not apply to: pension assets which are subject to IAS 19; finance lease receivables and payables which are subject to IFRS 16; or interests in subsidiaries, associates and joint ventures which are subject to IFRS 10, IAS 27 and IAS 28. The Crown Estate's equity investments are not subject to IFRS 10, IAS 27 or IAS 28.

Trade receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. The Group assesses on a forward–looking basis the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non–current assets.

3. Significant judgments, key assumptions and estimates

The preparation of these financial statements requires The Crown Estate to make certain judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, expenses and related disclosures. In the process of applying the accounting policies, which are outlined in note 2, The Crown Estate has made no individual judgments that have a significant impact on the financial statements, except those involving estimates that are outlined below.

3a. Offshore wind farm valuations

Offshore wind farms are valued using a discounted cash flow methodology. The Crown Estate receives cash income during the following phases: agreement for lease; development; and operational. Complexity and risk in agreement for lease and construction phases introduce variability into the timing, value and occurrence of cash flows, and variability in wind speeds creates volatility in income during the operational phase. Further, the lack of directly comparable transactions for our interests in our offshore wind farms requires a greater degree of valuer judgment than when establishing appropriate discount in comparison with a traditional investment valuation. As a result, and similar to the valuation of investment properties, the valuations of interests in offshore wind farms are subject to a degree of uncertainty and are determined on the basis of assumptions which may change with future events. The cash flows associated with Offshore Wind Leasing Round 4 are explained in detail on page 46. Further details on key assumptions are included within note 15.

3b. Property valuations, including joint ventures

Investment properties and owner occupied properties are shown at fair value as calculated by independent qualified external valuers; further information about valuations is included in note 15. Valuations are based on a number of key assumptions including an estimate of future rental income, anticipated future costs including development expenditure, and discount rates. The valuers compare their valuations to market data for other similar assets and take into account the impact of climate change and related considerations.

3c. Joint venture valuations

Joint ventures primarily comprise property investments and therefore the carrying value includes the same inherent risks as for property assets that are wholly owned. However, certain future expenses, such as property improvements, require the approval of both joint venture partners, increasing the uncertainty over this element of the valuation.

3d. Recoverability of receivables, including lease incentive receivables

Judgment has been applied in assessing the recoverability of receivables including the unamortised balance of historical lease incentives.

Judgment is required in assessing the recoverability of rental and service charge receivables as many debtors are financially stressed and it is unclear how market actions or future interventions could affect recovery of these receivables.

Consistent with market practice, in certain circumstances, The Crown Estate offers commercial customers incentives to enter into operating leases. The revenue adjustments required to account for these incentives on a straight–line basis create a long–term receivable. Consideration of the longer–term recovery period of these receivables is required when assessing the carrying value of these receivables.

The Crown Estate assesses the likely recoverability of receivables for potential provisions which are estimated using an expected credit loss model. To estimate the provision, The Crown Estate considers recent payment history and future expectations of customers' ability to pay in order to recognise a lifetime expected credit loss allowance. Expected credit losses for all receivables are calculated using the simplified approach.

4. Revenue

	2024/25 £m	2023/24 £m
Lease revenue (note 21a)	**451**	435
Finance lease revenue (note 21b)	**10**	10
Round 4 option fee revenue from contracts with customers (note 2h)	**1,073**	1,040
Other revenue from contracts with customers	**55**	46
Property management and support services	**5**	5
Revenue before service charge income	**1,594**	1,536
Service charge income	**38**	40
Revenue – as reported	**1,632**	1,576

Lease revenue and finance lease revenue are recognised in accordance with IFRS 16.

Reported revenue includes £1,171 million of revenue recognised under IFRS 15 (2023/24: £1,127 million).

Further details on option fee revenue from Offshore Wind Leasing Round 4 are provided on page 46.

Licence revenue from under-sea cables, pipelines and interconnectors is £21 million (2023/24: £16 million). Mineral royalty revenue is £27 million (2023/24: £26 million).

5. Revenue account expenses

	2024/25			2023/24		
	Property expenses £m	Administrative expenses £m	Total £m	Property expenses £m	Administrative expenses £m	Total £m
Management fees and costs[1]	**28**	**34**	**62**	24	34	58
Repairs and maintenance	**7**	**–**	**7**	7	–	7
Staff costs (note 6)	**25**	**36**	**61**	19	35	54
Other direct expenditure	**28**	**–**	**28**	19	–	19
Direct expenses	**88**	**70**	**158**	69	69	138
Service charge expenses	**78**	**–**	**78**	68	–	68
Expenses reflected in the revenue account	**166**	**70**	**236**	137	69	206

1. Included in the table above is the auditor's remuneration in respect of its audit of the financial statements of £0.3 million (2023/24: £0.3 million). No non-audit fees have been incurred from the auditor (2023/24: £nil).

6. Staff costs

The total cost of Crown Estate staff (including Board Members) included in direct operating expenses, indirect operating expenses, administrative expenses and the capital account during the year was as follows:

	2024/25 £m	2023/24 £m
Wages and salaries	**71**	61
National insurance	**10**	7
Defined benefit scheme costs	**2**	1
Pension contributions – other pension schemes	**5**	4
Reorganisation and early retirement costs	**1**	–
Total staff costs	**89**	73
Charged to:		
Property expenses (note 5)	**25**	19
Administrative expenses (note 5)	**36**	35
Staff costs reflected in the revenue account	**61**	54
Capital account	**28**	19
Total staff costs	**89**	73

	Number	Number
The average number of staff during the year	**868**	642

The remuneration of The Crown Estate's key management personnel is as disclosed in the Remuneration Committee report on page 117.

7. Net finance income

	2024/25 £m	2023/24 £m
Bank interest income	**159**	125
Retirement benefits – net financing surplus	**1**	–
Net finance income	**160**	125

8. Statutory transfers from the revenue account to the capital account

	2024/25 £m	2023/24 £m
By agreement with the Treasury, the revenue account is charged with an amount as disclosed in note 1:		
Recovery of capital expenditure under the Crown Estate Act 1961 by Treasury Framework Documents	**423**	409
Net earnings from mineral workings carried to the capital account	**14**	13
Statutory transfers from the revenue account to the capital account	**437**	422
Depreciation of tangible fixed assets charged as costs in the revenue account	**4**	3
Total	**441**	425

The Act places a statutory duty on the Commissioners to maintain and enhance the value of the estate. It allows adjustments between the revenue and capital accounts for this purpose. The Board has agreed with the Treasury a transfer from the revenue to the capital account of an amount equivalent to 27% of the current year's proportionally consolidated revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment.

9. Net revaluation gain in properties and investments (including gain on disposal and capital distributions)

	2024/25 £m	2023/24 £m
Reflected in the consolidated capital account		
Revaluation loss in investment properties (note 13)	**(949)**	(1,764)
Revaluation loss in properties classified as finance leases	**(5)**	(19)
Gain on disposal of investment properties	**86**	92
Net revaluation loss in investment properties (including gain on disposal)	**(868)**	(1,691)
Share of revaluation gain/(loss) in joint ventures (note 16)	**22**	(41)
Share of revaluation gain in other assets	**4**	1
Total reflected in the consolidated capital account	**(842)**	(1,731)
Reflected in the statement of comprehensive income of the capital account		
Revaluation gain in owner occupied properties (note 14)	**8**	21
Total	**(834)**	(1,710)

10. Financial instruments

The Crown Estate Act 1961 (the Act), which was in force for the financial year, restricts The Crown Estate to holding land, cash and such other investments as permitted by section 3(4) of the Act. All holdings in land and property must be held directly by The Crown Estate. Geographically, all holdings must be within the United Kingdom. The financial assets held by The Crown Estate are cash equivalents and trade and other receivables.

Risk management

The Board has overall responsibility for the determination of The Crown Estate's risk management objectives as disclosed on pages 58-65. The Crown Estate is subject to credit risk in respect of customers and market risk in respect of investments in property partnerships and estates.

Deposits with banks and financial institutions

The Crown Estate limits its deposits to the UK Debt Management Office, an executive agency of the Treasury, and Prudential Regulation Authority regulated banks, incorporated in the UK or EEA and rated 'A' or above, and diversifies its cash holdings between these institutions. The Crown Estate is not exposed to foreign exchange risk.

Trade and other receivables subject to credit risk

As described in note 3, the credit risk associated with each customer is evaluated carefully on a recurring basis and the aggregate credit risk of The Crown Estate's receivables is managed actively. Receivables are impaired when there is evidence that credit losses may arise and are stated net of the associated provision on the balance sheet. The balance of trade receivables remains low in relation to the overall value of The Crown Estate's assets.

Investments subject to market risk

As described in note 17, The Crown Estate holds a 6.4% share in the equity of The Pollen Estate which is classified as other property investment. This investment is exposed to the risk that the net asset value of the underlying properties will decline and also the marketability of the shares. Both risks are evaluated and quantified by The Crown Estate on a recurring basis.

Financial instruments by category

The Crown Estate's financial assets are cash and cash equivalents, trade and other receivables, other property investments and other financial assets, the carrying values of which are disclosed on the balance sheet. Financial instruments not measured at fair value include trade and other receivables and trade and other payables. Trade receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money.

The Crown Estate's other property investments are measured at fair value. Specific disclosures for these investments are in note 17. The Crown Estate has no financial liabilities measured at fair value. Financial liabilities are measured at amortised cost.

Liquidity risk

The Crown Estate does not hold any debt and does not hedge any cash flows, assets or liabilities. The Crown Estate is subject to liquidity risk; however, in the absence of any borrowing, and given the level of cash currently held, this risk is low. Twelve–month cash flows are maintained to ensure The Crown Estate has sufficient revenue funds, and three–year capital cash flow forecasts are maintained to ensure The Crown Estate has sufficient capital funds for future requirements. Cash holdings are diversified as explained above.

	2024/25 £m	2023/24 £m
Financial liabilities within trade payables	**16**	6

Financial liabilities disclosed above are undiscounted and fall due within three months.

11. Parliamentary supply finance

Under schedule 1(5) of the Act, monies are provided by Parliament towards the cost of Commissioners' salaries and the expenses of their office. The total of such expenses chargeable to the Parliamentary supply finance account for the current year is shown on the face of the revenue account and the detail is reported separately to Parliament as a Parliamentary supply finance account. This arrangement ended when the Crown Estate Act 2025 became effective on 11 May 2025.

12. Payment to the Consolidated Fund

In accordance with section 1 of the Civil List Act 1952, the net revenue account profit generated by The Crown Estate is paid into the Consolidated Fund. The net revenue profit of £1,149 million relating to the year ended 31 March 2025 will be settled using a repayment process in the form agreed with the Treasury. The outstanding balance in relation to the 31 March 2024 net revenue profit has been settled in full, with the final payment of £190 million being settled in April 2025.

	2024/25 £m	2023/24 £m
Amounts due to the Consolidated Fund at the start of the year (note 19)	**1,139**	521
Payments to the Consolidated Fund made in the year	**(949)**	(483)
Amounts due in respect of prior year net revenue profit	**190**	38
Consolidated revenue profit	**1,149**	1,101
Amounts due to the Consolidated Fund at the end of the year (note 19)	**1,339**	1,139

13. Investment properties

	2024/25			2023/24
Group	**Investment properties £m**	**Properties under development £m**	**Total £m**	**Investment properties £m**
At opening valuation (before lease incentives)	**12,637**	**229**	**12,866**	14,503
Acquisitions	**122**	**–**	**122**	10
Capital expenditure	**133**	**73**	**206**	150
Transfers from/(to) other categories	**136**	**(136)**	**–**	–
Net transfer to owner occupied properties	**(14)**	**–**	**(14)**	(22)
Transfer from investment in joint ventures	**38**	**–**	**38**	–
Disposals	**(66)**	**–**	**(66)**	(11)
Revaluation (loss)/gain	**(979)**	**30**	**(949)**	(1,764)
At closing valuation (before lease incentives)	**12,007**	**196**	**12,203**	12,866
Net finance lease payable	**–**	**–**	**–**	3
Asset held for sale	**–**	**–**	**–**	(18)
Closing fair value – as reported	**12,007**	**196**	**12,203**	12,851
Reconciliation to valuation				
At closing valuation (before lease incentives)	**12,007**	**196**	**12,203**	12,866
Investment properties treated as finance leases (note 21b)	**403**	**–**	**403**	408
Lease incentives	**15**	**–**	**15**	12
Market value	**12,425**	**196**	**12,621**	13,286

All properties classified as investment properties under development are within the Urban business unit which was formed through the merging of the London and Regional business units.

Group and Parent

The property portfolio was valued on 31 March 2025 by independent accredited external valuers with a recognised relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The valuation methods used are in accordance with RICS and those recommended by the International Valuation Standards Council and are consistent with the principles in IFRS 13. More information about the fair value measurement is set out in note 15.

Investment property valuations are complex and derived using estimates of future income and property transactions that are not publicly available. Consequently, all investment property valuations are classified as level 3 within IFRS 13.

In February 2025, the Group acquired the remaining 50% interest of its joint venture investment in The St James's Market Partnership Group 2 from Oxford Properties Group. The fair value of the properties at the date of acquisition was £76 million, reflected in the table above as a £38 million transfer from joint venture and a £38 million acquisition.

The Crown Estate has a number of joint operations, the most significant of which is with Norges Bank Investment Management (NBIM) under which NBIM has a 25% interest through a 150-year lease of the majority of the properties in Regent Street and a 50% interest in 20 Air Street in London. The Crown Estate's share of jointly controlled assets is £3,459 million at 31 March 2025 (2023/24: £3,400 million) out of the total investment property value of £12,203 million (2023/24: £12,851 million) and other property investments of £55 million (2023/24: £51 million).

Parent	2024/25 Investment properties £m	2024/25 Properties under development £m	2024/25 Total £m	2023/24 Investment properties £m
At opening valuation (before lease incentives)	**12,385**	**229**	**12,614**	14,241
Acquisitions	**82**	**–**	**82**	6
Capital expenditure	**132**	**73**	**205**	148
Transfers from/(to) other categories	**136**	**(136)**	**–**	–
Net transfer to owner occupied properties	**(14)**	**–**	**(14)**	(21)
Disposals	**(66)**	**–**	**(66)**	(11)
Revaluation (loss)/gain	**(1,000)**	**30**	**(970)**	(1,749)
At closing valuation (before lease incentives)	**11,655**	**196**	**11,851**	12,614
Net finance lease payable	**–**	**–**	**–**	2
Classified as assets held for sale	**–**	**–**	**–**	(18)
Closing fair value – as reported	**11,655**	**196**	**11,851**	12,598

The unamortised element of lease incentives granted at 31 March 2025 was £13 million (2023/24: £11 million).

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Market value of freehold investment properties	**12,585**	13,248	**12,232**	12,994
Market value of long leasehold properties	**36**	38	**36**	38
Total market value	**12,621**	13,286	**12,268**	13,032

14. Owner occupied properties

Group and Parent	2024/25 £m	2023/24 £m
Opening fair value	**180**	136
Capital expenditure	**3**	1
Revaluation gain in owner occupied properties	**8**	21
Net transfer from investment properties	**14**	22
Closing fair value	**205**	180

All owner occupied properties are classified as level 3 within the fair value hierarchy.

Information about the valuation and fair value measurement of owner occupied properties is set out in note 15.

15. Fair value measurement of properties

For all investment property that is measured at fair value, the current use of the property is considered the optimal.

Valuation process

The entire portfolio is valued on an annual basis by independent and qualified valuers on a fair value basis in accordance with IFRS 13, the RICS Valuation – Global Standards, and the RICS Valuation Practice Guidance Application 1 regarding valuation for inclusion in financial statements. CBRE Limited (CBRE) is the principal valuer of the London and Regional portfolios and Cushman & Wakefield (C&W) is the valuer of the offshore wind portfolio.

The majority of the London and Regional portfolios are valued on a quarterly basis and a tonal exercise is also undertaken at the half year on the Rural portfolio.

The Crown Estate and its managing agents provide data to the valuers, including current lease and tenant data along with asset–specific business plans. The valuers use this and other inputs including market transactions for similar properties to produce valuations. These valuations and the assumptions they have made are then discussed and reviewed with the Asset Management team and the members of the senior executive team. The annual valuation is presented to, and the process is endorsed by, the Audit Committee. A review is also presented to the Board annually. Valuers' fees are charged on a fixed basis.

Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the consolidated balance sheet.

All are considered as level 3 in the fair value hierarchy.

Valuation techniques used to derive level 3 fair values of Group properties

Class of property	Valuation 2024/25 £m	Valuation 2023/24 £m	Predominant valuation technique	Key unobservable inputs	Range	Principal valuer
London:						
Retail	**1,805**	2,053	Investment	ERV Yield	£34–£800 psf 2.8%–8.0%	CBRE
Offices	**3,413**	3,229	Investment	ERV Yield	£39–£250 psf 2.8%–8.0%	CBRE
Other multi-use	**1,029**	726	Comparable/ Investment	£ psf Yield	£700–£7,300 psf 2.5%–7.9%	CBRE
Total commercial properties	**6,247**	6,008				
Residential	**479**	502	Comparable	£ psf	£245–£5,800 psf	CBRE
Total London	**6,726**	6,510				
Regional:						
Retail and leisure parks	**757**	686	Investment	ERV Yield	£7–£40 psf 5.5%–15.0%	CBRE
Offices	**173**	175	Investment	ERV Yield	£16–£40 psf 5.4%–7.5%	CBRE
Other	**176**	190	Comparable/ Investment	ERV Yield	£3–£52 psf 5.5%–13.0%	CBRE
Total commercial properties	**1,106**	1,051				
Other	**106**	122	Comparable/ Investment	Proportion of vacant possession value Yield	50%–100% 1.5%–20.0%	Strutt & Parker
Total Regional	**1,212**	1,173				
Marine:						
Aggregates	**211**	210	Investment/ DCF	Yield Annual extraction	8.0%–11.0% c.20 million tonnes	Wardell Armstrong
Offshore wind (Rounds 1–3 and 5)	**2,210**	2,154	DCF	Discount rate	5.5%–31.0%	C&W
Offshore wind (Round 4)	**407**	1,522	DCF	Discount rate	12.8%–21.0%	C&W
Coastal	**288**	268	Investment	Yield	2.0%–72.3%	Various
Cables and pipelines	**253**	227	Investment	Yield	5.5%–12.0%	Powis Hughes
Total Marine	**3,369**	4,381				

15. Fair value measurement of properties continued

Class of property	Valuation 2024/25 £m	Valuation 2023/24 £m	Predominant valuation technique	Key unobservable inputs	Range	Principal valuer
Windsor & Rural:						
Agricultural	**981**	889	Comparable/ Investment	Proportion of vacant possession value	50%–100%	Strutt & Parker
				Yield	1.5%–20.0%	
Other	**333**	333	Comparable/ Investment	Yield	1.0%–25.0%	Savills
				Proportion of vacant possession value	23.0%–95.0%	
Total Windsor & Rural	**1,314**	1,222				
Total investment properties	**12,621**	13,286				
Owner occupied properties:						
London	**55**	45	Investment	Yield	4.5%–4.9%	CBRE
				ERV	£110–£115 psf	
Windsor & Rural	**150**	135	Comparable/ Investment	Proportion of vacant possession value	65.0%–95.0%	Savills
				Yield	1.0%–20.0%	
Total owner occupied properties	**205**	180				
Total at valuation	**12,826**	13,466				

Market value of properties on a proportionally consolidated basis

Group	2024/25 £m	2023/24 £m
Investment properties (note 13)	**12,621**	13,286
Owner occupied properties (note 14)	**205**	180
Total at valuation	**12,826**	13,466
Share of investment properties in joint ventures at valuation (note 16)	**560**	609
Other property investments (note 17)	**55**	51
Total value of all properties on a proportionally consolidated basis	**13,441**	14,126

The fair value of investment property is determined using the following valuation techniques:

Investment method

This involves estimating the rental value of each lettable unit within the property, making an assessment of void periods and other costs of letting and then capitalising at an appropriate rate.

Hope value has been included where there is future reversionary potential, eg conversion of offices back to their original use as residential.

Discounted cash flow (DCF)

This involves the projection of cash flows to which an appropriate market-derived discount rate is applied to establish the present value of the income stream.

Comparable method

An indication of value arrived at by comparing information on the subject asset with similar assets for which valuation data is available.

Specific valuation considerations have been applied to the following classes of property:

Wind farms
Values for offshore wind farms are only recognised when cash flows can be estimated reliably. Each wind farm project has been valued individually using a DCF methodology.

The DCF methodology is the typical approach for valuing complex revenue streams and also provides a means to value in a market where there are no directly comparable sales of the seabed subject to a 'ground' lease structure.

Strategic land
Hope value for strategic land is incorporated into the Regional portfolio, discounted to reflect the stage reached in the planning process.

For properties being redeveloped, the residual method has been adopted which involves calculating the potential value when the property has been completed (using the investment method) and then deducting the cost to complete the construction, achieve lettings and appropriate allowances for profit to compensate for the risk of carrying out the development.

Rural and residential properties
These are generally valued using the comparable method and cross-checked with the investment method.

Due to the continued uncertainty surrounding the final detail of the Leasehold and Freehold Reform Act, CBRE issued its 31 March 2025 valuation report relating to The Crown Estate's ground rent residential portfolio with a material valuation uncertainty declaration. The impact of the Leasehold and Freehold Reform Act is not material to our residential portfolio.

Owner occupied residential properties at the Windsor Estate
These have been valued using the comparable method with an appropriate discount to the vacant possession value.

Sustainability considerations
The valuers take into account the condition of properties from a sustainability perspective, considering the Energy Performance Certificate (EPC) rating and other certifications when estimating value.

Sensitivity analysis
The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the investment property are:

Retail, offices and residential
- estimating the rental value of each lettable unit with evidence derived from other recent lettings in the property itself or similar properties nearby, making adjustments for size, specification, location and letting incentives
- estimating the length of time taken and the cost to let vacant space and the likelihood of lease renewals
- deciding the appropriate capitalisation rate to be applied derived from transactions of comparable properties

Rural and residential
- choosing the appropriate discount rate to vacant possession value for differing lengths and types of tenure

Properties under development
- the assessment of the value created on completion and the allowance for construction and letting costs to completion

Strategic land and properties with potential for residential conversion
- inclusion of hope value for a higher value use dependent upon the likelihood, time and cost of achieving that use

Wind farms
- assessing the appropriate discount rate reflecting the risk in the variability and timing of cash flows for offshore wind farms from site exclusivity through to a generating wind farm
- estimating the generation capacity and the timing of milestone achievements
- consideration of historical, current and expected future energy prices

15. Fair value measurement of properties continued

Other

- allowance for the level of volatility on turnover-related valuations, eg offshore wind farms, aggregates and minerals
- assessment of functional lifespan of offshore assets, eg cables and pipelines

Significant increases/(decreases) in the estimated market rental value (ERV) would result in a higher/(lower) fair value measurement.

Significant increases/(decreases) in the long-term vacancy rate or yield would result in a lower/(higher) fair value measurement.

The Crown Estate's properties include multi-use assets, which may be configured with commercial uses and/or residential uses on different floors. Consequently, the sensitivity analysis below has been performed on portfolios as a whole, and the London and Regional portfolio analyses only include commercial assets. The Marine portfolio analysis only includes renewable assets.

The following tables detail the impact changes in ERV and discount rates have on the market value of the commercial assets of the London and Regional portfolios and renewable assets of the Marine portfolio.

		Impact on valuations of 10% change in ERV		Impact on valuations of 0.5% change in yield	
Group – 2024/25	**Market value £m**	**Increase £m**	**Decrease £m**	**Decrease £m**	**Increase £m**
London	**6,247**	**489**	**(523)**	**599**	**(619)**
Regional	**1,106**	**88**	**(85)**	**51**	**(113)**

		Impact on valuations of 0.5% change in discount rates	
Group – 2024/25	**Market value £m**	**Decrease £m**	**Increase £m**
Marine – Offshore Wind Leasing Rounds 1–3 and 5	**2,210**	**104**	**(96)**
Marine – Offshore Wind Leasing Round 4	**407**	**17**	**(16)**

		Impact on valuations of 10% change in ERV		Impact on valuations of 0.5% change in yield	
Group – 2023/24	Market value £m	Increase £m	Decrease £m	Decrease £m	Increase £m
London	6,008	483	(504)	503	(676)
Regional	1,051	76	(84)	29	(118)

		Impact on valuations of 0.5% change in discount rates	
Group – 2023/24	Market value £m	Decrease £m	Increase £m
Marine – Offshore Wind Leasing Rounds 1–3 and 5	2,154	104	(96)
Marine – Offshore Wind Leasing Round 4	1,522	23	(22)

Valuation techniques used to derive level 3 fair values of Parent properties

The valuation of the Parent properties is as disclosed above except as described below:

Class of property	**Valuation 2024/25 £m**	Valuation 2023/24 £m	Predominant valuation technique	Key unobservable inputs	Range	Principal valuer
London:						
Other multi-use	**917**	622	Comparable Investment	£ psf Yield	£1,350–£2,350 psf 5.5%	CBRE
Regional:						
Retail and leisure parks	**590**	537	Investment	ERV Yield	£5–£57.50 psf 5.7%–9.5%	CBRE

16. Investment in joint ventures

In February 2025, The Crown Estate acquired the remaining 50% interest of its joint venture investment in The St James's Market Partnership Group 2 from Oxford Properties Group. On acquisition, properties with a fair value of £38 million were transferred from investment in joint ventures to investment properties (note 13). The remaining net assets of £1 million have been consolidated with The Crown Estate's balances.

In February 2025, The Crown Estate sold its 50% interest in Crown Point to the joint owner, Morley Fund Management, for £37 million.

The assets, liabilities, revenues and expenses of The Crown Estate's primary joint ventures at 100% were as follows:

	London			Regional				Total
	Maple Investment LP £m	The St James's Market Partnership Group £m	The St James's Market Partnership Group 2 £m	Crown Point £m	The Gibraltar LP £m	Westgate Oxford Alliance LP £m	Wexford Retail LP[1] £m	£m
Balance sheet at 31 March 2025								
Investment properties at valuation	178	425	–	–	–	235	282	1,120
Lease incentives	–	–	–	–	–	(6)	(11)	(17)
Cash and cash equivalents	4	11	–	–	–	11	10	36
Other assets	5	11	–	–	–	13	20	49
Current liabilities	(7)	(11)	–	–	–	(13)	(46)	(77)
Net assets	**180**	**436**	**–**	**–**	**–**	**240**	**255**	**1,111**
Comprehensive income statement for the year ended 31 March 2025								
Revenue before service charges	8	18	1	4	–	28	18	77
Expenses	(3)	(3)	–	–	1	(7)	(2)	(14)
Revenue account profit	**5**	**15**	**1**	**4**	**1**	**21**	**16**	**63**
Revaluation (loss)/gain in investment properties[2]	**(2)**	**4**	**(2)**	**5**	**–**	**2**	**36**	**43**

1. Balances include those for Fosse Park West Limited Partnership.
2. The revaluation (loss)/gain in investment properties is also the total comprehensive (loss)/gain of the capital account.

The Crown Estate share at 50% was:

	Total London £m	Total Regional £m	Total 2024/25 £m
Investment properties at valuation	301	259	560
Cash and cash equivalents	8	10	18
Net assets	308	248	556
Revenue before service charges	14	25	39
Revenue account profit	10	21	31
Revaluation gain in investment properties	–	22	22

16. Investment in joint ventures continued

The assets, liabilities, revenues and expenses of The Crown Estate's primary joint ventures at 100% were as follows:

	London			Regional				Total
	Maple Investment LP £m	The St James's Market Partnership Group £m	The St James's Market Partnership Group 2 £m	Crown Point £m	The Gibraltar LP £m	Westgate Oxford Alliance LP £m	Wexford Retail LP[1] £m	£m
Balance sheet at 31 March 2024								
Investment properties at valuation	179	420	75	69	–	230	244	1,217
Lease incentives	–	–	–	–	–	(7)	(12)	(19)
Cash and cash equivalents	1	8	2	4	–	21	12	48
Other assets	3	13	2	2	–	12	18	50
Current liabilities	(3)	(7)	(1)	(3)	(1)	(17)	(40)	(72)
Net assets	180	434	78	72	(1)	239	222	1,224
Comprehensive income statement for the year ended 31 March 2024								
Revenue	8	18	3	6	–	28	16	79
Expenses	(2)	(4)	(5)	(1)	–	(9)	(2)	(23)
Revenue account profit/(loss)	6	14	(2)	5	–	19	14	56
Revaluation loss in investment properties[2]	(15)	(30)	(19)	(9)	–	(1)	(8)	(82)

1. Balances include those for Fosse Park West Limited Partnership.
2. The revaluation loss in investment properties is also the total comprehensive loss of the capital account.

The Crown Estate share at 50% was:

	Total London £m	Total Regional £m	Total 2023/24 £m
Investment properties at valuation	337	272	609
Cash and cash equivalents	6	18	24
Net assets	346	266	612
Revenue before service charges	15	25	40
Revenue account profit	9	19	28
Revaluation loss in investment properties	(32)	(9)	(41)

Group and Parent

Summary of movement in investment in joint ventures

	2024/25 £m	2023/24 £m
Opening balance	**612**	651
Share of revenue profit	**31**	28
Revaluation gain/(loss) in investment property	**22**	(41)
Net equity additions	**3**	6
Revenue distributions received	**(36)**	(32)
Sale of joint venture interest	**(37)**	–
Transfer to investment property (note 13)	**(38)**	–
Transfer to assets and liabilities	**(1)**	–
Closing balance	**556**	612

The investment properties included within the net current assets of jointly controlled entities included above are valued at fair value and are classified as level 3 within the value hierarchy as defined within IFRS 13. There were no transfers between levels during the year.

The Crown Estate's investment in joint ventures is described below:

Group and Parent

Name of jointly controlled entity	Percentage owned	Partner	Property interest
Fosse Park West Limited Partnership	50%	Lekker Wexford West Unit Trust	Fosse Park West, Leicester
Wexford Retail Limited Partnership	50%	Lekker Wexford Unit Trust	Fosse Park, Leicester
Maple Investment Limited Partnership	50%	The Healthcare of Ontario Pension Plan	St James's Gateway, London
Westgate Oxford Alliance Limited Partnership	50%	Land Securities Group PLC	Westgate, Oxford
The St James's Market Partnership Group:			
St James's Market Haymarket Limited Partnership	50%	Oxford Properties Group	2 St James's Market, London
St James's Market Regent Street Limited Partnership	50%	Oxford Properties Group	1 St James's Market, London
St James's Market Development Limited	50%	Oxford Properties Group	

All joint ventures operate in the UK.

17. Other property investments

Other property investments comprise a 6.4% equity investment in The Pollen Estate. The Pollen Estate owns freehold property in an area of Mayfair to the west of Regent Street in London and the investment is held by a subsidiary of The Crown Estate.

	Group 2024/25 £m	Group 2023/24 £m
Opening balance	**51**	51
Share of revaluation gain in investment reflected in the consolidated capital account	**4**	–
Share of net assets reflected in the balance sheet	**55**	51
Share of revenue profit	**1**	1

The Parent company had no material other property investments.

The investments are held at the Group's share of fair value. The property investments are classified as level 3 within the value hierarchy as defined within IFRS 13. There were no transfers between levels during the period.

The basis for valuations are NAV estimates from valuation reports prepared by independent third party valuers, which serve as the key unobservable inputs. Fair values are derived by discounting NAVs, having regard to their liquidity and other relevant factors.

If the NAV of other property investments declined by 5%, the effect would be a reduction in The Crown Estate's share of net assets by £3 million (2023/24: £3 million).

18. Trade and other receivables

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Amounts falling due within one year:				
Trade receivables – leases	**55**	40	**49**	38
Capital receivables – non-leases	**24**	6	**24**	5
Amounts owed by subsidiary undertakings	**–**	–	**503**	418
Other receivables	**36**	31	**35**	28
Investment properties treated as finance leases (note 21b)	**10**	10	**10**	10
Prepayments and accrued income	**62**	49	**62**	50
	187	136	**683**	549
Provision for expected lifetime losses	**(17)**	(16)	**(14)**	(14)
Total receivables falling due within one year	**170**	120	**669**	535
Amounts falling due after more than one year:				
Other financial assets	**–**	2	**–**	2
Investment properties treated as finance leases (note 21b)	**393**	398	**393**	398
Other receivables	**33**	34	**33**	34
Total receivables falling due after more than one year	**426**	434	**426**	434

Trade receivable impairments reflect the application of The Crown Estate's provisioning policy in respect of expected credit losses as described in note 3. The carrying amount of the trade and other receivables approximates to their fair value.

Receivables from contracts with customers as at 31 March 2025 was £17 million (2023/24: £8 million). All accrued income arising from revenue with contracts with customers as at 31 March 2025 has been or is expected to be invoiced within nine months of the year end (2023/24: four months).

Expected lifetime losses on trade, capital and other receivables

The Crown Estate has a wide range of customers in a range of industries resulting in highly diversified credit risk in respect of trade and capital receivables. The Crown Estate uses a lifetime expected loss allowance for trade and capital receivables. The provision is shown below.

Group at 31 March 2025	Amounts not yet due	Less than 90 days past due	Between 90 and 180 days past due	More than 180 days past due	Total
Expected loss rate	–	10%	35%	83%	21%
	£m	£m	£m	£m	£m
Gross carrying amount	21	40	3	15	79
Provision	–	4	1	12	17
Group at 31 March 2024					
Expected loss rate	–	19%	50%	61%	35%
	£m	£m	£m	£m	£m
Gross carrying amount	3	23	3	17	46
Provision	–	4	2	10	16

19. Payables and deferred income

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Amounts falling due within one year:				
Trade payables	16	14	14	14
Rents and service charges received in advance	75	64	72	61
Deferred Round 4 option fee income	875	851	875	851
Customer deposits	74	30	74	30
Other payables[1]	24	33	26	30
Consolidated Fund (note 12)	1,339	1,139	1,339	1,139
Accruals	100	59	97	57
Obligations under finance leases (note 21c)	2	2	2	2
Total amounts falling due within one year	2,505	2,192	2,499	2,184
Amounts falling due after more than one year:				
Deferred income	66	67	66	67
Obligations under finance leases (note 21c)	7	13	7	13
Total amounts falling due after more than one year	73	80	73	80

1. 2023/24 Group and Parent balances have been restated to consolidate immaterial balances and to present customer deposits of £30 million separately.

20. Provisions

Group and Parent	2024/25 £m	2023/24 £m
Opening balance	5	4
Payments in year	(5)	–
Expenses recorded in the capital account	–	1
Closing balance	–	5

£5 million of the provision at 31 March 2024 related to claims arising from remediation works to properties where The Crown Estate owns or previously developed the asset. This provision was fully utilised in the year.

21. Leasing

21a. Operating leases with customers

The Crown Estate leases out the vast majority of its investment properties under operating leases. The undiscounted future aggregate minimum rentals, excluding contingent rents receivable under non-cancellable leases, are as follows:

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Less than one year	**325**	284	**312**	274
Between one and five years	**868**	841	**832**	806
More than five years	**5,088**	4,694	**5,045**	4,651
Total operating leases with customers	**6,281**	5,819	**6,189**	5,731

21b. Finance leases with customers

Certain of The Crown Estate's long lease arrangements include elements of ongoing income in addition to ground rent. The Crown Estate has considered the lease as a whole and, where the lease has been determined to be a finance lease, the future lease income is treated as a finance lease receivable. Amounts receivable under non-cancellable finance leases are as follows:

Group and Parent	2024/25 £m	2023/24 £m
Less than one year	**10**	10
Between one and five years	**40**	40
More than five years	**1,822**	1,832
Total undiscounted lease assets at 31 March	**1,872**	1,882
Future finance lease income	**(1,586)**	(1,587)
Unguaranteed residual values	**117**	113
Investment properties disclosed as finance leases (note 13)	**403**	408
Disclosed as:		
Current (note 18)	**10**	10
Non-current (note 18)	**393**	398

During the year ended 31 March 2025, there were no disposals of investment properties classified as finance leases (2023/24: none).

21c. Lease liabilities

Lease liabilities are payable as follows:

Group and Parent	2024/25 £m	2023/24 £m
Less than one year	**2**	2
Between one and five years	**6**	7
More than five years	**2**	51
Total undiscounted lease liabilities at 31 March	**10**	60
Future finance charges	**(1)**	(45)
Present value of lease liabilities at 31 March	**9**	15
Disclosed as:		
Current (note 19)	**2**	2
Non-current (note 19)	**7**	13

The Crown Estate leases head office space from a joint venture and leases various motor vehicles for operations at Windsor Great Park.

21d. Other disclosures

Amounts recognised in the revenue account:

Group and Parent	2024/25 £m	2023/24 £m
Income from sub-leasing right-of-use assets	**1**	1
Contingent rents receivable	**46**	45
Variable lease payments not included in the measurement of lease liabilities	**(1)**	(2)

The Crown Estate has no material leases that require higher than normal risk management.

22. Capital commitments

At 31 March 2025, The Crown Estate had committed to make capital expenditure of £211 million (2023/24: £292 million).

23. Contingent liabilities

The Crown Estate is subject to litigation, claims and warranties arising in the ordinary course of business. Based on the information currently available, it is not expected that the resolution of these matters, individually or in aggregate, will lead to any material liabilities.

24. Related party transactions

Joint ventures

The transactions outlined below are between the Group and its joint ventures, further details of which are given in note 16.

The Crown Estate occupies space at 1 St James's Market, a property owned by St James's Market Regent Street LP, a joint venture. Rental payments of £3 million (2023/24: £3 million) were made during the year and the prepaid balance with the joint venture was £1 million at 31 March 2025 (2023/24: £1 million).

	Group 2024/25 £m	Group 2023/24 £m	Parent 2024/25 £m	Parent 2023/24 £m
Management fees receivable	**5**	5	**3**	2
Charges from joint ventures	**(2)**	(2)	**(2)**	(2)

Transactions with subsidiaries

Details of transactions between The Crown Estate and other related parties in the normal course of business are disclosed below:

	2024/25 £m	2023/24 £m
Management fees charged to subsidiary companies	**2**	2

Details of amounts receivable from subsidiaries are outlined in note 18.

Key management personnel

The remuneration of the Commissioners, who are the key management personnel for The Crown Estate, is disclosed in the Remuneration Committee report.

25. Restricted cash

Included in cash and cash equivalents is restricted cash in respect of tenant deposits of £74 million (2023/24: £30 million) and service charge balances of £8 million (2023/24: £nil).

26. Investments

The Crown Estate has the following wholly owned subsidiary undertakings, all of which are registered at 1 St James's Market, London SW1Y 4AH. Unless otherwise stated, the principal activity of the investments is property investment and management:

Purple Holdco Limited (Registration no. 07427296)[1,2]

Purple Investment Management LLP[4]

Purple Investment GP Limited

TCE Purple Investment LP (Registration no. LP014210)[3]

Anther GP Limited (Registration no. 09164146)[2]

Anther Partners LP (Registration no. LP016154)[3]

TCE Quadrant 4 LP (Registration no. LP019607)[3]

TCE Quadrant 4 GP Limited

Shoemaker GP Limited (Registration no. 09437208)[2]

Shoemaker LP (Registration no. LP016513)[3]

Shoemaker Nominee Limited

TCE Morley House GP Limited

TCE Morley House LP (Registration no. LP021554)[3]

Urbanlease Property Management Limited[5]

SJM Four (South Block) GP Limited (Registration no. 09512536)[2,6]

SJM Four (South Block) LP (Registration no. LP016584)[3,6]

St James's Market Development (No. 2) Limited (Registration no. 09512549)[2,6]

1. Intermediate holding company.
2. The subsidiary has taken advantage of the exemption permitted by section 479a of the Companies Act 2006 from the requirement relating to the audit of individual accounts.
3. The limited partnership has taken advantage of the exemption to prepare partnership accounts under regulation 7 of The Partnership (Accounts) Regulations 2008.
4. Principal activity: asset management advice.
5. Principal activity: property management (dormant).
6. Previously, The Crown Estate held a 50% joint venture interest in these undertakings. In February 2025, The Crown Estate acquired the remaining 50% interest.

The Crown Estate has a 50% interest in the following joint ventures. Details of the joint ventures are included in note 16. Unless otherwise noted, they are all registered at 1 St James's Market, London SW1Y 4AH:

Maple Investment GP Limited

Maple Investment LP

Maple Nominee Limited

Wexford Retail GP Limited

Wexford Retail LP

Wexford Retail Nominee Limited

Fosse Park West GP Limited

Fosse Park West LP

Fosse Park West Nominee Limited

St James's Market Haymarket GP Limited

St James's Market Haymarket LP

St James's Market Regent Street GP Limited

St James's Market Regent Street LP

St James's Market Development Limited

Gibraltar General Partner Limited[1]

Gibraltar Nominees Limited[1]

Westgate Oxford Alliance GP Limited[2]

Westgate Oxford Alliance Limited Partnership[2]

Westgate Oxford Alliance Nominee No.1 Limited[2]

Westgate Oxford Alliance Nominee No.2 Limited[2]

1. Registered office – 45 Gresham Street, London EC2V 7BG. These entities are currently in the process of liquidation.
2. Registered office – 100 Victoria Street, London SW1E 5JL.

27. Issue of accounts

On 5 June 2025, the financial statements were approved by the Board prior to certification by the Comptroller and Auditor General on 25 June 2025. On the certification date, the financial statements are deemed to be authorised for issue. Events after the balance sheet date were considered up to the certification date.

28. Events after the balance sheet date

On 11 May 2025, The Crown Estate Act 2025 (the 2025 Act) became effective. The 2025 Act modernises The Crown Estate's investment powers and gives The Crown Estate the ability to borrow for the first time. It also includes a requirement to report on the impact of its activities on sustainable development and to report on the partnership with Great British Energy within each annual report. The 2025 Act also increases the maximum number of Commissioners from eight to 12 and requires three of those to have additional responsibility of giving advice to the Board on conditions in England, Wales and Northern Ireland respectively. Additionally, the entire cost of the Commissioners' salaries and the expense of their office will now be paid from The Crown Estate's income, whereas previously Parliament provided a contribution towards these costs, as disclosed in note 11.

As a result of the 2025 Act becoming effective, the Framework Document between The Crown Estate and Treasury has been updated and is available at thecrownestate.co.uk/governance. The Treasury has also issued The Crown Estate with a revised Accounts Direction (see page171).

In May 2025, The Crown Estate announced a conditional agreement to create a joint venture with Lendlease that has the potential to deliver six major projects in London and Birmingham (see page 11).

In June 2025, The Crown Estate undertook the auction to award the rights for Offshore Wind Leasing Round 5, with seabed rights awarded for two projects and a process to progress a third site underway.

Additional information

Supplementary disclosures (unaudited)

Summary consolidated income statements on a proportionally consolidated basis

The tables below do not form part of the consolidated primary statements or notes thereto. They present the results of the operations of the Group, with its share of the results of jointly controlled interests on a line-by-line, ie proportional, basis. The revenue and capital profit are the same as presented in the consolidated revenue and consolidated capital accounts.

	2024/25			2023/24		
Consolidated revenue account	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**
Revenue before service charges	**1,594**	**39**	**1,633**	1,536	40	1,576
Service charge revenue	**38**	**7**	**45**	40	7	47
Revenue – as reported	**1,632**	**46**	**1,678**	1,576	47	1,623
Property expenses	**(166)**	**(15)**	**(181)**	(137)	(19)	(156)
Gross profit	**1,466**	**31**	**1,497**	1,439	28	1,467
Administrative expenses	**(70)**	**–**	**(70)**	(69)	–	(69)
Operating profit	**1,396**	**31**	**1,427**	1,370	28	1,398
Net finance income	**160**	**–**	**160**	125	–	125
Share of revenue profit from joint ventures	**31**	**(31)**	**–**	28	(28)	–
Share of revenue profit from other property investments	**1**	**–**	**1**	1	–	1
Parliamentary supply finance	**2**	**–**	**2**	2	–	2
Underlying profit	**1,590**	**–**	**1,590**	1,526	–	1,526
Depreciation of tangible fixed assets	**(4)**	**–**	**(4)**	(3)	–	(3)
Statutory transfers	**(437)**	**–**	**(437)**	(422)	–	(422)
Consolidated revenue account profit	**1,149**	**–**	**1,149**	1,101	–	1,101

	2024/25			2023/24		
Consolidated capital account	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**
Capital account expenditure	**(80)**	**–**	**(80)**	(38)	–	(38)
Revaluation (loss)/gain (including gain on disposal)	**(868)**	**22**	**(846)**	(1,691)	(41)	(1,732)
Share of revaluation gain/(loss) in joint ventures (including gain on disposal)	**22**	**(22)**	**–**	(41)	41	–
Share of revaluation gain in other assets	**4**	**–**	**4**	1	–	1
Consolidated capital account loss before transfer from the revenue account to the capital account	**(922)**	**–**	**(922)**	(1,769)	–	(1,769)
Statutory transfers	**437**	**–**	**437**	422	–	422
Consolidated capital account loss	**(485)**	**–**	**(485)**	(1,347)	–	(1,347)

Summary balance sheet on a proportionally consolidated basis

The tables below do not form part of the consolidated primary statements or notes thereto. They present the composition of the net assets of the Group, with its share of the net assets of jointly controlled interests on a line-by-line, ie proportional, basis.

	2024/25			2023/24		
Balance sheet	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**
Investment properties – as reported	**12,203**	**552**	**12,755**	12,851	599	13,450
Investment properties treated as finance leases	**403**	**–**	**403**	408	–	408
Owner occupied properties	**205**	**–**	**205**	180	–	180
Other property investments	**55**	**–**	**55**	51	–	51
Assets held for sale	**–**	**–**	**–**	18	–	18
Total properties	**12,866**	**552**	**13,418**	13,508	599	14,107
Investment in jointly controlled entities	**556**	**(556)**	**–**	612	(612)	–
Cash and cash equivalents	**3,901**	**18**	**3,919**	3,426	24	3,450
Other assets	**243**	**24**	**267**	192	25	217
Current liabilities	**(2,505)**	**(38)**	**(2,543)**	(2,197)	(36)	(2,233)
Payables – amounts falling due after more than one year	**(73)**	**–**	**(73)**	(80)	–	(80)
Net assets	**14,988**	**–**	**14,988**	15,461	–	15,461

Properties at valuation on a proportionally consolidated basis

	2024/25			2023/24		
Properties at valuation	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**	**Group £m**	**Share of jointly controlled entities £m**	**Proportionally consolidated £m**
Investment properties – as reported	**12,203**	**552**	**12,755**	12,851	599	13,450
Investment properties treated as finance leases	**403**	**–**	**403**	408	–	408
Assets held for sale	**–**	**–**	**–**	18	–	18
Headlease liabilities	**–**	**–**	**–**	(3)	–	(3)
Lease incentives	**15**	**8**	**23**	12	10	22
Market value of investment properties	**12,621**	**560**	**13,181**	13,286	609	13,895
Owner occupied properties	**205**	**–**	**205**	180	–	180
Joint venture properties	**560**	**(560)**	**–**	609	(609)	–
Other property investments	**55**	**–**	**55**	51	–	51
Total properties at valuation	**13,441**	**–**	**13,441**	14,126	–	14,126

Ten-year record

Based on the financial statements for the year ended 31 March

Revenue account	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	2025 £m
Revenue (excluding service charge revenue)	395	420	422	441	476	453	453	703	1,536	**1,594**
Direct operating expenses (including net service charge expenses)	(54)	(53)	(60)	(61)	(87)	(111)	(68)	(88)	(97)	**(128)**
Gross profit	341	367	362	380	389	342	385	615	1,439	**1,466**
Administrative expenses	(23)	(28)	(29)	(31)	(35)	(39)	(57)	(54)	(69)	**(70)**
Consolidated revenue account	**304**	**329**	**329**	**344**	**345**	**269**	**313**	**443**	**1,101**	**1,149**
Payments to the Consolidated Fund – payable in year	304	329	329	344	345	269	313	443	1,101	**1,149**

Balance sheet	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	2025 £m
Investment, development and owner occupied properties (including assets held for sale)	12,449	12,825	11,731	12,218	12,113	13,247	14,363	14,642	13,049	**12,408**
Investment in joint ventures	820	991	1,111	942	803	668	725	651	612	**556**
Other non-current assets	178	180	455	464	556	591	585	549	531	**531**
Cash and cash equivalents	907	826	887	803	1,029	2,175	2,135	2,406	3,426	**3,901**
Current assets (excluding assets held for sale)	51	53	84	101	106	135	166	141	120	**170**
Current liabilities	(155)	(180)	(157)	(180)	(497)	(677)	(858)	(1,530)	(2,197)	**(2,505)**
Non-current liabilities	(1,371)	(1,561)	(20)	(19)	(44)	(938)	(660)	(71)	(80)	**(73)**
Net assets	**12,879**	**13,134**	**14,091**	**14,329**	**14,066**	**15,201**	**16,456**	**16,788**	**15,461**	**14,988**

Glossary

Agreement for Lease (AfL)
A contractual agreement between parties to enter into a lease (subject to any conditions in the agreement being met).

Bespoke benchmark
An MSCI benchmark based upon the March 2025 Annual Index, weighted to reflect our average capital employed during the 12 months to March 2024. We receive multiple reports from MSCI to help benchmark the performance of our commercial property portfolio and sub-portfolios. All benchmarks exclude certain non-commercial assets, including the Windsor Estate.

Blue carbon
The organic carbon stored in marine and coastal habitats that are amenable to management (source: IPCC).

Book value
The amount at which assets and liabilities are reported in the financial statements.

Capital employed
The capital value of an asset at the beginning of a period plus net capital invested over the period.

Capital value
The net assets of The Crown Estate held as capital for His Majesty and His successors.

Carbon capture and storage (CCS)
CCS is a low-carbon solution which captures CO_2 from power generation and industries such as iron & steel, fertiliser, cement, chemicals and refining, as well as enabling at scale low-carbon hydrogen production. The CO_2 is transported via pipeline or ship to permanent and secure storage sites deep beneath the seabed.

Consolidated Fund
The UK Government's general bank account held at the Bank of England. Taxation and other monies paid to the Treasury are paid into this fund.

CPI
Consumer Price Index, the rate at which prices of goods and services bought by households rise or fall.

DCF
Discounted cash flow.

Development pipeline
Development projects under construction or planned.

Direct expenditure
Expenditure incurred that relates directly to the operation of the properties from which revenue is received.

Double materiality
Issues that are material to an organisation and to the environment or society.

Equivalent yield
The constant capitalisation rate applied to all cash flows, that is, the internal rate of return from an investment property reflecting reversions to current market rent.

Estimated Rental Value (ERV)
The estimated market rental value of lettable space.

Finance lease
A lease that transfers substantially all the risks and rewards of ownership from the lessor to the lessee.

Greenhouse Gas Protocol
A technical guide for the accounting and reporting of greenhouse gas emissions.

Habitats Regulations
The Conservation of Habitats and Species Regulations 2017 (SI No. 2017/1012) and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (SI No. 2017/1013).

Habitats Regulations Assessment (HRA)
An assessment of the potential impacts on the most valuable environmental habitats in the UK. For offshore wind developments, this is an important step in helping to conserve the UK's marine and coastal environment.

Headlease
A leasehold interest held directly from the freeholder and subject to one or more underleases in the whole, or part, of the property.

HM Treasury
His Majesty's Treasury, sometimes referred to as the Exchequer, or more informally the Treasury, is the British Government department responsible for developing and executing the Government's public finance policy and economic policy.

IFRS
International Financial Reporting Standards.

Initial yield
The initial net income at the date of purchase expressed as a percentage of the gross purchase price including the costs of purchase.

Integrated annual report
A concise communication about how an organisation creates value in the short, medium and long term.

ITZA
'In terms of Zone A'. A method for measuring retail space on a like-for-like basis.

Lease incentive
Any incentive offered to occupiers to enter into a lease. This includes an initial rent-free period or a cash contribution to fit out.

Lease premium
The price paid for the purchase of a leasehold interest.

Lost Time Injury Frequency Rate (LTIFR)
The LTIFR captures any injury that impacted the injured person's ability to go to work the next day or thereafter following the injury.

Market value
The estimated amount for which a property would exchange on the date of valuation, between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing, net of purchasers' costs, where the parties have each acted knowledgeably, prudently and without compulsion.

MSCI
An investment research firm that provides equity, fixed income and real estate indices.

Net revenue profit
Profit payable to the Treasury. Also referred to as net revenue surplus.

Non-Financial and Sustainability Information statement
A communication with information on an organisation's social, environmental and societal impacts.

Offshore Wind Leasing Round 4 (Round 4)
The Crown Estate awards seabed rights for offshore wind projects in the waters around England and Wales in rounds. The Round 4 leases were awarded following an open market auction that concluded in February 2021 and in January 2023. Agreements for Lease were signed for all six of the projects that comprise Round 4.

Offshore Wind Leasing Round 5 (Round 5)
The Crown Estate's leasing programme of seabed rights for floating offshore wind projects in the Celtic Sea.

ONS
Office for National Statistics.

Parliamentary supply finance
Monies provided by Parliament in respect of Board Members' salaries and the expense of their Office under the Crown Estate Act 1961.

Pre-let
An agreement for a letting to take effect at a future date, often upon completion of a development that is proposed or under construction at the time of the agreement.

Proportionally consolidated
The results and share of joint venture assets and liabilities are presented on a line-by-line basis rather than as a single figure in the consolidated statements of comprehensive income and the balance sheets.

psf
Per square foot.

Public realm
The spaces around, between and within buildings that are publicly accessible, including streets, squares, parks and open spaces.

Red Book
Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

Revaluation surplus/deficit
An increase/decrease in the fair value of a property over its book value.

RICS
The Royal Institution of Chartered Surveyors.

RIDDOR
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

RPI
Retail Price Index, a measure of inflation similar to CPI incorporating housing costs.

Scope 1, 2 and 3 emissions
Scope 1 – direct emissions from owned or controlled sources, for example, heating of buildings using fuel directly sourced, such as diesel and gas.

Scope 2 – indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting business.

Scope 3 – all other indirect emissions that occur in the business's value chain. These include those produced as a result of work we commission through our supply chain and those we enable through our leasing and licensing activity. They occur from sources not owned or controlled by us.

Statutory transfer
The Act places a statutory duty on the Commissioners to maintain and enhance the value of the estate. It allows adjustments between revenue and capital accounts for this purpose. The Board has agreed with the Treasury a transfer from the revenue to the capital account of an amount equivalent to 27% of the current year's revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment.

Streamlined Energy and Carbon Reporting (SECR)
A report on energy and carbon emissions and energy efficiency.

Task Force on Climate-related Financial Disclosures (TCFD)
A framework for managing and reporting climate-related risks and opportunities.

Taskforce on Nature-related Financial Disclosures (TNFD)
A framework for managing and reporting nature-based impacts, risks and opportunities.

The Act
The Crown Estate Act 1961, as amended by the Crown Estate Act 2025.

Total return
Capital growth plus property net income as a percentage of property capital employed.

UK Corporate Governance Code 2018 (the Code)
The Code sets out standards of good practice on board composition and development, remuneration, shareholder relations, accountability and audit.

Vacancy rate
The ERV of voids (excluding those held for development) as a percentage of the total ERV of the portfolio.

Value chain
Encompasses emissions beyond an organisation's own operations, including emissions associated with activities from both suppliers and customers.

Void
Unoccupied and unlet space.

Accounts Direction

1. This direction applies to The Crown Estate, being the property rights and interests under the management of the Crown Estate Commissioners. The body corporate is referred to in this accounts direction as 'The Crown Estate' and its board as the 'Commissioners'.

2. The Commissioners shall prepare and publish an annual report and accounts for The Crown Estate each financial year ended 31 March in compliance with the Crown Estate Act 1961, as amended by the Crown Estate Act 2025, as a single document which shall include:

    a. The annual report

    b. A statement of Accounting Officer's responsibilities

    c. The primary financial statement and notes; and

    d. The audit opinion and report

3. The accounts shall be prepared as to:

    a. Give a true and fair view of the state of affairs of The Crown Estate, and of the income and expenditure, balance sheet, recognised income and expense cash flows for the financial year then ended; and

    b. Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

4. Unless otherwise agreed with HM Treasury, the primary financial statements shall:

    a. Distinguish clearly between income and capital account as set out in section 2(4) of the Crown Estate Act 1961 in its statement of income and expenditure and statement of recognised income and expense;

    b. Show separately provision made in accordance with section 2(4) for recouping capital expenditure from income, as agreed with HM Treasury;

    c. Show separately the treatment of any sums received in accordance with section 2(4), income from grant of leases and 2(4)(b), net earnings from mineral workings as required by the Crown Estate Act 1961; and

    d. Show in a separate line amounts due to the Exchequer's Consolidated Fund.

5. In recognition that judgement is sometimes required when classifying individual transactions between the capital and revenue accounts, the Commissioners shall:

    a. Apply the approach agreed between The Crown Estate and Treasury to ensure consistent classification of similar transactions; and

    b. Ensure that both the capital and revenue accounts each present a true and fair view of their respective performance for each financial year.

6. The annual report and accounts shall be prepared in compliance with:

    a. UK adopted International Financial Reporting Standards and international accounting standards (together 'IFRS')

    b. The principles of the Companies Act 2006 and underlying regulations to the extent they apply to a large unquoted business and insofar as they apply to The Crown Estate; and

    c. The principles of the Government Financial Reporting Manual in force (for the Accounting Officer's statement only).

7. Where the application of IFRS is inconsistent with the requirements of the Crown Estate Act 1961 and any provisions made thereunder, then the Commissioners shall apply the Crown Estate Act 1961. In the event the Commissioners become aware of the need for any material departure from IFRS under these circumstances the Commissioners shall:

    a. Discuss the reasons for the intended departure from IFRS with HM Treasury; and

    b. Agree disclosure requirements in relation to the departure from IFRS together with the financial impact of it with HM Treasury.

8. The provisions under section 495 of the Companies Act 2006 shall apply to the audit opinion and report. The auditor's opinion must clearly state that the annual accounts give a true and fair view.

9. The direction supersedes the direction dated 15 April 2024.

Treasury Officer of Accounts

May 2025

Image credits

Cover (left); Pages 2, 4, 25, 44 (top)
Ben Barden Photography Ltd

Cover (right); Page 40 (top)
© Country Trust

Page 10
Ballygally View Images

Page 11
Lendlease

Page 14
© Kris Piotrowski Photography

Pages 15, 39
Gill Heppell LRPS

Pages 16, 52
ramshackle studio / @ramshackle_studio

Page 21
birdsonline

Page 24
Illustration by Ken Shuttleworth

Page 25
© Dan Bolt/Underwater Photographer of the Year 2023

Page 33
Fishtek Marine © Harry Thatcher

Page 41 (bottom)
Blue Abyss Operations and Bloc Digital

Page 45
© MS Feather

Page 54
Laura Meadows

Page 56
© The Crown Estate/Close Up Productions

Supplementary reports

Wales review
Adolygiad Cymru
Northern Ireland review
Sustainability Data Supplement
Environmental Reporting Criteria

Our supplementary reports are available at: thecrownestate.co.uk/annual-report.

MIX
Paper | Supporting responsible forestry
FSC® C022913
FSC
www.fsc.org

Printed by Pureprint.

Printed sustainably in the UK by Pureprint, a CarbonNeutral company and is certified to ISO 14001 environmental management system recycling.

Printed digitally without the use of film separations, plates and associated processing chemicals. 99% of all dry waste associated with this production has been recycled.

This publication is printed on Image Indigo and Indigo Arena Extra White Smooth which is manufactured at a mill that has ISO 14001 environmental standard accreditation and the fibres are bleached using a Chlorine Free bleaching process (ECF).

luminous

Consultancy, design and production
www.luminous.co.uk

London
The Crown Estate
1 St James's Market
London
SW1Y 4AH

T 020 7851 5000

Windsor
The Crown Estate
The Great Park
Windsor
SL4 2HT

T 01753 860 222

Cardiff
The Crown Estate
Hodge House
114-116 St Mary St
Cardiff
CF10 1DY

thecrownestate.co.uk
@TheCrownEstate