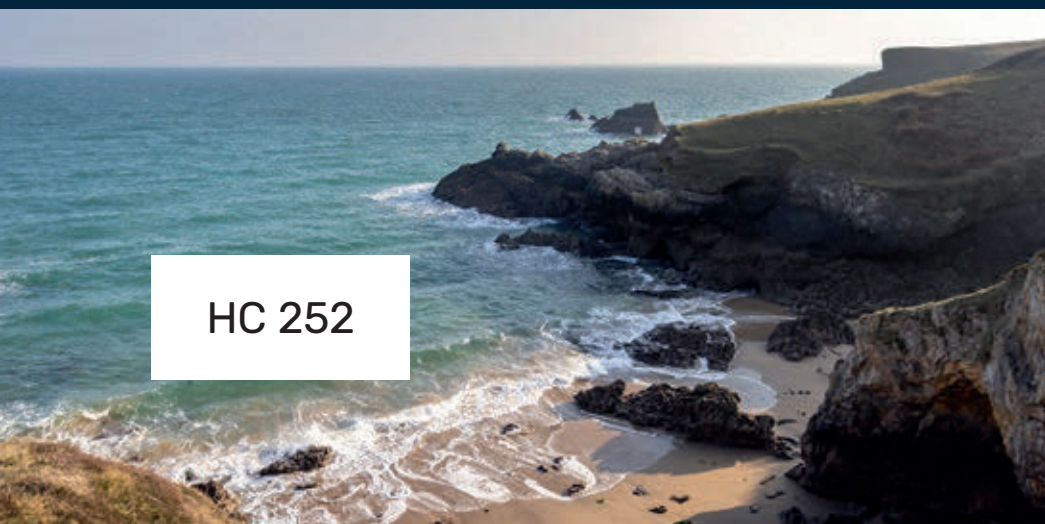


For our nation's future

Annual Report and Accounts 2025/26



HC 252



The Crown Estate

Annual Report and Accounts 2025/26

Presented to Parliament pursuant to sections 2(1) and 2(6) of the Crown Estate Act 1961 (as amended by the Crown Estate Act 2025)

Ordered by the House of Commons to be printed on
25 June 2026



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About this report

The Crown Estate Annual Report and Accounts 2025/26 presented to Parliament pursuant to sections 2(1) and 2(6) of the Crown Estate Act 1961 (as amended by the Crown Estate Act 2025). Ordered by the House of Commons to be printed 25 June 2026. HC 252

To The King's Most Excellent Majesty

May it please Your Majesty, the Crown Estate Commissioners take leave to submit this, their seventieth Report and Accounts, pursuant to sections 2(1) and 2(6) 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 a diverse portfolio of land, property and seabed across England, Wales and Northern Ireland, returning our profits to the UK Government to help fund public services.

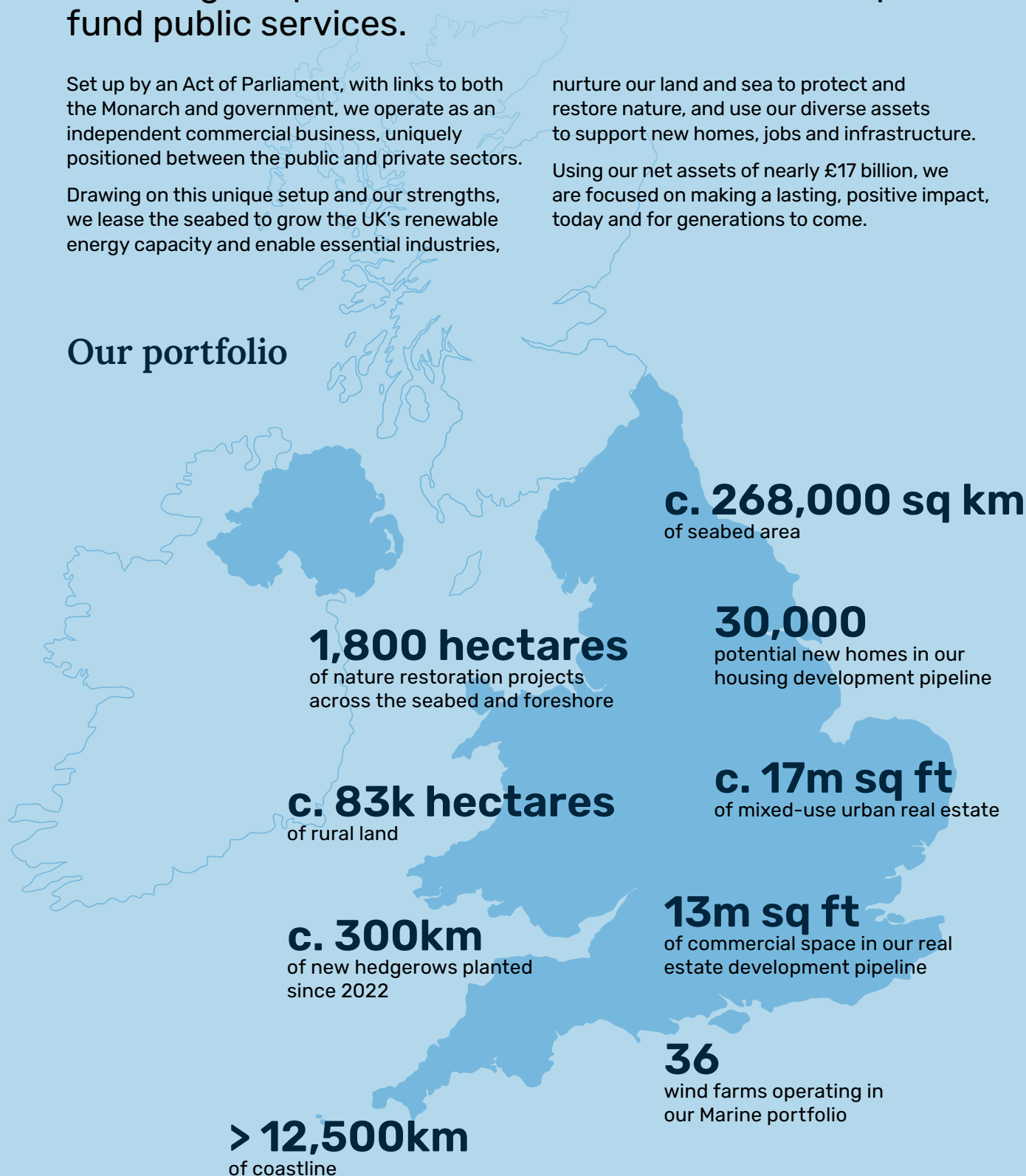
Set up by an Act of Parliament, with links to both the Monarch and government, we operate as an independent commercial business, uniquely positioned between the public and private sectors.

Drawing on this unique setup and our strengths, we lease the seabed to grow the UK's renewable energy capacity and enable essential industries,

nurture our land and sea to protect and restore nature, and use our diverse assets to support new homes, jobs and infrastructure.

Using our net assets of nearly £17 billion, we are focused on making a lasting, positive impact, today and for generations to come.

Our portfolio



How we create value

Our purpose and strategy shape our activities and underpin the long-term value we create for the nation.

Our purpose guides everything we do.

To create lasting and shared prosperity for the nation

We live our purpose through our values...



Caring



Together



Creative



Impactful

➤ See Culture and Board oversight on page 76

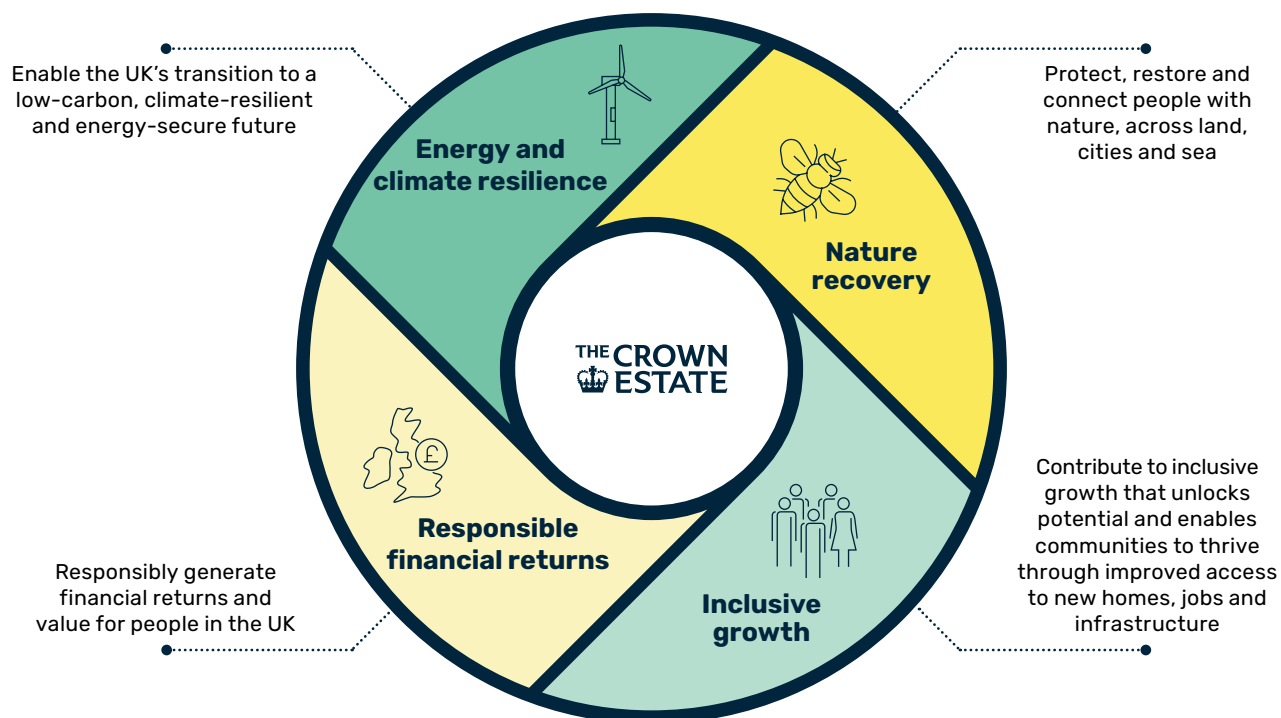
...drawing on our strengths...

Broad ownership, with a diverse portfolio of national assets

Independence and opportunity to take a **long-term view**

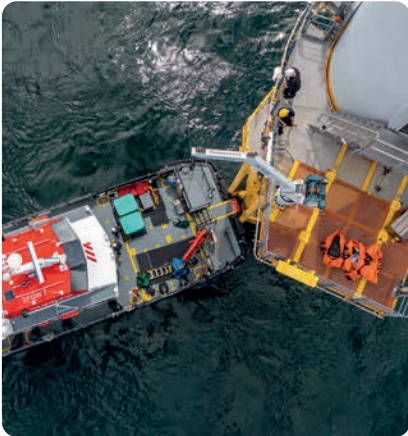
Bringing stakeholders together to tackle challenges and realise opportunities

...to deliver our strategy.



➤ See more about our strategic priorities on page 4

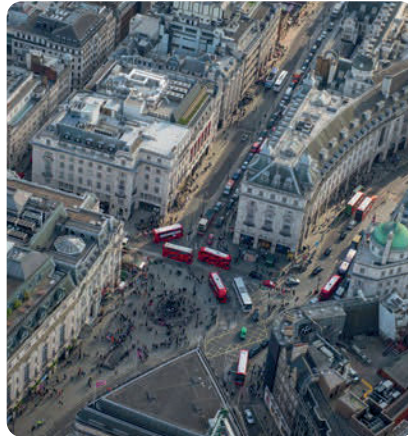
Operating across three business areas...



Marine

We manage the seabed around England, Wales and Northern Ireland, aiming to create the most attractive and sustainable marine economy in the world.

➤ See pages 19-23



Urban

Our real estate assets span London's West End, regional retail and leisure destinations, and mixed-use development opportunities across the UK.

➤ See pages 24-28



Windsor, Rural and Coastal

We are stewards of more than 83,000 hectares of rural land, including tenanted farmland, uplands and the Windsor Estate and Great Park, as well as more than 12,500km of coastline.

➤ See pages 29-33

...carrying out different roles...



Investor

Investing capital directly or indirectly into projects to generate income and support long-term value creation.



Developer

Developing our land and assets across the nation to unlock long-term potential.



Asset manager

Managing and stewarding land, property and the seabed responsibly over the long term.



Partner

Partnering, building relationships, influencing and bringing stakeholders together to deliver value in line with our strategy and enable the long-term potential of our portfolio.

...to unlock and enable the creation of long-term value for the nation.



➤ See examples of our long-term value creation on page 4

Our strategy

Guided by our purpose, our ambitious long-term strategy focuses our diverse portfolio and capabilities where we can have most impact, helping to address national needs and creating lasting financial, environmental and social value for the nation.

Our strategy is built around four interconnected priorities. Many of our activities create value across all four, with responsibilities, risks and opportunities managed in a joined-up way.

Our strategy is reviewed annually against the changing external environment. Our latest review, informed by our progress and today's context, has confirmed that our four strategic priorities remain right and that our level of ambition is unchanged, with updates limited to refreshed language reflecting the current landscape.

Read more on our progress in the Financial review on pages 13-17, and our Environmental and social disclosures on pages 46-48.



Energy and climate resilience

Enable the UK's transition to a low-carbon, climate-resilient and energy-secure future

Our role

We're working with partners, industry and government to support the UK's transition to a low-carbon future by scaling renewable energy and carbon removal, decarbonising our own portfolio, and using our land and seabed to store carbon. Through activities such as regenerative farming, decarbonising the built environment and expanding offshore wind, we're reducing emissions, strengthening resilience and helping deliver clean, secure energy.

In action

- Driving the UK's offshore wind market, advancing projects in Offshore Wind Leasing Round 4, awarding rights for Round 5 (a new floating offshore wind capability in the Celtic Sea), and commencing the Round 6 leasing process.
- Working to decarbonise our Urban portfolio, including our London estate, which accounts for our largest share of our building-related emissions and includes a significant proportion of heritage buildings.



Nature recovery

Protect, restore and connect people with nature, across land, cities and sea

Our role

We're helping to halt nature's decline and support recovery at scale across the urban, rural and marine environments we manage. Our diverse portfolio enables joined-up action across land and sea to restore nature and deliver lasting benefits for people, climate and the environment. We deliver this through acting on our three goals to: increase biodiversity; protect and restore freshwater, marine and coastal systems; and increase social and wellbeing benefits of nature.

In action

- Creating space for habitat restoration alongside food production, supporting biodiversity, soil health and lower carbon and water use through our environmental Farm Business Tenancy (eFBT) agreements.
- Using our Marine Nature Principles to guide our management of the seabed in a way which nurtures, protects and restores nature.



Inclusive growth

Contribute to inclusive growth that unlocks potential and enables communities to thrive through improved access to new homes, jobs and infrastructure

Our role

We're driving inclusive growth by using our enabling role and diverse assets to ensure people, communities and regions share in new opportunities. By targeting investment and activity where it can make the greatest difference, we increase social and economic impact both nationally and locally.

In action

- Intention to invest up to £1.5 billion over 15 years to support growth in the UK's science, innovation and technology sectors.
- Making up to £400 million available to support the UK's offshore wind supply chain through our Supply Chain Accelerator and Infrastructure Investment programmes.



Responsible financial returns

Responsibly generate financial returns and value for people in the UK

Our role

We're taking a long-term responsible approach to value creation enabled by our resilience and stability. We consider social and environmental value alongside financial returns, and can invest in ideas and technologies other landowners and investors may not be able to.

In action

- Designing offshore wind leasing rounds that support the sector, listen to industry feedback, and deliver environmental and social outcomes alongside responsible financial returns.
- Investing in our national real estate development pipeline, with the potential to deliver 13 million sq ft of commercial space and 30,000 homes through our housing development pipeline.

Our performance

Performance highlights for the year ended 31 March 2026



Operating profit

£1.2 billion

(2024/25: £1.4bn)

➤ [Read more on page 15](#)



Revenue account profit*

£0.5 billion

(2024/25: £1.1bn)

➤ [Read more on page 15](#)



Revenue excluding Offshore Wind
Leasing Round 4 option fees

£600 million

(2024/25: £560m)

➤ [Read more on page 15](#)



Net assets

£16.7 billion

(2024/25: £15.0bn)

➤ [Read more on page 16](#)



Cumulative operational offshore wind capacity

13GW^A

(2024/25: 12GW)

➤ [Read more on page 19](#)



Lost Time Injury Frequency Rate

0.22^A

(2024/25: 0.28)

➤ [Read more on page 36](#)



Employee engagement

73%

(2024/25: 77%)

➤ [Read more on page 34](#)



Customer satisfaction score

78%

(2024/25: 80%)

➤ [Read more on page 7](#)

* Revenue account profit is the profit we return to HM Treasury. In previous reports, we have called this 'net revenue profit' or 'net revenue surplus'. We have changed the language to reflect standard market accounting terminology, but it means the same thing as reported in previous years.

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

^A Independent limited assurance (see inside front cover)

Stakeholder engagement

We consult, collaborate and work extensively with our colleagues, communities, policy makers, partners and customers to ensure we make informed decisions that create lasting value for the country. For more information on how our Board has worked to comply with the requirements of section 172 of the Companies Act 2006, see page 74.



“Working collaboratively with our stakeholders provides us with the insights to shape our ambitious long-term strategy and to make effective operational decisions in order to deliver for our nation’s future.”

Emily Weighill

Executive Director, Corporate Affairs

UK Parliament



While our history dates back to 1760, The Crown Estate is today run as an independent business that is legally accountable to Parliament. Our core duties are established in the Crown Estate Act 1961, as well as the Crown Estate Act 2025.

Our engagement with Parliament allows us to contribute to policy development and decision-making, sharing evidence, insight and expertise to drive positive change for the nation.

This engagement includes meetings with parliamentarians, responding to consultations and attending committees. For example, in 2025/26 we provided evidence to Parliamentary Select Committees including the Welsh Affairs Committee and the Environment, Food and Rural Affairs Committee.

The Monarch



Our assets are hereditary possessions of the Monarch, held ‘in right of the Crown’. This means that they belong to the Monarch for the duration of their reign, but cannot be sold by them, nor do revenues from the assets belong to them.

Although the Monarch is not involved in operations, they are an important stakeholder. Our Chair of the Board and Chief Executive have an annual audience with His Majesty The King and, as defined in legislation, our Commissioners make His Majesty a formal report on our performance each year. A copy of this report is laid before Parliament.

His Majesty The King is the Ranger of Windsor Great Park, which functions as an advisory role, and we are grateful for the guidance provided.

Governments and regulators



We engage actively and openly with policy and political decision makers at UK, devolved, regional and local government levels, as well as relevant regulators and statutory bodies.

HM Treasury is The Crown Estate’s sponsor department and the Chancellor of the Exchequer is our sponsoring minister. A Framework Document sets out how we work together. We regularly engage with

officials and Treasury Ministers to update and seek feedback and support for our work. Each year, our revenue account profit is returned to the Exchequer for the benefit of the nation’s finances. See pages 68–69 for more information about our constitution and governance.

We work constructively with ministers and officials across all UK governments to help support our delivery and commitments on delivering for the country. For example, in Northern Ireland, we are working with the Department for the Economy on the Offshore Renewable Energy Action

Plan to deliver 1GW of offshore wind by 2030. The announcement of Offshore Wind Leasing Round 6 was underpinned by close collaboration with DESNZ, the North East Combined Authority and regional mayors, reflecting a cross-party shared commitment to energy security, investment certainty and the role offshore wind can play in creating jobs and supporting regional growth.

Customers



We serve a broad range of customers, who lease farms, offices, shops and restaurants, offshore wind farms and more.

We engage regularly with customers to listen and understand how we can ensure their needs are met now and in the future, utilising customer surveys and tracking customer satisfaction to continually improve. This helps us to balance commercial needs with our stewardship responsibilities, fostering resilient communities and industries.

As an example, we consulted more than 70 local authorities in coastal areas on how our leases can better serve their needs (see page 32).

We are working closely with our farmers to find new ways to support their businesses, such as our Soil Association Exchange pilot (see page 30).

Since bringing the management of our London property in-house, we have seen a marked improvement in satisfaction scores for residential and lifestyle customers, and we launched a programme of maintenance and repairs partly in response to feedback from workplace customers.

Our people



Our people play a critical role in our ability to act as long-term stewards of land and seabed. Their expertise,

judgment and understanding of the places and sectors we work in help to ensure that decisions are well informed, risks are understood and outcomes are delivered responsibly over the long term.

We gather input from employees through regular surveys and forums, and share the results internally to continually improve our performance. Our most recent results show that 83% of our people are proud to work

for The Crown Estate and 74% would recommend it as a great place to work, which places us above the 2024 UK norm.

Each year, our Impact Awards celebrate exceptional contributions from our team and reinforce the culture that is helping us to create a positive legacy for future generations.

Partners



We partner with a diverse range of organisations across the country that are aligned with our purpose, values and interests. Given the breadth of our business, our partners encompass co-investors,

industry bodies, experts helping to deliver our strategy, place-based alliances, and more. These partnerships will enable the long-term, transformational potential of our portfolio. This work is supported by a robust, evidence-led process to developing partnerships in the organisation and evaluating potential partners.

Our partnerships span our entire business, including collaborating with the National Energy System Operator on offshore wind leasing and ORE Catapult for renewable energy technologies.

In May 2025, we entered a conditional joint venture with Lendlease across its six projects in the UK in London and Birmingham. The proposals aim to address long-term challenges by providing housing and commercial space, and supporting infrastructure.

In our Rural business, through sustained work with the Tenant Farmers Association, we jointly developed a groundbreaking tenancy (see page 33) that reshapes landlord-tenant relations around collaboration, environmental outcomes and long-term certainty.

Communities



As a long-term custodian of land and the seabed, we aim to deliver tangible benefits for the people who live and work in the areas in which we operate.

We work with local partners and use drop-in sessions, workshops, research work with schools and young people, and community advisory panels, as appropriate. To respect their history, identity and culture, we ground our engagement in listening as much as sharing information. We aim to be inclusive, proactively seeking views from all sectors of a community and working with local partners.

This year, in Exeter and Plymouth, we brought together community and regional organisations to understand

social and economic needs and how Offshore Wind Leasing Round 5 can help to improve outcomes.

Our partnership work with Business in the Community has supported regeneration projects in Bristol and Port Talbot.

In our development work, we are innovating to find truly meaningful ways to engage communities, such as co-design workshops run in Hertfordshire (see page 28), and scaling approaches that work well.

Chair's statement



“This is a remarkable company, and we’re establishing and expanding the building blocks for lasting and shared prosperity for the UK.”

Ric Lewis
Chair

During my career investing in real estate across Europe, I’ve always known The Crown Estate as an institution with a strong sense of stewardship. In recent years, I’ve watched it build on that heritage, evolving into a much more dynamic and forward-looking organisation. But what I’ve seen since joining in July 2025 has exceeded my expectations – both in terms of the performance detailed in this report, and the vast potential for future financial returns and long-term value for the country.

Consider offshore wind. At a time of turbulence in the global sector, the investment, expertise and continuity The Crown Estate provides is more important than ever. The signing of three agreements with developers to put floating offshore wind technology in the Celtic Sea is testament to that, contributing to energy security and economic growth by keeping the UK at the forefront of the industry.

In agriculture, the company’s scale is helping to put farm businesses and food production on a more secure footing as it partners closely with tenant farmers across the country to develop a more diversified business model. And in real estate, it is showing industry leadership by investing

significantly to refurbish and retrofit heritage buildings, developing early-stage science and technology space to support future wealth creation, and supporting the delivery of housing amid a national shortage.

Very few other organisations have the mandate or capacity to put capital, land and expertise to work across such a varied range of national priorities, strengthening the UK’s long-term resilience, capability and future income. The Crown Estate can achieve this because of its financial resilience, the strength of its partnerships, its unique portfolio of assets, its independence and the vision of its leadership team. Thanks to our deep commercial acumen, the property portfolio is today valued at



Investing in our nation’s future

£1.5 billion

intention to invest in UK science and innovation

£50 million

fund supporting offshore wind evidence

£400 million

planned investment in UK supply-chain capacity for offshore wind

15%

of our rural land to be dedicated to nature recovery, where appropriate

£500 million

investment in renewal and stewardship of London’s West End

£14.5 billion and has generated over £5.1 billion for public spending in the past ten years. That compares with a £5.7 billion valuation and annual revenue account profit of around £200 million two decades ago.

The long view

This forward-thinking outlook is rooted in our history. While the company we serve today was founded by an Act of Parliament in 1961, the portfolio itself has been held on behalf of the nation since 1760 – before the United States, where I was born, was even founded. Thanks to its recent transition under the leadership of Dan Labbad as Chief Executive and Sir Robin Budenberg CBE, my predecessor as Chair, it has grown into a much more dynamic organisation that has greatly expanded the scope of its activities.

As we move into the next phase of that trajectory, the Board and I have asked Dan to extend his tenure beyond 2028, and I am delighted that he has agreed to do so for another four years. Dan's performance over the past six years has been exceptional, and his continued leadership provides clarity and certainty at a pivotal moment – reinforcing our ability to act not only decisively, but with integrity and conviction.

“At times we will need to do things differently, taking ourselves out of our comfort zone – but as an organisation set up to serve the country, the potential benefits are well worth it.”

Operating between the public and private sectors, we can look beyond political or investment cycles in service of national priorities. It's rare to be able to do that, and to have the opportunity to deploy such a broad range of tools (including partnerships, expertise and influence), to create lasting and shared prosperity.

The passing of the Crown Estate Act 2025 has strengthened our ability to act as a long-term national investor. Using our capital and relationships across the public and private sectors has enabled us to unlock much greater investment in areas that matter most



and amplify impact well beyond what we could achieve alone.

Navigating challenges

In a world marked by continuing change and uncertainty, it's more important than ever to focus on national challenges. That means seeing through what we've started in areas like agriculture, housing, renewables, science and innovation, while representing the UK with credibility on the global stage. Everything we're doing is being delivered in collaboration with our customers, partners and other stakeholders, and they are relying on us to support their continued progress.

It's also vital we build long-term financial strength by investing in our existing land and property as well as new opportunities. Our plans for the next ten years include accelerating marine infrastructure delivery, continuing to expand our Rural portfolio and growing our contribution to housing and place-based regeneration. Together, these activities could materially grow the value of our portfolio over the next 10 years, strengthening our ability to contribute to wider strategic priorities over the long term and increasing the profit we return to Treasury for public spending.

In expanding our ambitions, we are recognising that inaction carries an even greater risk. Our approach is to be disciplined in how we assess opportunities, clear about what we can (and can't) control and intentional in the choices we make. At times that will mean doing things differently, taking ourselves out of our comfort zone – but the potential benefits are well worth it. We will continue to develop the opportunity to bring

additional renewable energy capacity to market, support climate and nature goals, generate substantial new financial value and drive national economic growth. As an organisation set up to serve the country, The Crown Estate has a unique opportunity to do this at scale, and we will not let it go to waste.

Growing momentum

As the company moves forward, I'm delighted to be working with a diverse and highly experienced Board, and to have the opportunity to add three new Commissioners who will have additional responsibilities to advise on conditions in Wales, Northern Ireland and England. More information on the Board, our activities and how we hold the company to account can be found on pages 65-76.

As Chair, I see it as our role to support and challenge the company in equal measure. Delivering our strategy will take grit and determination, and we know that we will face criticism from those who would chart a different course. What matters is that our decisions are grounded in evidence, informed by rigorous debate and shaped by deep engagement with those we serve. Nothing worthwhile is ever easy, but together we'll continue to build momentum, moving at pace to significantly expand our contribution and create enduring value for this country.

Ric Lewis
Chair

12 June 2026

Chief Executive's review



“We’re proud to have transformed our strategy to deliver real impact on national needs.”

Dan Labbad
Chief Executive

The Crown Estate is sometimes described as a company for the country. That sense of responsibility immediately resonated with me when I first heard it – and looking at what we’ve achieved in recent years, I feel it more strongly than ever.

The challenges facing the UK are significant, with volatility arising from global conflicts, climate change, trade disruption and cost-of-living increases. Against that uncertain backdrop, The Crown Estate’s independence and the strength of our portfolio give us a rare opportunity to provide stability, giving confidence to investors, customers and partners, and enabling long-term action on national priorities.

We’ve spent several years ensuring we are and will remain in a strong position to create lasting value for the nation: defining our strategic priorities, improving our internal setup and building the external relationships that are essential to our success. Now we are firmly focused on delivery and locking in future potential, aligned with our obligations to Parliament.

The results shared in this report show how each area of our business is playing a distinct role in supporting energy security and climate resilience, nature recovery and inclusive growth, while generating significant financial returns for public spending. Just as importantly, we are strengthening our ability to increase our impact in the years ahead.

Financial performance

Our company is constituted to manage land, property and seabed space on behalf of the nation, enhancing the value of the assets and delivering the returns derived from it to the Treasury for public spending. This year, the value of our net assets increased to £16.7 billion (2024/25: £15.0 billion), following a robust performance across our diverse business that generated a revenue account profit of £0.5 billion.

Once again, we saw strong performance from offshore wind. As anticipated, the option fees set at auction during Offshore Wind Leasing Round 4 in 2021 are beginning to reduce as our developer customers move into the next stage of their projects. Together, the six projects stand to deliver enough renewable energy to power about eight million homes each year. More detail on Round 4 can be found on page 15.

Revenue from the rest of our business also grew, rising 7% year on year to £600 million (2024/25: £560 million), helping us to exceed our Treasury-agreed target for operating profit.

Our Urban portfolio continued to outperform its bespoke MSCI benchmark, with commercial rents and valuations recovering following the uncertainty of the pandemic. Strategic acquisitions and a strengthening market also supported valuation growth. Performance across Windsor, Rural and Coastal was positive, underpinned by a more active approach to asset management.

Underlying income from our Marine business also increased, supported by favourable wind conditions and new offshore wind capacity coming online, as well as a review of linear assets.

These results are consistent with our projections of steady growth in operating profit excluding Round 4 option fees, as offshore wind expansion and Urban development projects progress. Customer feedback shows that we are largely meeting or exceeding expectations across the business, and we are addressing areas where further improvement is needed.

We are investing in line with our growth strategy, making selective new

**Delivering
for the UK
56GW**

current and potential pipeline
of offshore wind capacity

30,000

potential new homes in our
housing pipeline

450

hectares of new woodland
planted since 2022

acquisitions while improving our existing assets and future resilience. This will ensure that we keep improving our performance and responsibly growing our balance sheet over time.

To support that potential and significantly enhance The Crown Estate's capacity to support areas of national need and the public finances, Parliament granted us new investment and borrowing powers in March 2025. While the mechanism by which we draw down debt is still being finalised, we are, with the support of Treasury, increasing the proportion of gross revenue retained for investment from 27% to 60% this year and next. This will enable us to continue investing in priority areas like science and innovation, agriculture, housing and renewable energy.

On a net basis, we believe we have the potential to invest up to £5 billion over the next ten years. By 2034/35 we could be delivering double our 2025/26 revenue excluding Round 4 option fees, supporting long-term growth in the revenue account profit we return for public spending. This trajectory positions The Crown Estate to continue to increase our contribution to UK resilience and prosperity.

“Each area of our diverse business is playing a distinct role in delivering on our strategy to create financial, social and environmental value.”

Marine

One of our greatest responsibilities is balancing complex priorities on the seabed. We developed our Marine Delivery Routemap (see page 21) to help us do this in partnership with others, drawing on data and evidence. In line with our commitments to support nature recovery alongside economic development, our Marine Nature Principles sit at the core of the Routemap.

Offshore wind has become a national industrial success story during our more than 25 years of involvement in the sector. With 13GW[△] of capacity around England, Wales and Northern Ireland, it is delivering value for households and communities, while building the UK's energy independence

at a time when global supply chains are threatened.

We are especially proud to have signed agreements for three Round 5 sites that will put floating offshore wind in the Celtic Sea, ensuring the UK remains at the forefront of innovation in the sector. To secure progress at what is an undeniably challenging time for the industry, with tenders in other countries struggling to secure interest, we have drawn on our long experience, relationships and consistent track record to provide stability, investing to de-risk projects for developers.

In announcing Round 6 (see page 23), we are seeking to build on that momentum and continue accelerating delivery. Together with our existing pipeline and work to expand the capacity of operational wind farms, this stands to take clean, secure renewable energy capacity in our waters to 56GW. We are also investing significantly to develop a national skills base and supply chain. This will further help to de-risk future development in renewables, while ensuring that local businesses and communities see tangible gains.

Our Marine chapter on pages 19-23 explains this business in more detail, including our contribution to key industries like data cables and energy interconnectors, marine aggregates, ports, and carbon capture and storage.

Urban

Alongside our leadership in offshore wind, our Urban portfolio – with a 13 million sq ft commercial development pipeline and potential for up to 30,000 homes – has further potential to deliver value and regeneration (see pages 24-28).

Key projects include thinking about London's future as a city, working in partnership to reimagine the West End, drawing on the original vision of connecting St James's Park and Regent's Park to shape a more resilient, adaptive and sustainable district over the next 100 years. At the same time, we continue investing in a major programme of refurbishment works to future-proof our buildings and underpin long-term performance.

In 2024, in partnership with Oxford Science Enterprises and Pioneer Group, we announced our intention to invest up to £1.5 billion in the science and innovation sectors. In October 2025, we acquired a new site in Oxfordshire that

could provide up to 4.5 million sq ft of specialist workspace for innovative, high-potential companies. By diversifying into these strategically important sectors, our ambition over time is to catalyse growth not only in our own business but in local and national economies as well.

We are also increasing our focus on housing, with planning applications for thousands of homes now in progress. Our demonstration projects are designed to inform delivery across the market, testing how high environmental performance and innovative models can reduce household bills.

To expand our reach and impact even more widely, we are continuing to progress a proposed JV partnership in relation to Lendlease's undeveloped UK land management portfolio. This would be in addition to our current development pipeline and includes significant housing and science and innovation potential.



The Celtic Sea is central to our future ambitions and in June 2025, my team and I visited ABP Port Talbot to celebrate the award of leases for Round 5 projects. While there is a long way still to go, we see huge potential for floating offshore wind projects to revitalise coastal communities through jobs, skills and investment.

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

Chief Executive's review continued

Windsor, Rural and Coastal

The stewardship of rural land is something we take very seriously – not only because of the history of our portfolio, which includes the Windsor Estate, but because of its vital role in UK food production and nature recovery. In the past, those two priorities might have been viewed as being in tension, but the idea at the heart of our innovative farm tenancy agreements (see page 33) is that agriculture depends on nature, while moving to a more regenerative model of agriculture can protect and restore nature at scale.

As part of this work, our Rural Environment Fund has now supported farmers to create more than 300km of hedgerows and over 450 hectares of new woodland. Alongside regional and national planting schemes by like-minded organisations, the programme is contributing to national targets to restore wildlife habitats that have been lost across the country.

Drawing on our rural experience, we are also looking at how we can do more for people and nature through our coastal landholdings. In the past year we have consulted more than 70 local authorities around England, Wales and Northern Ireland, and we are using the insights gained to develop a new coastal strategy and a more enabling leasing model to aid local prosperity.

Growing capability

Much of this progress would have been impossible without the greatly enhanced capabilities in our team, systems and processes we have developed in recent years.

By acquiring a diverse range of talent and developing a high-performance culture, we have transformed our company to be not only far more efficient but also more agile. While there is still more to do, moving our London headquarters from our current split-site arrangement to offices in 10 Spring Gardens next year will further support openness and collaboration.

Health, safety, security and wellbeing are the foundations of how we look after our people and the wider communities who interact with our sites. We are continuing to grow our maturity, including how we support mental wellbeing, and I will continue tirelessly reminding everyone to put Safety First in their activities. Increasingly, we are working across industry to share insight and support

best practice, helping to strengthen standards and outcomes nationally.

Digital technology is another area where we have made a significant shift – from a traditional property company to a much more resourceful, data-driven business. That includes using AI to support productivity, and developing our own platforms to support future performance and decision-making. This year, we also launched a finance transformation that is replacing our core systems, modernising operations and establishing stronger foundations for strategic decision-making across the organisation.

As our remit expands, there is rightly more scrutiny over how we manage the assets we hold, and we welcome the greater accountability this brings.

Strong leadership

One of the most significant changes of the past 12 months has been the arrival of our new Chair, Ric Lewis. Building on the legacy of his predecessor, Sir Robin Budenberg CBE, Ric is passionate about the potential he sees in The Crown Estate to create value for the nation, both now and into the future.

The way he is already augmenting our ambitions is inspiring – challenging us to increase our impact, grow the profits we make for public spending and deliver a greater balance sheet that will enable us to do more over time.

On a personal note, I am honoured to have been reappointed to serve a third term as Chief Executive. This is a role unlike any other I have served in, and I am constantly inspired by my team, the people we work with, and our shared goal to create lasting value for the country.

With Ric, our Board and an exceptional team in place, I'm more optimistic than ever about what we can achieve.

Growing contribution

As a long-term steward of national assets, we can work with others to bring together the investment, expertise and land needed to deliver impact at scale for the UK. Over the past three years, we have established a substantial long-term growth platform, with an emerging multi-billion pound pipeline of opportunities across offshore wind, housing and key strategic sectors that stand to make a vital contribution to the UK's future energy security, economic growth and competitiveness.

Fully realising this potential will require sustained investment over decades. We will need to remain agile and disciplined as markets, technologies and national priorities and policy continue to evolve. However, the unique strengths of our portfolio and the results we have achieved to date give us confidence that as we move into a new and more active deployment phase, we can materially increase the value of our assets and the returns we generate for public spending. Most importantly, we can make an even more meaningful contribution as a company for the country – not only now but for generations to come.

Dan Labbad
Chief Executive

12 June 2026



It was an honour to meet so many of our farmers at an event in Windsor to celebrate our shared commitment to rural land. We discussed the myriad challenges farmers are facing and shared ideas on how to build a more sustainable future for the sector.

Financial review



“We are maximising the potential of our portfolio and investing strategically to lock in future potential.”

Helen Price
Chief Financial Officer

Revenue

£1.5bn

(2024/25: £1.6bn)

Operating profit

£1.2bn

(2024/25: £1.4bn)

Revenue account profit

£0.5bn

(2024/25: £1.1bn)

Property portfolio value

£14.5bn

(2024/25: £13.4bn)

Net assets

£16.7bn

(2024/25: £15.0bn)

Capital performance

0.5

percentage points
outperformance

(2024/25: 1.3 percentage points
outperformance) against annual
bespoke MSCI commercial
property benchmark

Portfolio review

	2025/26 £m	2024/25 ¹ £m	Change £m	Change %
Operating profit by business unit				
Marine, excluding Round 4	175	149	26	17
Urban	258	242	16	7
Windsor, Rural and Coastal	36	35	1	3
Central costs	(99)	(72)	(27)	38
Operating profit, excluding Round 4 option fees	370	354	16	5

Round 4 option fees	875	1,073	(198)	(18)
Operating profit, including Round 4 option fees	1,245	1,427	(182)	(13)

	Value		Capital revaluation surplus	
	Mar 26 £bn	Mar 25 ¹ £bn	Change £bn	Change %
Valuation movement by business unit				
Marine	3.7	3.2	0.5	16
Urban	9.1	8.6	0.5	6
Windsor, Rural and Coastal	1.7	1.6	0.1	6
Total investment property	14.5	13.4	1.1	8

1. Prior year amounts have been restated to reflect the transfer of some Coastal properties from the Marine business unit to the Windsor, Rural and Coastal business unit.

The Crown Estate's remit enables us to take a long-term view as we grow the value of our national asset base and the returns obtained from it.

This year, the valuation of our property portfolio increased by £1.1 billion to £14.5 billion and we delivered a £0.5 billion revenue account profit for the benefit of public spending.

In line with the previous two years, offshore wind option fees from Round 4 were the primary driver of performance. Set through an auction in 2021, the fees paid by developers for exclusive rights to develop the six projects in Offshore Wind Leasing Round 4 have delivered significant financial value for the UK and stand to significantly increase its renewable energy capacity. Fee income from Round 4 decreased by £198 million to £875 million (2024/25: £1,073 million) as two projects moved into the next, pre-generation stage (see page 15).

Financial review continued

Excluding the impact of Round 4 option fees, our operating profit increased by 5% to £370 million (2024/25: £354 million), demonstrating the strength of our strategy and more active asset management, as well as improvements in the London property market.

The **Marine** business continued to perform well, with higher income from existing offshore wind farms due to favourable wind conditions, and the commissioning of new capacity. This was complemented by a review of leases for linear assets, which include subsea data cables, pipelines and electricity interconnectors.

The three sites offered to market in Round 5 progressed into Agreement for Lease (AfL). Option fees were set at materially lower levels than seen in Round 4, consistent with current market conditions and the earlier-stage technology involved. The continued progress of these projects and the announcement of Round 6 in January 2026 mean that up to 43GW of new offshore wind capacity could be added to the current 13GW[△].

The Marine portfolio valuation increased by £0.5 billion (16%) to £3.7 billion following milestones achieved on Round 3 offshore wind projects, the completion of the Round 5 auction, and uplifts from leasing activity on our interconnector and coastal portfolios.

Our **Urban** portfolio outperformed its bespoke MSCI benchmark for a fourth consecutive year, driven by strong demand in the West End. As in the prior year, refurbishment activity held back near-term income; however, the full pre-letting of the super-prime office space at One Hanover Street is an encouraging sign that these works will support future revenue growth.

The valuation of the Urban business increased from £8.6 billion to £9.1 billion, reflecting progress on developments, strong rental value growth for prime office and retail assets in the West End and targeted acquisitions. This was partially offset by declines on our London residential portfolio due to weakened investor sentiment.

The **Windsor, Rural and Coastal** business also performed well, thanks to increased income from tourism, events and leisure, as well as filming on the Windsor Estate. Increased asset management, including rent reviews, helped to deliver stronger revenue from the Coastal assets. The portfolio's

valuation grew £0.1 billion (6%), primarily from increased commercial activities at Windsor, and planning gains on rural land against a falling market nationally.

Expenditure

As we continue working to expand our organisational capability and increase the value we create, our cost base has increased. Central costs increased from £72 million to £99 million in 2025/26 as we progressed our operating model transformation and refined our procurement function. Bringing our London property management in-house has also generated costs as we grew our team and took steps to bring these operations in line with our wider business and better serve our customers over time.

We are also investing in a multi-year transformation of our finance function, which includes developing our people, modernising technology, streamlining processes and improving data.

Investment activity

To deliver sustainable growth and expand our impact over time, we made £100 million of targeted investments in our portfolio this year.

In London, the acquisition of 100 Regent Street will reinforce our near-contiguous ownership on the street and serve our strategy of reimagining the West End to secure its future as an attractive and resilient global destination. We are also continuing to advance our £500 million renewal and stewardship investment across our London development pipeline (see page 25), investing £154 million in projects including New Zealand House, 10 Spring Gardens, One Hanover Street and 33-35 Piccadilly. While the works themselves and the temporary voids involved are having an impact through lost revenue and higher service charge costs for our business, modernising our heritage properties is essential to maintaining their long-term value, improving energy efficiency and continuing to meet our customers' needs.

As part of our long-term plan to invest £1.5 billion in science and innovation space (see page 27), we acquired a 220-acre site in Oxfordshire. The site will deliver world-class lab space, as well as offices and advanced manufacturing facilities, with a projected GDV of £4.5 billion. Acquiring this land builds on our existing interests in Oxford and Cambridge, diversifying our portfolio and

contributing to local and national growth in these strategically important sectors.

We completed the second round of funding through our Supply Chain Accelerator programme, committing £13 million to 16 early-stage projects that have the potential to support the UK offshore wind industry. The programme is designed to grow our domestic supply chain, contributing to a secure outlook for future renewable energy projects and ensuring the benefits are felt by businesses and communities. Across the first two rounds, we have committed £18 million of an intended £50 million total and the third funding round is now underway. More broadly, we intend to invest up to £350 million in the offshore wind supply chain through our Supply Chain Investment Programme.

Digital

Over the past year, we have made material progress in our digital transformation. We launched the Marine Delivery Routemap (MDR) digital portal, significantly improving our spatial modelling capabilities, which are now 3.5 times faster, enabling us to model seabed scenarios more efficiently and meet the competing demands on space.

We also increased our data maturity, moving from a reactive to a proactive stance, confirmed by an independent assessment showing a 30% improvement in our data maturity score.

Sustainability data management (including energy, carbon and nature) remains a key priority, and we have solutions in place to measure and report performance against the KPIs set out in our Ambition for Nature Recovery. We have also improved energy and carbon reporting, and are working to keep improving our data in support of our energy reduction and net zero commitments.

Cyber security risk continues to grow, and we have invested significantly to bolster our resilience. This remains an ongoing focus and we will continue adapting and making appropriate investments in our security.

Automation and AI adoption are increasing across the business. We are focused on driving efficiency and value for money. Digital cost management, cloud optimisation and contract renegotiation have delivered operational savings, enabling us to reinvest in priority areas.

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

Revenue

Underlying revenue increased by £40 million due to active asset management across the business. Marine revenues increased by £22 million, mostly from offshore wind farms reflecting several projects reaching contractual milestones, a 1GW[△] increase in operational capacity, and higher average wind speeds driving energy output. Revenue from our Urban business increased £13 million as a result of active lease management, partly offset by the full-year impact of asset sales in 2024/25. Windsor, Rural and Coastal revenues rose by £5 million from leasing activity and higher filming income at Windsor Great Park.

Option fees from Round 4 continued to have a material impact on our financial performance in 2025/26, as we recognised income of £875 million (2024/25: £1,073 million). This revenue is £198 million lower in 2025/26, as no option fee income was received for the remainder of the financial year after 17 January 2026.

This relates to AfLs we awarded to six offshore wind projects in 2021. Our customers committed to the first three years of option fee payments for exclusive rights to progress their projects through planning and consenting. In January 2026, our customers could choose to:

- extend their option annually by paying a further year's option fee, up to a maximum of ten years;

Revenue account income statement

	2025/26 £m	2024/25 £m	Change £m	Change %
Revenue (excluding service charge income and Round 4 option fees)	600	560	40	7
Round 4 option fees	875	1,073	(198)	(18)
Direct costs (including net service charge expense)	(142)	(136)	(6)	4
Gross profit	1,333	1,497	(164)	(11)
Administrative expenses	(88)	(70)	(18)	26
Operating profit	1,245	1,427	(182)	(13)
Net investment revenue and other income	128	163	(35)	(21)
Underlying revenue account profit	1,373	1,590	(217)	(14)
Income retained as capital	(886)	(441)	(445)	(101)
Revenue account profit	487	1,149	(662)	(58)

- extend their option but scale back their projects by up to 25% (with a corresponding effect on option fees);
- enter their lease and move on to the development phase (subject to meeting various prerequisites); or
- exit the lease altogether.

Once a customer steps into lease, pre-generation rent commences, at up to £25 million per annum over the development period (estimated at three years) across the six projects. 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.

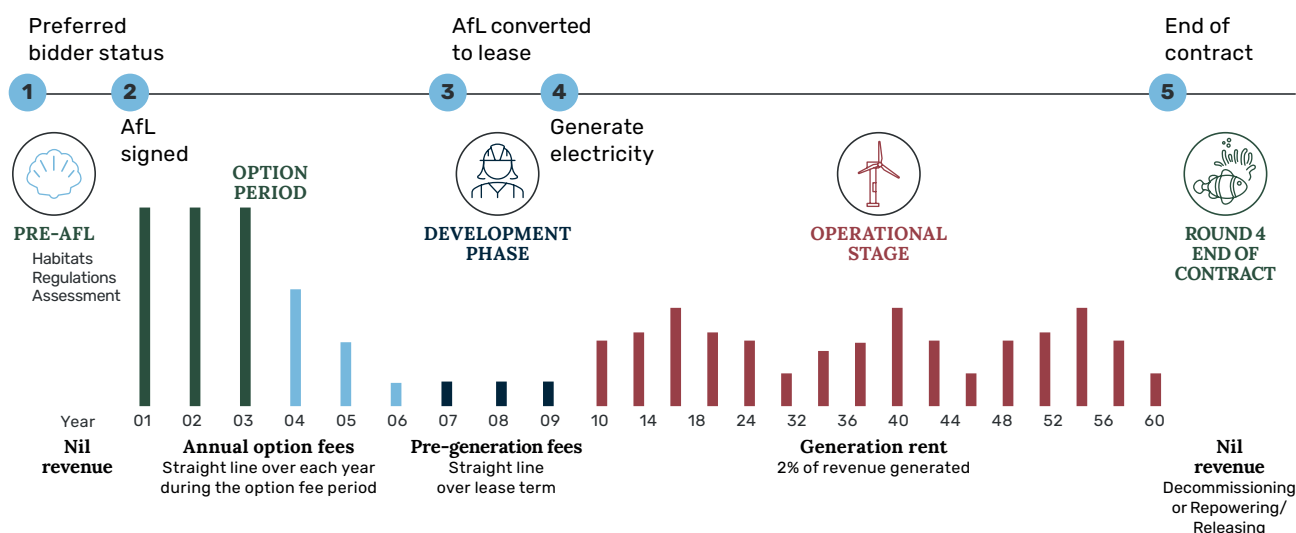
In January 2026, The Crown Estate announced that two projects, Mona

and Morecambe, had entered lease after only three years in AfL. Those two projects will now start to build their wind farms. We are working through arrangements and options for the Morgan offshore wind project following the announcement from the project developer that it was no longer looking to continue with the project. Alongside this, we continue working with the other three developers to continue advancing their projects at pace.

Other income

Net investment revenue and other income fell by £35 million to £128 million as our average cash balance of £3.4 billion is attracting lower interest rates compared with the previous year.

Round 4 life cycle



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

Financial review continued

Direct costs

Our direct costs rose by £6 million to £142 million, reflecting inflationary pressures, higher service charge expenses where properties move into development and the full-year impact of taking over the management of our London properties during 2024/25.

Administrative expenses

Administrative expenses increased by £18 million to £88 million, reflecting continued investment in the business. The increase was driven primarily by higher headcount and spend to progress our finance and procurement transformation, strengthen our controls framework and enhance cyber security. We expect further investment in transformation activity into 2026/27 as we continue to build organisational capability and resilience in support of our growth strategy.

Pensions

For information on our pension arrangements, see the Remuneration Committee report on pages 88-100.

Underlying revenue account profit

Underlying revenue account profit of £1,373 million (2024/25: £1,590 million) remains at elevated levels due to Round 4. As previously noted, these levels of profit will reduce as no Round 4 option fee income was recognised after January 2026.

Revenue retained for investment

In March 2025, Parliament granted The Crown Estate new investment and borrowing powers as a result of our strong track record and significant potential to drive economic growth and create value for the country. As the mechanism by which The Crown Estate will draw down debt is being finalised by HM Treasury, we have increased the proportion of gross revenue retained for investment with our government sponsor. This will ensure we have sufficient capital available over the next 12 months to legally commit to invest in priority areas such as science and innovation, housing and renewable energy, while also enabling long-term growth in revenue account profit.

Balance sheet

	Mar 26 £bn	Mar 25 £bn	Change £bn	Change %
Investment property at valuation	14.5	13.4	1.1	8
Cash	3.1	3.9	(0.8)	(20)
Other net liabilities	(0.9)	(2.3)	1.4	(61)
Net assets	16.7	15.0	1.7	11

Net assets have increased by £1.7 billion to £16.7 billion, driven primarily by an increase in the property valuation. See pages 13-14 for discussion of the drivers of the £1.1 billion increase in the valuation.

Cash flow

	Mar 26 £m	Mar 25 £m
Net cash inflow from operating activities	573	1,666
Net cash outflow from investing activities	(225)	(243)
Payment to Consolidated Fund (see note 12 on page 129)	(1,144)	(949)
Other items	-	(5)
Net cash (outflow)/inflow	(796)	469
Cash at 31 March 2025	3,919	3,450
Cash at 31 March 2026	3,123	3,919
Analysed between:		
Revenue cash	724	2,221
Capital cash	2,317	1,624
Third party cash	82	74
Cash at 31 March 2026	3,123	3,919

From 1 April 2025, we have retained 60% of revenue income to support investment, up from 27% previously. We will review the percentage of revenue retained for investment, known as the 'statutory transfer', in two years, informed by the availability to draw down debt.

Cash flow

Net cash inflow from operating activities has decreased as the last cash receipt of Round 4 option fee was in 2024/25 and the relevant option fee revenue was recognised up to January 2026.

Cash flows from investing activities are as described on page 14 and increased as we invest in our strategy.

The payment to the Consolidated Fund is higher, reflecting the structured payments of our revenue account profit to the Treasury.

As described on page 68, the Act specifies certain distinctions between capital and revenue. Analysis of cash balances between capital, revenue and third party deposits is set out above. Capital cash represents the resources available for reinvestment in the business.

Supplier payments

We aim to pay our suppliers within 30 days of the invoice date unless our contractual terms specify a shorter period. Where invoices are disputed, payment performance is measured from the date the invoice is validated.

Over the past financial year, on average, suppliers were paid within 41 days (2024/25: 39 days). We paid 72% (2024/25: 68%) of invoices within 30 days, 12% (2024/25: 15%) of invoices were paid between 31 and 60 days and 16% (2024/25: 17%) of invoices were paid after more than 61 days.

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 68.

The Board has assumed the Act will continue in place throughout the period of assessment. The structured payment process for our revenue account 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 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 40–45); 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 2027 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 international conflicts, 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 2024 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 2031.

Outlook

Our headline profit is beginning to normalise as the Round 4 projects progress into the next pre-generation phase; however, our underlying profit is forecast to increase as the income profile of our Marine business shifts to more stable, long-term revenue streams, underpinned by a substantial future offshore wind pipeline as well as interests in other emerging sectors such as tidal power and carbon capture and storage.

Across the portfolio, we expect demand for high-quality land and property to remain resilient, while strategic partnerships such as our conditional joint venture with Lendlease position us to capture future growth.

Many of our activities also create other forms of value for the country, and we are confident that the investments we are making now will not only continue to develop our business but expand our wider impact for the UK.

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 145–146 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 (revenue account 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 128 for more details.

Taxation position

With our revenue account 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 avoidance that could credibly be seen as unethical.

Business review

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Marine

Our Marine business is responsible for managing the seabed around England, Wales and Northern Ireland.

Through our stewardship, we aim to create the most attractive and sustainable marine economy in the world. This means working with our customers and partners to boost national energy security and decarbonisation, restore marine habitats and support vital industries from fishing to technology. It also creates exciting opportunities for economic and social benefits, especially for coastal communities.

Our role in UK offshore wind demonstrates the value we can create. At a time when the sector is facing global pressures, the grid-connected capacity in our waters increased to 13GW[△] (2024/25: 12GW) and we reached several important milestones that will help to more than quadruple this figure. Advancing projects from Offshore Wind Leasing Rounds 3 and 4, awarding rights for Round 5, commencing the Round 6 process and progressing capacity increases at some existing wind farms could add an additional 43GW, generating income for the public purse while providing a secure energy supply for the people of the UK.

To help us manage increasing and often competing demands on the seabed, including caring for the marine environment, we have developed the Marine Delivery Routemap. This long-term planning tool facilitates decision-making by enabling marine users, regulators and stakeholders to understand future uses out to 2050.

In October 2025, delegates representing local and national governments, eNGOs and nature bodies, ports, fishers and national fishing bodies, marine aggregates and subsea cables associations met to review and refine the first version of the Routemap. A pilot of the interactive digital platform was launched in February 2026, and we are now seeking feedback from stakeholders to ensure it meets their needs.

The launch is one of many highlights in a standout year of delivery across our Marine business, as detailed on the following pages.



Valuation

£3.7 billion

(2024/25: £3.2 billion)

Operating profit

(excluding Round 4)

£175 million

(2024/25: £149 million)

Responsible financial returns

Our Marine business generates revenue by leasing and licensing seabed space to our customers. Our interests include renewable energy projects, subsea data cables, pipelines and energy interconnectors, marine aggregates and ports.

2025/26 was another strong year for Marine, with profits generated of £1.0 billion (2024/25: £1.2 billion). Offshore wind remains the biggest driver of revenue, with income generated from leases for the 36 wind farms operating around England and Wales as well as option fees paid by developers for exclusive rights to future projects.

Option fees for Round 4, which were set at auction in 2021, have had a significant impact on operating profit in recent years. As previously communicated, our results are beginning to normalise, with option fee income at £875 million (2024/25: £1.1 billion) – a downward trend that will continue as our Round 4 customers progress through the next stage of the leasing process.

Importantly, the operating profit of the Marine portfolio, excluding Round 4, continues to grow, rising from £149 million to £175 million year on year. Revenue from existing wind farms increased 20% year on year to £117 million due to higher wind speeds, inflation and the commissioning of Phase 2 of the Dogger Bank A wind farm in the North Sea. The auction for Round 5 projects set option fees at £1.6 million, a reflection of the less mature technology involved in floating offshore wind as well as more challenging conditions in the global market.

A more proactive approach to managing our linear assets is also driving performance as we review leases for pipelines and subsea telecoms, data and electricity cables to ensure they are set at an appropriate level. Managing about 160 such leases generated £28 million of income during the year.

In 2026/27, we will build on this strong performance as we continue working with our customers to accelerate the delivery of vital UK infrastructure and generate income for public spending.



“We are seeing real momentum in the UK’s offshore wind sector, generating homegrown renewable energy at scale while supporting thousands of jobs across the supply chain.”

Gus Jaspert
Managing Director, Marine

Energy and climate resilience

Through offshore wind and emerging technologies, our Marine team works closely with public and private sectors to support the UK’s transition to a more secure, lower-carbon energy system. This year, we have progressed a substantial pipeline of projects, while strengthening our partnerships and evidence base, and supporting the decarbonisation of marine industry.

Offshore wind

We are proud to have helped drive the UK’s position as a world leader in offshore wind over the past 25 years. This year, we have drawn on that background to continue progressing a pipeline of new projects despite global pressures on the sector.

A highlight was the first two **Round 4** projects entering their leases in January 2026, meaning they have now advanced to construction stage. Located in the Irish Sea, the Mona and Morecambe projects have a combined capacity of 2GW, enough to power another two million homes with clean electricity.

The milestone followed the UK Government’s recent AR7 auction, which provided the developers behind two other Round 4 projects with Contracts for Difference that guarantee certain prices for electricity. The developer consortium behind the Morgan project, off the coast of Lancashire, which did not receive an allocation in AR7, chose to exit its lease, and we are reviewing alternative options for this site. We are also working with the other Round 4 developers to support them to develop their projects at pace.

Following the auction for **Round 5**, which awarded rights for two floating wind farms in the Celtic Sea in June 2025, we secured a developer for a third site in November 2025. Our Marine team actively engaged with the market and

awarded the contract to Ocean Winds, the developer that delivered the world’s first semi-submersible floating wind farm (WindFloat Atlantic in Portugal).

We had undertaken significant de-risking work in advance of the auction to encourage developers to commit to this relatively new technology, undertaking a major programme of pre-consent surveys. All three Round 5 projects are now advancing, with the goal of building some of the largest floating wind farms in the world, generating enough energy to power more than four million homes.

In March, we unveiled plans for the launch of **Round 6**, which could provide up to 6GW of capacity and help to stimulate growth in the North East of England (see case study on page 23).

Alongside new leasing, there is a substantial (18GW) pipeline of **Round 3** projects still under construction and in development. We are also progressing our **capacity increase programme**, which stands to add up to 4GW by helping seven existing wind farms to maximise their potential, and funding the development of a UK-based supply chain that will be vital to future progress (see Inclusive growth on page 22).

Wave and tidal power

Alongside our work on offshore wind, we are partnering with others to explore the future potential of wave and tidal stream energy in UK waters.

The Crown Estate has been involved in the Morlais tidal stream energy demonstration project in Ynys Môn, North Wales for over ten years. Most recently, we have invested £2.6 million in its Marine Characterisation Research Project, which uses pioneering technologies to record dolphin encounters. The social enterprise behind Morlais, the largest consented project of its kind in the world, aims to source its turbine technology locally wherever possible and create jobs and skills for local people.

This year, we also joined with Crown Estate Scotland to fund a Marine Energy Taskforce, which brings together the UK, Welsh and Scottish Governments, key bodies including Mission Control and Great British Energy, and industry leaders to develop recommendations to address challenges and seize the opportunities in this emerging sector.

Great British Energy

Formed in the summer of 2024, our partnership with Great British Energy is intended to advance energy security and climate resilience for generations to come, building on our longstanding role in offshore wind.

As Great British Energy becomes more established, we are working closely together to strengthen the domestic supply chains and enabling infrastructure for renewable energy. The Crown Estate has outlined our ambition to invest up to £400 million through the Supply Chain Investment Programme and Supply Chain Accelerator, while Great British Energy has launched the £300 million GBE Supply Chain Fund: Offshore Wind and Networks.

Together, these initiatives are providing early-stage support for a range of projects covering everything from skills to manufacturing. The investment is helping businesses to grow, creating jobs and developing national supply chain capacity that will be vital to attracting investment from developers.

We are also seeking to align on initiatives that focus on sustainability, and supporting the nascent floating offshore wind sector.

Carbon capture and storage

Carbon capture and storage (CCS) has a vital role to play in national decarbonisation efforts and we are supporting our customers to advance pioneering CCS projects in our waters.

In January 2026, The Crown Estate and The Northern Endurance Partnership (NEP) signed a lease that paves the way for the UK's first and largest CO₂ transportation and storage asset. The agreement enables construction of the Endurance carbon store, which offers access to up to 1 billion tonnes of storage capacity 140km offshore in the North Sea. Construction is now underway at the site and operations are expected to begin in 2028.

We're working with other developers to progress projects across the North Sea and in the East Irish Sea, including Eni in Liverpool Bay. We engage with other stakeholders through the Offshore Wind and CCUS Co-location Forum, undertaking research into how we can support both sectors.

Nature recovery

As custodians of the seabed, we have a responsibility to protect marine ecosystems and the communities who rely on them. This year, we were proud to publish our Guiding Nature Principles for Marine (see box), which will shape our approach to managing the seabed.

As industrial demands on the seabed continue to increase, these principles have been integrated with the Marine Delivery Routemap to ensure that nature is considered early, transparently and systemically in spatial planning and leasing processes. The Routemap not only guides our own approach but also encourages our stakeholders to factor nature into their activities. Our aim is to promote a more joined-up approach to enhance the resilience of marine and coastal ecosystems, and help them adapt to the impacts of climate change.

To give an example, we are funding a pilot scheme at Lymington Harbour that is using dredged sediment to restore eroding saltmarsh, protecting both the harbour's ecology and its long-term economic viability. Meanwhile, in Wales, we are supporting nature restoration through the MARINE Fund Cymru.

We are also investing substantially in data and evidence. In 2025 alone, 243 new surveys were added to the Marine Data Exchange, which gives industry, regulators and researchers open access to environmental and survey data.

Our Guiding Nature Principles

Unlocking space for nature to thrive

Protecting vulnerable habitats and species

Delivering positive outcomes for nature in everything we do

Promoting sustainable investment in nature

Our primary vehicle for funding research is the Offshore Wind Evidence and Change (OWEC) programme. Shaped by a cross-sector steering group of 27 organisations spanning government, industry and eNGOs, OWEC draws on a £50 million investment from The Crown Estate and more than £12 million in partner contributions to fund projects that support the delivery of renewable energy while ensuring marine and coastal ecosystems thrive.

To date, 42 research projects have been funded, including MaRePo, which mapped the marine restoration potential for habitats such as kelp beds, native oyster beds and subtidal seagrass, and provided practical restoration guidance. The Poseidon project has produced updated spatial models for seabirds, marine mammals and benthic habitats, enabling us to consider areas of risk and opportunity for nature in future offshore wind planning.

We continue to see an increase in the number of nature recovery-focused activities across England, Wales and Northern Ireland which extend across more than 1,800 hectares of our



Marine continued

foreshore and seabed and supports habitats and species such as seagrass, native oysters, saltmarsh and seabirds. These habitats can also act as important carbon sinks, with restoration projects helping to capture and store so-called 'blue carbon', alongside delivering wider benefits for biodiversity and coastal resilience. We continue working with restoration practitioners to explore how our licensing and leasing mechanisms can enable future work, including seascape-scale restoration initiatives.

Inclusive growth

Alongside generating returns for the public purse, we strive to manage our portfolio in a way that creates lasting value for people and places. Our approach combines spatial planning, evidence-led decision-making and targeted financial support to create the conditions for sustained growth.

Supply Chain Accelerator

Offshore wind remains one of the UK's most significant economic opportunities, and we are increasingly designing our leasing rounds to ensure that communities and local companies feel the benefits – for example, by including social value requirements for developers in Round 5.

The Celtic Sea Blueprint estimates that Round 5 alone could generate 5,300 jobs and a £1.4 billion economic boost if the opportunities are fully realised. For this to happen, it's particularly important that British businesses are equipped to support the sector. Launched in 2024, our £50 million Supply Chain Accelerator is designed to build capacity among UK businesses – reducing reliance on imported components, boosting local economies and supporting jobs across coastal and industrial regions.

During the first round, we awarded £5 million in match-funding to 13 early-stage projects with the potential to strengthen domestic capability in areas that had been identified as key to the delivery of Round 5, from skills provision to port infrastructure and specialist fabrication.

In December 2025, the Accelerator announced the results of its second funding round, with a further £13 million committed to kickstart investments in port infrastructure and supply chain facilities for offshore wind. This process built on learnings from the first round, placing greater emphasis on projects that can

accelerate commercial readiness, unlock private investment and anchor high-value activity in UK regions. Businesses in Plymouth, Pembrokeshire, Blyth and Orkney were among those to receive development funding of up to £1.5 million per project. They will use the investment to develop a wide range of applications, including the manufacture of fixed and floating offshore wind foundations, wet storage and anchoring strategies.

Separately, in South Wales, we announced funding for Fit for Offshore Renewables, a new programme designed to help local businesses prepare to enter the offshore renewables market. By supporting firms to meet the technical, quality and safety standards required in the sector, the programme aims to ensure that regional companies are well positioned to participate in the emerging Celtic Sea opportunity.



“Our commitment to invest up to £400 million in the UK supply chain for offshore wind is just one example of how we are using our new investment powers to drive broader growth opportunities.”

Oliver Smith

Executive Director of Investment and Operations

Ports

Ports and coastal infrastructure are critical to the UK economy, handling the vast majority of the nation's imports and exports and directly supporting about 125,000 jobs. They are also vital to de-risking and accelerating offshore industries, and we are working with our customers to ensure that marine infrastructure is ready to support construction, installation and long-term operations activity.

In Northern Ireland, we continue to engage with the Belfast Harbour Commissioners with a shared goal to create the conditions for future development at the port, while in the South West of England, we reserved

access to an area of seabed in Dorset for a four-year period to allow a proposal for new port infrastructure to be developed.

Marine aggregates

Marine aggregates are an essential component of the building materials supply chain, providing about 25% of the UK's sand and gravel. This in turn supports jobs and economic activity in construction, infrastructure development and coastal defence projects across the country.

Our role is to lease space and license projects, which this year included a major climate resilience scheme in Southsea Harbour, and the extraction of 400,000 tonnes of aggregates for use in the construction of Hinkley Point C power station.

We also work closely with the industry to develop professional expertise and strengthen environmental stewardship through initiatives such as the Marine Minerals Academy and our accredited Geoskills programme.

In the coming year, we will move to a new, more customer-centric licensing model that better supports nature by leasing discrete areas for individual projects. Our Marine Delivery Routemap will help us to manage this nationally important resource sustainably over time, giving operators and investors greater long-term visibility and confidence.



94,000

jobs could be supported by the offshore wind industry by 2030

43GW

new offshore wind capacity in progress

19%

of the UK's electricity needs being met by offshore wind (including Scotland)

CASE STUDY

An offshore boost for the North East

The North East of England stands to benefit from jobs and growth through Offshore Wind Leasing Round 6, which we expect to launch in the first half of 2027.

Our Marine team is in a process of market engagement for a new leasing round that could deliver about 6GW of clean energy, at new proposed sites identified using spatial data from our Marine Delivery Routemap.

It's estimated that delivering the projects could create up to 10,000 jobs and generate up to £12 billion for the national economy. While the specific site details and locations will be refined through market and stakeholder engagement, we expect the majority of sites to be off the coast of the North East of England.

As the birthplace of UK offshore wind, the North East has a strong connection with the world-leading sector we have today. It is home to Dogger Bank, which is set to become the world's largest wind farm once fully built, with the region playing a key role in operations and maintenance for more than 250 turbines.

Building on our learnings from Round 5, The Crown Estate will work with regional and industry stakeholders to identify how best to support local opportunities through the tender process, aligning with regional plans and growth strategies. We have also partnered with the National Energy System Operator (NESO) to align on grid connections for the projects, and will again include increased measures to de-risk and support the consenting process, including ecological surveys.

Most of the seabed areas are likely to suit the use of traditional fixed-bottom turbines, which benefit from established supply chains and therefore greater certainty over project costs.

The Crown Estate will now begin several months of in-depth consultation to refine the exact size and locations of the sites, as well as the best approach for the tender process.



“This is a once-in-a-generation opportunity to attract investment and create new jobs in our region.”

Kim McGuinness
North East Mayor

Urban

Our Urban assets range from historic locations such as Regent Street and St James's in London to a growing presence in the science and housing sectors.

Across our existing assets and new developments, we take a place-based approach – engaging with our customers and local communities to understand how we can best serve their interests and grow our business over time.

In London, we own and manage a significant part of the West End, one of the UK's most important economic and cultural districts. Our scale gives us an opportunity to shape the area's future, working with partners to progress a long-term vision that reimagines John Nash's historic Park to Park route (see page 26).

Alongside these public realm improvements, we are advancing the largest development programme in our history, with around 1.5 million sq ft of projects identified in our London pipeline. Together, these investments are designed to strengthen the West End's position as a global destination, making it more resilient, inclusive and accessible.

Regionally, we are working with partners on a number of redevelopments designed to serve the technology, science and innovation sectors.

Developing accessible space for deep tech, science and innovation work in Oxford and Cambridge will diversify our business, promote regeneration and boost sectors where the UK has a competitive advantage.

As the national housing shortage continues, we are using our regional land portfolio to make a difference by commissioning forward-thinking and scalable designs, with planning applications for thousands of homes now in progress (see pages 26-28).

Our proposed joint venture partnership with Lendlease shows the scale of our ambition for the future, with up to 10 million sq ft of future development space, offering the potential for about 26,000 new homes and up to 100,000 jobs.

Together, these activities support the long-term evolution of the places where we are present, helping to create more sustainable and economically vibrant urban environments.



Valuation

£9.1 billion

(2024/25: £8.6 billion)

Operating profit

£258 million

(2024/25: £242 million)

Responsible financial returns

This has been a period of renewal in our Urban business, as we continued investing in our London property and operations, made a significant new land acquisition in Oxfordshire, and completed our first financial year of operating as a single business unit since merging our London and Regional portfolios in 2024/25.

The combined portfolio spans 17 million sq ft of mixed-use real estate, with income coming from commercial, residential and retail leases. The business outperformed its bespoke MSCI benchmark, as demand for prime space continued to outpace supply in the West End, driving sustained rental growth. As several properties are vacant due to construction works (see page 14), the headline void rate is 21% (2024/25: 20%); however, the underlying rate was lower at 6% (2024/25: 7%).

Our decision to bring forward major development projects such as One Hanover Street is helping to meet strong demand for high-quality workspace – as evidenced by Ares Management's decision to pre-lease 124,000 sq ft of office space over six floors in the building. The third largest transaction ever recorded in the Mayfair and St James's submarkets, the deal strongly supports the business case for investing over £500 million to modernise our heritage properties, enhance resilience, and drive long-term income and capital



“The strength of our portfolio is in its diversity, but that also brings a responsibility to protect heritage buildings, invest for growth and consider how our actions can serve a broad range of needs.”

Hannah Milne

Managing Director, Real Estate

value. We also welcomed several new retail customers, including Kith, Antler and Skims – which agreed a 10-year lease to open its first UK store on Regent Street. Customer sales across our lifestyle locations, which also include regional destinations such as Fosse Park, Rushden Lakes and Banbury Gateway, outstripped national trends thanks to an increase in footfall. In December 2025, we recorded the highest total since records began, as 400,000 people visited Regent Street for a traffic-free day.

Following the insourcing of our London property management function in 2024/25, we have continued refining these operations, and launched a targeted programme of maintenance and repairs to improve asset performance over time. As a result, we saw an increase in costs, which we expect to reduce in the coming years.

Overall, performance was in line with expectations. The portfolio valuation increased 6%, supported by market growth, asset management and two key acquisitions: 100 Regent Street, increasing our predominant ownership of the street, and a 220-acre site adjacent to the Harwell Science and Innovation Campus in Oxfordshire. The latter deal is part of our commitment to invest in science and innovation space nationally, which we believe will support future income growth as well as supporting our goals around creating other forms of value.

Energy and climate resilience

We are protecting the long-term value of our Urban portfolio by improving its energy efficiency and carbon performance. Our scale and key partnerships also give us an opportunity to lead the way in national decarbonisation by trialling new approaches to design, construction and building management with the potential to shape industry best practice.

Modernising heritage buildings

We are progressing a significant pipeline of retrofitting and refurbishment works that will ensure our London properties meet our customers' future needs. The designs for each project are being developed in line with our Development Sustainability Principles, and we are retaining original structures and materials wherever we can.

Works are nearing completion on a flagship redevelopment of the historic New Zealand House, as well as at 10 Spring Gardens, delivering a combined total of 220,000 sq ft of sustainable workspace in central London. In New Zealand House, we have been able to retain around 90% of the original structure, also utilising recycled steel where possible. On 10 Spring Gardens, we have preserved 90% of the original façade, adding new windows to improve thermal performance and recycling the old ones. The schemes also include vertical and rooftop planting, to build climate resilience and boost biodiversity as well as making them more pleasant places to spend time.

We are also advancing works at several other London sites, including 33-35 Piccadilly, with two new projects commencing at One Hanover Street and 21-29 Glasshouse Street, and enabling works underway at 10 Piccadilly.

In 2024/25, we bought out our joint venture partner and chose to revisit plans to redevelop a block of five buildings at St James's Market to ensure they met our sustainability goals. The reworked scheme will significantly improve the carbon performance of the development. Following consultation, a planning amendment has now been submitted to Westminster City Council for approval.

For our London assets, we've set a portfolio-wide target of 400kg embodied carbon per sq m as a weighted average across the portfolio. Thanks to the consistent efforts of our team, supply chain partners and consultants, we are currently exceeding this in the first phase of our development pipeline, with 375kg per sq m in Phase One.

Energy and carbon performance

In recent years, we have set and delivered against targets to reduce energy use in our buildings while we planned a longer-term programme of decarbonisation.

Measures like LED lighting upgrades across Fosse Park and refining building management systems have delivered cost and energy savings, and we are continuing to make new interventions, such as replacing gas boilers with electric alternatives, that focus on carbon savings.

Urban continued

Company wide, energy use in real estate assets where we procure the energy has fallen by 21% against the baseline we set in 2021/22 (see page 59). However, many of the quick wins have now been realised. While we are proud of our early results, we now need to scale them, which involves complex logistics – particularly around refurbishing properties with customers in situ.

We have therefore shifted our focus to overcoming challenges, making good progress on improving our data during the year, while developing our longer-term investment plan. This forward decarbonisation programme will build on our early learnings and be structured to ensure we trial, develop and roll out effective solutions. See more details on our energy and carbon performance on pages 58–63.

Sustainable housing

The national housing shortage remains acute, and we are using our land portfolio to trial innovative approaches to sustainable design and construction.

This year, we submitted six planning applications for nearly 5,700 homes. These include housing demonstration projects in Wootton, Bedfordshire and Knutsford, Cheshire that aim to test new standards in low-carbon construction and design. The projects will together build 125 homes with outstanding energy performance that makes them more affordable to run. Both are targeting less than 300kg of embodied carbon per square metre and at least 15% biodiversity net gain.



“By investing in housing, science and innovation, we can help drive sustainable growth, support local economies and create lasting opportunity for communities across the UK.”

Kristy Lansdown

Managing Director, Development

Nature recovery

Protecting and restoring nature in urban areas creates the habitat connectivity that species such as hedgehogs, bees and bats need to thrive. It also provides cooling and flood resistance, while shared green spaces support people's wellbeing and can drive footfall to local businesses.

Designing for nature

Nature is embedded in our design approach through our Development Sustainability Principles. These include targeting above 10% biodiversity net gain, with an aspirational goal of 15% where practical, and encouraging habitat connectivity beyond site boundaries. They also require that schemes should consider connectivity with habitats beyond their own scope.

Measures include planting living roofs within refurbishment projects and placing green space at the heart of new developments (see case study on page 28). Our projects at 10 Spring Gardens, 33 Piccadilly and 29 Glasshouse Street use vertical meadows in construction hoardings, creating a habitat for wildlife and a point of interest for passers-by; we are now looking at ways to scale this.

This year, we commissioned a supplier to establish a biodiversity baseline across our Urban portfolio using surveys, satellite imagery and artificial intelligence. The results are helping us to better understand existing habitats and target our efforts where they can have the greatest impact.

Shaping a greener West End

The West End is one of London's most important economic and cultural districts, and a key focus for our long-term investment.

In partnership with Westminster City Council, we are progressing plans to transform the public realm of Regent Street, Haymarket and Piccadilly Circus. Our vision centres on reimagining John Nash's historic Park to Park route, connecting Regent's Park and St James's Park through a new green corridor at the heart of the city. The ambition is to create a greener and more accessible environment that supports the West End's continued success as a place to work, visit and spend time.

The emerging proposals include more than 35,000 sq m of new public space, alongside wider pavements, improved crossings and new areas for planting and seating. By prioritising pedestrians and introducing more greening into the streetscape, the programme will help improve climate resilience, support urban biodiversity and create more opportunities for people to spend time outdoors.

As well as enhancing the public realm, the programme is expected to support local businesses and the 94,000 jobs they generate, reinforcing the West End's role as a leading destination for commerce, culture and leisure. Around 5,000 people took part in the latest round of engagement, the largest response Westminster has received for any public realm project. Following this strong public support, we will present a final set of designs for consultation in summer 2026.



**17 million
sq ft**

of mixed-use real estate

**124,000
sq ft**

of commercial space leased in a single transaction

5,000

people involved in shaping our public realm proposals

Inclusive growth

As a company founded for the benefit of the country, we seek to grow the value of our portfolio in a way that also advances wider economic and social progress. Our social impact principles help us to do this, drawing on data and insight to target the right projects in the right places, and engaging communities thoughtfully to ensure we understand local priorities.

Lendlease partnership

The conditional partnership with Lendlease that we announced in May 2025 gives us potential to unlock value through major projects across London and Birmingham. The proposals aim to address long-term challenges by providing high-quality housing, commercial space and supporting infrastructure.

As of 31 March 2026, we are continuing to progress the conditional agreement for this proposed 50/50 joint venture, which will see Lendlease remain as the development manager across the portfolio. Details will be announced in 2026/27.

Science and innovation

In recent years, we have broadened our Urban portfolio beyond traditional retail and office space, beginning to invest in science and innovation space.

In 2024, we announced a partnership with Oxford Science Enterprises and Pioneer Group. Our flagship project together is the redevelopment of a former department store in Oxford, which is being transformed into around 100,000 sq ft of laboratory and collaboration space. We have now received planning approval from Oxford City Council and strip-out works have completed, with construction scheduled to begin in 2027.

In October 2025, we made the further acquisition of a 220-acre site adjacent to the globally significant Harwell Science and Innovation Campus (see page 25). Developing the site could increase GDP by an estimated £2.5 billion and generate 30,000 jobs nationally. Our work in Oxford complements our work at Cambridge Business Park, where we are designing a variety of office and lab spaces for startups and established businesses as part of a new innovation district in Northeast Cambridge.

Supporting jobs and skills

Our portfolio directly and indirectly supports tens of thousands of jobs, and we work with our customers, suppliers and partners to make opportunities accessible to local communities.

Each year, we host jobs fairs to help our retail and hospitality customers secure the talent they need while enabling people to access work close to home. Our Recruit London partnership connected 27 brands and over 700 vacancies in 2025/26, generating more than 1,600 interviews and nearly 400 progressions to second stage. Our Recruit Regional partnerships have also delivered strong results, with Fosse Park promoting more than 400 vacancies so far this year and supporting 100 people into work on site, while more than 200 people were helped into employment at Rushden Lakes.

We also support the development of skills across our construction activity, for example through our Create programme. This provides targeted support to sub-tier contractors, helping smaller businesses sustain and create apprenticeship opportunities. Over the past year, the programme engaged with 14 businesses and supported the creation of 24 apprenticeships, including roles focused on green skills.

Inclusive design

We recognise that inclusive growth depends on ensuring the places we create are accessible and welcoming to everyone. After research that we commissioned with Grosvenor recommended more co-ordinated action, we established the Accessible and Inclusive Places Industry Group to drive progress across the property sector.

We have audited our own estate and we are developing case studies on how buildings can be upgraded to be more accessible. Every one of our developments now uses our Inclusive Design Brief – developed to meet, and where possible go beyond, industry best practice standards. We also draw on input from diverse advisory panels to optimise individual projects.

More broadly, we are finding new ways to involve communities in the design process on a wide range of projects. At Westwick Row, a demonstration project in Hertfordshire, three panels of local people helped to co-design a masterplan that will deliver 75 homes suiting different living arrangements.

This meaningful approach to engagement helps to ensure our developments suit the local context and truly meet people's needs. Working with local partners, we are building on this experience to ensure we take a similarly effective approach across all our development work.



£2.5 billion

potential GDP boost from one site

300

job offers through regional jobs fairs

5,700

homes now in planning stage



CASE STUDY

A 100-year vision for East Hemel

This year we submitted an outline planning application for a new community in Hertfordshire that could deliver up to 4,000 new homes, alongside employment opportunities, schools and extensive green space.

The plans form part of Hemel Garden Communities, a long-term programme supported by Homes England to guide the sustainable growth of Hemel Hempstead. The initiative aims to deliver up to 11,000 homes and thousands of jobs across the area by 2050. As the majority landowner across much of the growth area, The Crown Estate has worked with programme partners over several years to align our plans.

We have taken a master developer approach to the project, which includes plans to offer a mix of housing types to help address local affordability pressures and make homes available to a wider range of people.

Our proposals will also provide 1.8 million sq ft of employment space, including a dedicated employment zone in the centre of the site, with significant new job opportunities aligned to national industrial strategy and local economic priorities. We envisage four schools, community facilities and new walking, cycling and public transport connections that will integrate the development with the surrounding area. More than a third of the site will be retained and enhanced as open green space for nature, recreation and climate resilience, including wildlife habitats, green corridors and a 63-hectare country park.

Importantly, the proposals have been shaped through extensive collaboration and consultation. Over 18 months of engagement with more than 1,400 residents, community groups and local stakeholders has helped to inform the emerging masterplan and ensure the plans respond to local priorities.

Guided by a 100-year vision, East Hemel is intended to grow into a place where people can live, learn, work and spend time across every stage of life. While the planning submission marks an important milestone, delivery itself will also be a long process that we look forward to shaping alongside our partners.



“The Crown Estate is playing an important role in shaping plans for Hemel Garden Communities and local growth.”

Councillor Paul de Kort
Leader of St Albans City and District Council

Windsor, Rural and Coastal

Our Windsor, Rural and Coastal portfolio spans a diverse range of landscapes across England, Wales and Northern Ireland.

Stewarding 83,000 hectares of mainly farmland, with extensive upland areas in Wales and Cumbria, and the Windsor Estate, we are one of the largest owners of agricultural land in the country.

The Windsor Estate is the cornerstone of this business unit, significant for its historic status and ecological value, including more than 7,000 ancient and veteran trees, and has continued to evolve this year.

Our Rural business consists of more than 500 farm tenancies, producing everything from cereals and field vegetables to livestock, poultry and game. This scale gives us an opportunity to support UK agriculture amid economic and environmental challenges. Land is recognised as instrumental to the UK achieving its climate and nature goals, building food and water security, and increasing resilience to climate impacts, and in recent years we have evolved our approach from a traditional institutional model of land management to a more active partnership role. Our

innovative tenancy agreements (see page 33) and Rural Environment Fund are improving performance and supporting the transition to more nature-friendly and resilient farming systems.

Strong relationships are vital to our success, and the emphasis we place on them is reflected in consistently high customer feedback scores. In July 2025, we brought together more than 400 farmers and their families at Windsor to share insights into rural best practice. The first event of its kind in over 40 years, it reconfirmed our commitment to our farmers and rural communities.

This year, we also incorporated most of our coastal landholding into the portfolio. Spanning more than 12,500km, this includes around half of the foreshore of England, Wales and Northern Ireland, while about 8.7 million people live along the coastal fringe. Building on our rural approach, we are now developing a coastal strategy to grow our local and national impact.



Valuation

£1.7 billion

(2024/25: £1.6 billion)

Operating profit

£36 million

(2024/25: £35 million)

Windsor, Rural and Coastal continued

Responsible financial returns

This portfolio generates income through the long-term letting of our Rural and Coastal assets, along with property, tourism, retail, events, filming and forestry, which provides a diverse and balanced income profile.

Financially, the business performed well in 2025/26, in line with our target for operating profit. The Windsor Estate had a particularly strong year for filming, resulting in higher than typical revenue for the estate. Large parts of the Windsor Estate are open daily and free to enter, and we received more than 5 million visits. Our festive attractions were also well attended, with Lapland UK selling out within a day, and a 10% increase in ticket sales for Windsor Illuminated. Income from retail, butchery and leisure has grown 5%, driven by the Windsor Farms and Farm Shop, which transferred to The Crown Estate in 2024.

Rural revenue increased £1.6 million to £23.5 million (2024/25: £21.9 million), while customer satisfaction scores remain high as we invest in this portfolio and deliver on our strategy. We have set ambitious targets over the next three years to relet more land on environmental Farm Business Tenancies (see case study on page 33). As the rollout progresses, we may see farm rents reduce, with more marginal land dedicated to nature recovery, but this will be replaced with new income streams as we support farmers to diversify with new commercial activities such as farm shops and office space. The shift will place our business on a

more sustainable long-term footing by helping farmers to reduce their reliance on primary crop production, building resilience through diversification.

A programme of works to refurbish and repurpose rural buildings is further helping us to diversify and strengthen our business. This year, we converted a former dairy in Ascot into 5,000 sq ft of office space. In addition, we have over 200 diversification projects ongoing across our rural estates – helping to create diverse income streams for our farmers and improving the resilience of their businesses (and therefore ours).

Alongside these works, we are continuing to grow the portfolio. Following the acquisition of the 1,000-hectare Dissington Estate in Northumberland in 2024, we have acquired a further 142 hectares of land adjacent to our existing estates and continue to seek new acquisition opportunities.

Our Coastal business generated £13 million, a 3% increase year on year. We are now looking at how we can continue to develop our asset management and activities in a way that supports further growth while supporting local communities.

Energy and climate resilience

Improving the climate resilience of our rural and coastal land is vital to maintaining its long-term productivity. We are supporting farmers to reduce emissions and improve soil health, while looking at ways to protect coastal areas from storm surges and rising sea levels.

Energy efficiency

The Windsor, Rural and Coastal portfolio supports renewable energy generation through onshore wind, solar and hydro power.

As well as replacing vehicles on the Windsor Estate with electric alternatives, we have installed over 500 new solar panels, as well as facilities to charge tools and equipment. In the coming years, we plan to invest in battery storage to make more efficient use of solar power. Rooftop solar schemes are also being installed across a large number of our tenant farms and at Windsor.

A programme of work to decarbonise our residential properties in a sympathetic way is ongoing, and we are also achieving results by engaging with our commercial tenants to help them reduce their energy demands and find greener ways to run their premises.

Decarbonising agriculture

As part of our close collaboration with farmers, we are undertaking a programme of carbon baselining work on some farms to establish their current level of emissions and identify how these may be reduced.

A pilot project with the Soil Association Exchange took soil samples from a small number of farms to calculate their carbon emissions and nutrient balance. The farmers were also given access to a digital platform to help them measure, improve and financially benefit from sustainable farming practices. The approach is proving effective, and the programme has now been extended to another ten farmers.

Nature recovery

Nature recovery represents a significant long-term opportunity across our Windsor, Rural and Coastal portfolio, and we have a long-term ambition to dedicate 15% of farmland to nature recovery where appropriate, building on the 21% of our land that is already designated as Priority Habitats.

The Windsor Estate

Our restoration work is informed by experience from the Windsor Estate, which has unique ecological status. Our landscape management team is currently executing an ambitious landscape replanting programme that has so far planted around 1,700 'standard' parkland trees across avenues, parkland and farmland settings. Over 20km of new native hedgerows were added in the distinctive Windsor style – characterised by individual trees planted in the hedgerows – that now appears across many of our tenanted farms. We created a new wetland complex and continued habitat restoration work across woodland, heathland and ponds, as well as managing the park's veteran trees, some of which are more than 1,000 years old. In time, we hope for Windsor to become a beacon of best practice nationally.



“Working more closely with our farmers has delivered exceptional results on a national scale, and we are bringing the same sense of purpose to managing our Coastal portfolio.”

Paul Sedgwick

Deputy Ranger and Managing Director of Windsor, Rural and Coastal

Our Rural Environment Fund

Within our Rural landholdings, our £20 million Crown Estate Rural Environment Fund is enabling farmers to deliver nature recovery at scale. This year, the fund supported the creation of an additional 70km of hedgerows and 135 hectares of woodland. Since its launch in 2022/23, the programme has now supported the creation of more than 300km of new hedgerows and over 450 hectares of new woodland nationwide.

Regenerative farming

Building on the Rural Environment Fund, we are supporting farmers to embed regenerative practices that integrate food production with nature recovery. In addition to the Soil Association work, our ecologists have been working with farmers to develop bespoke Nature Action Plans that maximise the opportunities on their farms (see case study).

We are also testing new approaches ourselves. A flagship project at Casthorpe House Farm in Lincolnshire that we established to build our understanding of best practice is now delivering tangible results. Working on a contract farming basis, we reorganised the holding to increase the opportunities for nature recovery, setting baselines for biodiversity and carbon storage, and creating extensive new areas of habitat. For example, to attract more

pollinators and game birds, we planted species-rich margins around fields. We improved the soil structure, establishing new wetland areas and more than 30 hectares of lowland meadow. This has delivered measurable biodiversity improvements, strengthening ecological connectivity and supporting a wider range of species.

Following the acquisition of the Dissington Estate in 2024, we have completed surveys that found a strong ecological baseline, including deciduous woodland, wetlands and parkland, as well as notable species such as red squirrel, lapwing and great burnet. So far, we have added 10km of new hedgerows and completed a Woodland Management Plan, and we are planning to create additional habitats including meadows, wildflower margins and areas of successional scrub.

Improving water quality

Healthy coastal waters are essential for thriving marine ecosystems, coastal communities and the many people who spend time along UK shores. Through our Coastal portfolio, we are working with local and national partners to protect and restore freshwater, marine and coastal systems.

This includes supporting Surfers Against Sewage, the national environmental charity campaigning for cleaner seas, to enhance its widely used Safer Seas & Rivers app. We

contributed over £100,000 towards upgrades that will expand national coverage of pollution alerts and incident reporting, helping people who live, work or spend time on the coast to see real-time water quality information and report pollution incidents.

Other activities include funding the North Devon Biosphere to develop a catchment-wide water plan for the Taw and Torridge rivers, and collaborating on an innovative project in Scarborough exploring how shellfish and seaweed habitats can help improve bathing water quality.

By working with partners across catchments, coastlines and communities, we aim to help turn the tide on water-quality challenges, learning as we go and scaling successes.

A coastal acquisition

In January, we acquired Dunneil Islands in Strangford Lough, our first purchase of land in Northern Ireland for many years. The islands offer an important opportunity for nature and wildlife enhancement. Our new coastal strategy will set out our approach in more detail as we aim to drive nature recovery across the coastal landscapes in our care.



Windsor, Rural and Coastal continued

Inclusive growth

Our Rural and Coastal portfolio is closely connected to the communities who live and work on and around our land. Through long-term stewardship and local relationships, we aim to create opportunity for farmers, local businesses and communities.

Coastal consultation

This year, we have undertaken a major stakeholder exercise, meeting with more than 70 local authorities in coastal areas around England, Wales and Northern Ireland to discuss evolving our regulating leases into more collaborative, enabling leases akin to our rural eFBTs. Our activities included extensive in-person workshops asking how we can increase our social, environmental and financial impact. The agreements developed as a result will give leaseholders more freedom to deliver interventions that benefit communities and nature.

The Country Trust

Partnership remains central to our impact. We are proud to have expanded our work with The Country Trust, which organises food, farming and countryside experiences for disadvantaged children. During 2025/26, over 40 farm visits were organised with the Country Trust, benefiting hundreds of schoolchildren. The charity works with teachers ahead of each visit and on the day to help children understand where food comes from. For some, it will be the first time they have experienced the countryside or considered their connection to the natural world.

Farmers tell us they are delighted to meet and host the children and encourage them to become responsible future stewards of natural resources. We have now agreed to support in 2026/27 a total of 70 school visits around the country, connecting the Country Trust team with our farmers and funding transport for the schoolchildren.

Windsor communities

We seek to add value to the local economy around the Windsor Estate, and to deliver social impact where we can. Activities across the estate directly or indirectly support around 5,000 jobs, while our forestry operations in particular contribute to skills development in the local workforce. During the year, our harvesting contractor provided more than 50 hours of training and mentoring on site to help develop the next generation of professionals.

In April 2026, we took on the management of Home Park Public, an important community space in Windsor that is used by several local sports clubs and organisations. We plan to invest in improving the grounds and sports facilities, to create a legacy for residents and visitors.

Mental wellbeing

We are continuing to partner with organisations from across the agricultural sector as part of the AgriWellbeing Alliance, which launched last year. By working together, we hope to raise awareness, reduce stigma and promote access to essential mental health services for farming communities.



4,444

hectares being managed under sustainable eFBTs

£3.2 million

invested in nature recovery this year

5,000

jobs supported by the Windsor Estate



CASE STUDY

Groundbreaking agreements for farmers

The environmental Farm Business Tenancy agreement that we developed in partnership with the Tenant Farmers Association is core to our strategy to create financial, social and environmental value for current and future generations.

These long-term agreements introduce a more flexible model to help farmers balance the competing demands on land use, while ensuring that food production remains core.

Under the model, farmers pay a lower rent on areas such as field margins that are dedicated to nature recovery. Each agreement is supported by a tailored Nature Action Plan, developed on a field-by-field basis to reflect the specific characteristics of the land. Working closely with our ecologists, farmers can identify opportunities ranging from cover crops to wetland creation and larger-scale habitat restoration. Farmers can then apply for funding via our Rural Environment Fund to deliver these nature recovery works. These measures are applied carefully so that the most productive land remains in use.

Creating space for habitat restoration alongside food production supports biodiversity, improves soil health and helps to reduce carbon emissions and water use. It can also help to build climate resilience, not only on our own land but also in the surrounding area.

For our farmers, the agreements offer greater stability through longer-than-average terms (15 years), while enabling them to diversify their businesses and build resilience at the same time. We now have 17 eFBTs in place, covering more than 4,444 hectares, and we have set ambitious targets to expand their use across our portfolio in the coming years.

Given that around a third of UK farmland is tenanted, this model has the potential to deliver wider impact by influencing land management practices and supporting positive relationships in the tenanted sector. It has already been shared with several other large-scale rural landowners, and we will keep striving to expand its reach within and beyond our own portfolio.



“The eFBT hasn’t just encouraged nature-based activities, it’s made them core to the business model.”

Jonathan Page
Abbey Garth Farm, Yorkshire



People and culture

Over the past year, we have continued to invest in our organisational capability to ensure The Crown Estate is well positioned to deliver for the future. Against a backdrop of transformation, we are building effective leadership.

Culture and engagement

This year we reinforced our culture by embedding clear behaviours aligned to our values (see below), with a stronger emphasis on how outcomes are delivered, not just what is achieved. We increased our focus on colleague engagement and continued to make tangible progress on diversity, equity and inclusion.

As part of this cultural evolution, we strengthened our listening strategy, creating more regular and meaningful touchpoints between colleagues and leaders. The response rate to our latest pulse survey was 84%, above typical response rates for comparable surveys. As reflected in our latest pulse survey, results show strong employee engagement at 73%, and 83% of colleagues saying they are proud to work for The Crown Estate. Feedback highlights development areas such as simplifying processes to better support teams and meet customer needs.

Our ongoing approach to listening and engagement is shaping our priorities and ways of working, enabling more deliberate decision-making that reflects The Crown Estate colleagues' perspectives, and supports a positive employee experience amid organisational change.

Talent, skills and capability

Building the skills, capabilities and talent we need for the future has been a key priority. We have begun

implementing a new talent and performance platform for skills and learning that will help us to take a more data-led approach to understanding and planning our future capability needs that aligns with our Employee Value Proposition.

To meet our capability needs, we have taken a purposeful blended approach, bringing in external talent and experience where needed, while continuing to champion internal growth and progression through a strong internal talent pipeline. During the year, we made 223 hires and filled 28% of vacancies through internal moves.

Leadership and learning

This year, our leadership development was based on our Leadership Blueprint, which sets out what good leadership looks like at The Crown Estate and provides a consistent framework for leadership development activity.

This was used to help senior leaders understand their strengths and areas for improvement, supported by tools such as psychometric assessments. These insights contribute to leadership capability aligned with our strategy.

We also launched a Senior People Leadership Programme, which translates the Blueprint into practical capability – helping leaders to inspire others and set a positive example for the whole organisation.

In addition, our accredited People Leadership Programme is strengthening people leadership, accountability and performance, and we ran an applied learning sprint focused on one of our four critical behavioural priorities to help colleagues to build and apply skills.

We also delivered a further 'Realise Your Potential' programme to support emerging talent and held our inaugural 'Elevate' sponsorship programme.



“Over the year, we increased our focus on colleague voice and engagement, and continued to make tangible progress on diversity, equity and inclusion.”

Lisa White
Executive Director, People & Culture

Elevate is designed to create growth and development opportunities for ethnic minority colleagues who are underrepresented at leadership levels, helping to build a more inclusive and representative leadership pipeline.

Diversity, equity and inclusion

Our focus on diversity, equity and inclusion (DEI) continues to support strong organisational performance, better decision-making and engagement. As we approach the final phase of our three-year Lived Experience Action Plan, this year's activity has focused on accessibility in recruitment, supporting career development for underrepresented groups, strengthening inclusive leadership, and engaging with colleagues through the DEI networks.

The DEI employee-led networks continue to grow and play an important role in supporting an inclusive and connected culture. Currently 23% of colleagues engage with a network or community, demonstrating their reach and relevance, providing safe spaces for colleagues to share experiences, and contributing insights that inform policy development and leadership decisions.

Transformation and business enablement

Our behaviours	Candour with care	Better together	Resourceful	Accountable
	I am honest, direct and supportive when I ask for advice and feedback, and offer the same in return.	I work in partnership with colleagues from across The Crown Estate, integrating broader perspectives and insights into my decisions and actions.	I achieve the best results by being creative and making the most of resources, ensuring I deliver value for The Crown Estate.	I own my actions and their impact and focus on solutions. I welcome and participate in challenging conversations to deliver on my objectives.
Our values	 Caring	 Together	 Creative	 Impactful

We have also introduced mandatory DEI training, reinforcing that inclusion is everyone's responsibility. Together, these actions are helping to embed inclusion into everyday practice and translate our commitments into lasting cultural impact.

Performance and reward

We have strengthened our approach to performance, to support a culture of continuous learning, clear expectations and high-quality feedback. Managers and team members meet regularly, focusing on individual performance, behaviours and development, and we have also introduced quarterly performance reviews.

Both company and individual performance are considered when determining incentives at year end. This approach supports individual growth while strengthening organisational performance, creating a clearer link between personal contribution and business outcomes.

Recognition reinforces this evolution through initiatives such as the annual Impact Awards – which celebrate not only outcomes, but also behaviours that reflect our purpose and values, helping to embed culture through visible examples of impact and role modelling.

We have continued to refine our Reward Framework to ensure it is fair, competitive and aligned with our strategy. Leaders are supported with market insight and clear guidance, reinforcing fair and transparent reward practices that contribute to a culture of high challenge and high support.

Pay and representation

We are committed to being an inclusive organisation that reflects wider society, where everyone feels welcome.

Benchmarking and internal data highlighted that we were falling behind in some areas of representation, particularly across race, ethnicity, gender and disability. In response, we introduced DEI targets over a three-year period to drive progress. These targets were designed to focus action, strengthen accountability and support the development of diverse, high-performing teams, complementing our Lived Experience work.

At the end of the period, we are pleased to have achieved four of five targets, with strong progress in areas including women in leadership and disability/neurodiversity. Increasing ethnic minority representation in leadership remains a priority. Overall, these targets have helped to drive sustained improvement over time, moving us closer to our ambition of becoming a more diverse organisation.

We pay equitably for comparable roles. We voluntarily publish our ethnicity pay gap data (see right) alongside our gender pay gap as part of our commitment to transparency. Our gender and ethnicity pay gaps are primarily shaped by the distribution of representation across our workforce, particularly at senior levels.

Over the year, we refreshed our People strategy to better support the business in a more uncertain operating climate. We are building the foundations of a digital, insight-led People system that enables agility, resilience, equity and performance. This includes strengthening leadership capability, embedding clearer performance expectations, advancing core people frameworks and beginning the shift towards more streamlined, self-service ways of working. These changes ensure our People strategy aligns to enterprise priorities as our mandate and operating context evolve.

During this transformation, the People team has continued supporting delivery across the business, helping leaders navigate change, build capability and maintain engagement. We have begun applying improved data and ways of working to strengthen workforce planning, internal mobility and productivity, while enhancing the everyday colleague experience.

By combining short-term delivery with a clear, long-term transformation roadmap, we are creating the conditions for a high-performing, equitable and future-ready organisation that can continue to deliver sustained value.

Gender

Mean pay gap

2%*

Median pay gap

13%*

Mean bonus gap

29%*

Median bonus gap

26%*

Ethnicity

Mean pay gap

-10%*

Median pay gap

8%*

Mean bonus gap

-58%*

Median bonus gap

10%*

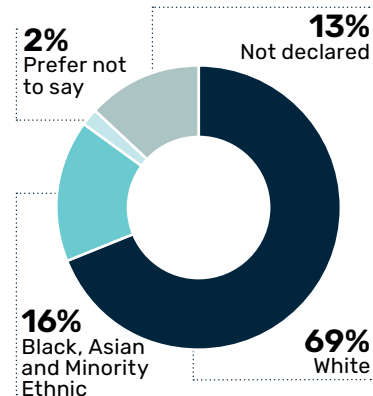
Proportion of women working for The Crown Estate

at 31 March 2026

51%

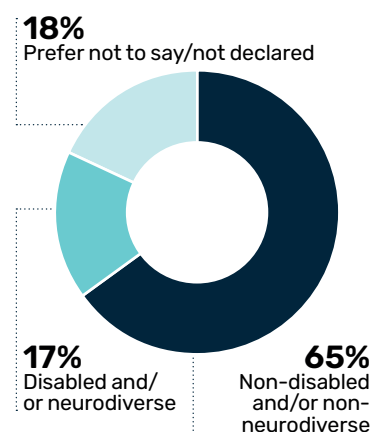
Colleague ethnicity

at 31 March 2026



Colleague disability/ neurodiversity

at 31 March 2026



* KPMG LLP has provided independent limited assurance over selected gender pay gap and ethnicity pay gap data for the latest reporting period ending April 2025, 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.

Safety First

Our Safety First ambition centres on how we make our purpose real in the way we work every day. It is a core value and a critical success factor for performance. The strategy is anchored on three pillars – Improve, Inspire, Imagine – and encompasses both wellbeing and security, ensuring a holistic approach to safeguarding everyone involved.

Safety First

This year, we have built on our ambition by embedding psychosocial wellbeing as a core element of long-term success. Using findings from a comprehensive wellbeing audit and gap analysis, including an organisational stress risk assessment, we have adopted an evidence-based approach.

We identified three priority areas: supporting people through change, improving support following emotionally demanding incidents, and joining up activities to reduce unnecessary workload pressure. Early work is also underway to set clearer behavioural expectations and address issues before they escalate. Altogether, these steps have improved clarity around wellbeing risks and strengthened the links between wellbeing, leadership, performance and risk management.



“We are enhancing our culture and collaborating with a wide range of external organisations to champion safety, wellbeing and security in everything we do.”

Henrietta Frater
Head of Safety First

We have significantly enhanced our team’s understanding of Safety First over the past year by building a suite of documents, templates, images and media content, running dedicated town halls and sharing content on our

intranet. This was further embedded by delivering a bespoke Safety First behaviour-based training programme to all employees at Windsor, which focused on our strategy and how each individual can have an impact.

Building capability

We have continued to strengthen physical security across the enterprise, focusing on proportionate risk management, resilience and the safety of people and places. This included security surveys, audits and assurance activity across key assets, alongside process improvements and starting a programme of infrastructure upgrades.

Over the past year, the Safety First team has improved our digital systems for incident reporting, crisis management and mass communications, which will soon be operational for the business. From a security perspective, we enhanced our ability to anticipate and respond to emerging threats by introducing an improved security intelligence provision, investing in incident and crisis management training and raising security awareness to ensure leaders and operational teams are better prepared to manage threats and disruptive events effectively.

The Safety First team has grown, with new team members joining our Windsor, Rural and Coastal business unit. We also appointed a dedicated Safety First Training Lead, who will proactively address Safety First training needs throughout the business, ensuring that our strategic fundamentals are rigorously upheld, and delivering the expert support and guidance that are essential for our continued success.

Focused collaboration

Externally, we have provided the Metropolitan Police Service with a touchdown base at a location near Regent Street, and continue to partner with stakeholders including our customers, local businesses and police to take a collaborative approach to safety and security in the West End.

We continue to partner with organisations such as the Construction Leadership Council (CLC), Mates in Mind and the AgriWellbeing Alliance, to raise awareness, positively influence, reduce stigma and improve access to mental health support. Through the government’s Vanguard Employer Programme, we are also working with other employers to influence and develop evidence-based approaches to healthier workplaces.



2

direct RIDDOR reportable incidents
(2024/25: 3)

4

indirect RIDDOR reportable incidents
(2024/25: 3)

0.10[△]

Accident Frequency Rate
(2024/25: 0.17)

0.22[△]

Lost Time Injury Frequency Rate
(2024/25: 0.28)

Performance

We have maintained the same number of RIDDOR incidents as in 2024/25. It is notable that our total working hours on site have increased, which naturally introduces additional risk, yet our safety performance has demonstrated improvement during this time.

Despite the heightened risk associated with increased site hours, our Accident Frequency Rate and Lost Time Injury Frequency Rate have both decreased, indicating a positive trend in our health and safety outcomes, and reflecting our continued commitment to maintaining a safe working environment.

We are focused on driving a transformational shift in our culture, further embedding Safety First at the heart of everything we do. We will empower our enterprise by elevating Safety First training, deepening understanding of our strategy, and championing wellbeing and security as fundamental pillars of our organisational ethos.

Our priorities for the coming year are aimed at supporting the business in fostering a generative culture and progressing towards our strategic objectives. By promoting wellbeing and security as integral aspects of our Safety First ambition, we hope to enable the enterprise to thrive on its journey towards achieving its goals.

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

Risk and disclosures

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- 38** Double materiality assessment
- 38** External risk landscape
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- 40** Principal risks
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- 58** Energy and emissions report

Risk management

Risk and assurance is a key component of The Crown Estate's operations. From the Board and Value Creation Committee (VCC), to the Group Leadership Team (GLT) and individual project and delivery teams, every level of our organisation seeks to proactively understand and mitigate risks. This is particularly important given our responsibility to manage assets on behalf of the nation.

This year we have been strengthening our risk and assurance function, seeking to embed more consistency and accountability across the organisation. We have refreshed our Risk Manual, supporting teams to more clearly identify, assess and document risks. We are also enhancing our risk and assurance team to provide robust oversight and challenge, ensuring we consider risk explicitly in our decision-making. This work is ongoing as we seek to safeguard our assets and foster a resilient, agile culture that allows us to seize opportunities with confidence.

Our principal risks are managed to help us achieve our strategic goals. In the year ended 31 March 2026, we reviewed our principal risks and monitored the movement in these risks, and reported this to the Board quarterly in our Integrated Corporate Report (ICR) (see pages 40–43).

Double materiality assessment

A double materiality assessment (DMA) is a tool in sustainability reporting that helps organisations to identify which sustainability matters are most material to them and their stakeholders. It does this by evaluating risks from within and outside of our boundaries that could impact our assets, operations and financial performance. 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 principle of double materiality assessment aligns with our statutory responsibilities for sustainable development, long-term stewardship

role, purpose and strategy, because it allows us to consider risk both to our direct value created (including but not limited to financial value) and to the wider value that we enable. 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).

This year we reviewed the risks and opportunities identified in the DMA completed in 2023/24 to consolidate and agree the primary sustainability risks we are managing. These have informed and enhanced our Climate-related Financial Disclosures. See pages 49–57 for our TCFD-aligned Climate-related financial disclosures report for detail on our climate-related risks and opportunities.

External risk landscape

Our research team assesses the external environment throughout the year to ensure that our strategy remains relevant and we are managing emerging risks appropriately. The seven themes identified as influencing our operating environment in 2025/26 are:

Sustainability transition pressures

Climate-related risks are becoming more visible, while economic and regulatory conditions continue to influence the pace and scale of sustainability investment.

Economic volatility

Global economic uncertainty, including inflationary pressures, trade disruption and geopolitical conflict, are affecting investment conditions, costs and access to capital.

Changing consumer behaviour

Consumer preferences are evolving, with more demand for premium-or-value price points, greater demand for service subscriptions, and rising expectations around speed and experience.

Acceleration of emerging technologies

Advances in areas such as AI, automation, clean energy and life sciences are creating opportunities for efficiency and new value, alongside operational, ethical and regulatory risks.

Capacity for economic transformation

Delivering sustained economic growth will depend on long-term investment and effective collaboration across public and private sectors, with implications for infrastructure, skills and planning systems.

Societal pressures

Persistent inequality and shifting social expectations may contribute to reduced trust in institutions and create challenges for social cohesion and place-based outcomes.

Energy transition

The UK has made significant progress in the energy transition, but delivery risks remain due to market conditions, supply chain constraints, policy uncertainty and the scale of required investment.

These themes inform our principal risks and decision-making, particularly in relation to Investment Allocation, Marine Strategy Delivery and Urban Development Delivery.

Risk management framework

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

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

quarterly as part of our Quarterly Business Review (QBR) meetings.

Risks are evaluated against impact and likelihood, using a range of criteria including financial, environmental and social, reflecting our Value Creation Framework (VCF) (see page 101).

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 their specific areas of risk. Our intention is to ensure that all employees are considering risk in their everyday activities, be it through health and safety risk assessments or climate impact assessments.

Our risk model

Controls

> Second line assurance and oversight > Third line assurance

Principal risks

Key controls and mitigations

➤ See pages 40-45

GLT annual attestation of key controls

- Material control testing
- Audit Committee oversight
- Quarterly Board reporting

– Internal Audit

Operational risks

Business unit, Group Partner, delivery and project risk registers

- Control assessment
- Review by our risk management team
- Monitoring and reporting in business units and QBRs
- Lessons learnt exercises

– Internal Audit

Oversight and challenge to our management of risk

Each year, the GLT self-assesses its management of risk by completing control attestations. These confirm effective operation of key controls relevant to the principal risks and are reported to the Accounting Officer and Audit Committee to inform their opinion on internal control.

As part of our second line of defence, the Risk team supports and challenges management in the identification and documentation of principal, operational and individual project risks to ensure they are robust. This second line challenge is in place to ensure our risk management framework is operating in practice and build a culture of continuous improvement.

Principal risks and their movement are discussed with GLT members and reviewed quarterly by the Board as part of the ICR.

Strategic and operational risks are discussed at QBR meetings, where GLT members provide an update on the current and emerging risks which could impact the delivery of their business plan in current and future years. Representatives from second line functions attend to provide comment and challenge.

Operational and strategic risks are used to inform Board and executive decision-making – for example, VCC submissions must include an explicit reference to risk and Board papers outline the risks and opportunities of strategic and major investments.

For more information about the Audit Committee's roles and responsibilities, see pages 77-81.

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 reports, new policies and procedures, and changes to operational risk.

Our third line of defence is delivered by our Internal Audit function, reporting directly to the Audit Committee. It provides independent assurance on control and risk management effectiveness when delivering internal audit assignments.

Risk management continued

Principal risks

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

- financial performance and ability to deliver our remit, including the commitment to sustainable development
- licence to operate
- ability to meet our customers' needs
- reputation, which is heightened in the following principal risks: Political and Macroeconomic (Macro) Environment, Stakeholders and Our Brand, and Climate and Nature

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

The GLT and Board, together with 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 is detailed in the table on the right.

Understanding our risk appetite

The Board approves the strategic priorities that determine the level and types of risk that The Crown Estate is prepared to accept. The Board reviews these priorities and associated risk appetite at least annually. Our risk management framework is designed to support the delivery of our strategy 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.

Our approach to managing risk appetite for each principal risk will vary depending on the strategic priorities. Risk appetite will vary according to enterprise priorities. This is accepted if the overall portfolio risk appetite is consistent with the Board's. In 2025/26, our risk appetite has been reviewed and will be approved by the Board in July 2026, and will be used internally to support the effective management of risk within our appetite.

Our principal risks

Principal risk*	Strategic priorities	Movement in risk from 2024/25
Political and Macro Environment		↑
Stakeholders and Our Brand		↑
Urban Development Delivery		↑
Marine Strategy Delivery		↑
Climate and Nature		↔
Investment Allocation		↔
Operational Resilience		↔
Health, Safety and Wellbeing		↔
People, Skills and Culture		↔

* Ordered by level of residual risk

Strategic priorities

	Energy and climate resilience
	Nature recovery
	Inclusive growth
	Responsible financial returns

Movement in risk

↔	No change
↓	Decreased risk
↑	Increased risk

Principal risks

Political and Macro Environment

Link to strategic priorities



Movement in risk from 2024/25



External political and economic uncertainty remained elevated over the year, reflecting global economic pressures, increasing international conflict, and local and devolved nation elections. The pace of disruption from technology continued to accelerate. These factors contribute to fluctuations in investor and consumer confidence and expectations, supply chain costs, and policy certainty across our industry sectors. This risk is reflected in the increase in our Urban Development Delivery and Marine Strategy Delivery risks outlined below.

Risk description

Systemic external changes, including global crises and shifts in national policy, the economy, geopolitics or technology, may impact our ability to achieve our strategic goals and serve our customers.

Potential impact

The external environment may limit our ability to deliver our business plan, reducing our impact and/or financial return.

Specifically, our development and energy programmes may not realise their full potential without consistent policy and a stable economic context.

We may not embrace new technology like AI fast enough, losing out on productivity benefits and innovation potential.

Risk mitigations

- Our Corporate Affairs team engages externally and supports senior leaders, helping the organisation to navigate changes that could affect the delivery of our strategy.
- We are building our organisational ability to respond to policy changes.
- Our Research and Insights team provides quarterly strategic updates to the GLT and Board, enabling them to assess the impact of external developments on our strategic business plan and priorities.
- We engage actively at local community, devolved and UK Government levels, supporting policy development and improving our ability to respond to change.
- We are starting to equip the organisation and our people with the AI skills and resources required to drive productivity improvement and spur innovation.
- Our investment decisions include scenario analysis to ensure the range of scenarios and probability have been considered before investing.

Stakeholders and Our Brand

Link to strategic priorities



Movement in risk from 2024/25



Our leases with members of the Royal Family were subject to additional scrutiny, including national media coverage and a review by the National Audit Office (NAO). The NAO's report, alongside this Annual Report and Accounts for 2025/26, will inform an inquiry by the Public Accounts Committee (PAC) as part of our accountability to Parliament.

Risk description

Without strong stakeholder relationships, our ability to deliver our strategic goals could be reduced.

Our ability to deliver impact and financial return could be reduced if our brand is not recognised and understood by customers, stakeholders and the public.

Potential impact

We cannot maximise the impact of our activities if we do not maintain strong and effective relationships with the full range of organisations we work with – including our constitutional stakeholders, all levels of government, joint ventures, partners, customers, suppliers and communities.

Stakeholders may be resistant to work with us and/or challenge our value if they do not understand our brand and our strategic goals.

Risk mitigations

- Key stakeholder relationships are mapped and assigned to accountable individuals across the business to make sure they are managed consistently and effectively.
- Our Corporate Affairs team provides proactive and reactive communications and engagement support, helping us to communicate clearly with key audiences about who we are and what we stand for.
- Joint ventures and formal partnerships are governed through contracts or Memoranda of Understanding (MoUs), establishing clear expectations and ensuring well-structured and transparent interactions.
- Communities are actively consulted and engaged in our plans, from trade bodies to local residents.
- HM Treasury is informed/consulted on novel or unusual transactions.
- Material developments related to key stakeholders are reported to the Board.

Risk management continued

Principal risks

Urban Development Delivery

Link to strategic priorities



Movement in risk from 2024/25



Our development delivery and further pipeline has remained on track. Recent global events, and the conflict in Iran in particular, are expected to have an impact on our supply chain and costs going forward as well as consumer confidence, and may impact demand for our assets.

Risk description

Our asset value and ability to maximise financial return for the nation will be reduced if we cannot deliver our Urban development pipeline.

This includes the risk of:

- failing to manage development supply chain uncertainty,
- failing to develop and decarbonise our heritage properties,
- failing to develop assets that meet customer expectations.

Potential impact

Our asset value could reduce and we may not obtain best consideration for our real estate assets if our assets are not attractive to our customer base.

We may not meet our decarbonisation ambition if we do not develop our existing urban asset base.

Risk mitigations

- Our Urban business unit has established governance forums, including the Project Control Groups and the Urban Governance Group, where development activity is appraised and approved.
- Our development governance aligns with the Royal Institute of British Architects (RIBA) Plan of Work, with targets set for embodied carbon and financial hurdle rates across all development projects.
- Expenditure is approved by the Board as part of the Urban business plan and then monitored through QBR and ICR.
- Investment decisions over £10 million are approved by the VCC.
- Major Urban development plans (over £50 million) are approved by the Board.

Marine Strategy Delivery

Link to strategic priorities



Movement in risk from 2024/25



External uncertainty remained a key driver throughout the year. Risks fluctuated with political, economic and market conditions. Critical milestones, such as planned leasing rounds and development of the Marine Delivery Routemap, progressed despite continued external pressures on offshore wind delivery.

Risk description

The delivery of our Marine strategy could be impaired by market uncertainty; wider global and national political instability resulting in lower investment confidence; and successful renewable energy deployment.

Potential impact

Investor appetite could be adversely affected as well as the scope, timing and nature of offshore wind and other marine development, limiting The Crown Estate's ability to independently steward the seabed and its ability to deliver long-term value and nature outcomes.

Risk mitigations

- With the support of our Corporate Affairs team, we actively work with stakeholders, including government, customers, the supply chain and wider marine and nature industry organisations to help deliver our Marine goals.
- The business unit has project and portfolio governance forums, including Marine Management Meetings and the Development Board, where operational delivery is reviewed and approved.
- Marine projects are delivered in line with our project management handbook, which is aligned to government methodology.
- Expenditure is approved by the Board as part of the Marine business plan and then monitored through QBR and ICR.
- Investment decisions over £10 million are approved by the VCC.

Principal risks

Climate and Nature

Link to strategic priorities



Movement in risk from 2024/25



As climate-related events increase in impact and frequency, we are continuing to deliver against our climate and nature goals and build resilience across our portfolio.

Risk description

There is a risk to the value of assets and our business viability if we are not resilient to climate change, to changing climate and nature regulation and to customer expectations.

This includes the risk of:

- failing to decarbonise our assets and operations at the pace required,
- not enabling nature recovery across our land and seabed,
- not ensuring our assets are resilient to climate impact.

Potential impact

Our assets could reduce in value and/or become stranded if we do not respond with climate adaptation.

Our assets and activities could contribute to environmental degradation.

Risk mitigations

- Our Sustainability Committee sets annual sustainability targets which are approved by the Board. These are embedded in the business unit strategic plans and monitored through QBRs.
- Our VCF ensures all investments consider our sustainability priorities (read more on page 101).
- We have set our enterprise carbon baseline and decarbonisation pathways which guide our decarbonisation interventions.
- Our Urban development portfolio has an embodied carbon target which is used to assess development plans.
- We have developed Marine Nature Principles and have set targets aligned to our Ambition for Nature Recovery.
- 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 (HRAs) are completed where applicable and are overseen by our HRA Oversight Group, chaired by one of our Board Members.

Investment Allocation

Link to strategic priorities



Movement in risk from 2024/25



Despite the UK fiscal environment remaining challenging, investments have been delivered in line with the 2025/26 business plan and 10-year plan approved by the Board in November 2025.

Risk description

We may not allocate capital to obtain sustainable outcomes and financial return in both the long term and near term.

Our investment portfolio may decrease in value if it is not managed effectively and sufficiently diversified.

Potential impact

Investments may not realise their full potential if they are not aligned with our business plan and broader stakeholder expectations.

Risk mitigations

- We apply our VCF to all investment decisions over £10 million, ensuring that each proposal is assessed against both financial return and sustainability priorities. All investments, together with their VCF assessments, are reviewed and approved by our VCC.
- Our new capital allocation policy was approved by the Board in November 2025. In addition, our annual business plan set out our operational, financial and sustainability goals for the year ahead, along with a three-year forecast.
- The business plan is approved by the Board, and progress against it is monitored through QBRs and quarterly reporting to the Board as part of the ICR.

Risk management continued

Principal risks

Operational Resilience

Link to strategic priorities



Movement in risk from 2024/25



This remained stable in the year. We have continued to strengthen our processes and controls, particularly in finance, compliance, property management and cyber security. Cyber risk is increasing across all businesses; our inflight cyber improvement programme is strengthening our cyber control environment. Transformation programmes across the business are improving processes and identifying immediate opportunities for efficiency with longer term plans to enhance our systems and processes.

Risk description

There is a risk that existing processes and controls may not yet be fully optimised to prevent error or loss or to enable the most efficient and innovative working practices. This includes the risk of:

- failing to design and operate controls that manage IT security of our network.
- failing to design and operate controls over financial and business processes that result in error or loss.
- failing to modernise our processes to improve efficiency and meet customer needs.

Technological change, such as AI, may result in fundamental changes to our operations, business environment and customer requirements.

Potential impact

We could be exposed to either internal or external threats which result in either financial or reputational or data loss.

Our customers and stakeholders may be resistant to work with us if we are not efficient and effective in our ways of working.

Risk mitigations

- Our IT environment is managed by our Digital team, which applies controls to manage cyber security, data privacy and automated controls within our systems.
- All employees receive regular training on IT and cyber security.
- Opportunities for efficiency are supported by our Operational Excellence team.
- Our risk management framework is applied across the organisation.
- Internal audits are undertaken to provide assurance over key operational risks and the effectiveness of associated controls.
- Our enterprise project management framework governs project delivery aligned to government methodology.
- Transformation programmes have dedicated programme management teams with appropriate governance forums with representatives from across the business.

Health, Safety and Wellbeing

Link to strategic priorities



Movement in risk from 2024/25



This risk remains unchanged. Our health and safety de-risking activity and cultural work is enhancing our resilience and ongoing monitoring indicates effective control measures are in place in key areas.

Risk description

There is a risk to the health, safety and wellbeing of our people, customers, supply chain, or anyone interacting with our operations or assets.

Potential impact

We could harm people and our reputation if an issue arose; this could lead to financial loss and/or result in criminal liability.

Risk mitigations

- Our Safety First framework and policies outline our standards and commitments.
- Safety First action plans are approved annually and monitored in QBRs and reported to the Board.
- Health and safety performance is owned by the business units, supported by the Health & Safety team. Performance is recorded in appropriate management systems.
- External assessments and audits are completed to ensure compliance to health and safety regulation, such as fire safety, as required.

Principal risks

People, Skills and Culture

Link to strategic priorities



Movement in risk from 2024/25



Market competition to attract and retain talented leaders remains strong. However, we continue to attract and retain high-quality talent at The Crown Estate. Our People experience could be impacted as we look to enhance the expectations of our team, through robust performance and management to meet our increasingly challenging macro environment.

Risk description

We may not be able to attract, retain, develop or deploy talent and our culture may not evolve in a way that drives high performance and supports the wellbeing of our people.

Potential impact

We may not have the capability and culture to deliver our ambitious strategy:

- Without personal ownership, accountability and agility.
- Without applying an innovative, commercial and inclusive mindset.
- Without forming strong relationships with our colleagues, customers and stakeholders by living our core values.
- Without planning for future skills and mobilising talent.

Risk mitigations

- Our People team provides support across the organisation, with HR business partners aligned to each business unit.
- Our performance management framework is applied consistently to encourage high levels of individual performance.
- Senior leaders participate in our Enterprise Leadership Community, which focuses on leadership development.
- Recruitment is managed through appropriate systems, ensuring compliance with employment regulations and maintaining a fair and transparent hiring process.
- Our employee engagement surveys gather feedback from colleagues, which is reviewed and acted upon to strengthen culture, engagement and wellbeing.
- Leadership programmes support the development of all people leaders.
- Strategic workforce and succession planning is discussed at Nomination Committee meetings and with the wider Board.

Environmental and social disclosures

This section sets out the strategic approach and principles that guide our work on energy and climate resilience, nature recovery and inclusive growth across The Crown Estate. Examples of delivery in specific sectors and places that we operate within are covered in the relevant business unit sections.



Energy and climate resilience

The Crown Estate's long-term value is closely linked to the UK's transition to a low-carbon, climate-resilient and energy-secure future, and how we steward our nationally significant land and seabed assets.

Our ambition is to reduce emissions across The Crown Estate and strengthen climate resilience, while enabling the UK's low-carbon transition. To support this, we have established science-based emissions reduction trajectories across our portfolios, which help guide how we reduce emissions, build resilience and support long-term value over time. Our ambition for a low-carbon, energy-secure tomorrow update can be found at: thecrownestate.co.uk/sustainability.



“In a challenging operating environment, we need to be even more focused on building our resilience while ensuring our activities deliver lasting benefits for people and nature.”

Anna Swaithes
Chief Sustainability Officer

How we deliver

We approach energy and climate resilience through a dual focus: enabling the UK's low-carbon transition at scale, while working to reduce emissions and strengthening resilience across our own portfolio. This dual role is delivered through the following:

Enabling the UK transition

We contribute to national climate and energy goals by enabling offshore wind and other renewable energy generation and storage, supporting carbon sequestration across land and seabed, and working across sectors and places to unlock system-wide decarbonisation.

Decarbonising our portfolio

We aim to reduce emissions across our portfolios by aligning operations with sector pathways and embedding carbon reduction and climate resilience considerations into investment and asset management decisions.

Building climate resilience

Alongside decarbonisation, we are strengthening the resilience of our assets to safeguard people, nature and long-term performance in a changing climate. This includes improving ecosystem health, enhancing blue and green infrastructure, and integrating nature-based resilience measures across our portfolios.

Progress in 2025/26

Key areas of progress include:

- Continuing to support the UK's low-carbon transition through our enabling role, including offshore wind, energy infrastructure and carbon sequestration across land and seabed (see pages 20-21).
- Delivering targeted energy efficiency and decarbonisation initiatives (see pages 58-59).
- Developing bottom up, sector-level decarbonisation plans and undertaking pathway analysis to inform the sequencing, cost and carbon impact of future investment decisions.
- Maintaining and refining our approach to identifying and managing climate-related risks and opportunities, with further detail set out in our Climate-related financial disclosures (see pages 49-57).

- Improving our understanding of the potential contribution of nature-based solutions, such as woodland and hedgerow planting, to carbon sequestration over time.
- Developing our first biodiversity baseline as part of our Nature Recovery Ambition, which helps inform longer-term climate adaptation and resilience planning (see page 47).



Nature recovery

Our Nature Recovery Ambition

Launched in January 2025, our Nature Recovery Ambition sets out three long-term goals for 2030 and beyond.

Our approach is rooted in joined-up action across land and sea, and aligns with domestic and global ambitions to halt nature's decline by 2030 and support recovery by 2050. For our primary goal on increasing biodiversity, we have put in place a clear and consistent basis to track progress, aligning with national goals and metrics, where possible. For our other two goals, where metrics of success are more nascent and the context is evolving rapidly, we are focused on better defining our role and how to maximise our contribution working alongside others.

Further detail on our goals and approach is set out in our Nature Recovery Ambition Update at: thecrownestate.co.uk/sustainability, with a summary of progress during the year provided in the table on page 47.

How we deliver

To deliver this ambition, we apply four principles across our business:

- Understand Nature: Building a strong evidence base, using the best available data, to guide decisions and target interventions.
- Design for Nature: Prioritising nature in plans, projects and policies to deliver nature recovery.
- Fund Nature: Unlocking and directing investment into nature recovery, from both The Crown Estate and external sources.
- Partner for Nature: Collaborating widely to accelerate nature recovery.

Progress in 2025/26

Goal	2025/26 update
Goal 1: Biodiversity Increasing biodiversity across our land and marine holdings	We advanced our biodiversity goal by: – Establishing our best available biodiversity baseline (see below). – Launching our Marine Nature Principles, which shape our approach to managing the seabed to ensure that nature is considered early, transparently and systemically in spatial planning and leasing processes (see page 21). – Expanding the rollout of environmental Farm Business Tenancy agreements, supporting an effective balance of food production and nature recovery (see page 33). – Deepening our understanding of blue and green spaces across the Urban portfolio so we can set a meaningful target for change. – Continuing on-the-ground restoration at the Windsor Estate (see page 30). For more information on progress against targets, see the Sustainability Data Supplement at: thecrownestate.co.uk/annual-report.
Goal 2: Water Restoring freshwater, marine and coastal systems	We strengthened our approach to restoring freshwater, marine and coastal systems through initiatives including: – Embedding the protection and restoration of marine and coastal systems into how activities are planned and managed across the seabed, through the Marine Nature Principles. – Beginning to test place-based approaches to improving freshwater resilience across the Rural portfolio through early pilot projects and catchment partnerships, including engagement in landscape-scale initiatives such as the North Devon Biosphere. – Working with Surfers Against Sewage to improve transparency and public access to information on coastal water quality (see page 31). – Supporting native oyster restoration, recognising their role as natural water filters that help improve water quality and create conditions for the recovery of marine habitats and biodiversity.
Goal 3: People and nature Enhancing social and wellbeing outcomes by helping people reconnect with nature	We supported connections between people and nature by: – Delivering Urban nature engagement initiatives such as our collaboration 'Who Else Lives Here?', which brings living habitats into urban public spaces to help people better understand and connect with local biodiversity. – Enabling education, engagement and access to nature across our portfolios, including nature-based learning and visitor programmes at Windsor Great Park delivered through partnerships with local organisations including Berks, Bucks and Oxon Wildlife Trust. – Working in partnership with The Country Trust to support school visits to farms on our land, helping children connect food production, farming and the natural environment. – Hosting school and study visits and wider engagement activities to share how management of the Windsor Estate integrates sustainable land management and nature recovery.

Biodiversity baseline

A key focus this year was developing our first enterprise-wide biodiversity baseline to support our biodiversity goal. This brings together the best available data to provide a consistent picture of habitat extent, type and, where possible, condition across the Marine, Rural, Urban and Windsor portfolios. The baseline shows the wide range of habitats across our portfolios, highlights where our most ecologically important habitats are and their current condition, and will help guide where we focus action and investment, set targets and track progress on our biodiversity goal. Further detail is provided in the Sustainability Data Supplement at: thecrownestate.co.uk/annual-report.

Water, waste and air quality

Alongside our climate and nature priorities, we manage a range of other environmental impacts associated with our operations and assets, including waste, water use and air quality.

During the year, reported operational waste across our Urban and Windsor portfolios marginally decreased from 6,892 tonnes in 2024/25 to 6,750 in 2025/26. We diverted 100% of non-hazardous waste from landfill.

Our direct water consumption increased during the year to 385,039m³ (2024/25: 262,511m³), reflecting higher occupancy across the portfolio. We are continuing to focus on longer-term

sustainability plans, including reviewing high-consumption assets and exploring opportunities to improve water efficiency over time.

We work with air quality experts at Imperial College London to monitor pollution across our London estate, with results showing continued improvement and compliance with limits set out in UK air quality standards.

Further information is set out in the Sustainability Data Supplement at: thecrownestate.co.uk/annual-report.

Environmental and social disclosures continued



Inclusive growth

The Crown Estate's purpose is to deliver shared and lasting prosperity for the nation. Achieving this requires us to create value in ways that respond to the interconnected social and economic challenges driving inequality across the UK, including housing supply and affordability, skills shortages linked to the transition to a low-carbon economy, and unequal access to opportunity at both a national and local level.

Our aim is to address these challenges by driving inclusive growth across our portfolio and partnerships. We focus on where we can make the greatest contribution by enabling access to employment in our key sectors, such as offshore wind through the Supply Chain Accelerator, creating more opportunities for meaningful engagement in our places, designing our assets to be inclusive and accessible, and widening access to nature so more people can benefit from the spaces we steward.

How we deliver

We recognise that how we operate is as important as what we do when it comes to impact on people and communities. Our approach is guided by a set of six social and economic impact principles:

- **Understanding:** Gathering evidence and insight from large datasets and communities to understand local and national needs.
- **Listening:** Intentionally listening to diverse voices by asking who is not in the room when making decisions.
- **Collaboration:** Working in partnership with others to amplify impact and deliver more meaningful change for communities at a local and national level.
- **Place-based approach:** Delivering through a place-based approach by listening, learning and building relationships across our places, supporting the co-ordinated delivery of impact.
- **Integration:** Embedding social and economic impact into our projects from the beginning.
- **Systemic:** Helping deliver systemic change through influencing policy and scaling up local delivery to national impact.

This year, we have set four specific long-term goals to guide our activity for inclusive growth:

Deliver inclusive growth

We drive growth through our activities in key sectors and places. Recognising that economic growth alone does not benefit everyone equally, we focus on widening access to opportunities for those who face barriers to employment.

Increase community participation

To create lasting and shared value, our decisions must reflect the needs, aspirations and lived experience of communities and wider stakeholders. We consult widely and use insights to inform our work, collaborating on delivery and stewardship to support long-term, sustainable change.

Develop accessible and healthy places

The built environment can limit access to opportunities, particularly in areas such as housing and health. We design and manage spaces to reduce barriers to access and use, enabling more people to participate fully in economic and social life.

Connect people and nature

Access to blue and green spaces supports physical and mental health, wellbeing and social benefits, yet these benefits are not evenly shared. We work at a local and national level to help improve access to nature, so people and nature can thrive together. This is a shared goal with our Nature Recovery Ambition.

Progress in 2025/26

During the year, our Inclusive Growth strategy was approved by the Board. We are developing our Inclusive Growth goals and appropriate metrics to measure our performance.

Unlocking our supply chain as a lever for inclusive growth

We support economic opportunity through our procurement and partnership activity, helping to strengthen local economies and foster diverse, resilient supply chains. Changes introduced through the Procurement Act 2023 have increased flexibility and proportionality in tendering, broadening access to the opportunities created through our supply chain, including for social enterprises and small and medium-sized enterprises (SMEs).

In 2025/26, we continued to strengthen our engagement with social enterprises, including through our participation in the Buy Social Corporate Challenge led by Social Enterprise UK. During the year, we spent approximately £7 million with social enterprises and non-for-profit organisations.

We also continued to reduce barriers for SMEs, which accounted for 65% of our supplier base and 28% of our total spend. All tender activity includes a minimum social value weighting of 10%, enabling us to generate additional economic, environmental and social benefits through our contracts. Supplier commitments on social value include activities such as training and apprenticeship opportunities, volunteering activity, and other community outcomes.

For further information, see the Sustainability Data Supplement at: thecrownestate.co.uk/annual-report.

Climate-related financial disclosures

As custodians of a diverse portfolio of land, property and seabed across England, Wales and Northern Ireland, we play a dual role in the UK's transition to a low-carbon, climate-resilient future: decarbonising our own operations, and enabling the UK's wider low-carbon transition. This includes activities that support renewable energy generation, storage and transmission, as well as carbon removal across our natural and built assets.

Adapting to a changing climate and strengthening resilience is essential to achieving our purpose of creating lasting and shared prosperity for the nation. Climate-related risks and opportunities influence all four of our strategic priorities: energy and climate resilience, nature recovery, inclusive growth and responsible financial returns.

TCFD-aligned disclosures

We voluntarily align our climate-related disclosures with the TCFD framework. While The Crown Estate is not directly in scope of the Climate-related Financial Disclosure (CFD) regulations, we follow the climate-related reporting expectations of the Companies Act 2006 (as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022), to the extent they apply to a large unquoted business and insofar as they apply to The Crown Estate.

Non-Financial and Sustainability Information Statement

This report presents our climate-related disclosures in a manner consistent with the Non-Financial and Sustainability Information Statement (NFSIS) requirements for in-scope companies. The table below shows where the information for each pillar can be found.

Our progress

Building on progress made in 2024/25, we have maintained alignment with the TCFD recommendations, meeting the minimum requirements across all 11 recommended disclosures, with nine assessed as fully compliant (see table below). During the year, we strengthened second line oversight of climate-related risk management through the appointment of a Sustainability Risk Director with a dedicated focus on sustainability, made progress in quantifying climate risks linked to rural assets, and refreshed our climate-related risks and opportunities.

Further development continues in two areas: the quantification of climate-related risks across portfolios, and the measurement of performance against climate-related targets. As our capability continues to develop, we expect to introduce more quantified analysis into future disclosures, supported by actions underway to strengthen performance measurement.

TCFD compliance summary

Pillar	Recommended disclosure	Alignment	Pages
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Compliant	50, 65-105
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant	51, 65-105
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant	52-54, 38-45
	b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Compliant	55
	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	55
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	56, 38-45
	b. Describe the organisation's processes for managing climate-related risks.	Compliant	56, 38-45
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant	56, 38-45
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	56-57, 58-63
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Compliant	56, 58-63
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Part-compliant	56-57, 58-63

Climate-related financial disclosures continued

Governance

a. Board oversight of climate-related risks and opportunities

The Board, and its four principal Committees, provide strategic oversight of climate and wider sustainability-related risks and opportunities as part of its accountability for long-term value creation and for setting the organisation's strategic direction and priorities. This oversight is consistent with the Crown Estate Act 2025, which requires the Commissioners to keep under review the impact of their activities on the achievement of sustainable development in the UK.

Oversight is delivered through reporting from the Sustainability Committee to the Board, quarterly Integrated

Corporate Reporting, Chief Executive updates to the Board, and a dedicated sustainability session within the annual strategy refresh. Further detail on our governance framework is provided in the Governance section (see pages 65-105), with sustainability and climate governance described below.

During 2025/26, the Sustainability Committee supported Board oversight by considering key climate-related and wider sustainability matters, including external policy developments, decarbonisation planning, nature recovery, sustainability-related risks and progress against targets. Examples of how sustainability and wider stakeholder considerations informed Board decisions are set out in the Governance section and the section 172 statement (see pages 65-105).

Board climate-related skills and experience

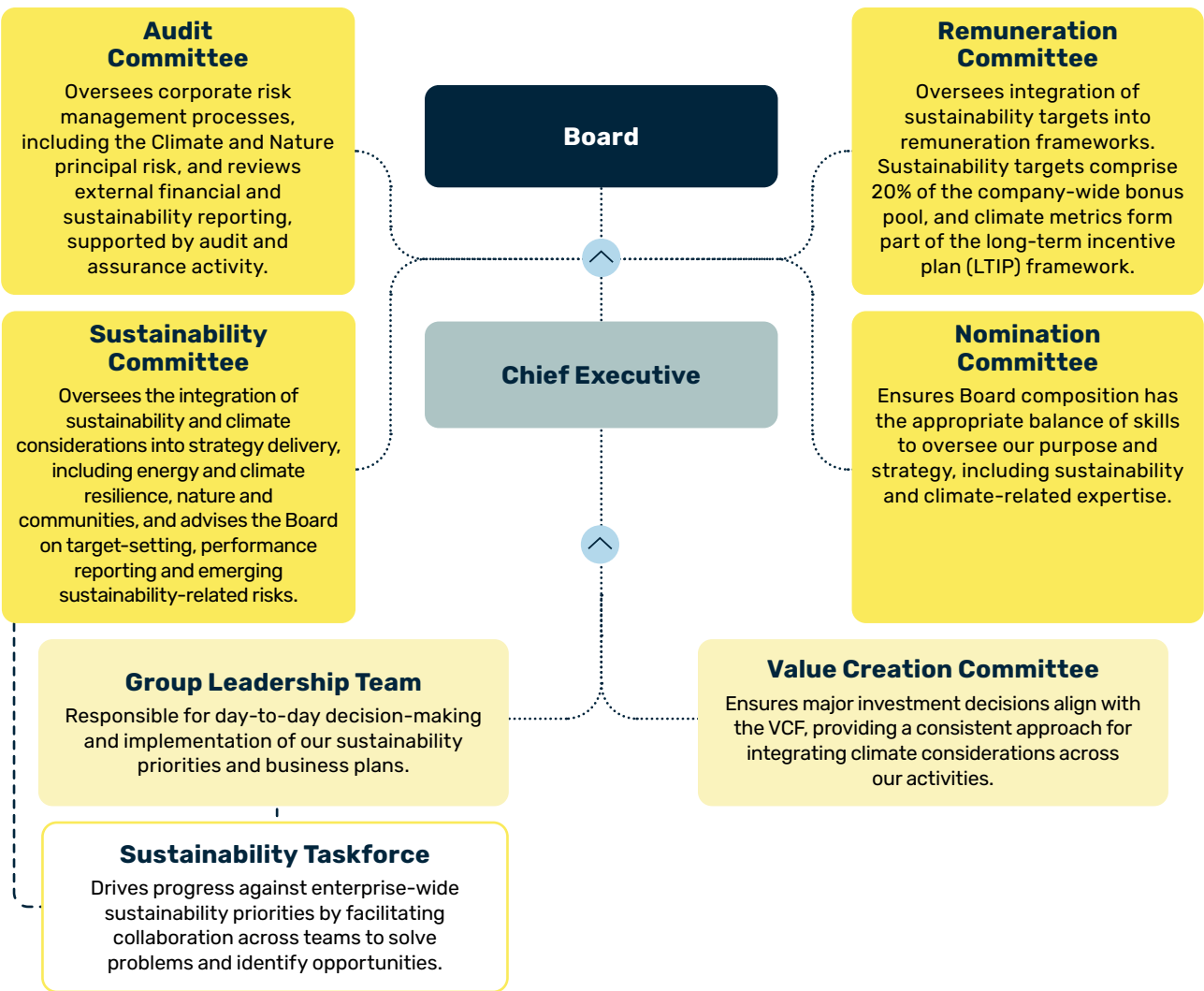
The Board collectively brings relevant climate and wider sustainability experience, with environmental expertise recognised as a core skill through Commissioner and Board Counsellor assessments. Further detail is provided in the key skills matrix on page 84, with Board biographies available at: thecrownestate.co.uk/our-board.

Climate and sustainability governance structure

The diagram below sets out our governance structure for the oversight of sustainability and climate-related risks and opportunities. Read more about our governance structure on pages 65-105.

Climate risk governance

The Board provides guidance and constructive challenge to support the delivery of The Crown Estate's purpose and strategy, including sustainability priorities.



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

Management plays a central role in assessing and managing climate-related risks and opportunities across the organisation. Strategic and investment decisions are informed through the VCC, which embeds climate-related considerations into decision-making using the VCF. The VCC comprises the Chief Executive, the Chief Financial Officer and the Chief Sustainability Officer as voting members and met 28 times in 2025/26.

The GLT manages the organisation's principal risks, including Climate and Nature, with responsibility for managing sustainability risks embedded within business units and assigned to accountable managers. The GLT considers sustainability risks and opportunities through regular QBRs.

Delivery and integration across the business are supported by management-level working groups, including the Sustainability Taskforce, which met five times during the year. The Taskforce brings together representatives from across the organisation to co-ordinate activity and support integration into governance, strategy and risk management. Outputs are actioned and incorporated into QBRs and Committee reporting where relevant.

The climate risk governance diagram on page 50 illustrates how these management structures connect with the Board and its Committees.

In addition, sustainability responsibilities are embedded across the organisation. Finance leads on financial and sustainability disclosures, Risk integrates climate considerations into enterprise risk processes, and the Sustainability team sets commitments, goals and strategies, working closely with business units to deliver them. Function-level roles further support the management of climate impacts, helping to embed climate, nature and community considerations into daily decisions.

In 2025/26, we strengthened our internal capability by appointing a Sustainability Risk Director, increasing focus on climate risk governance and oversight.

Internal audit

During the year, Internal Audit completed a governance and disclosure review of our net zero targets. This review provided independent assurance to support accountability for delivering against our strategic priority. Progress was made against recommendations raised in our internal audit of sustainability reporting. These reviews were reported to both the Audit and Sustainability Committees.

Skills and capability

In 2025/26, we continued to build organisational capability through our 'Game Changers' Learning and Development initiative. This activity included interactive workshops across teams, supported by refreshed VCF guidance and expanded resources, helping to embed energy, climate resilience, nature, and social and economic impact considerations into day-to-day decision-making. The approach was informed by an assessment of sustainability knowledge in the business, drawing on surveys and in-person and online engagement with over 30% of the organisation.

Climate-related financial disclosures continued

Strategy

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

The Crown Estate has identified and refined climate-related risks and opportunities over time, considering impacts over short, medium and long-term horizons using a forward-looking, scenario-based approach. We disclose those considered most relevant to our business and long-term value creation in this Annual Report. This may include the addition or removal of risks and opportunities where appropriate, reflecting changes in our operating context. Read more on our climate-related risks and opportunities on pages 52-54.

Risk definitions

- **Physical risk:** Risks from the physical impacts from climate change (eg flooding, storms, heat) that affect operations, supply chains, employee productivity or revenue.
- **Chronic risk:** Impacts from long-term changes such as sea-level rise, changing precipitation and wind patterns or temperature shifts.
- **Acute risk:** Impacts from sudden, severe events such as storms, flooding or heatwaves.
- **Transition risk:** Impacts arising from policy, regulatory, technological or market changes linked to the low-carbon transition.

Time horizons

We apply the following time horizons to classify climate-related risks and opportunities, consistent with our strategy, risk management processes, and business and financial planning cycles. Long-term and longer-term horizons reflect impacts that unfold gradually over time and are material to our longer-term ambitions, including our 2050 carbon reduction targets, while short to medium-term horizons support the assessment of the resilience of our near-term business strategy.

- S Short-term:** 0-2 years
- M Medium-term:** 2-5 years
- L Long-term:** 5-10 years
- LL 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

Rapid global transition to low-carbon energy with strong international co-operation.

(SSP1/RCP2.6)

2.8°C

Inequality

Uneven progress on mitigation and adaptation, resulting in variable impacts across regions.

(SPP4/RCP4.5)

2.5°C

Regional rivalry

Continued reliance on fossil fuels, weak co-operation and worsening climate and socioeconomic impacts.

(SSP3/RCP6.0)

4.0°C

Fossil-fuelled development

Rapid economic growth dependent on fossil fuels, resulting in severe physical climate impacts.

(SSP5/RCP8.5)

Climate-related risks and opportunities

Climate-related risks

Risk and potential impact (unmitigated)	Sector/ business unit	Mitigations
Physical: Chronic and acute 2.8°C 4.0°C		
1. Higher summer temperatures could result in increased cooling costs and place pressure on asset performance and rentability. M L	 Buildings (Urban, Windsor, Rural and Coastal)	We have invested in the optimisation of building management systems and mechanical and engineering equipment across assets to manage comfort and efficiency, helping manage increased cooling demand.
2. Increased frequency of heavy rainfall and flash floods could result in operational interruptions and/or cause damage to our buildings. LL	 Land, Buildings (Windsor, Rural and Coastal, Urban)	We have invested in basement waterproofing strategies and updated drainage systems, including regularly checking the condition of all sump pumps.
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 continued

Risk and potential impact (unmitigated)	Sector/ (business unit)	Mitigations
3. Subsidence, driven by heat and low rainfall, could cause damage to our buildings in at risk locations, specifically central London. M L	 Buildings (Urban)	We identify at-risk buildings and have introduced continuous structural monitoring to assess ongoing risk of subsidence. Creation of an action plan for buildings confirmed to be at risk.
4. Changing wind patterns could affect energy generation profiles and associated financial performance. LL	 Offshore wind, marine aggregates (Marine)	We assess third party metocean research to understand how changing climate patterns could affect wind resource across lease areas. Further analysis will be considered to understand impacts on energy generation and financial performance.
5. Severe storm surges and windstorms could cause physical damage or operational disruptions to offshore energy generation. LL	 Offshore wind (Marine)	We engage with industry partners, regulators and relevant bodies (including the G+ Global Offshore Wind Health and Safety Organisation) to support the management of offshore wind farm assets and safety procedures, sharing best practice and relevant insights.
6. Extreme weather events (floods, droughts) could reduce agricultural productivity on our tenanted farms, reducing asset and rental value. M L LL	 Land (Windsor, Rural and Coastal)	We have undertaken quantitative climate risk assessments (including pilots across the Windsor, Rural and Coastal portfolio) to inform targeted adaptation measures. We have also implemented site-specific engineering interventions and nature-based flood management measures to help reduce exposure to flooding risks.
Transition: Policy and legal 1.5°C		
7. Future changes to low-carbon and energy-efficient building standards may increase compliance costs and capital requirements. S M	 Buildings (Urban, Windsor, Rural and Coastal)	We have used portfolio-level analysis across parts of our business to explore how assets may perform against future standards. Building interventions to reduce the energy use and carbon impact are integrated into ongoing capital spend to support compliance and protect long-term asset value.
Transition: Market 1.5°C 2.5°C 2.8°C		
8. If market demand for low-carbon and energy-efficient buildings increases more rapidly than anticipated, this may put pressure on yields or asset performance. M L	 Buildings (Urban, Windsor, Rural and Coastal)	We apply high sustainability performance standards in redevelopment projects through certifications, with an ambition to attract and retain customers matching our sustainability commitment, helping to ensure assets remain competitive and resilient to shifts in occupier demand.
Transition: Reputation 1.5°C 2.5°C 2.8°C		
9. Suppliers and customers not transitioning to low-carbon practices could impact our ability to achieve our climate-related commitments and cause reputational damage. L LL	 All sectors (all business units)	We embed green leasing, customer engagement and sustainability requirements within development processes. This includes performance standards reflected in leasing and development activity, supplier onboarding data capture, audit activity and governance mechanisms to monitor customer alignment with carbon reduction.
10. Failure to participate (perceived or real) in a co-ordinated response to climate change and improving climate resilience could impact national climate objectives and cause reputational damage. L LL	 All sectors (all business units)	We actively engage in industry forums and policy consultations and have published 'Our ambition for a low-carbon, energy-secure tomorrow', setting out our approach to decarbonisation and climate resilience.

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 financial disclosures continued

Climate-related risks and opportunities

Climate-related risks continued		
Risk and potential impact (unmitigated)	Sector/ (business unit)	Mitigations
11. Failure (perceived or real) to contribute to the resilience of communities to climate impacts. S LL	 All sectors (all business units)	We have undertaken exploratory work to assess key community vulnerabilities to the impacts of climate change, informing the development of pilot projects in the coming year across our Urban, Rural and Coastal portfolios to capture baseline evidence and support future climate mitigation activity.
Transition: Technology 2.8°C 4.0°C		
12. Failure to identify and scale high-quality carbon removals could prevent us from achieving our carbon reduction targets. L LL	 All sectors (all business units)	We have undertaken a high-level assessment of terrestrial carbon dioxide removal options, informed by market and policy considerations, clarifying the role of high quality removals alongside emissions and informing a phased roadmap to manage delivery risks prior to scaling.
Climate-related opportunities		
Opportunity and potential impact	Sector/ (business unit)	Strategic alignment
Resource efficiency 1.5°C		
1. Increasing energy efficiency, reducing carbon and ensuring climate resilience in our new developments, as well as retrofitting existing real estate and built assets. S M	 Buildings (Urban, Windsor, Rural and Coastal)	We deliver energy efficiency improvements through building intervention programmes, supporting decarbonisation and helping manage asset performance risks.
Products and services 1.5°C		
2. Measuring and sharing environmental data to support and deliver our climate and sustainability goals. S M	 All sectors (all business units)	We collect and share environmental data through initiatives such as the Marine Data Exchange and OWEC (see page 21), pilot programmes across built and rural assets, participation in industry-led benchmarks and programmes, and engagement with partners.
Market 1.5°C 2.5°C 2.8°C		
3. Engaging in a co-ordinated response to climate change with the public sector, NGOs, industry peers and joint venture partners. L LL	 All sectors (all business units)	We engage in co-ordinated climate action through collaboration with the public sector, industry peers, NGOs and joint venture partners. These partnerships support collective delivery, knowledge sharing and alignment with national transition objectives, helping to enable system-level climate outcomes.
4. Supporting innovation in low-carbon energy (other than offshore wind) and carbon capture development. S LL	 All sectors (all business units)	We support innovation in low-carbon energy, and carbon capture, beyond offshore wind by enabling the development and demonstration of emerging technologies, including wave and tidal stream energy, through collaboration with government, industry and research partners. Read more on pages 20-21.
5. Catalysing nature-based solutions to climate change (including blue carbon initiatives). S LL	 All sectors (all business units)	We assess and support blue carbon and nature-based solutions, including coastal habitat restoration using natural sediment processes. These approaches enhance climate resilience while offering potential long-term carbon sequestration and biodiversity benefits. Further detail on a pilot scheme at Lymington Harbour is provided on page 21.

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

Climate change affects different parts of our business in different ways, influencing how we manage assets, allocate capital and plan for the long term. This is why we analyse and disclose our risks by sector, reflecting differences in asset type and location, and consider them in line with our decarbonisation pathways.

Integrating climate into enterprise-wide decisions

Our VCF embeds consideration of climate-related risks and opportunities in enterprise-wide decision-making, including major investment decisions approved by the VCC and Board where relevant.

➤ **See the Governance section on pages 65-105**

The VCF's relevant criteria assess alignment with our sector-specific decarbonisation pathways, expected carbon outcomes including embodied carbon, operational carbon, fossil fuel use and carbon displacement or sequestration, the potential financial impact of climate-related risks (Climate Value at Risk, CVaR) for built real estate assets, sequestration opportunities, and the resilience of natural systems including biodiversity and water.

This integrated approach helps us understand how climate-related risks and opportunities may affect our business model, strategic choices and long-term financial resilience.

This enables climate considerations to be reflected in capital allocation, strategic choices and long-term financial resilience.

Climate mitigation and adaptation

Our approach to climate mitigation and adaptation is embedded within our strategy and risk management processes. Key mitigation actions for 2025/26 are summarised in the table on pages 82-84.

Enterprise-wide adaptation remains an area of ongoing development. We are progressing our understanding of how physical climate risks may evolve under different climate-related scenarios and how potential resilience measures could be assessed through quantified scenario analysis across our portfolios. Further detail is set out in the Strategy section of this Climate-related financial disclosures report.

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

To understand how our strategy performs under a range of plausible futures, we undertook qualitative scenario analysis across four climate scenarios, including a 1.5-degree pathway. This analysis highlighted the key physical and transition risks most relevant to our activities. We continued to integrate climate risk and opportunities into decision-making, including through the application of the VCF. These steps help ensure our strategy remains responsive to emerging risks and aligned with the UK's climate objectives.

Quantifying risks

In previous years, we reported quantified assessments of physical climate risks for our Urban real estate assets.

During the year, we began evolving our approach to support a more consistent, portfolio-wide assessment of physical climate risk across our terrestrial portfolio. Insights from this work are expected to inform future disclosures. As this work is ongoing, CVaR outputs for real estate assets are not disclosed for the current year.

Alongside this work, we also undertook targeted, site level pilot assessments of physical climate risk across selected rural assets. Further information is included in the case study on the right.

Quantifying climate risk in our Rural portfolio

We partnered with SmartResilience to pilot a quantitative climate risk scenario analysis across 100 assets (including individual land plots, farm buildings, and residential and commercial properties) within five representative rural and coastal estates. The analysis assessed exposure to key hazards, including flooding, heat stress, water stress, wildfire and extreme wind, across different climate scenarios and time horizons.

Flooding emerged as the most significant risk, with exposure concentrated in a small number of higher risk locations. This enables resilience efforts and investment to be targeted where they will have greatest impact.

At one coastal agricultural estate, existing coastal defences were found to significantly reduce flood risk, reducing expected annual flood losses by over 95% at one site. For agricultural assets at that location exposed to saline intrusion, land use and crop choices were identified as potential levers to help reduce longer-term exposure.

Across other sites, the analysis highlighted opportunities for site specific resilience measures aligned to the key physical risks identified. These insights support more targeted asset management and a scalable approach to portfolio-wide adaptation planning.

Climate-related financial disclosures continued

Risk Management

a. Processes for identifying and assessing climate-related risks

The identification and assessment of climate-related risks is integrated within the enterprise risk management framework.

Climate-related risks are identified through a combination of top down and bottom up processes, drawing on expertise across Sustainability, Risk, Finance and Business Unit teams. These processes consider both physical risks (acute and chronic) and transition risks, including policy, market, technology and reputational impacts, across short, medium and long-term time horizons, informed by climate scenario analysis.

Identified climate-related risks are assessed using the organisation's established risk assessment methodology, and are reviewed annually as part of the annual review cycle. This assessment considers the likelihood and magnitude of potential impacts and is used to prioritise risks and determine their relative significance within the overall risk profile. For further detail on our risk framework, including scoring methodology, see pages 38–45.

b. Processes for managing climate-related risks

Climate and Nature is designated as a principal risk and is disclosed in the Strategic report, with the climate-related risks described in this Climate-related financial disclosures statement forming part of The Crown Estate's principal risk assessment and enterprise risk management processes.

Climate-related risks identified and assessed through the processes described in section (a) are managed through the enterprise risk management framework applied to all business risks.

Management of climate-related risks is embedded within business systems and decision making processes, including regular review of the risk register during QBRs, incorporation of climate risk within the VCF for investment and strategic decisions, and horizon scanning to monitor emerging climate related regulatory, policy and market developments.

➤ See principal risks on pages 40–45

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

Climate-related risks identified, assessed and managed through the processes described in sections (a) and (b) are subject to the same governance, controls and escalation processes as other risks (see pages 38–45).

Oversight of climate-related risks forms part of the established principal risk governance arrangements, with cross-functional collaboration between the Risk, Sustainability and Finance teams and business units to ensure consistent application of risk management processes across the organisation.

Metrics and Targets

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

The table on page 57 outlines the key metrics and targets relevant to managing climate-related risks and opportunities, mapped to the most relevant risks and opportunities (shown on pages 52–54).

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

We report our GHG emissions in line with the GHG Protocol, covering Scope 1, Scope 2 and relevant Scope 3 categories, applying an operational control boundary.

Scope 1 emissions are calculated using activity data for direct emissions sources across our operational control boundary, including direct emissions from gas consumption, fleet, refrigerants, biomass and agricultural activities, applying UK Government and industry emission factors. Scope 2 emissions are reported on both a market-based and location-based basis. Scope 3 emissions are calculated using category-specific activity data and industry emission factors, with material categories included based on relevance and data availability.

Our emissions profile is largely made up of Scope 3 emissions, reflecting the nature of our assets and activities. While these emissions largely sit outside our direct operational control, they are material to our transition risks and opportunities and represent areas where we seek to influence outcomes through investment decisions, asset management and partnerships.

Scope 1 and 2 emissions represent areas where we have the greatest direct control to implement decarbonisation measures through operational efficiency and energy management, with agricultural land and farming activities representing a developing area of focus as our approach continues to evolve.

The quantification of Scope 3 emissions is subject to inherent uncertainty, particularly in marine and land use systems, which is an important consideration when interpreting our emissions metrics. Improving the quality and consistency of Scope 3 data remains a priority as our approach continues to evolve, including steps taken this year to strengthen data quality for marine activities (see page 59).

As our Scope 3 metrics mature, we are seeking to balance emissions reduction across our portfolios with our role in enabling activities critical to the UK's energy transition. We recognise that decarbonisation involves complex, system-wide challenges, particularly in marine sectors, which influence the pace and trajectory of emissions reduction over time.

Selected energy and emissions metrics are subject to independent limited assurance. Further detail on our energy and emissions data, including year-on-year movements, is provided in our Energy and emissions report on pages 58–63.

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

Our metrics and targets are designed to manage climate-related risks and opportunities across our portfolios and support alignment with a 1.5-degree warming trajectory.

We have set science-based emissions reduction targets, using a 2022/23 base year, to reduce absolute Scope 1 and 2 emissions by up to 42% by 2030 and by 90% by 2050, and to achieve deep reductions across Scope 3 emissions over the longer term, with residual emissions addressed through high-quality carbon removals.

Read more on our ambition for a low-carbon, energy-secure tomorrow at: thecrownestate.co.uk/sustainability.

Delivery of our targets is supported by sector-specific decarbonisation trajectories and the development of pathways across our buildings, land use, renewable energy generation and marine aggregates and other less material business activities, which will help inform investment, asset management and operational decision-making.

We are continuing to work on the development of bottom up decarbonisation pathways across our activities, which will enable us to identify and address any gaps between targets and delivery.

As our data, capabilities and understanding continue to improve, we will further integrate climate considerations into strategy and decision-making to strengthen resilience and support long-term value creation.

Key climate-related metrics and targets

Metric category	Description	Unit of measurement	2025/26 performance	Most relevant risk/opportunity
Greenhouse gas (GHG) emissions	Absolute Scope 1, 2 and 3.	tCO ₂ e	Relevant disclosures are shown on pages 58-63.	Risks 7, 8, 9, 10, 12 Opportunities 1, 4
Energy use and efficiency in real estate	Energy consumption, intensity and renewable electricity use.	MWh/%	Relevant disclosures are shown on pages 58-63.	Risks 7, 8 Opportunity 1
Enabling low-carbon energy in the Marine portfolio	Offshore wind capacity enabled and associated estimates of displaced carbon emissions.	GW/tCO ₂ e	Relevant disclosures are shown on pages 19-21 and page 59.	Risks 4, 5 Opportunity 4
Physical risks	Application of physical climate risk assessment tools.	n/a	Portfolio-level quantitative outputs are under development (see page 58).	Risks 1, 2, 3, 6 Opportunities 1, 2
Transition risks	Sustainability provisions within leases.	n/a	Provisions continue to be strengthened through green leases and customer engagement to support improved operational performance.	Risks 8, 9, 11 Opportunity 3
Climate-related opportunities	Metrics reflecting delivery of climate-related and nature-related opportunities.	n/a	Frameworks including the Development Sustainability Principles, Guiding Nature Principles for Marine and Marine Delivery Routemap continue to support climate- and nature-related opportunities.	Opportunities 1, 2, 3, 4, 5
Capital deployment	Capital deployed to support strategically aligned sustainability initiatives.	Monetary (£)	Capital is being deployed through dedicated programmes, such as the Rural Environment Fund and OWEC to deliver environmental benefits (see pages 31 and 21).	Risks 1, 2, 3, 4, 5, 6, 7 Opportunities 2, 5
Remuneration	Climate and sustainability performance reflected in remuneration arrangements.	Weighting/percentage	Relevant disclosures are shown on pages 92-93.	Risks 7, 8 Opportunity 1
Carbon budgeting	Embodied carbon targets applied through an internal carbon management tool.	KgCO ₂ e/m ²	Net Zero Filter applied; 400kgCO ₂ e/m ² portfolio benchmark for London assets.	Risks 7, 8 Opportunity 1
Resource efficiency	Water and waste management across operations and construction.	Percentage/m ³	Relevant disclosures are shown on page 47.	Risks 7, 8 Opportunities 1, 5
Nature recovery	Monitoring delivery of nature recovery goals.	n/a	Relevant disclosures are shown on pages 46-47.	Risks 11, 12 Opportunities 2, 5

Energy and emissions report

Measuring and managing our energy use and emissions is central to understanding and reducing our environmental impact and underpins our approach to decarbonising our own operations.

We disclose our greenhouse gas (GHG) emissions in line with the UK's Streamlined Energy and Carbon Reporting (SECR) framework, which we apply voluntarily. Our disclosures are presented on a basis consistent with the reporting expectations for a large unquoted business, insofar as applicable to The Crown Estate.

The tables on pages 60–63 set out our energy consumption and emissions data, with information on boundaries, methodologies and assumptions provided in our Environmental Reporting Criteria, and further contextual information included in our Sustainability Data Supplement, both available at: thecrownestate.co.uk/annual-report.

Reporting boundary

Our reporting boundary applies an operational control approach for Scope 1 and 2 emissions. For Scope 3, we report the categories and activities that are most relevant to our business and where we have the greatest opportunity to influence emissions outcomes, including embodied carbon associated with offshore wind development, marine mineral extraction, farmland operations and tenant energy use. Activities where our influence is lower, such as long-lease real estate, Welsh Commons and coastal assets, sit outside our reporting boundary. Changes in lease terms that affect operational control are reflected in our annual inventory.

Emissions quantification methodology

We quantify and report our organisational GHG emissions according to the Greenhouse Gas Protocol (GHG Protocol), using the operational control approach, which includes activities where we have direct control. Energy use data and activity data have been converted into CO₂e using UK Government Conversion Factors for Company Reporting and relevant industry-specific factors. In line with the GHG Protocol's Scope 2 Guidance, we report both location-based and market-based Scope 2 emissions. The market-based figure

reflects emissions associated with our electricity purchasing decisions. Scope 3 emissions are calculated in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard for the categories that are relevant to our business and where data is available, based on upstream and downstream value chain activities. Emissions sources that are immaterial or not practical to obtain or estimate have not been included.

Further detail on activity data sources, assumptions, conversion factors and boundary exclusions is provided in our Environmental Reporting Criteria. We continue to strengthen our data and expand coverage as methodologies and information improve.

Our energy and emissions

Energy use and efficiency

Managing energy consumption and improving operational efficiency in our assets supports efforts to reduce emissions from our own activities, particularly as the majority of our energy use arises from the operation of buildings across our Urban portfolio and the Windsor Estate. Our energy data, including total consumption, like-for-like, intensity and year-on-year comparisons, is detailed in the tables on page 60.

Since 2022, we have had an annual target to reduce energy consumption for assets where we procure the energy, measured against a 2021/22 baseline. While energy consumption has reduced since the baseline year, the target was not met in 2025/26 (see page 59).

Performance reflects the complex nature of reducing energy consumption across historic and operational buildings, alongside changes in occupancy and the delivery of major refurbishment and redevelopment projects. Many of the initial efficiency measures have now been implemented, and further reductions will increasingly depend on longer-term interventions aligned with asset refurbishment and investment cycles.

Our total energy procured in 2025/26 was 79,857MWh[△], representing a 1% reduction compared with the previous year (see page 60). Like-for-like energy consumption decreased by 3% and 19% compared with 2024/25 and 2022/23 respectively (see page 60).

We continue to implement targeted energy efficiency measures across our real estate portfolios to improve the efficiency of our assets. Key measures during the year included:

- Continued rollout of Building Management System (BMS) optimisation in our Urban portfolio including recommissioning and plant remedial works and LED upgrades.
- Optimisation of operating times in conjunction with our tenants to minimise plant operations during public holidays.

While these measures support improvements in energy efficiency, changes in occupancy and periods of vacancy, often due to renovations, also contribute to variations in overall energy consumption. In 2025/26, reductions in procured energy consumption from energy-efficiency measures were partly offset by higher occupancy across the portfolio, reflected in the increase in energy recharged to tenants.

In 2025/26, we increased the electric vehicle (EV) fleet in Windsor as part of transitioning away from fossil-fuelled vehicles, and electricity generated from solar PV generation at the Windsor Estate increased by 116MWh.

Energy intensity for offices increased in the year due to changes in coverage, with some lower-intensity offices falling outside the inclusion criteria as a result of refurbishment.

Sourcing renewable and low-carbon electricity remains part of our decarbonisation approach. During 2025/26, we procured 97%[△] (2024/25: 96% (restated)) of our electricity from renewable sources.

Emissions overview

Scope 1 and 2

Scope 1 emissions from gas have remained static in 2025/26, in line with our fuel use. Scope 2 emissions from electricity consumption (location-based) decreased by 25% compared with 2024/25. This reflects the fall in the UK grid electricity emission factor, driven by reduced natural gas usage and increased net electricity imports, alongside higher occupancy rates of our assets. Market-based emissions fell by 31%, reflecting further transition to green tariffs.

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

56% of our Scope 1 and 2 emissions arise from farms under our operational control, primarily from Windsor Farms. The emissions are related to crop production and the management of cattle and other livestock. The increase in agricultural emissions reflects additional farmland within our operational control. In 2025/26, we have improved our methodology, moving away from estimates based on industry figures to using the Farm Carbon Toolkit. A detailed breakdown of Scope 1 and 2 emissions is provided in the table on page 61.

Scope 3

Scope 3 emissions account for approximately 99% of our total reported emissions in 2025/26. See page 62 for a breakdown.

Emissions from purchased goods and services increased due to higher supplier spend. Emissions from processing of sold products increased by 82% due to an increase in timber sold in Windsor Great Park. Emissions from investments have decreased by 24%, due to a change in the lease structure of a joint venture farm, which is now fully tenanted.

98% of our Scope 3 emissions are reported under Scope 3, Category 13: downstream leased assets, which covers emissions from leased real estate, land and marine assets.

Customer activity related to offshore wind development is the largest contributor within this category, driven by embodied carbon in construction and operational energy use.

Marine-related Scope 3 emissions increased in 2025/26, reflecting the expansion of offshore wind development, including construction and commissioning of additional wind farm capacity. However, these wind farms have displaced approximately 18 million tCO₂e in the year, 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 the UK construction industry, and its decarbonisation will depend on the decarbonisation of other sectors, including shipping.

Energy target progress

We set a target to reduce energy consumption by 23% for assets where we procure the energy, using 2021/22 as the base year. This excludes EV charging and any assets purchased or sold between 2021/22 and 2025/26.

While energy consumption has reduced since the baseline year, the overall target was not met in 2025/26. Performance against this energy consumption target forms part of our sustainability-linked Remuneration Framework and carries a 10% weighting (see page 92).

	Absolute MWh		2025/26 vs 2021/22 (decrease) %
	2025/26	2021/22	
Total energy procured excluding EV charging (see page 60)	79,557	101,200	(21)
Assets purchased or sold since 2021/22	(1,779)	(2,504)	-
Total excluding assets purchased or sold since 2021/22	77,778	98,696	(21)

To improve the accuracy of our largest Scope 3 emission source, Marine offshore wind emissions were restated following the application of an improved emissions modelling approach, providing a more robust estimate of operational and embodied emissions.

In 2025/26, a number of Agricultural Holding Act (AHA) tenancy farmlands were converted into environmental Farm Business Tenancies (eFBT), which brought emissions from those farms into our reporting boundary. This transition of leases provides an opportunity to work with tenants to reduce the emissions intensity of farming operations and utilise the land for nature recovery. Scope 3 emissions from farmland fell, reflecting movements in emission factors derived from industry sources and additional farmland moving into our operational control.

Onshore mineral emissions decreased, reflecting a reduction in the amount of minerals mined by our tenants.

As our approach continues to evolve, we will track performance against sector decarbonisation pathways and assess the impact of carbon reduction measures over time.

Data quality and restatements

We continue to strengthen the quality and completeness of our energy and emissions data. Where methodology improvements or identified errors result in a material change to previously reported data, we restate our historical results accordingly. Restated data is detailed on page 63.

While our overall energy procured has remained consistent with what we have previously reported, we now have more accurate data showing that more of the emissions from our energy procured came from our own operations (versus those of our tenants) than previously estimated. This improved data will inform our future decarbonisation interventions.

Other key improvements made to our data collection processes and estimation methodologies include:

- Adoption of the Farm Carbon Toolkit (farmcarbontoolkit.org.uk) to improve the accuracy of emissions from our direct farm activity.
- Application of improved emissions modelling for Marine Scope 3 activities, resulting in more robust estimates of operational and embodied emissions.

In the coming year, we will continue working to strengthen our data quality to inform decision-making and support decarbonisation across our business.

Independent limited assurance (see inside front cover)

Energy and emissions report continued

Our energy data

Absolute and like-for-like energy consumption, and energy intensity, are detailed in the following tables:

Energy consumption – Absolute^{1,2}

	Absolute MWh		Year-on-year (decrease)/ increase %	Absolute MWh
	2025/26	2024/25		2022/23
Electricity				
Landlord consumption and shared services	28,590	32,592	(12)	36,918
Recharged to tenants	29,116	26,205	11	31,837
Total electricity	57,706	58,797	(2)	68,755
Fuel				
Landlord consumption and shared services	11,904	11,917	–	17,587
Recharged to tenants	10,247	10,137	1	12,120
Total fuel	22,151	22,054	–	29,707
Total energy procured including EV charging	79,857	80,851	(1)	98,462
EV charging ³	(300)	(291)	3	(908)
Total energy procured excluding EV charging	79,557	80,560	(1)	97,554
Transport fuels	1,224	1,431	(14)	–
Biomass	6,874	7,233	(5)	6,615
Total energy consumption (including transport fuels and biomass)	87,655	89,224	(2)	104,169
Number of assets	204	192		187

1. The absolute energy data reported above represents 98% (2024/25: 98%) of the floor area of directly managed properties in our Urban portfolio and on the Windsor Estate.

2. The energy generated from PV in our Urban portfolio and on the Windsor Estate was 561 MWh in 2025/26 (2024/25: 351 MWh).

3. Following the introduction of customer charging for the use of EV charging points across our Urban portfolio in 2023/24, electricity consumption for EV charging reduced from 908 MWh in 2022/23 to 300 MWh in 2025/26.

Energy consumption – Like-for-like¹

Like-for-like metrics are recalculated for each two-year period 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 or sold and meters where the responsibility for procuring energy changed between tenant and landlord.

	Like-for-like MWh		Year-on-year (decrease) %	Like-for-like MWh		2025/26 vs 2022/23 (decrease) %
	2025/26	2024/25		2025/26	2022/23	
Electricity	55,311	57,023	(3)	54,828	64,759	(15)
Fuel	21,043	21,643	(3)	20,969	28,921	(27)
Total including EV charging	76,354	78,666	(3)	75,797	93,680	(19)

1. Like-for-like asset count: 183 (2025/26 vs 2024/25); 175 (2025/26 vs 2022/23).

Energy intensity^{1,2}

	kWh/m ²		Year-on-year (decrease)/ increase %	kWh/m ²
	2025/26	2024/25		2022/23
Offices	247	225	10	260
Retail parks	2.1	2.5	(16)	4.4

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. This represents a 53% coverage (2024/25: 59%) 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 54% (2024/25: 58%) of the absolute energy consumed.

2. Due to the limited number of shopping centres in our portfolio, we no longer report intensities for shopping centres.

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^{1,2}

	GHG Protocol category	Absolute tCO ₂ e		Year-on-year (decrease)/ increase %	Absolute tCO ₂ e
		2025/26	2024/25 (restated ³)		2022/23 (restated ³)
Scope 1	Direct emissions from gas consumption	2,186	2,230	(2)	3,269
Scope 1	Refrigerants	525	793	(34)	55
Scope 1	Owned vehicles and machinery	265	305	(13)	343
Scope 1	Biomass (non-CO ₂ GHG emissions)	79	82	(4)	70
Total assured Scope 1		3,055 [△]	3,410	(10)	3,737
Scope 1	Agricultural emissions from non-mechanical sources ⁴	9,930	7,710	29	–
Scope 1	Agricultural emissions from mechanical sources ⁴	345	255	35	–
Total Scope 1		13,330	11,375	17	3,737
Scope 2 (location-based)	Emissions from generated electricity use	5,023 [△]	6,722	(25)	7,160
Total Scope 1 and 2 (location-based)		18,353	18,097	1	10,897
Scope 2 (market-based)	Emissions from generated electricity use	588 [△]	855	(31)	1,049
Other	Biomass CO ₂ emissions	2,430	2,557	(5)	2,338

1. All Scope 1 and 2 data relates to those assets where The Crown Estate is responsible for procuring the energy and exclude emissions relating to energy recharged to tenants.

2. Previously estimated land use change emissions have been excluded, as they related to pasture expansion and land conversion for soy feed production for cattle, which are not relevant to The Crown Estate.

3. The rationale for restatements can be found in the Restatements table on page 63.

4. The increase in emissions from Scope 1 agricultural emissions reflects additional farmland coming under our operational control.

Emissions intensity^{1,2}

	kgCO ₂ e/m ²		Year-on-year (decrease) %	kgCO ₂ e/m ²
	2025/26	2024/25		2022/23
Offices	44 [△]	45	(2)	49
Retail parks	0.4 [△]	0.5	(20)	0.8

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. This represents a 53% coverage (2024/25: 59%) 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 54% (2024/25: 58%) of the absolute energy consumed.

2. Due to the limited number of shopping centres in our portfolio, we no longer report intensities for shopping centres.

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

Energy and emissions report continued

GHG emissions – Absolute Scope 3 (indirect)

Our reported Scope 3 emissions are detailed below:

	GHG Protocol category	Absolute tCO ₂ e		Year-on-year increase/ (decrease) %	Absolute tCO ₂ e
		2025/26	2024/25 (restated ¹)		2022/23 (restated ¹)
Scope 3	Category 3: fuel- and energy-related activities (not included in Scope 1 or 2) ^{2,3}	1,341	1,124	19	1,216
	Category 6: business travel	196	217	(10)	47
	Category 13: downstream leased assets (evidenced tenant energy use in buildings)	7,028	7,280	(3)	8,369
Total assured Scope 3		8,565 	8,621	(1)	9,632
Scope 3	Category 1: purchased goods and services	26,191	18,695	40	17,690
Scope 3	Category 2: capital goods	38,653	38,532	–	20,532
Scope 3	Category 5: waste generated in operations	38	51	(25)	143
Scope 3	Category 7: employee commuting ⁴	560	327	71	117
Scope 3	Category 10: processing of sold products	5,023	2,758	82	3,223
Scope 3	Category 12: end-of-life treatment of sold products	1,045	574	82	670
Scope 3	Category 13: downstream leased assets (see breakdown below)	3,375,879	2,089,773	62	1,077,276
Scope 3	Category 15: investments ⁵	2,511	3,320	(24)	3,958
Total Scope 3		3,458,465	2,162,651	60	1,133,241

1. The rationale for restatements can be found in the Restatements table on page 63.

2. 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 use. Following the introduction of customer pricing for the use of EV charging points across our Urban portfolio during 2023/24, usage decreased; the related emissions are included in Scope 3 Category 3: fuel- and energy-related activities (not included in Scope 1 or 2), in line with the GHG Protocol.

3. Scope 3 Category 3: fuel- and energy-related activities (not included in Scope 1 or 2) includes emissions from Activity C (transmission and distribution losses from electricity consumed by The Crown Estate), and Activity D (emissions from generation of purchased electricity sold to customers for EV charging), as defined by the GHG Protocol.

4. In 2025/26, employee commuting emissions increased due to higher emissions per survey respondent and a methodological refinement applied to certain commute modes in the current year. The impact of this refinement on 2024/25 was assessed as immaterial; therefore, prior year figures have not been restated.

5. Following data and reporting improvements, Scope 3 Category 15: investments emissions have been reported for the first time in 2025/26. Previously, emissions from our investments were reported as part of Scope 3 Category 13: downstream leased assets.

Breakdown of Category 13: downstream leased assets

	Absolute tCO ₂ e		
	2025/26	2024/25 (restated ¹)	2022/23 (restated ¹)
Estimated tenant energy use in buildings	49,933	50,867	60,016
Marine offshore wind (fuel and energy use – operational activity and embodied carbon)	3,055,065	1,764,605	714,893
Marine minerals (fuel and energy use from dredging and mineral extraction)	172,571	168,746	176,984
Other Marine infrastructure (telecoms and power cables, natural gas storage) ²	10,424	10,229	11,124
Farmland (fuel and energy use, crop residue, fertiliser, pesticide, methane, waste management)	78,420	81,573	94,365
Onshore minerals (energy use associated with mineral extraction)	8,259	12,360	18,578
Fixed infrastructure (including telecom masts, radio masts)	1,144	1,336	1,261
Renewable generation (operational and embodied emissions from solar PV and onshore wind turbines)	63	57	55
Total downstream leased assets	3,375,879	2,089,773	1,077,276

1. The rationale for restatements can be found in the Restatements table on page 63.

2. Prior years' emissions from natural gas storage have been aggregated into Other marine infrastructure (telecoms and power cables, natural gas storage).

 Independent limited assurance (see inside front cover)

Restatements

Our GHG restatements are detailed below:

		tCO ₂ e			
	GHG Protocol category	2024/25 (restated)	2024/25 (previously reported ¹)	2022/23 (restated)	2022/23 (previously reported ¹)
Scope 1	Direct emissions from gas consumption ²	2,230	1,722	3,269	2,981
Scope 1	Emissions from land use change ³	–	1,240	–	–
Scope 2 (location-based)	Emissions from generated electricity use ²	6,722	5,513	7,160	7,038
Scope 2 (market-based)	Emissions from generated electricity use ⁴	855	685	1,049	1,049
Scope 3	Category 13: downstream leased assets (evidenced tenant energy use in buildings) ²	7,280	8,930	8,369	8,700
Scope 3	Category 1: purchased goods and services ⁵	18,695	16,535	17,690	15,441
Scope 3	Category 2: capital goods ⁶	38,532	47,883	20,532	20,532
Scope 3	Category 13: downstream leased assets ⁷	2,089,773	1,415,740	1,077,276	1,089,590
Scope 3	Category 15: investments ⁸	3,320	–	3,958	–

1. Previously reported data refers to reported data in the 2024/25 Annual Report and Sustainability Data Supplement.
2. Prior years' Scope 3 Category 13: downstream leased assets (evidenced tenant energy use in buildings), refer to GHG emissions – Absolute Scope 3 (indirect) table on page 62, emissions have been restated following improvements to data granularity. Previously estimated energy recharge data has been replaced with actual tenant level data, enabling a clearer allocation between energy attributable to tenants and energy attributable to The Crown Estate. This restatement also impacts Scope 1: direct emissions from gas consumption and Scope 2 emissions (location-based), with energy attributable to The Crown Estate now excluded from Scope 3 Category 13 and included in Scope 1 and 2 emissions. Residual tenant energy continues to be reported within Scope 3 Category 13: downstream leased assets (evidenced tenant energy use in buildings).
3. Previously estimated land use change emissions have been excluded, as they relate to pasture expansion and soy feed production for cattle, which are not relevant to The Crown Estate.
4. Prior years' Scope 2 emissions from generated electricity use (market-based) included assumptions surrounding the timing that contracts transitioned from standard to green tariffs status, based on data provided by a third party. During the current period, we have obtained access to data from a different third party which provides more accurate information on the timing of the transition, including the prior period. As a result, Scope 2 (market-based) emissions in 2024/25 have been restated to reflect this more accurate information.
5. Prior years' Scope 3 Category 1: purchased goods and services emissions have been restated to reflect additional expenditure identified through a completeness review.
6. Prior years' Scope 3 Category 2: capital goods emissions in 2024/25 have been restated to reflect a correction to the fuel data for Marine surveys.
7. Prior years' Scope 3 Category 13: downstream leased assets (estimated tenant energy use in buildings), refer to Breakdown of Category 13: Downstream leased assets table on page 62, emissions has been restated following updates to energy intensity figures used for our real estate assets to better reflect the use of our assets and application of improved emissions modelling for Marine activities, resulting in more robust estimates of operational and embodied emissions.
8. Following data and reporting improvements, Scope 3 Category 15: investments emissions have been reported for the first time in 2025/26. Previously, emissions from our investments were reported as part of Scope 3 Category 13: downstream leased assets.

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, for example, within the 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.

This Strategic report was approved by the Board on 9 June 2026 and signed on its behalf on 12 June 2026 by:



Dan Labbad
Chief Executive

Governance

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Chair's introduction

It was an honour to assume the role of Chair of The Crown Estate last year, joining an organisation that is truly unique. I am excited to serve in this role and to work with colleagues across the organisation as we deliver on The Crown Estate's purpose to create value for the benefit of the nation.

Further to my statement on page 8, this report focuses on governance and how the Board and its Committees operate and make decisions.

Board Changes

A key early priority for me has been to ensure the continuity and stability of the Board during a period of transition following my predecessor, Sir Robin Budenberg CBE, whose service of almost ten years helped shape The Crown Estate's current direction and effectiveness. On behalf of my fellow Board Members, I would like to formally record our thanks for his commitment and much valued contribution.

I am pleased to confirm that Dan Labbad, our Chief Executive, has agreed to extend his contract with The Crown Estate for an additional four year term, to mature in December 2031, and that Clare Shine and Anne Kavanagh have been reappointed for second four year terms as independent Non Executive Commissioners. Peter Hofbauer, who joined the Board as a Board Counsellor in September 2024, was appointed as an independent Non Executive Commissioner in September 2025 and Nicholas Cheffings also joined the Board as a Board Counsellor in September 2025, having previously served as Special Advisor to the Chief Executive.

The Crown Estate Act 2025 introduced a statutory requirement to appoint Commissioners with specific responsibility for advising the Board on conditions in Wales, England and Northern Ireland. Following an open and competitive public appointments process (see page 83), I am delighted to welcome Michael Plaut to The Crown Estate as an independent Non-Executive Commissioner with additional responsibility to support the Board's understanding of conditions in Wales. Michael's extensive experience and connection to and understanding of Wales makes him a valuable addition to the Board.

Alongside her existing duties as an independent Non-Executive Commissioner, Anne Kavanagh has agreed to take on the additional responsibility for advising the Board on conditions in England and, in doing so, has relinquished her role as Chair of the Remuneration Committee. Peter Hofbauer has been appointed Chair of the Remuneration Committee.

HM Treasury have confirmed that a recruitment process for the appointment of a Commissioner with additional responsibility for advising on conditions in Northern Ireland will commence later this year and we look forward to working on this important appointment.

I am confident these changes will further enhance the Board's effectiveness. The collective knowledge and experience of my fellow Board Members mean we are well placed to continue to provide strong leadership and oversight in the years ahead.

Culture

Beyond the Board's composition and governance, culture is central to how we deliver our purpose. It is clear that our culture is characterised by a strong sense of purpose and a commitment to acting in the national interest. This is underpinned by constructive collaboration between the Board, the Group Leadership Team and colleagues, and by a shared focus on responsible commercial decision-making. As set out on pages 73-76, we are building on these foundations to foster a high-performance culture that supports continuous development, strengthens capability and enables colleagues to perform at their best. Alongside this, we remain focused on equity and inclusion as the pathway to a diverse organisational culture, which will without doubt further strengthen The Crown Estate.

Culture is shaped by the tone from the top. I am pleased to note that the Board's composition already exceeds a number of diversity linked targets, but we are not complacent. We are currently reviewing the Board Diversity Policy and expect to publish an updated Policy in the coming months. Our focus is not simply meeting external benchmarks – we want to see real, tangible progress in diversity at all levels of the organisation.



“My fellow Board Members’ collective knowledge and experience mean that we are well placed to provide strong leadership and oversight.”

Ric Lewis
Chair

Performance and outlook

To support our focus on effective leadership and the right culture from the top, an externally facilitated Board Performance Review was carried out towards the end of 2025. As this took place very early in my tenure at The Crown Estate, the scope of the review was primarily focused on the Board and its Committees. It was a valuable exercise, providing helpful insights and a benchmark against which the Board can assess its progress over time.

Overall, the review concluded that the Board is operating effectively, with a strong culture of engagement, constructive challenge and productive relationships between the Board and management, supported by well-functioning Committees. Opportunities to strengthen performance further were identified and are discussed on page 72. The Board has carefully considered these insights and has identified several priorities for the year ahead to further strengthen governance and support strong decision making, accountability and delivery.

Finally, I would like to thank my fellow Board Members, the GLT and colleagues across The Crown Estate for their hard work and continued commitment throughout the year. The Board remains focused on maintaining the highest standards of governance, providing effective oversight and supporting management as we deliver long-term value in the national interest. I look forward to continuing this work in the year ahead.

Ric Lewis
Chair

Our Board



Ric Lewis
Chair, Independent
Non-Executive Board
Member and First
Commissioner

Appointment: Ric was appointed Chair of The Crown Estate on 9 July 2025.

Committees: (N) (R)

Tenure: 9 months

Key strengths: Leadership / Finance / Investment management / Real estate development



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: 6 years 4 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: (S) (N)

Tenure: 6 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 (climate resilience) / Ecology / Biodiversity



Vijay Bharadia
Independent
Non-Executive Board
Member

Appointment: Vijay was appointed to the Board on 1 April 2023. His first term expires on 31 March 2027.

Committees: (A)

Tenure: 3 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: 5 years 7 months

Key strengths: Renewable energy / Marine renewables / Carbon capture / Environment (climate resilience) / Ecology / Biodiversity / Commercial investments



Peter Hofbauer
Independent
Non-Executive Board
Member

Appointment: Peter was appointed as a Board Counsellor on 1 September 2024 and was subsequently appointed as a Non-Executive Board Member on 1 September 2025. His first term expires on 31 August 2029.

Committees: (A) (R)

Tenure: 1 year 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 on 3 July 2026.

Committees: (R) (A) (N)

Tenure: 3 years 9 months

Key strengths: Investment management / Real estate development / Leadership / Governance / Regeneration and transformation



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: 1 year 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 on 3 July 2026.

Committees: (R) (S)

Tenure: 3 years 9 months

Key strengths: Systems transformation / Climate, nature and health / Integrated marine strategy / Policy and law / Social impact / Culture



Nicholas Cheffings
Board Counsellor

Appointment: Nicholas was appointed as a Board Counsellor on 1 September 2025. His first term expires on 31 August 2029.

Committees: (N) (R)

Tenure: 7 months

Key strengths: Real estate / Commercial / Strategic overview and analysis / Governance / Legal, including dispute resolution



Lucy Caddy
Company Secretary

Lucy joined The Crown Estate in January 2024 as Interim Deputy Company Secretary and was appointed Company Secretary on 25 September 2024.



Seema Kamboj
Interim Company
Secretary

Seema was appointed Interim Company Secretary (as maternity cover) on 12 May 2025.

Committee membership key

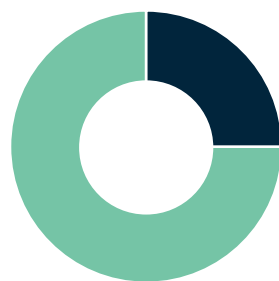
(A) Audit Committee (N) Nomination Committee (R) Remuneration Committee (S) Sustainability Committee (C) Committee Chair

All tenures as at 31 March 2026.

➔ Read more about the members of our Board at: thecrownestate.co.uk/our-board

At a glance (as at 31 March 2026)

Board independence¹



● Non-independent **2**
● Independent **6**

Ethnic diversity



● White **7**
● Black, Asian or other Minority Ethnic **3**

Gender



● Women **5**
● Men **5**

Board tenure



● 0-2 years **4**
● 2-4 years **3**
● 4-6 years **1**
● 6-8 years **2**

1. Excludes Chair (independent on appointment) and Board Counsellor.

Our constitution and governance framework

The Crown Estate Act 1961 and the Crown Estate Act 2025

The Crown Estate Act 1961 (the 1961 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 (together with the 1961 Act referred to as 'the Act').

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 revenue account 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 reigning Monarch's private estate. The assets form part of the hereditary possessions of the Monarch, held in right of the Crown; in other words, lands held by the Crown on trust, not personally.

The Crown encompasses both the Monarch and the Government. The Crown is vested in the reigning Monarch, but its functions are generally exercised by Ministers of the Crown accountable to Parliament and/or the devolved legislatures. The United Kingdom's uncodified constitution flows from the Crown and is one of our oldest institutions.

In 1066, all land in England was deemed to be held by the then reigning Monarch, William the Conqueror, 'in right of the Crown'. By the time George III ascended to the throne, the size of the Crown's estate had reduced and it was not producing sufficient revenue. George III surrendered management and control of Crown land and the revenues generated from it to the management of Parliament as part of a settlement for Crown Lands in 1760.

Since 1760, the Monarch 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, under 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 which were put under their control. HM Treasury oversees The Crown Estate in the performance of that function. Parliament and the Monarch are the beneficiaries of The Crown Estate and are equally important stakeholders for us as we manage our estate on behalf of the Crown. 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 both houses of 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 at: thecrownestate.co.uk/governance. It sets out The Crown Estate's core duties and powers and how the day-to-day relationship between The Crown Estate and HM Treasury works in practice in relation to governance and financial matters, building upon the framework established by the Act.

The Crown Estate's sponsor department is HM Treasury and its sponsoring Minister, the Chancellor of the Exchequer, 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 Remuneration Committee shares any planned changes to the Remuneration Framework with HM Treasury to seek its agreement. The Board Members' remuneration is set by HM Treasury.

Governance framework

UK Corporate Governance Code

The Framework Document requires The Crown Estate, without limitation so far as is consistent with the Act, to comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code (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 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 2026, The Crown Estate complied with all provisions of the Code relevant to it. The Board notes the new requirement under the Code for it to provide a declaration on the effectiveness of the organisation's material controls (Provision 29), applicable to accounting periods beginning on or after 1 January 2026. Information on the Board's preparatory work in relation to Provision 29, namely the effectiveness of internal controls, can be found in the Audit Committee report. The Code is available from frc.org.uk.

The table below shows where stakeholders can find further information on how The Crown Estate has applied the principles of the Code.

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.

Compliance with the UK Corporate Governance Code 2024

Principles	Pages
Board leadership and company purpose	
A – An effective board	66–67
B – Purpose, values and culture	2, 34–35
C – Governance framework	68–70
D – Stakeholder engagement	74–75
E – Workforce policies and practices	65, 34–35
Division of responsibilities	
F – Role of chair	71
G – Division of responsibilities and independence	71–72
H – External commitments	72
I – Board processes and resources	73
Composition, succession and evaluation	
J – Appointments to the board	83–84
K – Board skills, experience and knowledge	84
L – Annual board evaluation	72
Audit, risk and internal controls	
M – Financial reporting, external auditor and internal auditor	77–81
N – Fair, balanced and understandable assessment	80
O – Risk management and internal controls	78–79
Remuneration	
P – Linking remuneration with purpose and strategy	92–93
Q – Developing remuneration policy	89–90
R – Performance outcomes	93

Governance structure

The Board

The Board operates independently of government and has the power to regulate its own procedures. The Board is responsible for setting The Crown Estate's purpose, values and strategy and for overseeing delivery of its statutory duties.

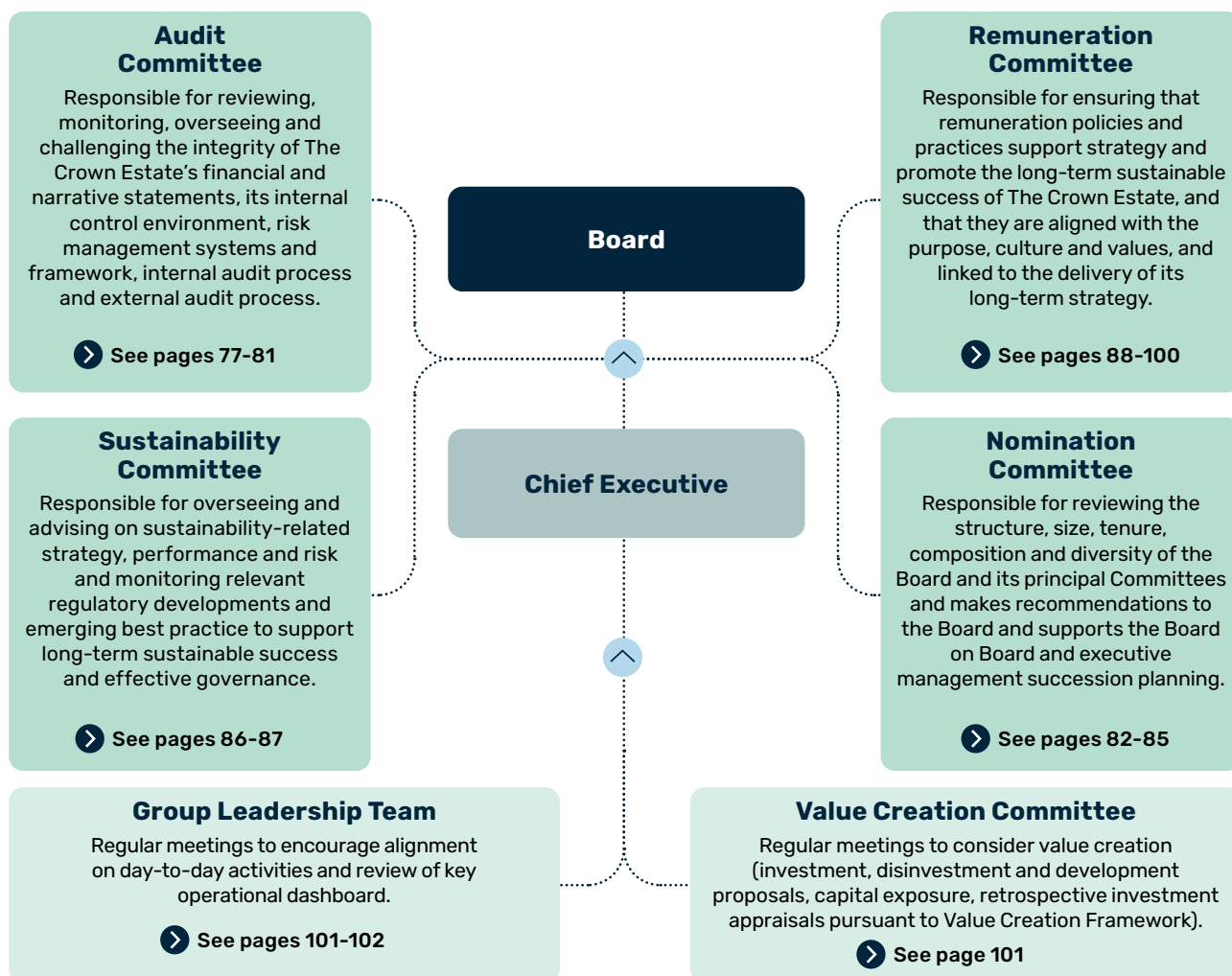
Terms of appointment

Each Board Member of The Crown Estate is appointed as a Commissioner under Royal Warrant for a period of up to four years which may be renewed for a further period of up to four years. In exceptional circumstances, an appointment of a Non-Executive Board Member may be extended for a further two years. The Board is assisted by co-optees known as Board Counsellors who participate in Board and Committee meetings in a non-voting capacity. Board Counsellors are not appointed under Royal Warrant and instead are appointed under a contractual letter of appointment. No individual may serve on the Board, either as a Non-Executive Board Member or Board Counsellor, for more than a total of ten years. The ten-year cap does not apply to Executive Board Members. The Act specifies that there may be no more than twelve Commissioners, one of whom shall be First Commissioner and Chair.

➤ [Read more on pages 71-72](#)

Board Committees

It is the responsibility of the Board to constitute such committees as necessary for it to fulfil its function. The Board has delegated certain matters to four principal Committees. Their responsibilities are set out in the terms of reference for each Committee, available on our website and also summarised in each Committee's report. The Board regularly reviews the remit, composition and terms of reference of each Committee. Each Committee reports to the Board on its proceedings after each meeting on matters within its remit.



Division of responsibilities

The Board

The roles of the Chair, Chief Executive and other Board Members (all of whom are Commissioners) are clearly set out in the Framework Document, including in relation to the Chief Executive's additional responsibilities as The Crown Estate's Accounting Officer. All Board Member appointments are documented in a letter of appointment which supplements the Royal Warrant granted to Commissioners.

Role	Responsibilities
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, risk management, people and culture, and engaging with HM Treasury on strategy and business planning. The Chief Executive also has independent duties and responsibilities to HM Treasury as Accounting Officer, including ensuring the organisation operates effectively, lawfully and with high standards of probity, applying relevant principles of Managing Public Money, subject to the Act.
Chief Financial Officer	The Chief Financial Officer is an Executive Board Member and Commissioner. 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.
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 Board Members and other stakeholders if required.
Independent Non-Executive Board Members	The role of independent Non-Executive Board Members is to collectively bring a broad range of experience and knowledge to Board deliberations and to provide objective oversight and constructive challenge where necessary.
Board Counsellor	The role of a Board Counsellor is to support the Board Members in discharging their duties. Board Counsellors supplement the collective skills, expertise and knowledge of the Commissioners to inform decision-making and provide constructive challenge where necessary. Board Counsellors participate in Board and Committee meetings in a non-voting capacity. 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.
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 of the Board and its Committees and is responsible for timely information flow and communication between the Board, its Committees, Board members and management. The Company Secretary works with the Chair to facilitate the induction and professional development of new/existing Board Members as required. The Company Secretary is a Board appointee.

Division of responsibilities continued

Board and Committee meetings attendance

	Board	Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Vijay Bharadia	8/9	5/5			
Robin Budenberg ¹	2/2		1/1	2/2	
Nicholas Cheffings ²	6/6		2/3	2/3	
Juliet Davenport	9/9	4/5			4/4
Peter Hofbauer ³	9/9	5/5		6/6	
Karen Jones	9/9		4/4		4/4
Anne Kavanagh	8/9	5/5	4/4	6/6	
Dan Labbad	9/9				
Ric Lewis ⁴	7/7		3/3	4/4	
Helen Price	9/9				
Clare Shine	9/9			6/6	4/4

1. Stepped down as First Commissioner and Chair on 8 July 2025.

2. Appointed Board Counsellor on 1 September 2025.

3. Peter Hofbauer (formerly a Board Counsellor) was appointed as a Commissioner on 1 September 2025. Attendance is shown in both roles.

4. Appointed First Commissioner and Chair on 9 July 2025.

Conflicts and Board independence

Conflicts of interest may arise from time to time. Board Members are required to disclose any actual or potential conflict of interest as soon as it arises or when it is reasonably anticipated. In addition, Board Members are invited to declare any new or existing actual or potential conflicts of interest at the start of each Board or Committee meeting and are required to provide an annual declaration of interests.

Maintaining Board independence is essential to safeguarding against conflicts of interest and supporting transparent decision-making aligned with the best interests of The Crown Estate. Clear arrangements are in place to identify and manage conflicts promptly, including the requirement for Board Members to recuse themselves from any item of business where an actual or potential conflict of interest exists. The Board considers all its Non-Executive Commissioners to be independent, having assessed them against Provision 10 of the Code.

The same assessment of independence is applied to Board Counsellors, notwithstanding that they are non-voting participants at Board and Committee meetings. Nicholas Cheffings is not regarded as independent due to his prior executive role at The Crown Estate.

A schedule of interests is available on our website at: thecrownestate.co.uk/governance.

Board/Committee performance review

Each year, the Board undertakes a formal review of its performance, including its composition, diversity and the effectiveness with which its members work together to achieve its objectives. In November 2025, the Board appointed an independent external adviser, Clare Chalmers Limited, to conduct a review of the performance and effectiveness of the Board and its Committees. Clare Chalmers Limited has no other connection with The Crown Estate or its Commissioners, other than having previously provided similar services to a company on whose board Ric Lewis serves as a director.

The review involved one-to-one meetings with Board Members, the Board Counsellor, the Company Secretary and members of the GLT that regularly attend Board meetings. It also included observation of Board and Committee meetings and a review of current and historic Board and Committee papers. The adviser assessed the effectiveness of the Board and its Committees, identifying strengths and areas for development.

Overall, the findings in relation to the Board and its Committees were positive. The review concluded that the Board continued to operate effectively, supported by a committed and diverse membership, constructive engagement with management and a collegiate culture that enabled open discussion. The Committees were found to provide appropriate oversight of their respective remits and strong support to the Board.

The review identified a number of areas in which further progress could be made. It highlighted the opportunity to strengthen workforce engagement further and to enhance stakeholder engagement more broadly. It also identified scope to improve co-ordination between the Committees and strengthen reporting to the Board through a clearer focus on key issues and outcomes. The priorities identified for future focus and development will be discussed further and progressed under the direction of the Chair.

In light of the Chair's relatively recent appointment, it was agreed that this year's externally facilitated review would focus primarily on the overall effectiveness of the Board and its Committees, with feedback relating to individual Board Members and the Board Counsellor shared directly with the Chair. Early soundings on the Chair's first few months in post, facilitated by the Senior Independent Board Member, also provided additional insights to support the Board's overall evaluation.

Formal performance reviews of individual Board Members and of the Chair will be undertaken in the following year in the normal course.

Board activities

The Board held nine meetings in the year, two of which were additional meetings called at short notice.

Meetings included a two-day session at our Windsor office in November 2025 focused primarily on strategy and an off-site two-day business planning session in London in March 2026.

The GLT also participated in the strategy and business planning meetings.

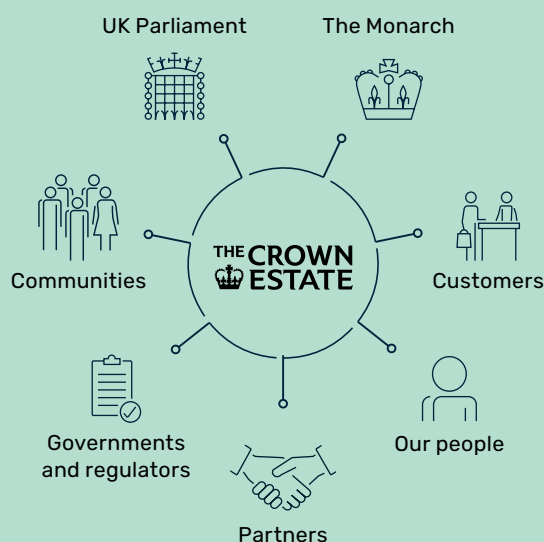
Board and Committee meetings are pre-scheduled on a rolling calendar year's notice. Meeting papers are typically provided at least one week in advance of the meeting to allow time for proper consideration.

Overview of Board activities

Strategic Planning and Execution	Group strategy including sustainable development, capital allocation, social and economic impact, external context and prioritisation	Business Operations and Security	London development
	Business plan		Windsor
	Brand and insights		Procurement
	AI strategy		Health, safety and wellbeing
	Strategic stakeholder relationships		Modern Slavery statement
	JV partnership with Lendlease plc		Customers
	Economic update		Head office relocation
People and Culture	People and culture strategy		Cyber update
	Diversity, equity and inclusion		Digital and cyber security
	Talent review and succession planning		Regional strategy
Sustainability	Performance against sustainability targets	Risk Management and Governance	Offshore Wind Leasing Rounds 4, 5 and 6
	Approach to sustainable development in light of the Crown Estate Act 2025		Market/consumer analysis
Corporate Governance and Reporting	Annual Report and Accounts 2024/25		Marine Delivery Routemap
	Externally facilitated Board effectiveness review		Chief Financial Officer's report
	Framework Document including matters reserved for the Board		Accounting Officer's Report and Management Assurances on Internal Controls
	Board objectives		Going Concern and Viability Assessment
			Reappointment of National Audit Office as external auditor and consideration of external audit effectiveness
			Principal risks and key mitigations

Section 172 statement

Our stakeholders



Section 172 of the Companies Act 2006 requires directors to 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. In doing so, directors must have regard, among other matters, to the likely long-term consequences of decisions; the interests of employees; relationships with suppliers, customers and other stakeholders; the impact of the company's operations on the community and the environment; and the desirability of maintaining a reputation for high standards of business conduct.

Although section 172 does not apply directly to The Crown Estate, these considerations are embedded within the VCF. The Board seeks to be transparent about how it has had regard to these considerations when making decisions.

The Board considers that, during the financial year ended 31 March 2026, it acted in a manner which it considered, in good faith, would be most likely to promote the success of The Crown Estate for the benefit of its stakeholders as a whole.

➤ For further information supporting this statement, see the table (right) and Key decisions on page 75

Section 172 duties	Relevant disclosure	Pages
Likely consequences of Board decisions in the long term	Chief Executive's review	10-12
	Our strategy	1-63
	Stakeholder engagement	6-7
	Financial review	13-17
	Risk management	38-45
	Statement of viability	17
	Double materiality assessment	38
Interests of The Crown Estate's employees	People and culture	34-35
	Annual performance	34-35
	Stakeholder engagement	6-7
	How the Board monitors culture	75-76
Impact of The Crown Estate's operations on the community and environment	Our strategy	1-63
	Stakeholder engagement	6-7
	Climate-related financial disclosures	49-57
	Energy and climate resilience	19-33
	Nature recovery	19-33
	Inclusive growth	19-33
	Sustainability Committee report	86-87
	Stakeholder engagement	6-7
Desirability of The Crown Estate maintaining a reputation for high standards of business conduct	People and culture	34-35
	Health, safety and wellbeing	36
	Risk management	38-45
	Board evaluation	72
	Governance structure	70-72
	Division of responsibilities	71-72
	Remuneration Committee report	88-100
Need to act fairly between stakeholders of The Crown Estate	Stakeholder engagement	6-7

Key decisions

The Board gives careful consideration to the potential impacts of its decisions on stakeholders and more broadly. Examples of key decisions taken by the Board in the year under review are set out below. See page 74 for our section 172 statement.

Joint venture partnership with Lendlease plc	The Crown Estate and Lendlease entered into a conditional agreement in May 2025 to establish a new 50/50 joint venture. The joint venture supports two core areas of The Crown Estate's strategic focus: the development of the science, innovation and technology space in the UK, and unlocking housing in the UK. In reaching this decision, the Board considered the transaction's likely long-term consequences and the matters set out below: – The funding, delivery and market-cycle risks associated with a long-dated, multi-site regeneration programme and the conditions precedent to completion; – The interests of employees, including resourcing and health and safety arrangements; – The need to maintain effective business relationships with key counterparties and stakeholders, including contractors, suppliers, local and national government, and regulatory, planning and other public-sector bodies; and – The programme's impact on communities and the environment, including the delivery of up to 26,000 homes over the next 15 years (including affordable and rental), the creation of up to 100,000 jobs, the management of construction-related disruption, and the adoption of appropriate sustainability standards and targets. The Board also had regard to The Crown Estate's reputation for high standards of business conduct, recognising the profile of the sites, the level of public scrutiny, and the importance of complying with applicable policies and standards. In particular, the Board considered the need to: – Act fairly and balance the interests of relevant stakeholder groups; and – Ensure that the joint venture terms, such as the allocation of risk and expected returns, were appropriate.
Offshore Wind Leasing Round 6	The Crown Estate announced on 26 March 2026 its intention to launch Round 6 in the first half of 2027, expected to accommodate a capacity of around 6GW of clean energy and focused primarily on fixed-bottom offshore wind off the coast of the North East of England. The Board concluded that Round 6 advanced The Crown Estate's core remit to enhance and maintain the value of The Crown Estate, while supporting the UK's long-term energy security and net zero ambitions. The Board's deliberations included community and societal outcomes through regional growth, creation of local jobs and supply chain opportunities, environmental stewardship through the application of nature principles and Marine Delivery Routemap-led spatial planning.
Relocation of London head office to 10 Spring Gardens in 2027	In considering the proposed relocation of the London head office to 10 Spring Gardens, the Board considered the long-term implications of the decision, including the need for a workplace that supported The Crown Estate's evolving strategy, cultural transformation and hybrid working model. The interests of employees were a key consideration, with the relocation intended to address current space constraints, future capacity, reduce fragmentation across multiple sites, enhance collaboration and wellbeing, and minimise disruption by remaining close to the current location. The Board also considered the impact on wider stakeholders and communities, including opportunities to create a more open and publicly engaging head office. Environmental sustainability and responsible stewardship of assets were central to the assessment, with 10 Spring Gardens offering strong sustainability credentials as a leading retrofit project. The Board also focused on value for money.
Strategy review	The Board approved a refreshed strategy in November 2025 following a comprehensive review of the external environment, risks and long-term opportunities, including capital allocation, approach to sustainable development and social and economic impact. The refreshed strategy emphasised a continued focus on organisational capability and delivery, and endorsed the ambition to deliver sustained growth and increased returns over the long term. The Board considered the interests of key stakeholders as part of this review, including customers, employees, partners and suppliers, government and HM Treasury, local communities and wider society in the context of The Crown Estate's purpose and mandate.

Culture and Board oversight

How the Board monitors culture

The Board recognises that organisational culture is fundamental to the delivery of The Crown Estate's strategic priorities. During the year, the Board oversaw the continued development of a culture focused on high performance, continuous improvement, accountability and inclusion.

This approach is underpinned by the People strategy, which is structured around four dimensions: agility, resilience, equity and performance. Together, these dimensions support a high-performance culture by clarifying expectations, strengthening leadership capability, and embedding consistent behaviours and ways of working that enable people and teams to perform at their best.

The Board monitors organisational culture and workforce experience through a programme of engagement and insight. This includes continuous listening mechanisms such as colleague surveys and onboarding/exit feedback, which provide regular insight into employee voice, wellbeing and cultural trends. The Board also engages directly with the workforce through town halls, flagship all-colleague events, networked sessions, site visits, and formal and informal events, all of which together enable the Board to see the organisation's culture, behaviours and operational realities firsthand, as well as receive qualitative and quantitative data to support its oversight of organisation culture. In this way, the Board is able to assess how well attitudes and behaviours align with the organisation's purpose, values and strategy.

As described above, The Crown Estate applies an 'alternative arrangement' to the three workforce engagement methods set out in Provision 5 of the Code. The Board considers it important to adopt a collective Board engagement model and has concluded that this currently remains the most effective approach to ensure it hears employees' views directly.

➔ See more on page 34

We live our purpose through our values



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.



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.



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.



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.



Audit Committee report



“The Audit Committee supports Board priorities, providing independent oversight of reporting and assurance, and promoting strong internal controls and risk management processes.”

Vijay Bharadia

Chair of the Audit Committee

Overview

The Audit Committee supports the Board by providing independent oversight of the governance and assurance framework that underpins The Crown Estate's financial reporting and wider control environment, including internal control, risk management and compliance. In doing so, it oversees internal and external audit and other sources of assurance, and keeps the Board informed on significant judgments, control and risk matters, and the actions taken to address them.

Committee composition and attendance

The Committee comprises four independent Non-Executive Commissioners: Vijay Bharadia (Chair), Juliet Davenport, Peter Hofbauer and Anne Kavanagh. In line with Provision 24 of the Code, the Board is satisfied that Vijay Bharadia has recent and relevant financial experience and the Committee has an appropriate blend of knowledge, experience and relevant sector competency (see biographies on pages 66–67).

The Deputy Company Secretary serves as Secretary to the Committee. The Chief Executive (in his dual capacity as Chief Executive and Accounting Officer), Chief Financial Officer, Group Finance Director, Chair of the Board, Company Secretary, Executive Director, Operations and Investment, and the Head of Internal Audit, Risk and Assurance regularly attend Committee meetings. Other senior managers and subject matter experts attend, as required, at the request of the Committee Chair.

The National Audit Office (the NAO) is independent of government and audits central government and other public organisations, reporting its findings to Parliament on the regularity, propriety and value for money of public spending. Representatives of the NAO and its Partner Firm, Forvis Mazars LLP, acting on behalf of the Comptroller and Auditor General, attend all Committee meetings.

The Committee typically meets five times each year. Attendance at meetings during the year was as follows:

Vijay Bharadia (Chair)	5/5
Juliet Davenport	4/5
Peter Hofbauer ¹	5/5
Anne Kavanagh	5/5

1. Peter Hofbauer (formerly a Board Counsellor) was appointed a Commissioner on 1 September 2025. The table reflects attendance both as a standing attendee (as a Board Counsellor) and as a Committee member since 1 September 2025.

Key duties

The Committee's terms of reference are available on our website. Its key duties are summarised below:

- Monitor the integrity 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 risk management, internal controls and assurance frameworks;
- Oversee Internal Audit, including approving the annual Internal Audit plan, reviewing audit reports, monitoring management actions and reviewing the effectiveness of the Internal Audit function;
- Recommend to the Board the appointment 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

Risk management

The Crown Estate's risk management framework is aligned to the Government's Orange Book and corporate governance best practice, with processes and procedures in place to identify, evaluate and manage principal and emerging risks (see pages 38-45). The Committee oversees risk management, working closely with the Head of Internal Audit, Risk and Assurance, to ensure risks are reported to and reviewed by the Board (see pages 38-45).

During 2025/26, key risk management activity included:

- **Risk Spotlight on Contract Management:** the Committee reviewed key risks in contract management, focusing on high-value contracts, any weaknesses in data and ownership, and the introduction of a new contract management framework designed to strengthen controls, accountability and supplier risk oversight (aligned with the Government Commercial Function standards and guidance).
- **Risk Spotlight on Real Estate Development and Joint Venture Governance:** the Committee reviewed key risks arising from the organisation's real estate development activity and the governance and assurance arrangements in place following the amalgamation of London and Regional development activities. The arrangements included strengthened oversight of delivery, clearer risk assessment and escalation, enhanced reporting and assurance, and ongoing priorities to embed learning and ensure proportionate governance. The Committee also received periodic updates on material joint venture relationships, including governance, reporting and assurance arrangements.
- **UK Corporate Governance Code, Provision 29 (applicable to accounting periods beginning on or after 1 January 2026):** the year ended 31 March 2026 is being used as a preparatory year to define the framework for processes and evidence base required to support the Board and Accounting Officer in providing formal assurance under Provision 29 for the year ending 31 March 2027. The Committee reviewed the overall approach

to scoping, including the criteria applied to define materiality, the methodology for identifying material risks and controls across the four categories as set out in Provision 29 (financial, operational, compliance and reporting controls) and management's draft list of material risks and associated controls. The Committee also received an update on the development of testing and assurance activities to support the Board and Accounting Officer in confirming the effectiveness of internal controls. Through these reviews, the Committee was satisfied with progress on Provision 29 preparedness, which will continue to be monitored during 2026/27.

- **Cyber security:** the Committee reviewed quarterly updates from the Head of Cyber and Information Security on the approach to manage cyber security risks, together with an update on the progress (milestones and costs) of the cyber security programme.
- **Risk management and internal control framework:** the Committee received a report on The Crown Estate's risk management and internal control framework, together with the sources of assurance and operational resilience to support the Board's oversight. The Committee concluded that it complied with its responsibilities under the Code in relation to the oversight of risk management and the monitoring and review of the effectiveness of internal controls.

Internal Audit and assurance

The Committee reviewed and endorsed the annual Internal Audit plan and considered the audit findings, together with management's progress in strengthening and enhancing internal controls where improvement opportunities had been identified.

The Crown Estate's Internal Audit function is led by the Head of Internal Audit, Risk and Assurance, and supported through a co-sourcing partnership with PricewaterhouseCoopers (PwC). The Committee applied safeguards to ensure PwC's independence, overseen by the Head of Internal Audit, Risk and Assurance, with regular reports to the Committee at each meeting. To support the discharge of its duties, the Committee also reviewed reports and assurances from other internal and external contributors, such as independent third party valuation reports. After ten years as co-sourced internal auditor, The Crown Estate completed an open tender for the engagement. Following a competitive process, EY was the successful bidder and was appointed as co-sourced internal auditor on 5 May 2026.

The Head of Internal Audit, Risk and Assurance has joint reporting lines to the Committee Chair and the Chief Executive. The Committee regularly meets with the Head of Internal Audit, Risk and Assurance without management present. In addition, the Head of Internal Audit, Risk and Assurance has regular meetings with the Audit Committee Chair, Chief Executive and Chief Financial Officer.

During the year, management and the Audit Committee Chair considered whether it remained appropriate to combine the Risk and Internal Audit functions. Following these discussions, it was agreed that for the year ending 31 March 2027, the role of Head of Internal Audit, Risk and Assurance would be split into two roles, a Head of Risk and a Head of Internal Audit, reflecting the significant growth in The Crown Estate's operational scale over the last three years and the need to ensure dedicated, specialist leadership of both functions as the organisation's risk profile and assurance requirements evolve.

The Internal Audit Charter, which sets out the scope, extent and responsibilities of internal audit, is reviewed and approved by the Committee annually. The Committee remains satisfied that the scope and effectiveness of Internal Audit are appropriate for The Crown Estate for 2025/26.

Internal control

The Board is responsible for the effectiveness of The Crown Estate's risk management and internal control framework and has delegated oversight of these matters to the Committee. In discharging this responsibility, the Committee assesses financial and operational controls by reviewing the work of the Internal Audit function to determine whether significant process or control weaknesses have been identified, addressed and monitored, and whether key risks have been identified, evaluated and managed.

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 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, forecasts, analysis of variances and scrutiny of key performance indicators;
- 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 relevant sustainability reporting.

Ethics, compliance and whistleblowing

The Committee oversees The Crown Estate's approach to preventing and detecting unethical behaviour, including fraud, bribery and corruption. The Ethics and Compliance framework, encompassing controls relating to fraud, bribery and corruption, sanctions, money laundering and the facilitation of tax evasion has been updated in light of the new offence of failure to prevent fraud under the Economic Crime and Corporate Transparency Act 2023, which came into effect on 1 September 2025. Changes to the framework have been informed by the Home Office's guidance on reasonable fraud prevention procedures.

The Director of Ethics and Compliance reports to the Audit Committee twice a year on the progress of the Ethics and Compliance framework, reporting any changes to the framework or findings arising from the activities included in the framework.

The Crown Estate's Speak Up process provides a channel for employees, customers, suppliers and other stakeholders to report potential financial and non-financial misconduct by an employee or an associated person (for example, fraud, bribery, harassment or related matters). The Speak Up process is a key component of The Crown Estate's fraud prevention framework.

The Committee received quarterly updates on the outcome of investigations arising from matters reported anonymously through the Speak Up process, including confirmation that any areas of improvement in processes and controls that had been identified had been addressed. No material substantiated instance of fraud or misconduct were reported to the Committee in the 2025/26 financial year either through the Speak Up process or through other channels.

The Committee also received an annual transparency report covering requests for information pursuant to the Freedom of Information Act and Environmental Information Regulations.

Financial reporting

In June 2026, the Committee reviewed The Crown Estate's Annual Report, including key financial reporting judgments and relevant accounting policies. The Committee also considered the 2024/25 resource accounts.

Under the Crown Estate Act 2025, The Crown Estate is no longer required to prepare resource accounts pursuant to the Government Resources and Accounts Act 2000. The 2025/26 resource accounts will therefore be the final set of resource accounts prepared by The Crown Estate.

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 17. 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 ten-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.

Audit Committee report continued

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

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. This year, a new external valuer, PricewaterhouseCoopers, was appointed. Key assumptions and judgments include estimating future income streams and selecting appropriate discount rates and probability weightings applied to future income streams.

Audit Committee actions and conclusions

The offshore wind valuation is completed annually, and reviewed by the in-house valuation team as well as the external auditor. In the year, The Crown Estate ran a competitive tender for the offshore wind valuation and PwC was the successful bidder. In recognition of this being PwC's first year, each Committee member met PwC independently in advance of the May 2026 Committee meeting to understand PwC's methodology. At the May 2026 meeting, the Committee reviewed and challenged the valuation 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 also challenged assumptions relating to the estimated life of assets and probability of future rental income from offshore wind farms. The Committee also challenged Forvis Mazars' Energy and Infrastructure valuation specialists at the June meeting to understand the work done by the external auditor on the valuation. The Committee also reviewed the arrangements in place to preserve independence and manage conflicts of interest in relation to PwC. The Committee was satisfied that the valuation process was robust and had been professionally conducted, resulting in an appropriate valuation.

The Committee also considered the arrangements put in place to preserve PwC's independence as valuer, given PwC's separate role as co-sourced internal auditor. This included reviewing the safeguards established to identify, manage and monitor any actual or perceived conflicts of interest. On this basis, the Committee was satisfied that PwC's independence had been maintained and that no conflicts arose that compromised the integrity of the valuation

Urban investment property valuations

Significant accounting matter

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 spend). The valuers consider market transactions for similar properties and also take into account the environmental performance of each property, including forecast costs of meeting energy performance thresholds and the expected impact on income.

Audit Committee actions and conclusions

The property valuation was performed quarterly, and reviewed by the in-house valuation team and annually by the external auditor. The Committee reviewed and challenged the process, methodology, assumptions and outcomes of the valuation and audit. To support this review, the Committee met CBRE (the external valuers) in May 2026 and again with Forvis Mazars' in-house valuation expert at the June 2026 meeting.

The Committee also considered carefully the arrangements in place to preserve CBRE's independence as valuer. This included reviewing the safeguards established to identify, manage and monitor any actual or perceived conflicts of interest. Based on the oversight and challenge applied, the Committee was satisfied that the valuation process was robust, professionally conducted and resulted in an appropriate valuation.

Fair, balanced and understandable

Significant accounting matter

The Code requires the Board to present a fair, balanced and understandable assessment of the organisation's position and prospects. The Crown Estate's primary reporting is prepared on a proportionally consolidated basis, in accordance with IFRS.

The Committee advises the Board and supports Board Members in concluding whether the Annual Report and Accounts are fair, balanced and understandable.

Audit Committee actions and conclusions

To evaluate whether the Annual Report and Accounts are fair, balanced and understandable and to provide stakeholders with the information needed to assess The Crown Estate's business model and strategy, the following actions were taken:

- Key factual content was verified by an internal team of reviewers;
- The external auditor reported on any material inconsistencies; and
- Additional reviews were undertaken during the process by:
 - Board Members and independent senior management to confirm that key messages in the Annual Report reflected The Crown Estate's performance and strategy, and that the narrative was consistent with the financial statements, paying particular attention to key judgments;
 - Independent senior management to consider the balance of messaging; and
 - Management confirming to the Committee that the assurance framework had been followed in 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 Act, discharging its statutory duties as external auditor through the NAO. The Committee has the primary responsibility on behalf of the Board for overseeing the relationship between The Crown Estate and the NAO, including its Partner Firm, Forvis Mazars.

The NAO initiated a tender process for audit engagements in 2025, conducted in accordance with public procurement requirements. The tender process culminated in the reappointment of Forvis Mazars for the provision of audit services relating to The Crown Estate and its consolidated financial statements. The Financial Audit and Assurance Services Contract between the NAO and Forvis Mazars will initially cover three audit cycles from 2026/27 to 2028/29, with the option to extend for a further two audit cycles up to 2030/31.

The NAO and Forvis Mazars are given access to all financial information and more broadly any other information relevant to their audit. The Committee regularly meets with the NAO and Forvis Mazars without management present.

Independence of external auditor

The NAO does not provide non-audit services to The Crown Estate. The table below sets out the external auditor's remuneration in respect of its provision of audit services to The Crown Estate.

Financial year	Audit fees
2025/26	£0.3 million
2024/25	£0.3 million
2023/24	£0.3 million

A fee of £0.3 million was paid to Forvis Mazars LLP for the provision of audit services relating to the external audit of The Crown Estate's subsidiary undertakings and joint ventures (see note 16). Forvis Mazars has not provided any non-audit services prohibited by the FRC's Ethical Standard.

Effectiveness of external auditor

At its meeting in September 2025, the Committee reviewed feedback from an effectiveness review of the external audit process for 2024/25 and the NAO and Forvis Mazars's performance. The review process was conducted by way of a survey involving individuals involved in the audit and preparation of the Annual Report and management. The Committee also considered the following as part of the review process:

- 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 review highlighted both effective elements and opportunities to further strengthen the audit process through continued collaboration between The Crown Estate, NAO and Forvis Mazars. As part of the normal post-audit review with management, actions were agreed with leads on all sides and progress will be revisited during the next audit cycle.

Committee evaluation

Clare Chalmers Limited, an independent external adviser, was appointed to conduct a review of the performance and effectiveness of the Board and its Committees. Feedback from that process can be found on page 72.

Looking ahead

Looking ahead to 2026/27, there are a number of priority areas on which the Committee will be focusing its attention, including risk spotlights on transformation activities and cyber security. In addition to the focus on corporate reporting, the adequacy of The Crown Estate's internal controls will continue to be a particular area of focus ahead of Provision 29 coming into effect.

Nomination Committee report



“In overseeing Board composition and succession, the Nomination Committee ensures a diverse, inclusive and forward-looking Board, well positioned to navigate evolving challenges and deliver sustainable long-term value.”

Ric Lewis
Chair of the Nomination Committee

Overview

The primary role of the Nomination Committee (the Committee) is to keep under review the composition of the Board and its Committees, ensuring that they maintain an optimum balance of diversity, skills, knowledge and experience. The Committee’s principal responsibilities and duties are summarised below and are set out in full in its terms of reference, which are available on our website.

Committee composition and attendance

Ric Lewis, Chair of the Board, assumed the role of Committee Chair with effect 1 January 2026. The Committee’s other members are Karen Jones (formerly Committee Chair) and Anne Kavanagh, both independent Non-Executive Commissioners, together with Nicholas Cheffings, Board Counsellor. The Company Secretary serves as Secretary to the Committee and the Chief Executive, Executive Director, People & Culture and Head of Talent regularly attend Committee meetings.

There are typically two Committee meetings each year. Two additional meetings were called for in the year

under review to consider matters relating to the appointment of a Commissioner with special responsibility for advising on matters relating to conditions in Wales. Attendance at these meetings was as follows:

Ric Lewis ¹	3/3
Robin Budenberg ²	1/1
Nicholas Cheffings ³	2/3
Karen Jones ⁴	4/4
Anne Kavanagh	4/4

1. Appointed member on 24 September 2025 and appointed Committee Chair on 1 January 2026.
2. Ceased to be a member on 8 July 2025.
3. Appointed member on 24 September 2025.
4. Ceased to be Committee Chair on 1 January 2026 at which time became a member.

Committee focus in 2025/26

Board and Committee succession and recruitment	Extension of appointments of Non-Executive Commissioners
	Extension of appointment of Chief Executive for further four-year term
	Appointment of Non-Executive Commissioner to advise on matters concerning Wales
Executive succession planning, talent pipeline and development	Executive and senior management succession plans and appointments
Diversity	Diversity Policy
	Metrics
Externally facilitated Board and Committee review	Appointment of an independent external specialist to conduct the Board review
Governance	Terms of Reference
	Composition of Committees

Key duties

The Committee's terms of reference are available on our website.

Key duties include:

- Review Board and Committee composition (including structure, size, diversity, capability and time commitment) and make recommendations to the Board.
- Oversee succession planning for the Board and senior leadership, including developing a diverse pipeline.
- Lead Board appointment processes and Commissioner selection in line with the Office of the Commissioner for Public Appointments (UK) process.
- Support delivery of the annual Board and Committee performance review, including the annual review of the Board Chair.
- Recommend the Senior Independent Board Member and Committee Chairs/memberships and make recommendations concerning any matters relating to the continuation in office of a Commissioner or Counsellor.

Changes to the Board

Chair

Following a comprehensive recruitment process conducted in accordance with the Governance Code on Public Appointments (see Annual Report and Accounts 2024/25 for full details), Ric Lewis was appointed by Royal Warrant as First Commissioner and Chair on 9 July 2025. Sir Robin Budenberg CBE stepped down as First Commissioner and Chair on 8 July 2025, having served nine years on the Board.

Non-Executive Commissioner

Peter Hofbauer joined The Crown Estate on 1 September 2024 as a Board Counsellor and was subsequently appointed Commissioner by Royal Warrant on 1 September 2025.

Board Counsellor

Nicholas Cheffings joined The Crown Estate in June 2021 serving in a variety of roles until August 2025, the last three years as Special Advisor to the Chief Executive. He was subsequently appointed Board Counsellor on 1 September 2025.

Appointment of Commissioners with special responsibility

The Crown Estate Act 2025 introduced a statutory requirement for the appointment of a Commissioner with specific responsibility for providing advice to the Board on conditions in Wales, insofar as they relate to The Crown Estate's functions.

In October 2025, HM Treasury launched an open recruitment campaign, conducted in accordance with the Governance Code on Public Appointments, to appoint a Commissioner with the same duties and responsibilities as other Commissioners, alongside the specific remit to support the Board's understanding of conditions in Wales.

An Advisory Assessment Panel was established, chaired by HM Treasury's Treasury Officer of Accounts (David Fairbrother) and Panel members, Deputy Director, Wales Office (Louise Parry), Chair of The Crown Estate (Ric Lewis) and Independent Panel Member (Richard Selby). An independent search firm, Odgers Berndtson, was appointed to support the process. Odgers Berndtson does not have any material connection with The Crown Estate, nor any Commissioner or Board Counsellor.

A search strategy was implemented to identify a diverse field of suitably qualified candidates against the agreed criteria, supported by structured assessment and reputational due diligence. A shortlist of candidates was identified and recommended for Ministerial review, culminating in the appointment of Michael Plaut OBE as a Commissioner with additional responsibility for advising on matters relating to conditions in Wales, effective 1 July 2026.

Chair's induction programme

A comprehensive and tailored induction programme was put together for Ric Lewis spanning several months following confirmation of his appointment, an outline of which is set out below.

Meetings with fellow Commissioners, Board Counsellor and Company Secretary

These one-to-one meetings enabled Ric to build strong working relationships with colleagues on the Board and to develop a detailed understanding of the organisation's governance framework, including the respective roles, responsibilities and priorities of the Board and its Committees. As part of his induction, Ric also attended meetings of each of the Board Committees to support his understanding through direct observation and participation.

Meetings with the GLT, wider management team and subject matter experts in the business units

These meetings provided Ric with opportunities to better understand the broad range of operational activities across the organisation and the priorities, opportunities and challenges of the three business units. Meetings were also held with functional group heads and subject matter experts to develop a comprehensive understanding of The Crown Estate's approach to key focus areas, such as Sustainability, Customers and Brand.

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

Nomination Committee report continued

Meetings with key stakeholders, site visits and workforce engagement

To develop a full understanding of stakeholder views, Ric met with several key stakeholders, including business partners, customers and wider stakeholders.

In addition, Ric participated in an all-colleague town hall open Q&A session, visited the operations at Windsor and participated in events involving the wider management teams in London and Windsor, both at formal and informal events.

Document review

Historical Board and Committee packs and minutes were made available to Ric to provide more context for current matters, as well as a library of documents relating to financial

performance, budget, current KPIs and targets, and Board and governance policies and procedures, including Directors' duties under the Companies Act and relevant provisions of Managing Public Money.

Succession planning Board

To help the Committee regularly review the composition, structure and diversity of the Board, a skills matrix is kept under regular review (see below). Skills are identified and aligned with the Company's strategic priorities to ensure Board Members have the necessary expertise to support the delivery of The Crown Estate's long-term strategy. It is also used in appointment processes, helping to highlight areas where the Board could benefit from additional expertise.

Board tenure is also regularly reviewed as part of the Board review process. As Anne Kavanagh and Clare Shine were approaching the end of their first four-year term, applications were submitted to HM Treasury to seek their reappointment for a second term of four years. Application to extend the Chief Executive's appointment for a further term, maturing in December 2031, was also made.

GLT

GLT and senior management succession remains a key responsibility of the Committee. Clear succession planning and performance development processes are in place to identify and support high-potential individuals, with emphasis on building leadership depth and capability across the organisation.

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.

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 – Energy / Climate resilience / Ecology / Nature recovery	✓
Digital / Technology, Research and Innovation	✓
Political / Public Sector / Policy	✓
Infrastructure	✓

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.

Social – Community engagement / Societal dynamics / Diversity / Ethics / Health, safety and wellbeing	✓
Brand	✓
Transformation and Culture	✓
Growing Businesses / Development of New Products and Services	✓

Diversity

Developing and maintaining a diverse Board is a core responsibility of the Committee. Each search and appointment process is therefore designed to identify and progress candidates whose skills, experience and personal characteristics strengthen and broaden the overall composition of the Board.

The Board recognises that diversity enhances decision-making and oversight. Our commitment to diversity extends beyond meeting external expectations and reflects our belief that an inclusive culture, in which individuals feel valued, respected and able to contribute fully, is essential to The Crown Estate's long-term success.

Diversity is considered in its broadest sense and includes, but is not limited to, gender, ethnicity, age, skills, experience, abilities, sexual orientation, disability and individuals' educational, professional and socioeconomic backgrounds.

As at 31 March 2026, the Board met all diversity targets. A review of the Board Diversity, Equity and Inclusion Policy (the Policy), including the targets, is currently underway. The revised Policy will be published on our website in due course.

Committee evaluation

Clare Chalmers Limited, an independent external adviser, was appointed to conduct a review of the performance and effectiveness of the Board and its Committees. Feedback from that process can be found on page 72.

Looking ahead

The Crown Estate Act 2025 introduced a statutory requirement for the appointment of three Commissioners with additional responsibility to provide advice on conditions in Wales, Northern Ireland and England respectively. 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 Crown Estate forward.

Diversity

Policy objectives	Objective met	Comments
Appointments/Succession plan	✓	The Nomination Committee oversaw the Board succession planning process culminating in the reappointments of the Chief Executive and two Non-Executive Board Members
Only engage executive search firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms	✓	Odgers Berndtson engaged for appointment of Commissioner with responsibility for Wales
Board evaluation	✓	Clare Chalmers Limited was appointed to conduct a Board evaluation review
At least 40% of the individuals on the Board are women	✓	50% 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	✓	Three Board Members are from a minority ethnic background
Oversee the diversity, equity and inclusion plans across all operations of The Crown Estate	✓	The Board monitored progress against diversity, equity and inclusion targets on gender, ethnicity and disability

Sustainability Committee report



“Sustainability is integral to how The Crown Estate creates long-term value. A key component of the Committee’s role is to support the Board in ensuring that environmental and social considerations are embedded alongside financial performance in decision-making, so that The Crown Estate can steward its assets responsibly, contribute to national priorities and generate lasting benefit for current and future generations.”

Dame Karen Jones DBE
Chair of the Sustainability Committee

Overview

The Sustainability Committee (the Committee) supports the Board by providing oversight and constructive challenge to ensure sustainability considerations are embedded in the delivery of The Crown Estate’s purpose, strategy and long-term value creation. In doing so, it promotes alignment with the Value Creation Framework and enhances governance and compliance with applicable regulation and recognised best practice.

Committee composition and attendance

The Committee comprises three independent Non-Executive Commissioners: Karen Jones (Chair), Juliet Davenport and Clare Shine, all of whom bring a broad range of relevant experience and expertise to support the Committee’s deliberations.

The Deputy Company Secretary serves as Secretary to the Committee. The Chief Executive, Chief Financial Officer, Chief Sustainability Officer, Company Secretary, and Head of Risk and Internal Audit regularly attend Committee meetings. Other senior managers and subject matter experts attend, as required, at the request of the Committee Chair.

The Committee typically meets four times each year. Attendance at meetings during the year was as follows:

Karen Jones (Chair)	4/4
Juliet Davenport	4/4
Clare Shine	4/4

Key duties

In line with its terms of reference (available on our website), the Committee supports the Board by providing oversight and guidance on The Crown Estate’s approach to sustainability. Its key duties are summarised below.

- Monitor sustainability-related risks, regulatory developments, relevant standards and best practice, and advise on consequential actions.
- Oversee sustainability strategy, targets, policies and performance, and make recommendations to the Board.
- Review sustainability reporting, disclosures and supporting data governance.
- Consider stakeholder perspectives and support engagement on sustainability priorities.
- Oversee sustainability governance and internal controls, and provide assurance to the Board as appropriate.

Committee focus in 2025/26

Set out below are some of the key topics considered by the Committee.

External policy and operating context	The Committee considered the implications for The Crown Estate of a rapidly evolving policy environment for long-term value creation and delivery of the enhanced sustainable development duty. Key areas of focus included the Crown Estate Act 2025; planning and infrastructure reform; the evolving policy debate on net zero and nature; changes in energy policy; water reform; land use and skills; and broader uncertainty and geopolitical risk.
Strategy, priorities and value creation	The Committee reviewed 2025/26 priorities and KPIs aligned to the three-year roadmap, and endorsed the direction of travel on the sustainable development strategy (including inclusive growth ambition and goals, and governance) ahead of Board consideration. Draft 2026/27 priorities, KPIs and deliverables were also reviewed. The Committee also considered how to further integrate sustainability and financial outcomes through the Value Creation Framework and how to balance sustainable development performance with financial returns in line with statutory duties and section 172 considerations.
Performance, scorecards and delivery risk	Sustainable development performance at the 2024/25 year end and 2025/26 in-year updates was reviewed. The Committee tracked progress across energy and climate resilience, nature recovery and inclusive growth, as well as delivery risk and assurance.

Committee focus in 2025/26 continued

Energy and climate resilience	Decarbonisation was a focus area, in the context of both short-term targets and a longer-term plan. In addition, the Committee had an Urban deep dive involving a site visit to New Zealand House, where the Committee examined sustainability performance in a retrofit and reuse situation, whole-life carbon, energy performance, biodiversity net gain, inclusive design and delivery challenges for major urban developments. The Committee also reviewed Internal Audit findings on net zero governance and disclosures alongside the resulting action plan.
Carbon offsetting, removals and mitigation hierarchy	The Committee considered the role of offsetting and carbon removals within a net zero mitigation hierarchy, including market developments and questions of ownership and who benefits from removals.
Nature recovery	Nature recovery discussions focused on progress on delivering The Crown Estate's Nature Recovery Ambition published in the prior year, and development of partnerships to deliver at scale. The Committee noted publication of the Marine Guiding Nature Principles and how they have been embedded in the Marine Delivery Routemap, making nature recovery a core part of all Marine decision-making.
Social and economic impact (thriving communities)	The Committee reviewed progress on embedding social and economic impact through the thriving communities agenda, including the development of commitments and delivery principles. Discussion focused on setting clear, enterprise-wide commitments and measurement, Board visibility and assurance.
Assurance, audit and Committee governance	Assurance and oversight were regular focus areas for the Committee, including agreeing the forward planner for the year, updating Terms of Reference (with further review in light of legislative change), considering sustainability-related risks and second and third line oversight through Internal Audit (findings, management actions, delivery planning and reporting).
Remuneration-linked sustainability metrics	The Committee reviewed the sustainability components of annual bonus and LTIP measures, noting 2024/25 outcomes and proposed changes for 2025/26 to broaden focus. The Committee also considered how sustainability-linked targets were operating in practice, their alignment to delivery priorities, progress against those targets, and the approach to future remuneration-linked measures.
Digital and data enablement	The Committee had a deep dive on how sustainability delivery could be strengthened through digital capability (data, analytics and emerging technology including AI). In particular, the Committee explored how improved data and tooling could support decarbonisation and nature recovery, enhance transparency and reporting, thereby enabling more informed decision-making.

Reporting to and by the Sustainability Committee

The Committee reports to the Board on its proceedings after each meeting on matters within its remit, highlighting key judgments, recommendations and matters requiring the Board's consideration or decision. Support is also provided to management in reporting to the Board on progress made against sustainability targets.

A clear reporting line is maintained within the enterprise-level governance structure, including the Board and its Committees, and there is effective information flow and oversight of sustainability matters, including climate-related risks and opportunities. Further information on The Crown Estate's governance framework and key management governance structures responsible for climate-related risks and opportunities can be found on pages 49–57.

Committee evaluation

Clare Chalmers Limited, an independent external adviser, was appointed to conduct a review of the performance and effectiveness of the Board and its Committees. Feedback from that process can be found on page 72.

Looking ahead

The Crown Estate Act 2025 includes a statutory obligation for Board Commissioners to keep the impact of our activities on sustainable development under review. As this report highlights, sustainability is well embedded in The Crown Estate's purpose and strategy. In the year ahead, the Committee will:

- Continue to support management in maintaining delivery, innovating and building capability to deliver The Crown Estate's sustainability obligations and ambitions, and provide constructive challenge when required.
- Focus additional support on those areas with the greatest risk and opportunity.

- Strengthen progress reporting to promote transparency and accountability to stakeholders and support the Board in meeting its statutory obligations.
- Maintain a robust external policy and risk horizon scan and continue to refine the approach to tracking external context and its relevance to The Crown Estate.
- Maintain focus on long-term and shorter-term climate, nature and social risks and opportunities and on progressing activity that delivers and enables social and economic value for the nation.

Remuneration Committee report



“This year, the Committee has focused on embedding a clear, responsible and competitive reward framework, shaped by workforce engagement and aligned to delivering our long-term strategy.”

Anne Kavanagh
Chair of the Remuneration Committee

Overview

The Directors' Remuneration Report sets out how the Remuneration Committee (the Committee) has exercised its responsibilities during the year to ensure that pay and reward support The Crown Estate's purpose: delivering lasting and shared prosperity for the nation. Our approach reflects our role as a commercial organisation operating in competitive markets, requiring careful stewardship of resources while ensuring we can attract and retain the capability needed to deliver long-term value for the UK.

This year, the Committee has taken positive steps to support:

- a high-performance culture, ensuring remuneration structures support high performance, accountability and long-term value creation
- continued embedding of clearer performance measures across both annual and long-term incentives
- better transparency, equity and fairness in pay outcomes
- workforce engagement and listening to the views of people across the Group

Committee composition and attendance

The Committee comprises four independent Non-Executive Commissioners: Anne Kavanagh (Chair), Peter Hofbauer, Ric Lewis (Chair of the Board) and Clare Shine, and Nicholas Cheffings, Board Counsellor.

The Company Secretary serves as Secretary to the Committee. The Chief Executive, Executive Director, People & Culture and Head of Reward regularly attend Committee meetings. Other individuals, including the Chief Financial Officer and external advisors, attend, as required, at the request of the Committee Chair. No individual is involved in any decision relating to their own remuneration.

The Committee typically meets five times each year. One additional meeting was convened during the year under review. Attendance at meetings during the year was as follows:

Anne Kavanagh	6/6
Robin Budenberg ¹	2/2
Nicholas Cheffings ²	2/3
Peter Hofbauer	6/6
Ric Lewis ³	4/4
Clare Shine	6/6

1. Ceased to be a member on 8 July 2025.

2. Appointed a member on 24 September 2025.

3. Appointed a member on 24 September 2025.

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. The Committee's terms of reference are available on our website. Its key duties are summarised below:

- 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 determining remuneration outcomes for the Chief Executive, and approving remuneration for members of the Group Leadership Team (GLT) and senior management, ensuring 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 for the Chief Executive and members of the GLT

- make proposals to HM Treasury on the remuneration of Board Members (excluding the Chief Executive and Chief Financial Officer), taking account of market comparators and other relevant factors

Look back on 2025/26

Remuneration highlights

During 2025/26, we implemented a base pay award following a review of market pay levels, while maintaining a focus on pay equity, individual performance and external market conditions such as inflation and the cost of living.

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 92. Bonus awards 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 90-91.

Incentive scheme redesign

During the year, the Committee undertook a comprehensive review of the incentive framework, approving the transition to a single Variable Pay framework that integrates the annual bonus and long term incentive plan (LTIP) into one simplified structure for participants of the existing LTIP, implemented from the 2026/27 performance year. There is no change to the Chief Executive's remuneration framework in 2026, which operates within the agreed framework with HM Treasury.

The objectives of the new Variable Pay plan are to:

- strengthen the link between performance, impact and reward;
- support sustained high performance and delivery of strategic priorities;
- provide greater flexibility to recognise exceptional contribution within agreed parameters; and
- simplify the overall incentive structure while maintaining strong governance and alignment with HM Treasury.

The award is based on an in-year performance assessment, with a proportion deferred for three years, subject to meeting business and personal target thresholds and a long-term performance multiplier to incentivise delivery of transformational strategic priorities.

The Committee also reviewed the operation and purpose of the annual incentive award, ensuring it remains a targeted mechanism to recognise exceptional contribution within parameters agreed with HM Treasury. This has led to the introduction of the ability for the Chief Executive to allocate awards to individuals on a discretionary basis to provide the opportunity to recognise and reward exceptional performance and provide market-aligned awards for top performers, within funding arrangements agreed with HM Treasury.

Overall, the Committee's focus has been on creating a more transparent, market-aligned and performance driven incentive structure that supports accountability and long-term value creation.

Looking ahead, the Committee will continue to assess the effectiveness of the remuneration framework, informed by market insight, workforce feedback and performance outcomes, with a continued focus on value for money, public confidence and long-term delivery.

Transparency, equity and consistency

Transparency, equity and consistency in how pay outcomes are determined remained key priorities during the year. Communication of enterprise-wide targets and progress against these was strengthened to improve visibility and understanding of how performance links to reward outcomes. We continued to strengthen our benchmarking approach, supporting more informed and equitable pay decisions.

Action plans aimed at reducing pay gaps were reviewed, through our gender and ethnicity pay gap reporting (see pages 34-35) to make sure we are making good progress in these areas. We have also internally reviewed our disability pay gap for the first time this year with a view to publishing externally next year).

The outcomes of the annual pay and bonus cycle were reviewed to ensure consistency of approach and appropriate differentiation based on performance, with particular attention to underrepresented groups. These measures are designed to reduce gaps for current employees and promote a more inclusive reward framework.

Engaging with our people

Workforce engagement plays a meaningful role in shaping the Committee's decisions. During the year, the Committee reviewed workforce feedback on a wide range of topics including pay, performance and reward outcomes, which informed decisions on the Reward Framework and the Committee's ongoing focus on transparency and consistency. These insights provide an important perspective on how reward decisions are experienced across the organisation.

The Committee has a formalised engagement framework focused on key activities that encourage greater information sharing between the Board and workforce, such as formal and informal opportunities for the Board to meet with the workforce. Progress and further opportunities were reviewed throughout the year.

Malus and clawback

The Committee completed a comprehensive review of the malus and clawback policy during the year and continues to review its operation on an annual basis. The Committee retains discretion to apply malus and/or clawback to any award or payment where trigger events arise, including, but not limited to, material misstatement of financial accounts; errors in performance assessment; fraud or misconduct; reputational damage to The Crown Estate; and corporate failure. No malus or clawback adjustments were applied during the year.

Remuneration Committee report continued

Remuneration Framework

The key principles of our Remuneration Framework are set out below:

- Total variable pay spend is linked to The Crown Estate's performance, so leaders and colleagues are rewarded in line with our stakeholders' interests.
- 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 appropriately competitive in 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.

- The remuneration levels for our people are benchmarked against 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 Committee has reviewed the total remuneration of the GLT, ensuring that, with the exception of the Chief Executive, 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.

The Committee recognises that competitive reward outcomes, particularly for exceptional performers, require an appropriate and responsible degree of flexibility within the framework. The changes implemented this year represent an important step on that journey, and the Committee will continue to review the market to understand how we remain competitive.

Chief Executive remuneration

The Committee's approach to Chief Executive remuneration is designed to reflect the importance of delivering for the nation while ensuring it remains appropriately competitive. The role requires leadership capability comparable to the most complex organisations in the FTSE, alongside responsibility for delivering significant transformation in service of the nation. While remuneration is positioned below market levels of our commercial peers, it remains essential that the overall package is competitive enough to attract and retain a leader of the calibre required.

As set out in last year's report, following a comprehensive review, the Committee confirmed the staged increase to performance-related incentive levels over three years from 2025/26. 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.

2025/26 and 2026/27 Chief Executive package summary

Element	2025/26	2026/27	Market positioning	Commentary
Base salary	£780,570	£820,000	Lower quartile to median	Salary increased by 5% effective 1 January 2026 in line with contract.
Annual bonus (max % of salary)	110% of salary	120% of salary	Below lower quartile	For the 2025/26 and 2026/27 performance years, this includes a 10% uplift to the maximum opportunity, as part of the staged three-year increase to incentive levels.
LTIP (max % of salary)	90% of salary	100% of salary	Below lower quartile	A corresponding 10% uplift to LTIP maximum opportunity has also been applied in 2025/26 and 2026/27. Total package continues to be constructed with a high percentage of pay at risk, and structured to incentivise long-term performance against key financial and strategic goals, including sustainability.

The Chief Executive also has two active five-year LTIPs granted in 2023/24 and 2024/25, which are excluded from the core package above. Subject to performance, these will vest in 2028 and 2029 respectively. No new five-year awards have been made during 2025/26.

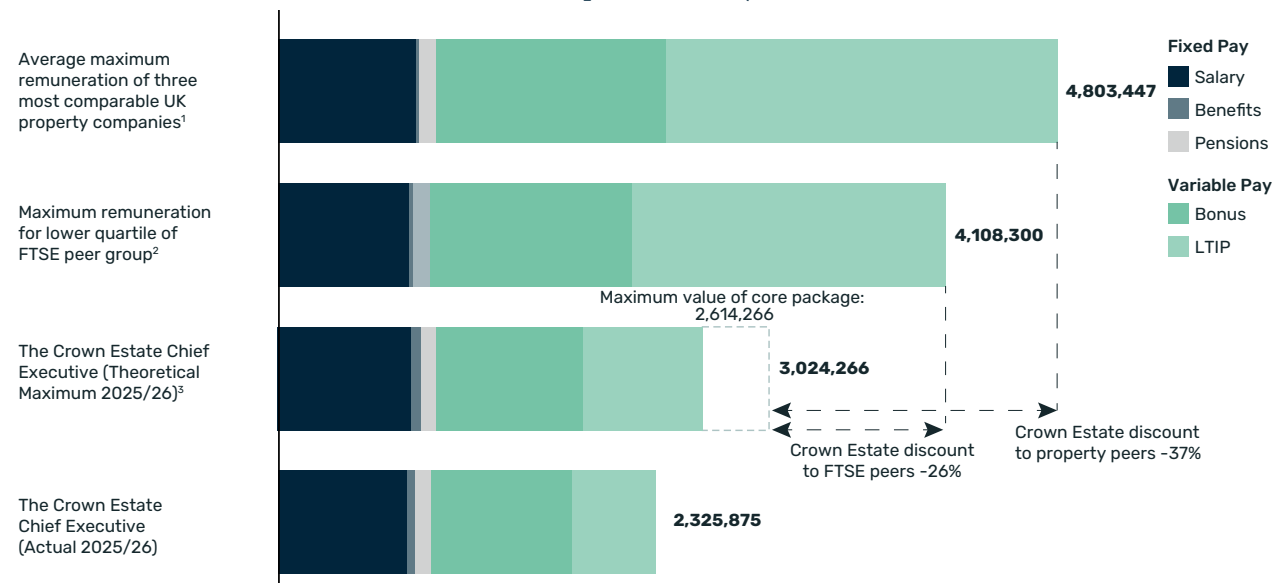
Market context

The maximum total remuneration for Chief Executive pay shown in Chart A (below) represents around a 26% 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 (37%) to our property peers, some of which are operationally less diverse than The Crown Estate. These figures provide context for the Committee's ongoing assessment of competitiveness, recognising the scale and complexity of the Chief Executive role and the transformation required, alongside our public interest responsibilities.

The Committee continues to monitor market developments closely. While external pay inflation has increased competitive pressure, any future changes will be guided by the need to maintain an appropriate balance between public interest, value for money and the requirement to secure and retain outstanding leadership.

Chart A – Chief Executive remuneration comparison 2025/26



1. British Land, Land Securities and SEGRO

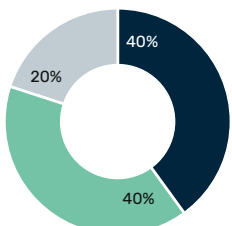
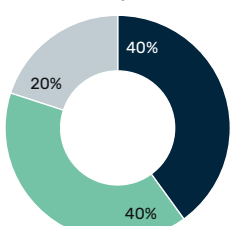
2. The originally selected FTSE peer group comprises property, utilities, housebuilding and infrastructure companies in the FTSE100 as at June, 2023

3. Theoretical Maximum is not comparable with Actual given different LTIP entitlements included.

Remuneration Committee report continued

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 2025/26 and how these are linked to our Value Creation Framework (VCF).

Link to our incentives	Our Value Creation Framework		
	Financial/Strategic	Capital	Sustainability
Annual bonus measures 2025/26  Financial 40% Capital 40% Sustainability 20%	Operating profit (40%)	Market relative measure of total return against real estate portfolio Progress conditional joint venture partnership with Lendlease Delivery of offshore wind capacity (40%)	Real estate procured energy reduction targets Development of the Marine Delivery Routemap, including publication of nature principles (20%)
Three-year LTIP measures (2023 award, vesting in 2025/26)  Financial 40% Capital 40% Sustainability 20%	Additional Marine pipeline capacity (15%) Development of the Marine whole seabed routemap (15%) Funding capability appropriate to delivery of long-term strategic value (10%)	Relative performance versus MSCI total return benchmarks (40%)	Embed nature into the core of our business (15%) Improve gender representation within our senior leadership (5%)

At a glance – Chief Executive and GLT remuneration for 2025/2026



Total Chief Executive remuneration outcomes (£000)¹

Target	790	54	95	583	379	£1,902
Maximum	790	54	95	869	566	£2,375
2025/26 actual	790	54	95	869	517	£2,326
2024/25 actual	753	53	90	715	335	£1,947

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 2025/26

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 met
Capital	Market relative measure of total return against real estate portfolio	40%	Outcome met
	Progress conditional joint venture partnership with Lendlease		
	Delivery of offshore wind capacity		
Sustainability	Estate energy reduction targets	20%	Partially met
	Development of the Marine Delivery Routemap		

Context on annual bonus outcomes

Adjusted underlying operating profit (which excludes various items, including Round 4 option fees) was £3 million (1%) ahead of target but short of stretch. We met our four capital targets by exceeding our bespoke MSCI property benchmark, progressing our conditional joint venture partnership with Lendlease, and progressing Round 3 and Round 4 projects into lease and Round 5 projects into Agreements for Lease (AfL). We met one sustainability target by launching our nature principles but did not achieve our procured energy reduction target (see page 59 for more information). We made good progress on our long-term decarbonisation planning and delivery which were prioritised over short-term interventions during the year (at which point we were on track), and therefore partial credit was given. In addition, the business met several key performance targets and successfully managed a number of items that were not in our business plan. Similar to the previous year, there were also some areas of performance challenges, including customer satisfaction and the Urban operating platform which we continue to strengthen. As a result, we saw a similar overall outcome in relation to key performance indicators.

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 contribution to the delivery of the organisation's strategic priorities during 2025/26, including strong financial performance, continued momentum on offshore wind leasing (including the delivery of Round 5), major strategic transactions and effectively navigating these achievements in a complex external environment, the Remuneration Committee considered it appropriate to award him his full annual bonus. This reflects his 'Outstanding' performance rating, recognising his resilient leadership, institutional stewardship and delivery of strong outcomes. The outcome is consistent with the range of awards for colleagues whose performance was assessed as outstanding.

GLT awards ranged from 44% to 100% of their individual maximum core annual bonus opportunities.

LTIP outcomes

Alignment to VCF	Measure	Weighting	Outcome
Financial	Relative performance versus MSCI total return benchmarks	40%	Stretch delivered – 40%
Capital	Additional Marine pipeline capacity	15%	Partially met – 11.25%
	Development of the Marine whole seabed routemap	15%	Met – 15%
	Funding capability appropriate to delivery of long-term strategic value	10%	Met – 10%
Sustainability	Embedding nature into the core of our business	15%	Partially met – 10%
	Social impact: improve gender representation within our senior leadership	5%	Met – 5%
	Final outcome approved by the Committee	100%	91.25% outcome for Chief Executive and other participants

Context on LTIP outcomes

The LTIP award granted in 2023 vested on 31 March 2026. 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. Within the partially met outcomes, the delivery of additional Marine pipeline capacity was partially achieved, with new capacity secured below target. In assessing the outcome, the Committee also considered actions taken to preserve and progress the existing pipeline, which reduced attrition risk and supported stronger-than-expected transition of projects into lease. While this does not replace delivery against the primary measure, the Committee concluded that it demonstrated strong underlying performance aligned to the strategic intent of the target, and therefore supported an outcome above that implied by the primary metric alone. Secondly, we had a target for embedding nature into the core of our business where, while we made progress including setting our enterprise nature ambition, and embedded marine nature principles in the Marine Delivery Routemap, we did not achieve certain milestones included in the target. Therefore, the Committee approved an overall award value of 91.25%.

Remuneration Committee report continued

Summary of our Remuneration Policy as applied in 2025/26 and implementation for 2026/27

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		Overview of Remuneration Policy	Implementation for 2026/27
Base salary, benefits and pension	Salary	Reviewed 1 January each year for the Chief Executive and 1 July for the GLT.	Chief Executive: £820,000. GLT salaries reviewed 1 July 2026.
	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.
Variable Pay: Annual bonus (Year 1 cash portion)	Maximum opportunity	Chief Executive: 110% of base salary (target: 73%). GLT: 90% of base salary (target: 60%).	Chief Executive: 120% of base salary (target: 80%). GLT: 90% of base salary (target: 60%).
	Operation	Any annual bonus amount over 50% of salary is deferred for one year and paid subject to continuing employment and/or good leaver provisions.	The deferred element of the Variable Pay plan vests after three years and is subject to annual performance underpins – threshold revenue account profit and a personal rating underpin, with the final payout adjusted by a long-term strategic performance multiplier of up to 1.5x. GLT: 90% of base salary. Awards are paid in cash, subject to one- and-three year performance outcomes.
Long-term incentive plan (three-year scheme paid in cash)	Maximum opportunity	Chief Executive: 90% of base salary. GLT: 60% of base salary.	Chief Executive: 100% of base salary. Replaced by Variable Pay award for GLT.
	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.	
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 2026/27.
	Operation	One-off five-year LTIP awards available only to the Chief Executive. Awarded in 2023/24 and 2024/25. No further awards made.	
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

PricewaterhouseCoopers LLP (PwC) was appointed by the Committee in February 2025 to provide independent advice on various remuneration-related matters. PwC also provided internal audit-related services and independent valuation services for the offshore wind portfolio to The Crown Estate in the year under review.

PwC is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Remuneration Consultants Group's Code of Conduct in relation to executive remuneration consulting, which is available at www.remunerationconsultantsgroup.com.

The Committee is satisfied that the advice of the PwC engagement partner was objective and independent. PwC does not have any other connection to The Crown Estate, including its Board Members and GLT, that may impair its independence.

Committee evaluation

Clare Chalmers Limited, an independent external adviser, was appointed to conduct a review of the performance and effectiveness of the Board and its Committees. Feedback from that process can be found on page 72.

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 Non-Executive Board 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 it is satisfied that such roles are manageable alongside the individual's responsibilities and do not give rise to any conflict of interest with their accountabilities at The Crown Estate. The Board regards these appointments as contributing to the professional development of its people, and individuals are permitted to retain any earnings arising from them. During the year, Dan Labbad, Chief Executive, held a non-executive appointment as a Non-Executive Director of Raspberry Pi Holdings plc.

Executive appointments

The Committee continues to review remuneration for new GLT appointments to ensure the business has the skills and capability to deliver its strategy. There is an established process for setting the Chief Executive's pay, which includes agreeing the core elements with HM Treasury.

Changes in Chair, Commissioner and Counsellor fees for 2025/26

In February 2026, the Committee recommended to HM Treasury the introduction of an additional fee of £5,000 for each Commissioner appointed to advise on conditions in Wales, Northern Ireland and England. This recognised the enhanced responsibilities arising under the Crown Estate Act 2025, together with the increased time commitment associated with these positions. The Committee also recommended a fee of £5,000 be payable to the Senior Independent Director and the Chair of the Habitats Regulations Oversight Group, reflecting the growing demands and responsibilities of these positions.

HM Treasury has accepted these recommendations. The additional fees for Commissioners advising on conditions in Wales, Northern Ireland and England shall apply from the date of appointment. The fee for the Senior Independent Director is effective from 1 April 2026 and the fee for the Chair of the Habitats Regulations Oversight Group is to be applied retrospectively from 1 January 2025.

	Fee 2025/26	Fee 2024/25
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	£5,000

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.

Remuneration Committee report continued

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 (£38,812 for 2025/26). 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 2026, there were 884 CEPS members, 64 CSP members and 38 RHWPS members. There were 17 non-pensionable members, of whom 7 were in receipt of the cash allowance.

The latest CEPS triennial actuarial valuation was completed at 31 March 2023 and a valuation as at 31 March 2026 is currently in progress, to be completed before the 30 June 2027 statutory deadline. 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 99.

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 3% average base salary increase awarded across all our eligible employees, subject to performance and market benchmark position	– 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. – Salary is positioned relative to skills and performance in role.	– 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 93% of our employees received an annual bonus for 2025/26	– 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.

Remuneration Committee report continued

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 with the total remuneration figures for the Chief Executive. The figures used to determine the ratio were calculated based on the March 2026 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 year-on-year increase in performance pay and bonuses is reflective of the new approach to the Chief Executive performance-related incentive levels disclosed in the prior year accounts, and the introduction of the revised LTIP incentive approach for GLT members.

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}
2025/26	Colleague total pay and benefits ³	£48,125	£79,067	£115,405	£27,715–£2,325,875
	Chief Executive ratio for total pay and benefits	48.3	29.4	20.2	
	Colleague salary and allowances component of total pay and benefits ³	£44,325	£69,877	£93,676	£27,352–£939,565
	Chief Executive ratio for salary and allowances component of total pay and benefits	21.2	13.4	10.0	
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	

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	4.8%	32.0%
Colleague average (excluding Chief Executive)	4.3%	16.8%

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)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Sir Robin Budenberg CBE ⁶	28,644	105,500	-	-	-	-	-	-	-	-	29,000	106,000
Ric Lewis ⁷	76,492	-	-	-	-	-	-	-	-	-	76,000	-
Dan Labbad	832,636	792,886	869,470	715,058	516,840	335,376	94,851	90,323	12,100	13,100	2,326,000	1,947,000
Helen Price ⁸	511,623	125,091	466,270	77,302	-	-	58,283	14,250	1,400	200	1,038,000	217,000
Vijay Bharadia	38,000	38,000	-	-	-	-	-	-	-	-	38,000	38,000
Juliet Davenport OBE	30,000	30,000	-	-	-	-	-	-	900	3,100	31,000	33,000
Peter Hofbauer ⁹	30,000	17,500	-	-	-	-	-	-	-	-	30,000	18,000
Dame Karen Jones OBE	39,500	39,500	-	-	-	-	-	-	300	100	40,000	40,000
Anne Kavanagh	38,000	38,000	-	-	-	-	-	-	-	-	38,000	38,000
Clare Shine ¹⁰	35,000	31,250	-	-	-	-	-	-	800	2,500	36,000	34,000

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 (2024/25: £8,000), the Sustainability Committee Chair receives an additional £6,500 (2024/25: £6,500), the Nomination Committee Chair receives an additional £3,000 (2024/25: £3,000) and Chair of the Internal Habitats Regulations Assessment Oversight Group receives an additional £5,000 (2024/25: £5,000), per annum (pro-rated where 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 2025/26, deferral for Dan Labbad is £474,256 (2024/25: £338,712), and for Helen Price is £221,645, 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 (for Executive Board Members only) and taxable expenses. Taxable benefits reported within Benefits in Kind are presented net of tax.

6. Sir Robin Budenberg CBE's appointment as Chair expired on 8 July 2025. His full-time equivalent fee for 2025/26 was £105,500.

7. Ric Lewis was appointed as Chair on 9 July 2025. His full-time equivalent fee for 2025/26 was £105,000.

8. Helen Price's appointment as a Commissioner commenced on 1 January 2025. Her full-time equivalent salary for 2024/25 was £475,000.

9. Peter Hofbauer was appointed a Board Counsellor on 1 September 2024 and was subsequently appointed a Commissioner on 1 September 2025. The full-time equivalent fee for 2025/26 for both roles is £30,000.

10. Clare Shine's fee of £35,000 in 2025/26 includes a back-dated amount of £5,000 in respect of her appointment as Chair of the Internal Habitats Regulations Assessment Oversight Group on 1 January 2025. The 2024/25 fee of £31,250 includes a back-dated amount of £1,250.

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)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Nicholas Cheffings ¹	17,500	-	-	-	-	-	-	-	-	-	18,000	-
James Darkins OBE ²	-	26,250	-	-	-	-	-	-	-	7,400	-	34,000
Sara Wood ³	-	26,696	-	-	-	-	-	-	-	-	-	27,000

1. Nicolas Cheffings was appointed as a Board Counsellor on 1 September 2025. His full-time equivalent fee for 2025/26 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. She received an overpayment of £5,804 and it was subsequently repaid. Her full-time equivalent fee for 2024/25 was £30,000.

Remuneration Committee report continued

Voluntary disclosures (audited)

Single total figure for remuneration

Members of the Group Leadership Team^{1,2}

	Number (within a £50,000 band) 2025/26
£250,001-£300,000	-
£300,001-£350,000	-
£350,001-£400,000	1
£400,001-£450,000	1
£450,001-£500,000	-
£500,001-£550,000	1
£550,001-£600,000	2
£600,001-£650,000	-
£650,001-£700,000	2
£700,001-£750,000	-
£750,001-£800,000	2

1. Details of Dan Labbad and Helen Price's remuneration can be found on page 99.

2. Table includes Linda Morant, who stepped down as Chief Digital Officer and member of the GLT during the year under review.

Additional voluntary disclosure

Number of other employees receiving salary > £150k and performance bonuses > £17,500	83
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Compensation for loss of office (audited)

Exit packages during the year.

	2025/26 Number	2024/25 Number
Less than £10,000	4	1
£10,001-£25,000	5	1
£25,001-£50,000	4	4
£50,001-£100,000	4	3
£100,001-£150,000	3	1
£150,001-£200,000	-	-
£200,001-£250,000	-	1
Total	20	11

Staff and Commissioners report (audited)

	2025/26 £m	2024/25 £m	2025/26 Average number	2024/25 Average number
Staff with employment contracts and Commissioners (note 6 to the financial statements)	112	89	972	868
Other staff engaged on the objectives of The Crown Estate	12	11	62	91
Total	124	100	1,034	959

There were no off-payroll payments made during the year. The Crown Estate expensed £4 million (2024/25: £4 million) of fees relating to business change and transformation.



Anne Kavanagh

Chair of the Remuneration Committee

12 June 2026

Management structure and meetings

Group Leadership Team

The GLT supports the Chief Executive in the management of The Crown Estate's day-to-day activities. The GLT meets weekly and is primarily focussed on operational matters. The GLT also meets bi-monthly for two days. The agenda for these sessions includes performance, strategic risks, strategy development, business plans, people matters, culture, team building and development as well as other matters at both a business unit and enterprise level.

The Chief Executive meets quarterly with the GLT members responsible for the three business units and their respective management teams as part of the Quarterly Business Review process. In addition, the Chief Executive meets quarterly with the GLT and Group Partner functions through the Group Leadership Committee, which typically focuses on enterprise level matters.

See page 102 for the members of the GLT.

For full biographical details, visit: thecrownestate.co.uk/our-leadership.

Value Creation Committee

The primary purpose of the VCC is to review significant proposals and oversee the application of the Value Creation Framework (VCF). The VCF is a structured framework enabling the business to assess proposals against The Crown Estate's four strategic priorities in a balanced and holistic way, requiring an assessment of financial, environmental, social and stakeholder impacts. The VCF supports compliance with Managing Public Money and is aligned with section 172, Companies Act.

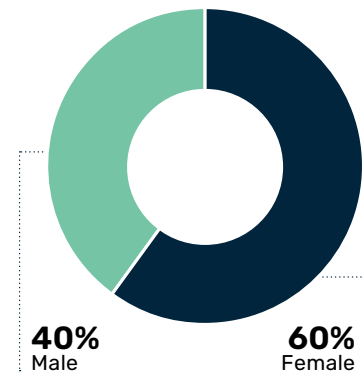
The members of the VCC are the Chief Executive (Chair), Chief Financial Officer and the Chief Sustainability Officer. It is supported by several standing attendees including the Sustainable Business Transformation Director, Executive Director, Operations and Investment, Group Head of Legal, Ethics & Compliance, and the Company Secretary.

The VCC meets at least twice a month and more often if required. The VCC is a fundamental component of The Crown Estate's governance structure.

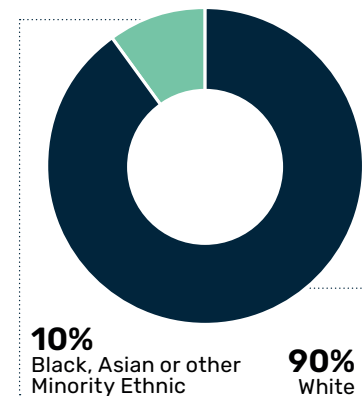
GLT diversity

As at 31 March 2026

Gender



Ethnicity



Group Leadership Team

Value Creation Committee



Dan Labbad
Chief Executive,
Accounting Officer,
Executive Board
Member and Second
Commissioner

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, Executive
Board Member and
Commissioner

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 Swaithe
Chief Sustainability
Officer

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.



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.



Paul Sedgwick LVO
Deputy Ranger and
Managing Director,
Windsor, Rural
and Coastal

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 and
Investment

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 the Act. 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 2026 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 2026 are set out on pages 66–67.

Corporate governance

The Crown Estate, without limitation so far as is consistent with the Act, seeks to comply with the principles and provisions of the Corporate Governance Code 2024, except for Provision 29, which is not applicable to the reporting period under review. Further information is set out on pages 68–72, together with other elements of our governance framework.

Company directorships and other significant interests

The Annual Declaration of Interests of Board Members, Board Counsellor and members of the GLT are available on our website at: thecrownestate.co.uk/governance.

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.

Indemnity insurance

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). The Crown Estate provides indemnity insurance for directors of subsidiary undertakings and trustees of the pension schemes.

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.

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 £90,000 (2024/25: £37,400).

Political donations

No political donations were made in 2025/26 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.

Research and development

We undertake research activities in pursuance of our strategic priorities. Examples can be found throughout the Strategic report on pages 1–63.

Future business developments

For information on our future strategy and key business developments, please refer to the Strategic report on pages 1–63.

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 34–35. Details regarding accessibility and inclusivity can also be found on pages 34–35.

Employee engagement

Details on employee engagement can be found on pages 34–35.

Business relationships with suppliers, customers and others

For information on our business relationships with suppliers, customers and others, please see pages 6–7.

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.

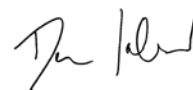
We comply with UK laws, including human rights and employment regulations. Our supply chain, extending beyond the UK, operates in accordance with the UN Universal Declaration of Human Rights and International Labour Organization Core Conventions. We take anti-slavery measures seriously and actively demonstrate 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 58–63.

The Directors' Report was approved by the Board on 9 June 2026 and signed on its behalf on 12 June 2026.

By Order of the Board.



Dan Labbad
Chief Executive

Accounting Officer's statement

The Accounting Officer

The Treasury has appointed The Crown Estate's Chief Executive (the Second Commissioner), Dan Labbad 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 his letter of appointment, the Framework Document between The Crown Estate and HM Treasury, and in 'Managing Public Money'. The Framework Document 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 2024 (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 HM Treasury.

The Accounting Officer's responsibilities are delivered in alignment with the requirements and duties contained in the Crown Estate Act 1961, as amended 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 HM 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 HM 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 fairly represents the operational activity and financial performance of The Crown Estate in the 2025/26 financial year and sets out the principal risks 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 HM Treasury and Treasury guidance on '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.

The Crown Estate Act 2025, which came into effect on 11 May 2025, allows us to access borrowing and invest more flexibly in line with our core remit and duties. As I noted in last year's Accounting Officer's statement, this enhanced financial flexibility is crucial for delivering our strategic priorities and maximising the value of our return to HM Treasury for the benefit of the nation's finances in the longer term.

As the mechanism by which we draw down debt is still to be finalised by HM Treasury, we have been discussing with our government sponsor how best to ensure The Crown Estate can make investment commitments in the next financial year. With HM Treasury support, the Commissioners have increased the proportion of gross revenue retained for investment. This provides sufficient resources to continue our investment programme over the next 12 months and maintain the financial integrity of The Crown Estate's diversified portfolio. In parallel, we will continue to work with our government sponsor to reach a solution on how we draw down debt to ensure our continued delivery in priority areas such as science and innovation, housing, agriculture, and renewable energy, and to support long-term growth in the profit we return to HM Treasury.

In support of this increased investment activity, and in line with the commitments outlined in last year's Accounting Officer's statement, we have continued to make tangible progress on our multi-year plan to transform and prepare our business to be capable of delivering our ambitious strategy. This transformation will continue in the years ahead.

Specifically, over the last 12 months, we progressed the stabilisation of our London Property Management business and commenced a material programme to transform our finance and digital functions, enabling us to effectively adapt and respond to opportunities. In addition, we have also made changes to our Group Leadership Team creating a new Executive Director role for Investment, and hired experienced transformation leaders to ensure our business remains best equipped to respond to a rapidly changing world.

The breadth of our activities across marine, urban and rural sectors underpins the resilience of both income and long-term value creation by reducing reliance on any single market. Our Urban portfolio has performed well, supported by strategic acquisitions and a strengthening market, while performance across Windsor, Rural and Coastal was positive, reflecting a more active approach to asset management.

Despite ongoing global volatility and rising supply chain costs, we have successfully progressed our offshore wind leasing programmes, including Round 4 – 5 and announcing Round 6. We also launched the Marine Delivery Routemap (MDR) digital portal, significantly improving our spatial modelling capabilities for the seabed.

Together, these initiatives are benefiting the UK's long-term energy security, environmental resilience and job creation. While the deployment of offshore wind sees us carrying material risk in ensuring successful deployment, from a financial perspective this risk is offset by the diversity of income sources and overall stability of our balance sheet.

We continue to mature our control environment to respond to additional complexity, the pace at which the organisation is moving, and higher expectations from our customers, partners and other stakeholders. Central to our transformation plans we have ongoing programmes in place to enhance our control environment, and our risk and assurance activities are developing to reflect this. For example, we have conducted a control effectiveness dry run for Provision 29 of the UK Governance Code.

As we embrace best practice governance from both the public and private sectors, we will be conducting a review during 2026/27 to ensure our governance is proportionate to the scale of our business, supports our obligations and avoids unnecessary duplication where public and private sector requirements overlap.

This year we also welcomed the opportunity to work closely with the National Audit Office on their report, Investigation into residential property arrangements with members of the Royal family, which was published on 5 June. This will inform, alongside this Annual Report and Accounts, the Public Accounts Committee's inquiry expected later in 2026.

As Accounting Officer, I believe it is important that we place particular focus on the following matters in the coming financial year:

- Working with key stakeholders, ensuring The Crown Estate is set up for future success and has the ongoing ability to operate in line with the 1961 Act and the 2025 Act, including our responsibility to act independently and meet our obligations to Parliament;
- Making sure that, in line with its remit, The Crown Estate positively impacts the UK and its people;
- Working with a range of partners and stakeholders to respond to future challenges and capitalise on future opportunities, including the ability to invest for the long-term benefit in line with The Crown Estate's values and aims;

- Ensuring we have transparent and best in class governance and assurance in place, which is appropriate for the scale and complexity of our organisation and the heritage assets that we own;
- Enhancing the quality, efficiency, and effectiveness of our process and control infrastructure, encompassing health and safety, supply chain, finance, procurement, business unit operations and data quality, while embedding remediation actions and improving customer service;
- Transforming our finance function, including beginning the replacement of our core finance systems and driving associated improvements in data, processes and insight alongside a reimagined operating model with the skills and capability to deliver value from the material technology investment made;
- Driving a high-performance culture and continuing our efforts to attract, retain and develop a diverse talent pool considering the above need to transform our business;
- Collaborating with industry and governments to foster an attractive sustainable economies in the markets within which The Crown Estate operates, supporting the UK's long-term energy security, climate resilience, housing, regeneration, agriculture and job creation;
- Responding to the rapidly changing digital world, drawing on our new Digital Delivery Framework and toolset, and continuing to enhance our technology, use of AI, and continuing to bolster our cyber security.



Dan Labbad
Accounting Officer

12 June 2026

Financial statements

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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 2026 under the Crown Estate Act 1961. The financial statements comprise The Crown Estate's and The Crown Estate Group's:

- Consolidated statements of comprehensive income;
- Balance sheets as at 31 March 2026;
- Statements of changes in capital and reserves;
- 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 2026 and of the Group's consolidated revenue account profit and consolidated capital account profit 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 me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. 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. My staff and I have fulfilled our 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

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

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 80.

In this year's report, I made one change to the risks identified compared to my prior year report. 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 no longer being a Key Audit Matter or Significant risk for 2025-26.

Offshore Wind Asset Valuations

Description of risk

As disclosed in note 15 to the financial statements, the value of the offshore wind assets amounted to £3,062 million as at 31 March 2026 (£2,617 million 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. The Crown Estate needed to consider the impact on discount rates of developments in the offshore wind sector including plans announced by the UK government and actions being taken by developers in global projects.

As a result the valuation of interests in offshore wind assets is 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 assets 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:

- 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;
- Assessing the skills, experience and qualifications of the valuer, and considering the appropriateness of the instructions to the valuer from The Crown Estate;
- Using a 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, by attending and observing valuation meetings;
- Using the work of a 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;
- Using the work of a valuation expert to challenge discount rates applied by examining whether The Crown Estate's valuation expert's level of perceived risk to receive the income was reasonable and challenging how the discount factor had been derived with reference to risk free rates and subsequent market based risk adjustments;
- Using the work of a valuation expert to challenge management on the reasonableness of the external valuer's probability weighting by considering them against current UK offshore wind market conditions and analysis of the industry;
- Sample testing the accuracy and completeness of the underlying data shared by The Crown Estate with its external valuers by agreeing to underlying leases and other relevant input information used by the valuer (including the option exercise date, first power date, decommission date, leasing/option fee amount, construction fee, minimum required and total volumes and operational fee) to source data and supporting evidence.

Key observations

I found The Crown Estate's key controls over the valuation process to be designed and implemented adequately.

I have concluded that the valuation approach, modelling, and assumptions (including discount rates) applied to calculate the present value of The Crown Estate's right to receive future income from offshore wind assets are appropriate and reasonable.

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.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

Investment Property Valuations

Description of risk

The value of Investment Properties (IP) held by The Crown Estate as at 31 March 2026 was £10,198 million (£9,586 million as at 31 March 2025), 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);
- Using the work of a 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 whether 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;
- Using the work of a valuation expert, I analysed the residual portfolio of investment properties and challenged 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, inspecting information that was shared with The Crown Estate's valuer and testing to underlying lease agreements; and
- Agreeing the benchmarking disclosures included within The Crown Estate's Annual Report to underlying source data.

Key observations

Based on the audit procedures performed, I obtained sufficient audit evidence over the valuation of assets.

I found The Crown Estate's key controls over the valuation process to be designed and implemented adequately.

I did not identify any significant misstatements in the valuation of assets arising from the procedures performed. Where valuation movements fell outside expected ranges, these were supported by appropriate evidence and reasonable explanations.

The disclosures included in notes 3 and 15 of the financial statements describe the key assumptions used in the valuations and provide information on the sensitivity of valuations to changes in those assumptions.

Revenue Recognition

Description of risk

There is a rebuttable presumption under ISA (UK) 240 that there is a significant risk of fraud in revenue recognition, especially where performance is measured in terms of revenue growth or profit. Auditors are required to assess the risk for each revenue stream. As disclosed in note 4 to the financial statements, total revenue in 2025-26 is £1,477 million (£1,632 million in 2024-25) comprising £496 million of lease revenue, £875 million of option fee revenue from contracts with customers and £106 million from other revenue streams, such as royalties from the extraction of minerals and service charge income and other miscellaneous income. I have not rebutted the presumption of risk of fraud in revenue recognition for any of these streams.

I consider that there is an inherent risk of fraud for lease revenue 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.

For service charge income I recognised a risk of fraud in the overstatement of revenue for 2025-26, because of significant issues which occurred as part of the migration of service charge data and functions in-house from a third-party managing agent during 2024-25. The data was transferred into TCE's property management and revenue collection system Horizon and the issues experienced in the prior year continue to have an impact into 2025-26. For the other two balances which make up the other revenue streams, 'Other revenue from contracts with customers' and 'Property management and support services', 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 continues to recognise option fee revenue from the Agreements for Leases (AFLs) for Round 4 offshore wind projects. I consider there is a risk surrounding the calculations underlying the recognition of Round 4 revenue, meaning I cannot rebut the presumed risk for this revenue stream.

Accordingly, I am unable to rebut the risk of The Crown Estate's recognition of the revenue streams mentioned above, with the identified control weakness relating to service charges giving rise to opportunities for manipulation and inappropriate revenue recognition by management.

However, I have considered that there are sufficient grounds to rebut the significant risk of fraud in revenue recognition for 'net finance income'. The calculation of interest income can be tied back directly to third-party confirmations and the vast majority of the income derives from the large cash balance held by TCE with the Debt Management Office (DMO), meaning that there is limited scope for fraudulent manipulation or error. Based on the simple and mechanical nature of revenue recognition for finance income outlined above, I am satisfied that I am able to rebut the presumed risk of fraud in revenue recognition.

I pinpointed the risk of fraud in revenue recognition to the Occurrence, Accuracy and Cut-off assertions.

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 individual revenue streams by conducting a number of walkthrough tests;
- Testing samples of service charge revenue, 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 related to lease revenue to ensure that it is IFRS compliant and calculated reasonably; and
- Critically assessing the appropriateness of Round 4 revenue recognition against the requirements of IFRS 15 by agreeing the details of the Round 4 revenue back to lease agreements and any amendments.

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, service charge income, receivables and accrued income.

In respect of Round 4 income, I:

- Confirmed that the assumptions used by The Crown Estate in determining revenue are reasonable;
- Confirmed that performance obligations in the Round 4 contracts were satisfied for The Crown Estate to recognise the revenue; and
- Confirmed the accuracy of the Round 4 revenue calculations, and that contract modifications were appropriately reflected.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

Application of materiality

Materiality

The scope of my audit was influenced by my application of materiality. I set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

As part of designing my audit, I assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, I looked at subjective judgements, such as assumptions on significant accounting estimates.

I tailored the scope of my audit to ensure that I performed sufficient work to be able to give an opinion on the financial statements as a whole. I used the outputs of my risk assessment, my understanding of the Group and the Parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that I obtained sufficient coverage across all financial statement line items.

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	£267.9 million	£267.5 million
Basis for determining overall account materiality	1.5% of gross assets of £17,858 million (1.5% of gross assets of £17,566 million in 2024-25)	1.49% of gross assets of £17,956 million (1.49% of gross assets of £17,648 million in 2024-25)
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 both 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. 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 £49 million (£51 million for 31 March 2025), 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 2025-26 audit (2024-25: 80%).

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 £1 million; the total of uncorrected misstatements of between £1 million and £300,000; and 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 £31.262 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 2026 are £17,858 million. The Crown Estate (parent) held assets of £17,956 million as at 31 March 2026.

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 me the evidence I needed for my opinion on the Group financial statements as a whole.

At the parent company level, I also tested the consolidation process and carried out analytical procedures to obtain assurance that there were no significant risks of material misstatement of the aggregated financial information.

Other Information

The other information comprises the information included in the Strategic Report, Governance and Additional Information sections of the 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 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 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.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament continued

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 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 Annual Report and Accounts does not reflect compliance with HM Treasury's guidance.
- A corporate governance statement has not been prepared by the parent company.

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 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 17;
- 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 17;
- Accounting Officer's statement on fair, balanced and understandable set out on pages 104-105;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 40-45;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 37-45; and
- The section describing the work of the Audit Committee set out on pages 77-81.

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 and its Group 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, my procedures included, but were not limited to:

- 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; and
 - they had knowledge of any actual, suspected, or alleged fraud.
- Discussed with the engagement team including involving the internal valuation expert 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 (which I pinpointed to the Occurrence, Accuracy and Cut-off assertions), posting of unusual journals, complex transactions and 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 operate. 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 in-house valuation experts and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

19 June 2026

Consolidated statements of comprehensive income

Consolidated revenue account for the year ended 31 March

	Note	2025/26 £m	2024/25 £m
Revenue	4	1,477	1,632
Expenses	5	(262)	(236)
Operating profit		1,215	1,396
Net finance income	7	127	160
Share of profit from joint ventures	16	30	31
Share of profit from other property investments	17	1	1
Parliamentary supply finance	11	–	2
Underlying profit		1,373	1,590
Depreciation of tangible fixed assets	8	(8)	(4)
Statutory transfers	8	(878)	(437)
Consolidated revenue account profit		487	1,149
Consolidated statement of comprehensive income of the revenue account			
Consolidated revenue account profit		487	1,149
Item that will not be reclassified subsequently to revenue account profit:			
Re-measurement gain in retirement benefits		1	4
Total consolidated comprehensive income of the revenue account		488	1,153

Consolidated capital account for the year ended 31 March

	Note	2025/26 £m	2024/25 £m
Capital account expenditure		(61)	(80)
Net revaluation gain/(loss) in investment properties (including gain on disposal)	9	874	(868)
Share of revaluation gain in joint ventures (including gain on disposal)	9	18	22
Share of revaluation gain in other assets (including capital distribution)	9	2	4
Capital profit/(loss) before transfers from the revenue account to the capital account		833	(922)
Statutory transfers	8	878	437
Consolidated capital account profit/(loss)		1,711	(485)
Consolidated statement of comprehensive income of the capital account			
Consolidated capital account profit/(loss)		1,711	(485)
Items that will not be reclassified subsequently to capital account profit:			
Revaluation (loss)/gain in owner occupied properties	9	(9)	8
Total consolidated comprehensive income/(loss) of the capital account		1,702	(477)

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 £488 million (2024/25: £1,153 million) and a total comprehensive gain of the capital account of £1,712 million (2024/25: £502 million loss) are recorded in the financial statements of the Parent for the year ended 31 March 2026.

No income statement or statement of comprehensive income is presented for the Parent.

The notes on pages 122-143 form part of these financial statements.

Balance sheets

As at 31 March

	Note	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Assets					
Non-current assets					
Investment properties	13	13,260	12,203	12,911	11,851
Owner occupied properties	14	201	205	201	205
Investment in joint ventures	16	574	556	574	556
Other property investments	17	57	55	-	-
Trade and other receivables	18	428	426	428	426
Other assets		39	50	39	50
Total non-current assets		14,559	13,495	14,153	13,088
Current assets					
Trade and other receivables	18	195	170	719	669
Cash and cash equivalents		3,104	3,901	3,084	3,891
Total current assets		3,299	4,071	3,803	4,560
Total assets		17,858	17,566	17,956	17,648
Liabilities					
Current payables and deferred income	19	1,043	2,505	1,043	2,499
Non-current payables and deferred income	19	124	73	124	73
Total liabilities		1,167	2,578	1,167	2,572
Net assets		16,691	14,988	16,789	15,076
Capital and reserves					
Revenue reserve available for distribution to the Consolidated Fund		5	4	5	4
Pension reserve		11	11	11	11
Capital reserve		16,592	14,881	16,690	14,969
Revaluation reserve		83	92	83	92
Total capital and reserves		16,691	14,988	16,789	15,076

The notes on pages 122-143 form part of these financial statements.



Dan Labbad

Chief Executive, Second Commissioner and Accounting Officer

12 June 2026

Statements of changes in capital and reserves

For the year ended 31 March

Group	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 2025	4	11	15	14,881	92	14,973	14,988
Net consolidated profit for the year	487	-	487	1,711	-	1,711	2,198
Other consolidated comprehensive income:							
Revaluation loss in owner occupied properties (note 14)	-	-	-	-	(9)	(9)	(9)
Re-measurement gain in retirement benefits	-	1	1	-	-	-	1
Total consolidated comprehensive income/(loss) for the year ended 31 March 2026	487	1	488	1,711	(9)	1,702	2,190
Pension reserve adjustment	1	(1)	-	-	-	-	-
Payable to the Consolidated Fund in respect of current year revenue account profit (note 12)	(487)	-	(487)	-	-	-	(487)
As at 31 March 2026	5	11	16	16,592	83	16,675	16,691

Group	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	15,361	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 income/(loss) for the year ended 31 March 2025	1,149	4	1,153	(485)	8	(477)	676
Transfer to owner occupied reserve	-	-	-	5	(5)	-	-
Pension reserve adjustment	1	(1)	-	-	-	-	-
Payable to the Consolidated Fund in respect of current year revenue account profit (note 12)	(1,149)	-	(1,149)	-	-	-	(1,149)
As at 31 March 2025	4	11	15	14,881	92	14,973	14,988

The notes on pages 122-143 form part of these financial statements.

Statements of changes in capital and reserves continued

For the year ended 31 March

	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
Parent							
As at 1 April 2025	4	11	15	14,969	92	15,061	15,076
Net profit for the year	487	-	487	1,721	-	1,721	2,208
Other comprehensive income:							
Revaluation loss in owner occupied properties (note 14)	-	-	-	-	(9)	(9)	(9)
Re-measurement gain in retirement benefits	-	1	1	-	-	-	1
Total comprehensive income/(loss) for the year ended 31 March 2026	487	1	488	1,721	(9)	1,712	2,200
Pension reserve adjustment	1	(1)	-	-	-	-	-
Payable to the Consolidated Fund in respect of current year revenue account profit (note 12)	(487)	-	(487)	-	-	-	(487)
As at 31 March 2026	5	11	16	16,690	83	16,773	16,789

	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
Parent							
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 income/(loss) for the year ended 31 March 2025	1,149	4	1,153	(510)	8	(502)	651
Transfer to owner occupied reserve	-	-	-	5	(5)	-	-
Pension reserve adjustment	1	(1)	-	-	-	-	-
Payable to the Consolidated Fund in respect of current year revenue account profit (note 12)	(1,149)	-	(1,149)	-	-	-	(1,149)
As at 31 March 2025	4	11	15	14,969	92	15,061	15,076

The notes on pages 122-143 form part of these financial statements.

Statements of cash flows

For the year ended 31 March

	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Operating profit – consolidated revenue account	1,215	1,396	1,203	1,388
Increase in provisions for retirement benefits	2	2	2	2
Increase in receivables	(47)	(25)	(73)	(63)
(Decrease)/increase in payables	(760)	101	(754)	103
Decrease in provisions	–	(5)	–	(5)
Cash generated from operating activities	410	1,469	378	1,425
Interest received	131	160	131	160
Revenue distributions from investments in joint ventures and subsidiaries	31	36	31	36
Distributions received from other property investments	1	1	13	–
Net cash inflow from operating activities	573	1,666	553	1,621
Cash flows from investing activities				
Acquisition of investment properties	(98)	(122)	(98)	(82)
Capital expenditure on investment properties	(334)	(282)	(324)	(281)
Proceeds from disposal of investment properties	211	132	211	132
Investment in joint ventures	(1)	(3)	(1)	(3)
Purchase of plant and equipment (net of proceeds from disposals)	(3)	(5)	(3)	(5)
Proceeds from disposal of joint venture	–	37	–	37
Net cash outflow from investing activities	(225)	(243)	(215)	(202)
Cash flows from financing activities				
Finance lease payments	(1)	(1)	(1)	(1)
Parliamentary supply finance	–	2	–	2
Net cash (outflow)/inflow from financing activities	(1)	1	(1)	1
Net increase in cash and cash equivalents before Consolidated Fund payment	347	1,424	337	1,420
Consolidated Fund payment	(1,144)	(949)	(1,144)	(949)
(Decrease)/increase in cash in the year after Consolidated Fund payment	(797)	475	(807)	471
Cash and cash equivalents at start of the year	3,901	3,426	3,891	3,420
Cash and cash equivalents at end of the year	3,104	3,901	3,084	3,891

The notes on pages 122-143 form part of these financial statements.

Notes to the Group and Parent consolidated 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, as amended by the Crown Estate Act 2025 (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 Act, which both constitutes The Crown Estate and places certain restrictions on us, as outlined on page 68.

The Board has assumed the Act will continue in place throughout the period of assessment. The structured payment process for our revenue account 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 40-45); 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 2027 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 Act 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 a transfer from the revenue to the capital account of an amount equivalent to 60% (2024/25: 27%) of the current year's revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment. Treasury has supported this decision.

Changes in accounting policies

These financial statements have been prepared on a basis consistent with presented for the year ended 31 March 2025, 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 21 (amended) – The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

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 which is likely to result in changes to the format and presentation of the financial statements only and The Crown Estate is assessing how this new standard will impact the Group.

- IFRS 7 and IFRS 9 (amended) – Classification and Measurement of Financial Instruments
- IFRS 7 and IFRS 9 (amended) – Contracts Referencing Nature-dependent Electricity
- IFRS 18 – Presentation and Disclosure in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

- Annual improvements to IFRS Accounting Standards – Volume 11 Amendments relating to IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 7 – Financial Instruments: Disclosures and its accompanying guidance on implementing IFRS 7, IFRS 9 – Financial Instruments, IFRS 10 – Consolidated Financial Statements and IAS 7 – Statement of Cash Flows

2. Significant accounting policies

2a. Basis of consolidation

The consolidated financial statements for the year ended 31 March 2026 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 entire portfolio is valued on a fair value basis in accordance with IFRS 13 and, except for the offshore wind portfolio, in accordance with the RICS Valuation – Global Standards and the RICS Valuation Practice Guidance Application 1 regarding valuation for inclusion in financial statements.

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).

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.

Notes to the Group and Parent consolidated financial statements continued

2. Significant accounting policies continued

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 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.

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 undersea 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 operation 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 interests; net pension assets; trade and other receivables; finance lease receivables; and cash and cash equivalents. 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 development 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 rates 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. Further details on key assumptions are included within note 15.

Notes to the Group and Parent consolidated financial statements continued

3. Significant judgments, key assumptions and estimates continued

3b. Property valuations

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 with 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 some 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

	2025/26 £m	2024/25 £m
Lease revenue	486	451
Finance lease revenue (note 20b)	10	10
Round 4 option fee revenue from contracts with customers	875	1,073
Other revenue from contracts with customers	59	55
Property management and support services	8	5
Revenue before service charge income	1,438	1,594
Service charge income	39	38
Revenue – as reported	1,477	1,632

Lease revenue and finance lease revenue are recognised in accordance with IFRS 16.

Reported revenue includes £981 million of revenue recognised under IFRS 15 (2024/25: £1,171 million).

Further details on option fee revenue from Offshore Wind Leasing Round 4 are provided on page 15.

Licence revenue from undersea cables, pipelines and interconnectors of £20 million (2024/25: £21 million) is included in lease revenue. Mineral royalty revenue of £27 million (2024/25: £27 million) is included in other revenue from contracts with customers.

5. Revenue account expenses

	2025/26 £m	2024/25 £m
Management fees and costs ¹	77	62
Repairs and maintenance	7	7
Staff costs (note 6)	74	61
Other direct expenditure	31	28
Direct expenses	189	158
Service charge expenses	73	78
Expenses reflected in the revenue account	262	236

1. Included in the table above is the auditor's remuneration in respect of its audit of the financial statements of £0.3 million (2024/25: £0.3 million). No non-audit fees have been incurred from the auditor (2024/25: £nil).

6. Staff costs

The total cost of Crown Estate staff (including Board Members) included in the revenue account and the capital account during the year was as follows:

	2025/26 £m	2024/25 £m
Wages and salaries	89	71
National insurance	13	10
Defined benefit scheme costs	1	2
Pension contributions – other pension schemes	6	5
Reorganisation and early retirement costs	3	1
Total staff costs	112	89
Charged to:		
Revenue account	74	61
Capital account	38	28
Total staff costs	112	89
	Number	Number
The average number of staff during the year	972	868

The remuneration of The Crown Estate's key management personnel is as disclosed in the Remuneration Committee report on page 99.

7. Net finance income

	2025/26 £m	2024/25 £m
Bank interest income	126	159
Retirement benefits – net financing surplus	1	1
Net finance income	127	160

8. Statutory transfers from the revenue account to the capital account

	2025/26 £m	2024/25 £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	864	423
Net earnings from mineral workings carried to the capital account	14	14
Statutory transfers from the revenue account to the capital account	878	437
Depreciation of tangible fixed assets charged as costs in the revenue account	8	4
Total	886	441

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 a transfer from the revenue to the capital account of an amount equivalent to 60% (2024/25: 27%) of the current year's proportionally consolidated revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment. Treasury has supported this decision.

Notes to the Group and Parent consolidated financial statements

continued

9. Net revaluation gain in properties and investments (including gain on disposal)

	2025/26 £m	2024/25 £m
Reflected in the consolidated capital account		
Revaluation gain/(loss) in investment properties (note 13)	678	(949)
Revaluation gain/(loss) in properties classified as finance leases	2	(5)
Gain on disposal of investment properties	194	86
Net revaluation gain/(loss) in investment properties (including gain on disposal)	874	(868)
Share of revaluation gain in joint ventures (note 16)	18	22
Share of revaluation gain in other assets	2	4
Total reflected in the consolidated capital account	894	(842)
Reflected in the statement of comprehensive income of the capital account		
Revaluation (loss)/gain in owner occupied properties (note 14)	(9)	8
Total	885	(834)

10. Financial instruments

The Crown Estate Act 2025, which came into force on 11 May 2025, removed the limitations on borrowing and investment activities previously in place on the Commissioners by virtue of section 3(4) of the Crown Estate Act 1961. The 2025 Act repealed the provision in full and also introduced a new provision (section 1(4A)) allowing the Commissioners to freely invest and borrow without limitation where such borrowing and/or investment is commensurate with the discharge of their functions under the 1961 Act; namely to hold and turn to account the land and other property interests, the management and control of which is vested in them in right of the Crown.

Risk management

The Board has overall responsibility for the determination of The Crown Estate's risk management objectives, as disclosed on pages 38-45. The Crown Estate is subject to credit risk in respect of customers and cash balances, 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 European Economic Area (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 an ongoing basis.

Financial instruments by category

The Crown Estate's financial assets are cash and cash equivalents, net pension assets, trade and other receivables, other property investments and other financial assets. The carrying values of these assets 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, and subsequently at amortised cost.

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 low liquidity risk in the absence of any borrowing and given the level of cash currently held. Twelve-month cash flows are maintained to ensure The Crown Estate has sufficient revenue funds, and five-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.

	2025/26 £m	2024/25 £m
Financial liabilities within trade payables	26	16

Financial liabilities disclosed above are undiscounted and fall due within three months.

11. Parliamentary supply finance

Under the Crown Estate Act 1961 (Schedule 1, paragraph 5) monies were previously provided to The Crown Estate by Parliament (Supply Finance) to fund the cost of the Commissioners' salaries and the expense of their Office, including the remuneration of persons appointed by them. From 11 May 2025, the Crown Estate Act 2025 amended the relevant provision of the Crown Estate Act 1961. The salaries and expenses of the Commissioners, including the remuneration of persons appointed by them, are now paid out of the income of The Crown Estate.

12. Payment to the Consolidated Fund

In accordance with section 1 of the Civil List Act 1952, the revenue account profit generated by The Crown Estate is paid into the Consolidated Fund. The revenue account profit of £487 million (2024/25: £1,149 million) relating to the year ended 31 March 2026 will be settled using a repayment process in the form agreed with the Treasury. The outstanding balance in relation to the 31 March 2025 revenue account profit has been settled in full, with the final payment of £195 million (2024/25: £190 million) settled in April 2026.

	2025/26 £m	2024/25 £m
Amounts due to the Consolidated Fund at the start of the year (note 19)	1,339	1,139
Payments to the Consolidated Fund made in the year	(1,144)	(949)
Amounts due in respect of prior year revenue account profit	195	190
Consolidated revenue account profit	487	1,149
Amounts due to the Consolidated Fund at the end of the year (note 19)	682	1,339

Notes to the Group and Parent consolidated financial statements

continued

13. Investment properties

Group	2025/26			2024/25		
	Investment properties £m	Properties under development £m	Total £m	Investment properties £m	Properties under development £m	Total £m
At opening valuation (before lease incentives)	12,007	196	12,203	12,637	229	12,866
Acquisitions	98	–	98	122	–	122
Capital expenditure	177	106	283	133	73	206
Transfers (to)/from other categories	(612)	612	–	136	(136)	–
Net transfer to owner occupied properties	(2)	–	(2)	(14)	–	(14)
Transfer from investment in joint ventures	–	–	–	38	–	38
Disposals	–	–	–	(66)	–	(66)
Revaluation gain/(loss)	568	110	678	(979)	30	(949)
Closing fair value – as reported	12,236	1,024	13,260	12,007	196	12,203
Reconciliation to valuation						
At closing valuation (before lease incentives)	12,236	1,024	13,260	12,007	196	12,203
Investment properties treated as finance leases (note 20b)	405	–	405	403	–	403
Lease incentives	13	–	13	15	–	15
Market value	12,654	1,024	13,678	12,425	196	12,621

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 2026 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 entire portfolio is valued on a fair value basis in accordance with IFRS 13 and, except for the offshore wind portfolio, in accordance with the RICS Valuation – Global Standards and the RICS Valuation Practice Guidance Application 1 regarding valuation for inclusion in financial statements. 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 joint operation 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 £3,810 million at 31 March 2026 (2024/25: £3,459 million) out of the total investment property value of £13,260 million (2024/25: £12,203 million) and other property investments of £57 million (2024/25: £55 million).

	2025/26			2024/25		
	Investment properties £m	Properties under development £m	Total £m	Investment properties £m	Properties under development £m	Total £m
Parent						
At opening valuation (before lease incentives)	11,655	196	11,851	12,385	229	12,614
Acquisitions	98	-	98	82	-	82
Capital expenditure	166	107	273	132	73	205
Transfers (to)/from other categories	(612)	612	-	136	(136)	-
Net transfer to owner occupied properties	(2)	-	(2)	(14)	-	(14)
Disposals	-	-	-	(66)	-	(66)
Revaluation gain/(loss)	582	109	691	(1,000)	30	(970)
Closing fair value – as reported	11,887	1,024	12,911	11,655	196	11,851

The unamortised element of lease incentives granted at 31 March 2026 was £10 million (2024/25: £13 million).

	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Market value of freehold investment properties	13,641	12,585	13,289	12,232
Market value of long leasehold properties	37	36	37	36
Total market value	13,678	12,621	13,326	12,268

14. Owner occupied properties

Group and Parent	2025/26 £m	2024/25 £m
Opening fair value	205	180
Capital expenditure	3	3
Revaluation (loss)/gain in owner occupied properties (note 9)	(9)	8
Net transfer from investment properties	2	14
Closing fair value	201	205

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.

Notes to the Group and Parent consolidated financial statements

continued

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.

With effect from 1 April 2025, the London and Regional business units were merged to form the Urban business unit. Prior year disclosures have been restated from those previously reported, to reflect the new structure.

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 and, except for the offshore wind portfolio, in accordance with 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 Urban portfolio, and PwC is the valuer of the offshore wind portfolio.

The majority of the Urban portfolio is 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 members of the senior executive team. Each valuation is approved by the Managing Director and the Chief Financial Officer. The annual valuation is presented to, and the process is endorsed by, the Audit Committee. 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 2025/26 £m	Valuation 2024/25 £m	Predominant valuation technique	Key unobservable Inputs	Range	Principal valuer
Urban:						
Retail	2,373	1,805	Investment	ERV Yield	£10-£925 psf 3.15%-12.00%	CBRE
Retail and leisure parks	766	757	Investment	ERV Yield	£8-£90 psf 5.15%-15.00%	CBRE
Offices	3,917	3,586	Investment	ERV Yield	£30-£250 psf 3.15%-8.0%	CBRE
Other multi-use	838	1,205	Comparable	£ psf Yield	£1,000- £2,400 psf 3.25%-6.00%	CBRE
Total commercial properties	7,894	7,353				
Residential	383	479	Comparable	£ psf	£250-£5,800 psf	CBRE
Other	156	106	Comparable/ Investment	Proportion of vacant possession value	50%-100%	Strutt & Parker
Total Urban	8,433	7,938				
Marine:						
Aggregates	220	211	Investment/ DCF	Yield Annual extraction	8.0%-11.0% c. 20 million tonnes	Wardell Armstrong
Offshore wind	3,062	2,617	DCF	Discount rate	6.5%-26.5% ¹	PwC
Coastal	136	288	Investment	Yield	2.0%-75.0%	Various
Cables and pipelines	291	253	Investment	Yield	5.5%-12.0%	Powis Hughes
Total Marine	3,709	3,369				

1. Following a change in valuer, the inputs into the DCF valuation have been updated. As a result, the discount rate range has decreased when compared to prior year.

Class of property	Valuation 2025/26 £m	Valuation 2024/25 £m	Predominant valuation technique	Key unobservable inputs	Range	Principal valuer
Windsor, Rural and Coastal:						
Agricultural	983	981	Comparable/ Investment	Proportion of vacant possession value Yield	50%-100% 1.5%-20.0%	Strutt & Parker
Coastal	170	–	Investment	Yield	5.0%-60.0%	Various
Other	383	333	Comparable/ Investment	Proportion of vacant possession value Yield	23%-95% 1.0%-20.0%	Savills
Total Windsor, Rural and Coastal	1,536	1,314				
Total investment properties	13,678	12,621				
Owner occupied properties:						
Urban	51	55	Investment	Yield ERV	4.65%-5.0% £110-£115 psf	CBRE
Windsor, Rural and Coastal	150	150	Comparable/ Investment	Proportion of vacant possession value Yield	65%-95% 1.0%-20.0%	Savills
Total owner occupied properties	201	205				
Total at valuation	13,879	12,826				

Market value of properties on a proportionally consolidated basis

Group	2025/26 £m	2024/25 £m
Investment properties (note 13)	13,678	12,621
Owner occupied properties (note 14)	201	205
Total at valuation	13,879	12,826
Share of investment properties in joint ventures at valuation (note 16)	582	560
Other property investments (note 17)	57	55
Total value of all properties on a proportionally consolidated basis	14,518	13,441

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 and probability weighting 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.

Notes to the Group and Parent consolidated financial statements continued

15. Fair value measurement of properties continued

Strategic land

Hope value for strategic land is incorporated into the Urban 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 2026 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
- Evaluating suitable probability weightings to reflect the attrition and planning risk associated with the offshore wind development process
- Estimating the generation capacity and the timing of milestone achievements
- Consideration of historical, current and expected future energy prices

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 Urban portfolio analysis includes only commercial assets. The Marine portfolio analysis includes only 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 Urban portfolio and renewable assets of the Marine portfolio.

	Market value £m	Impact on valuations of 10% change in ERV		Impact on valuations of 0.5% change in yield	
		Increase £m	Decrease £m	Decrease £m	Increase £m
Group – Urban					
2025/26	7,894	625	(608)	(731)	622
2024/25	7,353	577	(608)	(650)	732

	Market value £m	Impact on valuations of 0.5% change in discount rates	
		Decrease £m	Increase £m
Group – Marine – Offshore Wind			
2025/26	3,062	166	(155)
2024/25	2,617	121	(112)

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 2025/26 £m	Valuation 2024/25 £m	Predominant valuation technique	Key unobservable inputs	Range	Principal valuer
Urban:						
Other multi-use	665	917	Comparable Investment	£ psf Yield	£2,300-£2,500 psf 3.25%-5.75%	CBRE
Retail and leisure parks	590	590	Investment	ERV Yield	£30.00-£85.00 psf 4.4%-7.5%	CBRE

Notes to the Group and Parent consolidated financial statements

continued

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 were 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:

	Urban				Total
	Maple Investment LP £m	The St James's Market Partnership Group £m	Westgate Oxford Alliance LP £m	Wexford Retail LP ¹ £m	£m
Balance sheet at 31 March 2026					
Investment properties at valuation	182	441	242	298	1,163
Lease incentives	–	(1)	(6)	(9)	(16)
Cash and cash equivalents	2	14	12	10	38
Other assets	5	8	14	15	42
Current liabilities	(3)	(16)	(15)	(44)	(78)
Net assets	186	446	247	270	1,149
Comprehensive income statement for the year ended 31 March 2026					
Revenue before service charges	8	18	30	17	73
Expenses	(3)	(4)	(6)	(1)	(14)
Revenue account profit	5	14	24	16	59
Revaluation gain in investment properties²	2	14	5	15	36

1. Balances include those for Fosse Park West Limited Partnership.

2. The revaluation gain in investment properties is also the total comprehensive gain of the capital account.

The Crown Estate share at 50% was:

	Total 2025/26 £m
Investment properties at valuation	582
Cash and cash equivalents	19
Net assets	574
Revenue before service charges	37
Revenue account profit	30
Revaluation gain in investment properties	18

The assets, liabilities, revenues and expenses of The Crown Estate's primary joint ventures at 100% were as follows:

	Urban ³							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 charge	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 properties²	(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.

3. With effect from 1 April 2025, the London and Regional business units were merged to form the Urban business unit. Prior year disclosures have been restated from those previously reported, to reflect the new structure.

The Crown Estate share at 50% was:

	Total 2024/25 £m
Investment properties at valuation	560
Cash and cash equivalents	18
Net assets	556
Revenue before service charges	39
Revenue account profit	31
Revaluation gain in investment properties	22

Notes to the Group and Parent consolidated financial statements continued

16. Investment in joint ventures continued

Group and Parent

Summary of movement in investment in joint ventures:

	2025/26 £m	2024/25 £m
Opening balance	556	612
Share of revenue profit	30	31
Revaluation gain in investment property	18	22
Net equity additions	1	3
Revenue distributions received	(31)	(36)
Sale of joint venture interest	-	(37)
Transfer to investment property (note 13)	-	(38)
Transfer to assets and liabilities	-	(1)
Closing balance	574	556

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 2025/26 £m	Group 2024/25 £m
Opening balance	55	51
Share of revaluation gain in investment reflected in the consolidated capital account	2	4
Share of net assets reflected in the balance sheet	57	55
Share of revenue profit	1	1

The Parent 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 bases 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 (2024/25: £3 million).

18. Trade and other receivables

	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Amounts falling due within one year:				
Trade receivables – leases	54	55	46	49
Capital receivables – non-leases	7	24	7	24
Amounts owed by subsidiary undertakings	–	–	523	503
Other receivables	64	36	63	35
Investment properties treated as finance leases (note 20b)	10	10	10	10
Prepayments and accrued income	78	62	84	62
	213	187	733	683
Provision for expected lifetime losses	(18)	(17)	(14)	(14)
Total receivables falling due within one year	195	170	719	669
Amounts falling due after more than one year:				
Investment properties treated as finance leases (note 20b)	395	393	395	393
Other receivables	33	33	33	33
Total receivables falling due after more than one year	428	426	428	426

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 2026 was £17 million (2024/25: £17 million). All accrued income arising from revenue from contracts with customers as at 31 March 2026 has been or is expected to be invoiced within nine months of the year end (2024/25: nine months).

Notes to the Group and Parent consolidated financial statements continued

18. Trade and other receivables continued

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.

	Amounts not yet due	Less than 90 days past due	Between 90 and 180 days past due	More than 180 days past due	Total
Group at 31 March 2026					
Expected loss rate	–	18%	24%	69%	28%
	£m	£m	£m	£m	£m
Gross carrying amount	6	34	7	14	61
Provision	–	6	2	10	18
Group at 31 March 2025					
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

19. Payables and deferred income

	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Amounts falling due within one year:				
Trade payables	26	16	26	14
Rents and service charges received in advance	96	75	92	72
Deferred Round 4 option fee income ¹	–	875	–	875
Customer deposits	83	74	83	74
Other payables	37	24	38	26
Consolidated Fund (note 12)	682	1,339	682	1,339
Accruals	116	100	119	97
Obligations under finance leases	3	2	3	2
Total amounts falling due within one year	1,043	2,505	1,043	2,499
Amounts falling due after more than one year:				
Deferred income	124	66	124	66
Obligations under finance leases	–	7	–	7
Total amounts falling due after more than one year	124	73	124	73

1. The 2024/25 deferred Round 4 option fee income was fully recognised as revenue in 2025/26. Further details on option fee revenue from Offshore Wind Leasing Round 4 are provided on page 15.

20. Leasing

20a. 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 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Less than one year	335	325	322	312
Between one and five years	920	868	883	832
More than five years	5,279	5,088	5,235	5,045
Total operating leases with customers	6,534	6,281	6,440	6,189

20b. 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	2025/26 £m	2024/25 £m
Less than one year	10	10
Between one and five years	40	40
More than five years	1,807	1,822
Total undiscounted lease assets at 31 March	1,857	1,872
Future finance lease income	(1,568)	(1,586)
Unguaranteed residual values	116	117
Investment properties disclosed as finance leases (note 13)	405	403
Disclosed as:		
Current (note 18)	10	10
Non-current (note 18)	395	393

During the year ended 31 March 2026, there were no disposals of investment properties classified as finance leases (2024/25: none).

20c. Other disclosures

Amounts recognised in the revenue account:

Group and Parent	2025/26 £m	2024/25 £m
Income from sub-leasing right-of-use assets	1	1
Contingent rents receivable	42	46
Variable lease payments not included in the measurement of lease liabilities	(2)	(1)

The Crown Estate has no material leases that require higher than normal risk management.

Notes to the Group and Parent consolidated financial statements continued

21. Capital commitments

At 31 March 2026, The Crown Estate had committed to make capital expenditure of £225 million (2024/25: £211 million).

22. 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.

23. 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 (2024/25: £3 million) were made during the year and the prepaid balance with the joint venture was £1 million at 31 March 2026 (2024/25: £1 million).

	Group 2025/26 £m	Group 2024/25 £m	Parent 2025/26 £m	Parent 2024/25 £m
Management fees receivable	5	5	3	3
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:

	2025/26 £m	2024/25 £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.

24. Restricted cash

Included in cash and cash equivalents is restricted cash in respect of tenant deposits of £82 million (2024/25: £74 million) and service charge balances of £21 million (2024/25: £8 million).

25. 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 LLP⁴

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 Limited⁵

SJM Four (South Block) GP Limited
(Registration no. 09512536)²

SJM Four (South Block) LP (Registration no. LP016584)³

St James's Market Development (No. 2) Limited
(Registration no. 09512549)²

Hastings Holdco Limited (Registration no. 16424683)^{2,6}

Hastings JV Investment LLP⁶

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. Incorporated in May 2025.

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

Westgate Oxford Alliance GP Limited¹

Westgate Oxford Alliance Limited Partnership¹

Westgate Oxford Alliance Nominee No.1 Limited¹

Westgate Oxford Alliance Nominee No.2 Limited¹

1. Registered office – 100 Victoria Street, London SW1E 5JL.

The Crown Estate had a 50% interest in the following joint ventures, which were dissolved in November 2025. They were registered at 45 Gresham Street, London EC2V 7BG:

Gibraltar General Partner Limited

Gibraltar Nominees Limited

26. Issue of accounts

On 9 June 2026, the financial statements were approved by the Board prior to certification by the Comptroller and Auditor General on 19 June 2026. 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.

Additional information

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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 capital accounts.

	2025/26			2024/25		
	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m
Consolidated revenue account						
Revenue before service charges	1,438	37	1,475	1,594	39	1,633
Service charge revenue	39	5	44	38	7	45
Revenue – as reported	1,477	42	1,519	1,632	46	1,678
Expenses	(262)	(12)	(274)	(236)	(15)	(251)
Operating profit	1,215	30	1,245	1,396	31	1,427
Net finance income	127	–	127	160	–	160
Share of revenue profit from joint ventures	30	(30)	–	31	(31)	–
Share of revenue profit from other property investments	1	–	1	1	–	1
Parliamentary supply finance	–	–	–	2	–	2
Underlying profit	1,373	–	1,373	1,590	–	1,590
Depreciation of tangible fixed assets	(8)	–	(8)	(4)	–	(4)
Statutory transfers	(878)	–	(878)	(437)	–	(437)
Consolidated revenue account profit	487	–	487	1,149	–	1,149

	2025/26			2024/25		
	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m
Consolidated capital account						
Capital account expenditure	(61)	–	(61)	(80)	–	(80)
Revaluation gain/(loss) (including gain on disposal)	874	18	892	(868)	22	(846)
Share of revaluation gain in joint ventures (including gain on disposal)	18	(18)	–	22	(22)	–
Share of revaluation gain in other assets	2	–	2	4	–	4
Consolidated capital account profit/(loss) before transfer from the revenue account to the capital account	833	–	833	(922)	–	(922)
Statutory transfers	878	–	878	437	–	437
Consolidated capital account profit/(loss)	1,711	–	1,711	(485)	–	(485)

Supplementary disclosures (unaudited) continued

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.

	2025/26			2024/25		
	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m
Balance sheet						
Investment properties – as reported	13,260	574	13,834	12,203	552	12,755
Investment properties treated as finance leases	405	–	405	403	–	403
Owner occupied properties	201	–	201	205	–	205
Other property investments	57	–	57	55	–	55
Total properties	13,923	574	14,497	12,866	552	13,418
Investment in jointly controlled entities	574	(574)	–	556	(556)	–
Cash and cash equivalents	3,104	19	3,123	3,901	18	3,919
Other assets	257	21	278	243	24	267
Current liabilities	(1,043)	(40)	(1,083)	(2,505)	(38)	(2,543)
Payables – amounts falling due after more than one year	(124)	–	(124)	(73)	–	(73)
Net assets	16,691	–	16,691	14,988	–	14,988

Properties at valuation on a proportionally consolidated basis

	2025/26			2024/25		
	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m	Group £m	Share of jointly controlled entities £m	Proportionally consolidated £m
Properties at valuation						
Investment properties – as reported	13,260	574	13,834	12,203	552	12,755
Investment properties treated as finance leases	405	–	405	403	–	403
Lease incentives	13	8	21	15	8	23
Market value of investment properties	13,678	582	14,260	12,621	560	13,181
Owner occupied properties	201	–	201	205	–	205
Joint venture properties	582	(582)	–	560	(560)	–
Other property investments	57	–	57	55	–	55
Total properties at valuation	14,518	–	14,518	13,441	–	13,441

Ten-year record

Based on the financial statements for the year ended 31 March

	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	2025 £m	2026 £m
Revenue account										
Revenue (excluding service charge revenue)	420	422	441	476	453	453	703	1,536	1,594	1,438
Expenses (including net service charge expenses)	(81)	(89)	(92)	(122)	(150)	(125)	(142)	(166)	(198)	(223)
Consolidated revenue account	329	329	344	345	269	313	443	1,101	1,149	487
Payments to the Consolidated Fund – payable in year	329	329	344	345	269	313	443	1,101	1,149	487
Balance sheet										
Investment, development and owner occupied properties (including assets held for sale)	12,825	11,731	12,218	12,113	13,247	14,363	14,642	13,049	12,408	13,461
Investment in joint ventures	991	1,111	942	803	668	725	651	612	556	574
Other non-current assets	180	455	464	556	591	585	549	531	531	524
Cash and cash equivalents	826	887	803	1,029	2,175	2,135	2,406	3,426	3,901	3,104
Current assets (excluding assets held for sale)	53	84	101	106	135	166	141	120	170	195
Current liabilities	(180)	(157)	(180)	(497)	(677)	(858)	(1,530)	(2,197)	(2,505)	(1,043)
Non-current liabilities	(1,561)	(20)	(19)	(44)	(938)	(660)	(71)	(80)	(73)	(124)
Net assets	13,134	14,091	14,329	14,066	15,201	16,456	16,788	15,461	14,988	16,691

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 2026 Annual Index, weighted to reflect our average capital employed during the 12 months to March 2025. 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 CO₂ 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 CO₂ is transported via pipeline or ship to permanent and secure storage sites deep beneath the seabed.

Carbon removals

The process of removing greenhouse gases from the atmosphere, which may be used to balance residual emissions.

Climate Value at Risk (CVaR)

A forward-looking financial metric that estimates how much value of an asset or portfolio could be lost (or gained) due to climate-related risks and opportunities under different climate scenarios.

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.

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.

Displaced emissions

Represents the carbon dioxide that would have been emitted by traditional power stations to generate electricity in the absence of renewable energy.

Double materiality

Issues that are material to an organisation and to the environment or society.

Embodied carbon

Emissions arising from the production, transport and construction of materials used in buildings and infrastructure.

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 UK Government department responsible for developing and executing the UK Government's public finance policy and economic policy.

IFRS

International Financial Reporting Standards.

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.

Location-based emissions

Emissions from electricity use calculated using average emission factors for the National Grid, reflecting the overall mix of energy sources.

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-based emissions

Emissions from electricity use calculated based on the specific energy sources purchased through contractual instruments, such as renewable tariffs and certificates (eg Renewable Energy Guarantees of Origin).

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.

Non-Financial and Sustainability Information Statement

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. Agreements for Lease were awarded for three project areas following an open market auction that concluded in June 2025. Two project areas were awarded at the auction, and Agreements for Lease were signed in October 2025. The third project area was not awarded and was marketed again separately, and an Agreement for Lease was signed in February 2026 on the same terms as the other two project areas.

Offshore Wind Leasing Round 6 (Round 6)

The Crown Estate has announced an intention to launch a new offshore wind leasing round in the first half of calendar year 2027.

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.

Residual emissions

Emissions that cannot be completely eliminated despite implementing all available mitigation measures.

Revaluation surplus/deficit

An increase/decrease in the fair value of a property over its book value.

Revenue account profit

Profit payable to the Treasury. Previously referred to as net revenue profit and net revenue surplus. We have changed the language to reflect standard market accounting terminology, but they mean the same thing as reported in previous years.

RICS

The Royal Institution of Chartered Surveyors.

RIDDOR

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

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.

Sequestration

The process of capturing and storing atmospheric carbon dioxide, either biologically (eg, in forests, soils) or technologically.

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 a transfer from the revenue to the capital account of an amount equivalent to 60% (2024/25: 27%) of the current year's revenue, excluding service charge income but including mineral earnings and depreciation of plant and equipment. Treasury have supported this decision.

Streamlined Energy and Carbon Reporting (SECR)

A report on energy and carbon emissions and energy efficiency.

Glossary continued

Task Force on Climate-related Financial Disclosures (TCFD)

A framework for managing and reporting climate-related risks and opportunities.

The Act

The Crown Estate Act 1961, as amended by the Crown Estate Act 2025.

The Orange Book: Management of Risk – Principles and Concepts

The Orange Book, published by HM Treasury, is the UK Government's definitive guide for managing risk in public sector organisations.

Total return

Capital growth plus property net income as a percentage of property capital employed.

UK Corporate Governance Code 2024 (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.

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.

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