



DUCHY *of* LANCASTER

Honouring the Past,
Shaping a Sustainable Future

Report and Accounts for the year ended 31st March 2025





DUCHY *of* LANCASTER

**Honouring the Past,
Shaping a Sustainable Future**

Report and Accounts for the year ended 31st March 2025

Welcome

This Annual Report summarises activity on the Duchy of Lancaster estate for the year ended 31st March 2025. It provides an update on our Surveys, sustainability performance and strategic direction. We report on progress against our three sustainability pillars – Planet, People and Performance – highlighting key achievements and our commitment to supporting local communities and protecting the natural environment to ensure economic resilience. We continue to promote environmental stewardship across the estate to build a sustainable legacy for future generations.

About the Duchy of Lancaster

The Duchy of Lancaster is a private estate in England and Wales. It has been the personal estate of the reigning Monarch since 1399 and is held separately from all other Crown possessions.

Historically, the Duchy of Lancaster's growth was achieved via legacy, alliance and forfeiture. In modern times, growth and diversification have been delivered through active asset management.

Today, the estate covers 41,908 acres of rural land divided into five Surveys: Cheshire, Lancashire, Southern, Staffordshire and Yorkshire. The estate also includes Foreshore ownerships, a Minerals Survey and a significant Urban Survey which consists of office, retail and industrial properties in key strategic locations throughout England.



Contents

6	Introduction
8	Value creation
10	Letter from the CEO
12	The Surveys
16	Sustainability
16	2024–2025 highlights and achievements
18	Sustainability strategy
20	Sustainability in practice
30	Strategic report
42	Report of Council
46	Financial statements
46	Independent auditor's report
49	Duchy of Lancaster Financial Statements
86	Duchy of Lancaster Rural Surveys

Introduction



Our history

In 1265, King Henry III gifted the baronial lands of Simon de Montfort to his second son, Edmund, followed by the estate of the Earl of Derby, and the new title of Earl of Lancaster.

In 1267, Edmund received further gifts from his father including lands across Yorkshire and Lancashire and the manor of Newcastle-under-Lyme in Staffordshire. Edmund's inheritance grew further when his mother, Eleanor of Provence, bestowed on him the manor of the Savoy in 1284.

On his death, Edmund's inheritance passed to his son, Thomas, who was later executed for rebellion by King Edward II in 1322. As a result, Thomas's lands and titles were initially forfeited, but later passed to his brother Henry. Upon Henry's death, they were inherited by his son, Henry Grosmont.

In 1351, Edward III conferred upon Grosmont the title of Duke of Lancaster, recognising his 'astonishing deeds of prowess and feats of arms'. Edward also raised Lancaster to the status of a County Palatine for the duration of Henry's life, giving him devolved royal powers, including administrative control of the law courts and the right to appoint senior officials serving the County.

When Henry died in 1361, the inheritance became part of his daughter Blanche's dowry. In 1359, Blanche married one of Edward III's sons,

John of Gaunt, who was made the second Duke of Lancaster in 1362. He persuaded his father Edward to grant the Palatinate powers to him and his heirs permanently.

When John died in 1399, King Richard II confiscated the Lancaster inheritance and banished John's son, Henry Bolingbroke, from England for life. However, within the year, Henry Bolingbroke returned from exile, raised an army and forced Richard to abdicate. He ascended the throne as Henry IV in October 1399.

One of Henry's first acts as King was to stipulate that the Lancaster inheritance should be held separately from other Crown possessions, remaining permanently with the House of Lancaster.

However, following the War of the Roses, the bloodline of the historic Lancastrian kings was broken, and Edward of York became King, taking possession of Henry's forfeited estates. In 1461, by Act of Parliament, Edward IV 'incorporated' the Duchy, declaring that the Lancaster inheritance should descend through the Monarchy as a private estate.

Three centuries later, the Crown Lands Act of 1702 stipulated that the Sovereign should only receive income and not capital from the Duchy, an arrangement that remains to this day.

Above: Aerial view of Lancaster Castle, a site of major historical importance

The Duchy today

Established over 750 years ago, the Duchy of Lancaster has largely retained its historic land and property holdings. As a modern portfolio, it also encompasses office, residential and industrial property, as well as development land.

The Duchy is administered by the Chancellor of the Duchy of Lancaster on behalf of the Sovereign. The Chancellor delegates functions to the Duchy Council, including managing the property portfolio, overseeing financial investments and handling administrative duties. Members of Council are appointed by the Sovereign on the advice of the Chancellor. A dedicated executive team, reporting to the Council, manages the Duchy's day-to-day operations.

The estate's adjusted net surplus is paid to the Privy Purse (the British sovereign's private income) for His Majesty The King as Duke of Lancaster. His Majesty voluntarily pays tax on all income received from the Duchy, as His mother Her Late Majesty Queen Elizabeth II did before him.

Below: The Whitewell estate covers 6,464 acres in the Forest of Bowland



Guiding principles

The Duchy of Lancaster is both the custodian of a historic landed estate and a modern asset management organisation. Its role is to preserve and enhance the long-term value of this ancient inheritance, whilst generating a sustainable income for the Duke.

Our objective is to grow revenue sustainably whilst collaborating with our tenants and local communities. Our business strategy is continually reviewed and updated in response to market changes, ensuring that the organisation remains appropriately focused and balanced.

As a major owner of agricultural land and Areas of Outstanding Natural Beauty (AONB) across England and Wales, the Duchy has a responsibility to safeguard its natural capital for future generations. Our partnership with our agricultural tenants goes beyond contractual obligations by providing professional support and guidance.

Land use is monitored and investment in new and sustainable farming practices actively encouraged. The Duchy Council promotes strategic diversification and innovation to safeguard the estate's long-term stability and sustainability.

Over the past few years, our collaborative partnerships have centred on four key areas: comprehensive mapping and identification of biodiversity across our holdings; implementation of targeted measures to protect critical natural habitats; development of responsible soil management strategies to improve land quality and productivity; and the preparation of expansion and improvement plans for our woodland areas.

We will continue to support our agricultural tenants to improve both the quality and the productivity of their farmland. We recognise this approach as essential to the health and profitability of their farming businesses, as well as being a cornerstone of the Duchy's long-term environmental and sustainability strategy.

Value creation

Our business model

Guided by the experience and insight of the Duchy Council, our business model aims to deliver sustainable financial returns to the Privy Purse whilst leading with exemplary social and environmental stewardship. We take an active role in managing

our natural assets and aim to foster inclusive communities through renovation programmes that promote economic growth and support greater equality.

How we create value

Inputs

Our properties

Total value £692m including owner occupied and assets held for sale

Our tenants

Delivered the Duchy gross rental income of £35.6m

Our sustainability aims

Working with tenants to deliver best use of natural capital

Our energy usage

Running our estate efficiently whilst moving towards our net zero targets

Our employees

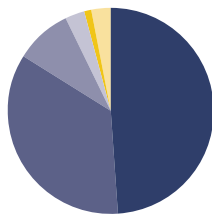
A small, experienced team based in London and Lancaster

Our suppliers

Employing suppliers aligned to our values and treating them fairly

Business activities

Asset value by sector



- 49% Urban
- 35% Rural
- 9% Financial
- 3% Development
- 3% Foreshore
- 1% Minerals

The Duchy holds a diversified range of property assets – including rural, residential, industrial, office, foreshore and minerals – ensuring stable income and helping to mitigate risks caused by market fluctuations. These mixed asset classes give the Duchy some protection from any downturn in one area and help us maintain a less volatile asset valuation with more sustainable income returns over time.

We adapt our asset allocation over time to support long-term returns. This may include investing in new sectors or making strategic disposals in line with evolving financial priorities.

Our financial assets held in our investment portfolio are a source of potential liquidity to meet capital expenditure.

Our focus areas

Responsible asset allocation

Commitment to long-term management

Prudent asset management

Driving sustainable development

Value created

Financial returns

The Duchy has delivered a dividend to the Privy Purse of £26.5m in the year. With low gearing, the Duchy balance sheet is strong.

Environmental and social outcomes

The Duchy has reduced its Scope 1 and 2 emissions by 31% from our 2022 baseline. We continue to work with our rural tenants to encourage and support them in their journeys towards a more regenerative way of farming.

We also continue to invest across the estate in rural buildings to offer better housing and employment opportunities.

Value creation highlights

£24.4m

adjusted net surplus

16.2

years weighted average unexpired lease term across the Urban Survey

16%

gearing

£679m

net assets

31%

reduction in Scope 1 and 2 carbon emissions from 2021–22 baseline

4%

Income return

5%

Capital growth

Our focus areas

Responsible asset allocation

Responsible asset allocation focuses on prudent financial management and strategic investment to ensure the Duchy's long-term sustainability and growth. This approach balances risk with appropriate returns. We also maintain the integrity of our historic assets.

- The Duchy has delivered a dividend of £26.5m this year funded by £24.4m of adjusted net surplus generated in the year and £2.1m from adjusted net surplus generated in prior years, reflecting the strength of our approach to asset management.
- With low gearing – meaning that a relatively small proportion of our assets is financed by debt – the Duchy's balance sheet remains robust, providing a solid foundation for continued investment and financial stability.
- This approach ensures that we are well positioned to weather market fluctuations and continue to pursue our long-term objectives.

Further details on our financial performance can be found in the [Strategic Report](#) on pages 30 to 41.

Commitment to long-term management

Our commitment to long-term management encompasses sustainable stewardship of our properties and lands, with a focus on enhancing both environmental performance and social value. We invest strategically to improve the quality and sustainability of our assets whilst creating lasting benefits for our tenants and local communities.

- We continue to invest in our portfolio to improve energy efficiency, benefiting both the environment and our tenants.
- At the same time, we are investing in rural buildings across the estate to improve housing and create employment opportunities.

Prudent asset management

We are committed to long term sustainable returns in our financial and operational choices. This approach guides how we structure our lease arrangements and manage our debt profile to ensure long-term security and optimal financial health.

- The Duchy has a strong lease profile, significantly enhanced over recent years to a current weighted average unexpired lease term of 16.2 years across the Urban Survey.
- Proceeds from two asset sales this year have reduced our gross debt from £152m to £110m, with the Duchy now benefitting from a weighted average debt expiry of 13.5 years and weighted average debt cost of 2.1%.

Driving sustainable development

We are making comprehensive efforts to reduce environmental impact across the Duchy's operations and properties. This focus area combines carbon reduction initiatives with support for sustainable land management practices to create a resilient and environmentally responsible estate.

- We have achieved a 31% reduction in Scope 1 and 2 emissions compared to our 2022 baseline.
- With over 95% of electricity used in Duchy properties being purchased from renewable sources (REGO), we are also now focusing on reducing our gas consumption.
- We are refining our Scope 3 emissions calculations in collaboration with our tenants to ensure comprehensive tracking across the estate.
- We work closely with our rural tenants to support them in adopting regenerative and sustainable farming methods.

Letter from the CEO

This year, the Duchy has made significant progress towards its objectives of generating appropriate revenue for the Privy Purse whilst managing the estate in a progressive and sustainable manner. We remain focused on exemplary stewardship of this important and historic estate.

It was a privilege to be appointed by His Majesty The King as Chief Executive Officer and Clerk of the Council in November 2024. I am confident that my 12 years of experience managing the Duchy of Cornwall, combined with my role as a member of the Duchy of Lancaster’s Council, will serve me well in this new role.

I am grateful for the support of my predecessor, Sir Nathan Thompson, who served in this role for over a decade and provided me with a comprehensive and insightful introduction to the Duchy. I am also fortunate to have inherited a highly capable and professional management team.

In November, I was pleased to welcome Toby Anstruther, Chairman of our Rural Committee, to the Council following the retirement of Hugh Bullock CVO after ten years of service.

Upon delegation from the Chancellor of the Duchy of Lancaster, the Duchy Council is tasked with managing the Duchy portfolio. The Council convenes five times a year to fulfil these obligations. Over the past year, a strategic decision was made to recycle capital from asset disposals to facilitate the repayment of loans maturing in 2025 and 2026, thereby reducing the Duchy’s level of gearing and strengthening its financial position.

I am pleased to report that the disposal of two assets in Greater Manchester and Lincolnshire was completed during the year, yielding a combined sum of over £52million. This provided the Duchy with sufficient capital to make £42million of debt repayments and generate additional funds.

In the course of this year, His Majesty the King visited both the Cheshire and Staffordshire estates where he toured and met tenants. These visits are a source of great pride, and our tenants are eager to showcase their farms and demonstrate the challenges and opportunities they face.

As I settle into my new role, I have found it invaluable spending time on the estate developing my understanding of both the estate and, importantly, our tenants.

Navigating the ever-evolving statutory requirements whilst pursuing an ambitious sustainability agenda presents ongoing challenges. The Duchy must balance its responsibility to provide an income for His Majesty The King with a commitment to sustainable practices that benefit both current stakeholders and future Monarchs. Striking this balance is a continuous endeavour, which we remain dedicated to meeting responsibly and effectively. I look forward to sharing updates on our progress in the years ahead.



Alastair Martin

Chief Executive Officer and Clerk of the Council



The Surveys

Rural Surveys

There are five Rural Surveys within the Duchy: Cheshire, Lancashire, Southern, Staffordshire and Yorkshire, totalling 41,908 acres. The Surveys are managed in-house by a multi-disciplinary team of rural surveyors, estate managers and rural accountants, based in our London and Lancaster offices.

Cheshire

The Cheshire Survey extends to 3,448 acres and is made up of the Crewe estate to the south of the county and the smaller Marbury estate, which lies on the Cheshire/Shropshire border.

There are 10 farms on the estate which are involved in dairy, arable and livestock production, as well as equestrian businesses and woodlands.

At Crewe Hall Farm, the Duchy has created a suite of offices surrounded by views of the open countryside and has recently completed the successful planting of 180 amenity trees, contributing towards the Duchy's environmental goals.

The estate also includes a residential lettings portfolio of 67 rural cottages and farmhouses, as well as a motorway service area and several potential development opportunities.

The smaller Marbury estate on the Shropshire border consists of a single livestock farm and four residential properties let to local people.

Lancashire

The Lancashire Survey extends to 9,875 acres, comprising four rural estates: Myerscough, Salwick, Whitewell and Wyreside. The Duchy has owned Myerscough since the 13th century. There are six principal agricultural holdings on the 1,477-acre estate, including three which form part of the renowned agricultural training centre at Myerscough College. Five residential properties and 21 commercial and miscellaneous lettings are also part of the estate.



Above: Mill farmhouse, a half timbered Grade II Listed black and white Cheshire farm house in the village of Barthomley

The 1,177-acre Salwick estate is predominantly farmland, but includes around 37 acres of woodland, as well as three residential properties and nine commercial and miscellaneous lettings. There are four equipped agricultural holdings on the estate, the majority of which are dairy farms.

At 6,464 acres, Whitewell is the largest estate in the Survey. It lies within the Forest of Bowland AONB and includes nine main farm holdings encompassing eight AHA tenancies and 10 FBT tenancies, 41 residential properties and over 30 commercial and 30 miscellaneous lettings.

The residential properties are clustered around picturesque villages such as Dunsop Bridge, whilst the commercial interests include office units, a post office, village store, café, hotel and restaurant.

The Wyreside estate covers 757 acres, including one main agricultural holding and nine residential properties. There are also 39 commercial and miscellaneous lettings, ranging from private fishing lakes to family camping and caravan parks.



Foreshore

The Duchy of Lancaster’s ancient foreshore runs from the River Mersey in the south to Barrow-in-Furness in the north and consists predominantly of the land between mean high tide and mean low tide. It includes around 100 lettings for a variety of uses, from sheep farming to renewable energy infrastructure and bridges.

Below: Conservation grazing with native breed cattle, Lancashire

Southern

The Southern Survey incorporates the Duchy of Lancaster’s land and property assets in Derbyshire, Northamptonshire and South Wales. It extends to a total of 6,062 acres.

At Castleton in the Derbyshire Peak District, the Duchy owns 306 acres of grazing land which is open to public access as well as Peveril Castle, the Peak Cavern tourist attraction and historic mineral rights under a wide area.

The Northamptonshire estates are centred on the 13th century inheritance of Higham Ferrers and Wollaston, with a total land holding of 1,955 acres, consisting mainly of arable farms. They also include the historic Chichele College, an 18-hole golf course at Rushden and a Vocational Skills Academy at New Farm College developed jointly by the Duchy and Moulton College.

In South Wales, the Ogmere estate consists of 3,997 acres of common land and includes an active limestone quarry, a castle and a championship golf course at Southerndown. The remaining 69 acres are made up of smaller land holdings across the Southern Survey which include castles at Bolingbroke, Halton and Tickhill.



The Surveys *continued*

Staffordshire

The Staffordshire Survey comprises the 7,396-acre Needwood estate. Historically a large area of ancient woodland with extensive stocks of wolf, wild boar and fallow deer, today the Needwood estate comprises a mix of 44 arable, dairy, sheep and beef farms, 51 residential properties and 43 commercial, sporting and miscellaneous lettings. The commercial interests across the estate are diverse and range from specialist equestrian centres and liveries to fishing licences, live/work units and a private airfield.

In 2015, the Duchy entered a ten-year woodland management plan to improve the quality of over 1,265 acres of existing woodland, parts of which are open to the public. The Countryside Stewardship Woodland Improvement agreement with Natural England was renewed in 2022 for a further five years. Areas of the estate also form part of the National Forest designation and have been planted with new woodland in conjunction with the National Forest Company.

As part of our Agardsley Park landscape-restoration scheme, we have planted 250 metres of new hedgerow, ‘gapped up’ 100 metres of existing hedgerow and planted 210 amenity trees.

Yorkshire

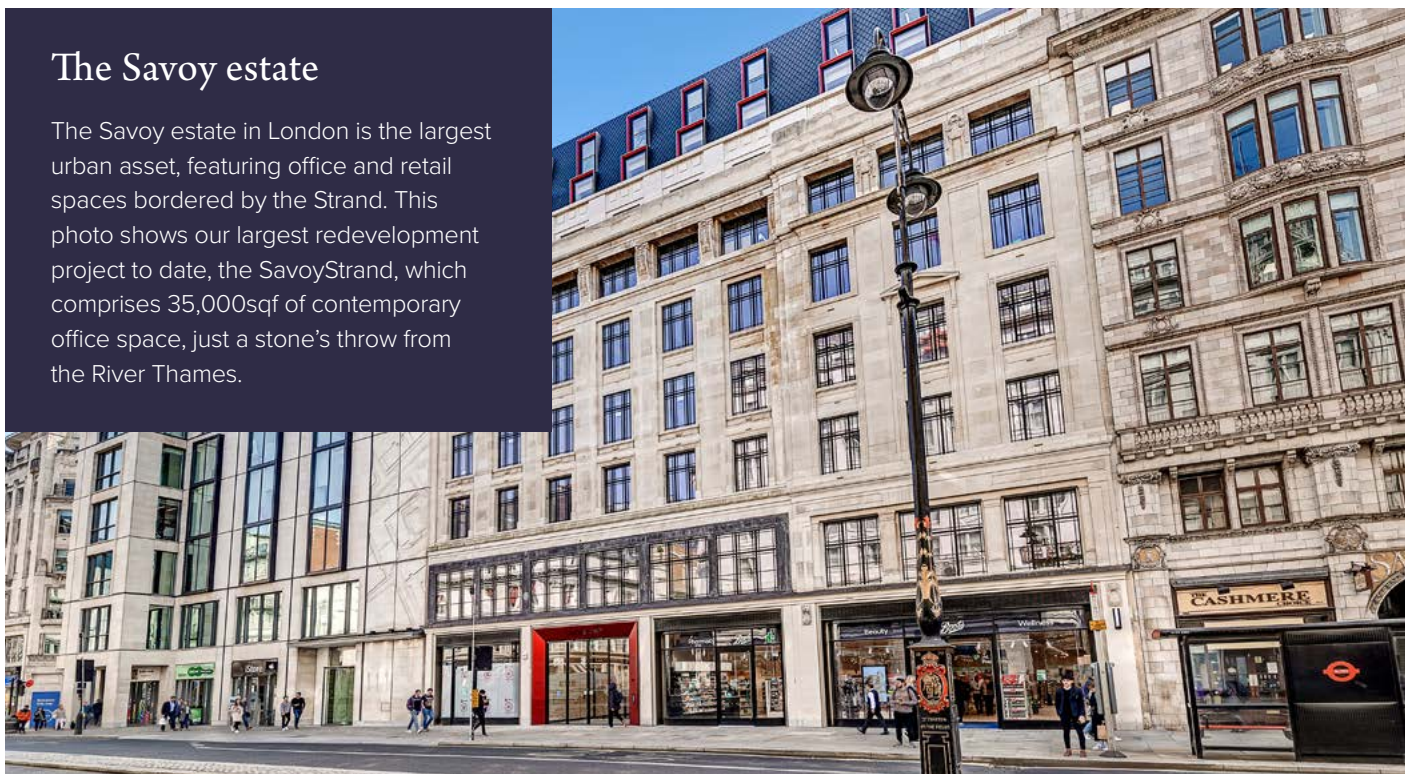
The Yorkshire Survey covers 15,127 acres across five main estates: Cloughton, Goathland, Marishes, Pickering and Pontefract.

Cloughton is made up of 2,375 acres of pasture and arable land, as well as 31 residential tenanted properties. In 2025, the sustainable model farm at Fields Farm relocated agricultural operations to the countryside, facilitating the development of new, affordable family homes in the village centre. There are eight commercial lettings on the estate, including two pubs and two cafés. Additionally, Scalby Lodge offers 15 holiday cottages which are managed on site.

The 9,521-acre Goathland estate features extensive heather moorland, much of which is a Site of Special Scientific Interest (SSSI).

The Savoy estate

The Savoy estate in London is the largest urban asset, featuring office and retail spaces bordered by the Strand. This photo shows our largest redevelopment project to date, the SavoyStrand, which comprises 35,000sqf of contemporary office space, just a stone’s throw from the River Thames.





Holiday cottages

The Duchy owns 16 luxury holiday cottages, the majority of which are at Scalby Lodge near Scarborough. The cottages have received 4- or 5-star ratings from national tourist and holiday organisations.

The 337-acre Marishes estate comprises a single farm with mixed arable and livestock farming, along with two residential properties.

The 2,517-acre Pickering estate is home to a mix of arable and livestock farming and 736 acres of mixed forestry. Recently, the woodland underwent thinning to address ash dieback, followed by restocking with 400 native broadleaf species. Public access was enhanced through improved footpaths.

The 378-acre Pontefract estate lies on the edge of the town and primarily consists of one large farm, several commercial lettings and one residential property.

Urban Survey

The Duchy's Urban Survey includes land and buildings on the Strand in Central London, Harrogate and Crewe, and industrial/warehouse investments across London, the Southeast, Midlands and Northwest.

The Savoy estate in London is the largest urban asset, featuring office and retail spaces bordered by the Strand, Embankment, Savoy Hotel and Somerset House. Positioned in the mid-town commercial market, it benefits from excellent transport links and public realm improvements by the Northbank Business Improvement District, including a pedestrianised plaza on the Strand.

The wider portfolio includes industrial properties in key locations such as Tower Bridge Business Park, South London, Basingstoke, Harlow, Swindon, Birmingham, Redditch, Manchester, Blackburn and Liverpool.

Strategic development

The Duchy recognises the shortage of high-quality, affordable housing in rural communities and supports development schemes that harmonise with the local character of the natural landscape.

We continue to collaborate with local authorities to address housing needs through the local planning process. When considering development proposals, the Duchy prioritises high standards of design, energy efficiency and cost-effective innovations.

Our aim is to deliver practical and sustainable solutions in consultation with local communities.

Financial portfolio

The Duchy holds a portfolio of financial assets (principally equities and bonds) which is managed by external fund managers, under the supervision of the Finance Committee, which is assisted by external financial advisers.

The portfolio provides diversification of the Duchy's overall risk, together with an attractive yield and represents a source of additional liquidity should it be required.

2024–25 highlights and achievements

Whilst sustainability is an ongoing process, we have achieved several key milestones on our sustainability journey over the past year.



Planet

31% reduction in Scope 1 and 2 energy consumption, compared to 2021–22 baseline.

Solar panels installed at Lancaster Castle, along with other existing installations across the estate delivering over 20 tonnes of annual carbon savings.

Over 95% of electricity used in Duchy properties is renewable.

50% of arable farmed acres use minimum tillage or direct drill methods.

90+% of construction waste was recycled on completed projects during 2024–25.

75% of pool cars are plug-in hybrids.

Over 2 kilometres of hedgerow planted in Staffordshire.

Scope 3 emissions High-level initial calculation performed, now moving to detailed validation in 2025–26.



Images left to right from top: Whitewell estate, Lancashire. His Majesty meeting employees and tenants. A private visit by His Majesty to our Cheshire estates. The King's Chapel of the Savoy with SavoyStrand in the background.



People

30 tenants and local stakeholders

attended a talk by regenerative farming pioneer Gabe Brown at Whitewell estate.

Ongoing series of 'Pie and Pint' nights

with 60 attendees, encouraging tenants to share best practice and developing local community relationships.

Wellbeing Provision

extension of staff benefits to encourage wellbeing and healthy lifestyles and provision of support networks amongst rural tenants.

Delivery of Community Hub in Dunsop Bridge

is under way, with post office, café, farm shop, community space and arboretum all planned through funding from bona vacantia and grants from The Duke of Lancaster's Foundation.

Continued support to local communities and charities

via the Duchy of Lancaster Benevolent Fund, with over £473,000 of grants made in year.



Performance

Sustainability metrics

built into decision-making processes.

Over 80%

of our largest suppliers have provided sustainability policies, which we are now incorporating into a revised sustainable procurement policy.

Investment in sustainability initiatives

to decrease tenant energy usage.

Architectural pattern books

delivered for all Surveys, providing clear guidance on best practice.

Focus on energy efficiency improvements

through planned maintenance and turnaround expenditure when properties become vacant.

Restoration

£5m project to protect the 12th-century Keep at Lancaster Castle under way through funding from bona vacantia and grants from The Duke of Lancaster's Foundation. This will also provide a significant ground-floor public-access area.

Redevelopment of business units

at The Willows, London and Speke, Liverpool to deliver better quality lettings and EPC improvements.

Duchy Archive in London relocated

to ensure safe keeping of historical records.

Sustainability strategy

As one of the country's historic landed estates, we understand that the decisions we make today have the potential to significantly impact the health and wellbeing of future generations. We also acknowledge that social and economic needs must be balanced with the natural environment to protect our planet and its inhabitants.

To achieve a more secure future for both people and planet, we are prioritising actions that promote sustainability and environmental resilience. We work closely with our staff, tenants and the local communities on and around Duchy property to advance environmental progress and create positive outcomes, from advancing regenerative farming practices to restoring buildings for the benefit of our communities.

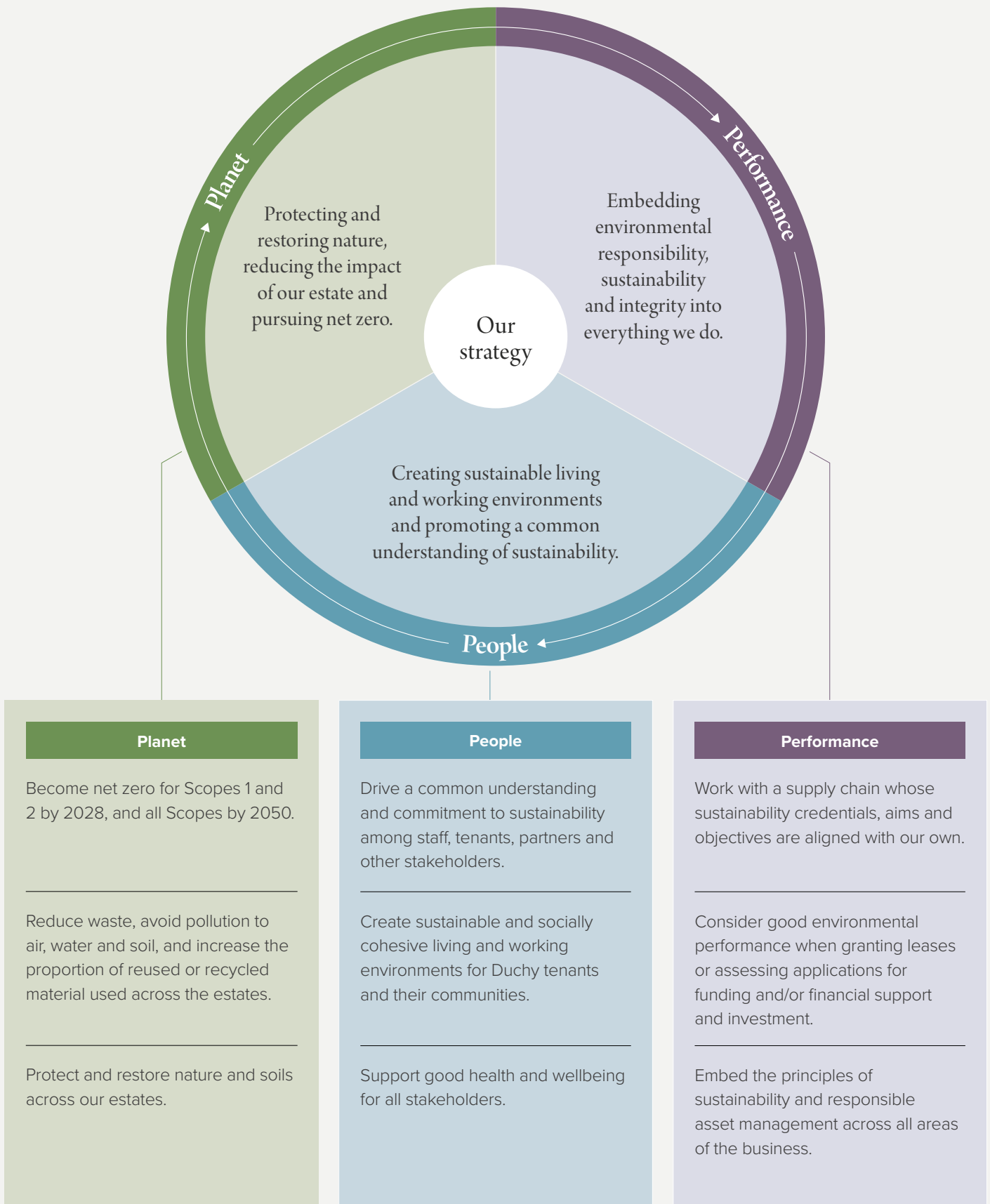
To communicate our key sustainability objectives we have categorised our ambitions under three pillars: Planet, People and Performance. These pillars guide us on our journey towards a more sustainable future, ensuring we remain aligned with the overarching principles of our collective ambitions.

We have identified three core objectives under each pillar, developing a series of actions and metrics to help us deliver on our ambitions.

These objectives form part of our wider sustainability programme across all areas of the Duchy estate.

Below: Hedgerow Restoration Project on the Needwood estate, Staffordshire. Filling in gaps in hedgerows enhances biodiversity and strengthens the farm's environmental resilience.





The following sections highlight how we are putting sustainability into practice and making progress across the estate through projects and initiatives that support our strategic goals.

Sustainability in practice

Planet

Our approach

Protecting and restoring nature across our estate is a cornerstone of our sustainability strategy, ensuring a healthy environment for future generations. We are committed to understanding and reducing our climate impact and continue to report our greenhouse gas (GHG) emissions annually. Our operational emissions (Scopes 1 and 2) are voluntarily presented in line with the Streamlined Energy and Carbon Reporting (SECR) guidelines. We have set a target to be net zero for Scope 1 and 2 emissions by 2028 and net zero across Scope 3 by 2050, and we continue to improve Scope 3 data collection. We also aim to conserve natural resources by reducing waste and encouraging recycling and reuse where possible.

Reducing our emissions

Our Scope 1 and 2 emissions have been reduced by 31% since 2022. This has been achieved largely by reducing the heated space at Lancaster Castle, which accounts for just under 60% of our Scope 1 and 2 emissions. We have also in recent years converted our purchased electricity to REGO-supplied electricity.

Business travel emissions have also reduced with the introduction of hybrid cars and greater use of video conferencing.

We currently have four of the 15 holiday cottages at Scalby Lodge, Scarborough still using oil-fired heating. We are evaluating options to replace them with a combination of heat pumps and potentially also an array of ground-based solar.

Above: Sheep farming is a major part of the landscape in the Forest of Bowland. Conservation grazing is used to manage grasslands and maintain biodiversity.

Scope 1 and 2 greenhouse gas emissions (tCO₂e)

Carbon statement ¹	2024–25	2023–24	2021–22 (baseline)
Scope 1 – Energy used in property	107	118	145
Scope 1 – Business travel	5	6	16
Scope 2 – Energy used in property	2	5	5
Total emissions	114	129	166
Intensity factor kgCO ₂ e/m ²	14	19	37
Intensity factor tCO ₂ e/FTE	3	4	5

Energy used in properties	2024–25	2023–24	2021–22 (baseline)
Gas – gross	89	100	122
Electricity – gross	183	157	101
Avoided emissions ²	(180)	(152)	(96)
Heating oil and diesel fuel	17	18	23
Total	109	123	150

2024–25 emissions breakdown (tCO₂e)



¹ This Carbon statement presents the carbon emissions data from the activities and assets under the ownership and direct management of the Duchy.

² Electricity emissions savings are achieved through the purchase of renewable electricity tariffs, Renewable Energy Guarantee of Origin (REGO) Certificates.

Optimising Scope 3 data collection

In 2024, we worked with our rural tenants on a data-collection exercise to give us a solid basis for the calculation of rural Scope 3 emissions data. We also engaged with an external agency to collect Scope 3 data related to our urban estate. In addition to our tenants' emissions, we are also reviewing our supply chain for material areas of Scope 3 emissions. As a result, we expect to be able to disclose a robust Scope 3 emissions calculation in next year's Annual Report and Accounts.

Improving energy efficiency

The Scope 1 and 2 emissions of occupied properties vary considerably. Lancaster Castle has the highest level of emissions, partly due to its size and historic building materials. The Duchy is currently implementing a programme of restoration and repair works in many of these historic buildings to improve their energy efficiency. In 2024, we installed solar panels at Lancaster Castle, as part of our efforts to reduce emissions and improve energy efficiency.

In our commercial buildings, we are focused on achieving high Energy Performance Certificate (EPC) ratings during refurbishment and where feasible moving away from a fossil-fuelled estate. Our ongoing refurbishment projects include an industrial unit in Swindon, a larger refurbishment in Liverpool and business units in South London, which are all aiming for energy efficiency ratings of A or B. We have also commenced the redevelopment of business units at The Willows, designed to deliver EPC improvements.

To further reduce our operational emissions, we plan to replace our remaining non-hybrid pool car with a hybrid or fully electric vehicle once its lease comes to an end.

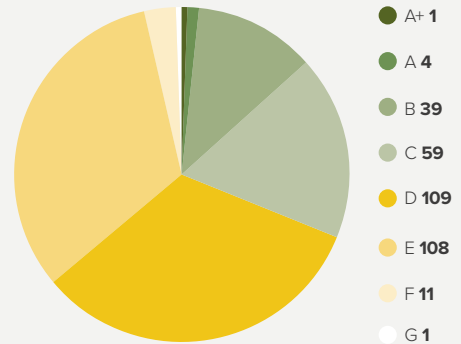
Planet *continued*

Energy efficiency and EPC ratings

The Duchy continues to invest in improving energy efficiency across its rental properties. Our Minimum Energy Efficiency Standards-applicable to the let estate totals 332 properties across our Rural and Urban Surveys. The EPC ratings of these properties are summarised in the pie chart.

Of the 12 properties rated F and G, seven meet the criteria for registered exemptions; four have works instructed to achieve compliance and the final property is under discussion with the tenant.

Vacant properties undergo energy-efficiency upgrades as part of a wider refurbishment programme, helping us to attract tenants. However, making improvements can often be challenging due to the listed or historic status of some of our buildings. Nevertheless, we continue to invest in energy efficiency across the estate through our maintenance and development programmes.



Restoring nature

The Duchy supports ongoing restoration projects and extensive tree-planting initiatives, aimed at enhancing biodiversity and promoting ecological resilience. In the Goathland estate in Yorkshire, we were pleased to enable the Wheeldale Moor Partnership to deliver a large-scale peatland-restoration project which involved re-profiling 5,468 metres of drainage channels, using peat dams to prevent further drainage and heather bales to restore areas affected by wildfire.

In addition, the Duchy has agreed to fund a seagrass research project in Morecambe Bay which will be delivered by Cumbria and Lancashire Wildlife Trusts through a grant from The Duke of Lancaster’s Foundation. The project aims to establish existing sites and potential growth areas for seagrass through collaboration with Liverpool University and Lancashire University.

Building on our commitment to protecting nature, we have developed a land use framework in alignment with Department for Environment, Food and Rural Affairs (DEFRA) guidelines to optimise sustainable land use. The Duchy appointed a geographic information system (GIS) specialist to gather and analyse data on land use, including information on planning constraints, flood zones and natural flood management opportunities, which will inform decision making.

50% of arable farmed acres now use minimum tillage or direct drill methods.

“Land is a precious resource and the decisions that we make in terms of its long-term use have consequences for us all; therefore it is imperative that we have the right structures in place to fully examine the options for its future use. The appointment of a full-time GIS Specialist is a big step forward for the Duchy as it enables us to build up layers of information from many sources in a digital format and this in turn allows us to develop a framework by which we can explore land use options and build a platform for informed decision making.”

Mark Coombs BSc (Hons) MRICS

Head of Rural Investment, Duchy of Lancaster

Responsible woodland and hedgerow planting

In partnership with tenant farmers and local stakeholders, we are continuing to restore and enhance landscapes through targeted hedgerow and woodland planting schemes. These efforts support biodiversity by creating wildlife corridors and habitats, whilst also contributing to carbon sequestration and soil conservation.

In 2024, we calculated that across our estate, our woodland sequesters 9,430 tonnes CO₂e per year and our hedgerows sequester 808 tonnes CO₂e per year. To build on this, and following on from previous hedge projects, we have started a Hedgerow Restoration Project on the Needwood estate. Phase 1 of this project has seen over 10,000 trees planted, infilling gaps and creating new hedges, alongside the planting of 44 new in-hedge trees to restore over 2km of hedging. We are currently working on delivering Phase 2, where we aim to restore hedges across the remaining area of the Needwood estate, and are working with our farm tenants to identify these areas.

Elsewhere on the Needwood estate we have delivered a more targeted landscape-restoration scheme at Coulters Hill Farm. Working with our tenant and the National Forest we have restored hedging, created a new tree avenue and planted 20 new parkland trees. This will improve natural habitats around the farm and enhance the designed landscape.

As part of ongoing proactive management of our woodlands we have planted over 24,500 trees (Lancashire 6,760, Cheshire 1,301) to restock areas where timber has been extracted as part of planned woodland operations or where trees have had to be removed due to disease. This helps preserve a wide range of habitats throughout our woodlands.



Sustainability in practice

People

Our approach

People are at the heart of our estate. From our farm tenants to local communities and our dedicated staff, we develop strong partnerships through close collaboration, building a shared commitment to driving positive change. We host knowledge-sharing events to promote more sustainable agricultural practices among tenant farmers and identify opportunities to upgrade redundant buildings into new community hubs and homes for local families. The Duke of Lancaster Housing Trust has 43 properties providing affordable housing to families, a majority of which have a connection to the Duchy of Lancaster.

Additionally, the Duchy of Lancaster Benevolent Fund makes considerable donations to local charitable causes. In 2024/25, over £473,000 was given through 273 individual grants. Our approach is grounded in an ambition to create sustainable living and working environments for all our stakeholders.

Supporting farmers with regenerative agriculture

Our agricultural tenants play a crucial role in maintaining the quality of farmland and advancing biodiversity initiatives throughout the estate. Across the Duchy of Lancaster Surveys, we support our tenants to adopt more sustainable farming practices and host regular engagement events that help build their knowledge and nurture a strong sense of community among the farmers. We also engage with tenants to collect sustainability data and support their businesses to collaboratively develop sustainable land use solutions.

When reletting farms, we aim to attract tenants committed to regenerative farming practices. Regenerative agriculture not only helps farmers to increase the productivity of their land but also improves soil health, promotes cleaner air and water, and supports healthier plants, animals and communities.

Above: His Majesty meeting farm tenants on the Staffordshire estate

Bringing farming communities together

In addition to regular events, we connect projects and initiatives across the Duchy and keep people informed about ongoing activities through our monthly rural tenant newsletter, which promotes sustainable agricultural practices and community projects.

Throughout 2024, we continued a series of ‘Pie and Pint’ nights across our estates to encourage tenants to share their knowledge and experience of regenerative farming. These events allowed farmers to build relationships in a relaxed and social environment, nurturing a sense of community.

Investing in our people

We believe in investing in our people, their skillsets and their experience, to develop a supportive and productive working environment. We have recently introduced a dedicated helpline that provides employees with access to expert advice on HR issues, personal challenges and workplace concerns. In addition, we have developed a comprehensive online training suite where employees can learn at their own pace and stay updated on personal development courses and mandatory training such as health and safety.

Every year, we invest in the next generation of rural surveyors, estate managers and traditional trade crafts people by offering several grants and bursaries to organisations such as Myerscough College, Harper Adams University and Moulton College. We also offer a 12-month work placement to provide young people with practical workplace experience and access to first-class mentoring and coaching opportunities.

“The ‘Pie and Pint’ event at the White Lion in Weston, Crewe was a great way to catch up with the other tenants and to hear about updates from Peter Meadows, the Duchy Surveyor. It was a relaxed catchup that let us chat about current issues facing us all, and I look forward to doing it again soon.”

John Witter

Carter Green Farm

Right: Learning session on regenerative farming for staff, stakeholders and tenants.



People *continued*

Regenerative agriculture pioneer visits Whitewell estate

In February 2025, Gabe Brown visited the Whitewell estate in Lancashire to speak to some of our tenant farmers. Gabe is a pioneer of regenerative farming and author of *Dirt to Soil*, which inspired the recent soil health movement. Attended by 30 people, the event included a farm tour and soil sampling, followed by a discussion on improving soil health through regenerative techniques such as extended rest periods and mob grazing.

Gabe shared insights into his farming practices, which regenerate natural resources through techniques such as no-till cropping and diverse grazing practices, without relying on synthetic fertilisers and pesticides. The event was inspiring and informative, providing a space for our tenants to gain valuable knowledge, learn from their peers and share practical experiences.



Supporting good health and wellbeing

We further support the overall health of our employees through our comprehensive employee benefits. One initiative that is specifically tailored to support the overall wellbeing of our employees is our Employee Assistance Programme (EAP). This offers employees a safe space to discuss challenges, whether personal or professional, that may impact their mental health. Importantly, the EAP also provides free and confidential services such as short-term counselling, legal advice and financial guidance. These services are available for all employees and their immediate families.

Below: Alpaca walking, a diversification project, in Lancashire



Creating community spaces through restoration projects

In Dunsop Bridge, Lancashire, we are developing dilapidated farm buildings into a new community hub to serve as a post office, café, farm shop, community space and arboretum. The arboretum will feature specimen trees and connect with existing footpaths to cultivate a sense of place. This initiative aims to enhance local services, support businesses in Whitewell and provide a welcoming destination for visitors to the area.

At Root Farm, several nearby buildings are being repurposed into offices and workshops to promote rural employment and attract artisans such as potters, weavers and blacksmiths. Both restoration projects prioritise sustainability through material reuse and utilising air source heat pumps, solar panels and water treatment systems.

As with income from Lancaster Castle, income from these projects will be donated to The Duke of Lancaster's Foundation, recognising the charitable nature of these enabling donations.

Advancing direct drilling practices

At Hadley Farm and Agardsley Park Farm in our Staffordshire Survey and Park Farm in our Cheshire Survey, we have continued our collaboration with tenants to co-fund or provide grants for specialised direct drills. Direct drills allow seeds to be planted without prior soil cultivation, which preserves soil structure, reduces erosion and improves carbon sequestration. Supporting our tenants to source this equipment encourages the adoption of regenerative practices, such as under-sowing and multi-cropping, which promote soil health and help reduce the environmental impact of agriculture.

Sustainability in practice

Performance

Our approach

The Duchy integrates environmental responsibility into every decision we make, helping to reduce our impact and ensure we operate with integrity. Whether it's sourcing materials for restoration projects or choosing everyday office supplies, sustainable practices run throughout our supply chain. We work with partners who share our values, strengthening our approach and widening our impact. Ongoing investment in environmental projects drives continued improvement and supports our long-term goals.

Safeguarding our national heritage

In 2024, our London office team temporarily relocated to an office on the Strand to allow Brettenham House and Lancaster Place to be refurbished, two core holdings in our historic Savoy Estate. The newly redeveloped building will be completed in mid-2026, providing the team with a modern and more energy-efficient office space.

The move also involved relocating the Duchy archive to a modern facility at Strand Bridge House. The Archive has now been consolidated into a single location with better storage conditions.

Throughout the year, we commissioned pattern books for buildings across our Surveys to catalogue the historical materials and architectural merits of each building. Illustrated with photographs and drawings, these books describe the materials, methods of construction, colours, detailing and types of buildings that are common to an era or place. They are intended to help architects and builders to plan repairs or alterations that align with the original fabric of a building, or to design new projects that fit in with their neighbours.

Building a sustainable supply chain

The Duchy is implementing sustainable supply chain practices by engaging more closely with our suppliers. Nearly 80% of the Duchy's spend is with suppliers who have shared their sustainability policies, and we continue to expand on this.

Following the collection of sustainability policies last year, we are now in the process of supporting smaller-scale suppliers to align their actions with the Duchy's sustainability objectives. For those without a policy, we are providing a template policy and additional resources to assist suppliers in improving their sustainability efforts.

Above: We are committed to the responsible maintenance and restoration of our properties through sustainable supply chain practices and adherence to the Duchy of Lancaster's Sustainable Design Guide and use of our Pattern Books.

We also expanded our procurement policy to include governance and social aspects alongside environmental considerations, to deliver a more comprehensive approach to sustainability.

Collaborating on a sustainable future

Collaboration and knowledge-sharing is essential to building a sustainable future. In 2024, we organised a knowledge-sharing webinar to share the Duchy's experience of completing a successful traditional-built property renovation that has dramatically improved its energy efficiency.

Involving colleagues from the Balmoral Estate, the Duchy of Cornwall, The Crown Estate, Grosvenor, the National Trust and Historic England,

the webinar explored the project at 50 High Street, Cloughton, Yorkshire. Through enhanced retrofit measures to the insulation, windows, heating system and lighting, as well as the installation of photovoltaic panels, insulated doors and other upgrades, the project improved the property's EPC rating from F to C.

We also collaborate closely with local trusts to enhance environmental conservation efforts and build stronger community relationships. For example, in our Cheshire Survey, we work alongside the Mersey Rivers Trust to explore options to mitigate riverbank erosion and improve water management across the estate using sustainable methods and natural flood management techniques. We also participate in the steering group of the Valley Brook conservation group, a collective organisation focused on protecting and enhancing the watercourse that flows through the Crewe estate. These partnerships strengthen our ability to implement sustainable land management practices across our Surveys.

Restoring Lancaster Castle Keep

Over the past year, we have been restoring Lancaster Castle's 12th-century Keep with a focus on preserving its historical integrity. The process has involved removing asbestos, restoring the original medieval floor and making the structure wind- and watertight.

The project, managed by specialist contractors, aims to complete the main build in 2025, with floor restoration continuing until the end of the year. Once finished, the Keep will open to visitors, showcasing its medieval architecture and historical significance.

This initiative reflects our commitment to heritage conservation and public engagement, transforming the ancient site into a cultural landmark.



Strategic Report

Our ambition

The Duchy’s overarching objective is to be seen as one of the most respected let landed estates in the country. We will achieve this by:

- maintaining supportive and constructive tenant relationships;
- continuing our investment in restoration and maintenance;
- investing in our sustainability programme; and
- protecting the annual net surplus and the capital value for future generations.

Our detailed sustainability plan addresses each of these objectives, encompassing biodiversity and soil management in our agricultural portfolio, reducing our own operational GHG emissions, addressing the energy efficiency of properties across our portfolio, expanding and improving the management of our woodlands, continuing community engagement and increasing awareness of responsible investing principles to be applied to our financial portfolio.

Progress on our sustainability journey can be seen throughout this report. In the coming years, we will continue to improve our benchmarking and performance measures, enabling us to demonstrate and enhance the value of our activities and investment in these critical areas.

Financial review

The adjusted net surplus for the year, balance sheet and changes in net asset value are detailed on pages 49 to 85 of the accounts and in the related notes.

- The net asset value has increased by 4.8% to £678.7m (2024: £647.6m)
- The adjusted net surplus of £24.4m compares with £27.4m last year, reflecting lost yield on disposed assets plus lowered strategic development receipts.

Gross estate income at £35.6m is similar to last year despite asset disposals in the year. The Urban Survey experienced a 2% reduction and the rural portfolio had a small increase of 2%. Foreshore income was 5% lower caused by a reduction in supplemental rents. Minerals income grew 22%, reflecting growth on lease renewals.

The reduction in adjusted net surplus in the year reflects the loss of £1.6m of income from disposed assets partially offset by £0.4m of saved interest costs due to the disposal proceeds being used to repay debt. Strategic land revenue receipts were lower by £0.7m in the year with £11.0m taken to the Capital account since the receipts related to the sale of land rather than licences to build.

IFRS16 rent incentives for the year were £2.4m (2024: £1.2m) with the year-end debtor balance of £5.7m.

£679m

Net asset value

4.8%

Growth in net asset value

£24m

Adjusted net surplus

4%

Income return

5%

Capital growth



Above: Banton's Stables Rental Cottages were refurbished in line with the Duchy of Lancaster's Sustainable Design Guide. This specifies the use of local materials such as slate and stone, as well as swift nesting bricks integrated into exterior walls.

Our forecasts for the coming years reflect the risks presented by some tenancies coming to an end, but also the opportunity for us to successfully deliver and re-let high-quality refurbished accommodation to new and existing tenants.

The value of our investment properties, including investment properties held for sale and owner-occupied properties, was £692m at year end, an increase of 4.8% on a like-for-like basis with the prior year. This was largely due to an increase in residential asset values in the Rural Survey where strong market demand grew the valuation. The Urban Survey grew in line with benchmark indices. We received an aggregate of £62.9m from property sales and other capital receipts (2024: £1.3m).

The value of our financial assets in our investment portfolio increased by £1.7m to £66.4m, generating an income return of just over 3% in the year led by equity returns.

There has been a decrease in the unrealised value of the interest rates swaps of £4.7m during the year, with a year-end balance of £7.8m. With £42m of debt repaid in the year the related swaps were cancelled, resulting in a capital payment to the Duchy of £2.5m. Other movements in the fair value related to the shortened time to maturity and expectations for future interest rates.

Strategic Report *continued*

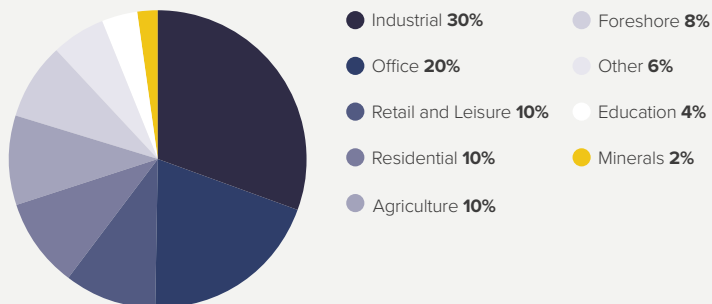
Our tenants

The Duchy continues to benefit from a diverse spread of tenants with no single dominant sector.

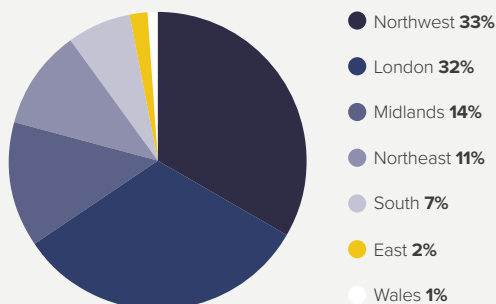
Over 65% of our income comes from our two main markets in London and the Northwest of England. Much of our rental income comes from for-profit companies, with a relatively small contribution from the public sector and charities. Individuals are largely residential tenants. In addition, our top five tenants cover 15% of our total tenant rent roll.

During 2024/25, our Urban Weighted Average of Unexpired Lease Terms (WAULT) has moved to 16.2 years, an increase of 1.4 over the prior year. Management of the WAULT is a key matter for the Duchy, striking a balance between security of income and the opportunity to achieve rental growth through reversion and opportunities for capital deployment to increase the longer-term rental yield on the asset base.

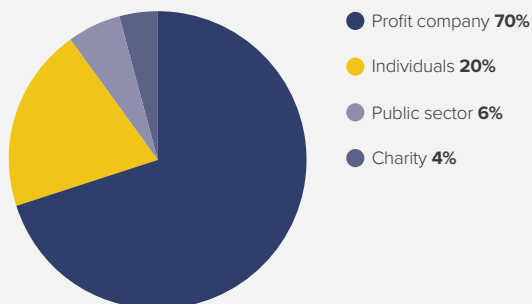
Percentage of income by investment type



Percentage of income by geography



Percentage of income by type of business



Our five largest tenants, by percentage of our total annual rent, representing 14.6% of our Gross Estate Income

Tenant	Property
1 Royal Mail Group Ltd	Unit C&D, Tower Bridge Business Park, London
2 BFS Group Limited	Harlow and Basingstoke sites
3 Thames Brettenham Limited	Brettenham House, London
4 Crozier Fine Arts Limited	Unit A, Tower Bridge Business Park, London
5 CVC Credit Partners Investment Management Limited	SavoyStrand – 2nd & 3rd Floor, London

Liquidity and financial performance

The Duchy has gross borrowings of £110m and continues to benefit from historically negotiated low interest rates, with an average cost of debt of 2.13% at 31st March 2025, fixed for the duration of the loans. During the year, £42m of loans were repaid prior to maturity.

It is the view of Council that borrowings should not exceed 25% of net assets in current market conditions. At the end of the financial year, that ratio stands at 16%. The headroom gives the Duchy the flexibility to access further liquidity if required by increasing borrowings.

As well as generating income for the Duchy, the financial portfolio is an additional source of liquidity. It continues to be professionally managed by a range of external fund managers with a strong focus on ESG, with Stanhope Capital acting as the Duchy's investment consultant to maintain a proper degree of independent scrutiny of the portfolio and its management.

In addition to increased borrowings and the financial portfolio, the Duchy has recourse to additional sources of liquidity, including the sale of non-core properties and development land.

Strategic Report *continued*

Principal risks and uncertainties

We continue to engage with our tenants as they respond to the challenges of the current economic environment. Despite challenges to the economy, we remain cautiously optimistic that our assets will continue to perform, and we remain committed to improving the portfolio as we develop a more sustainable business.

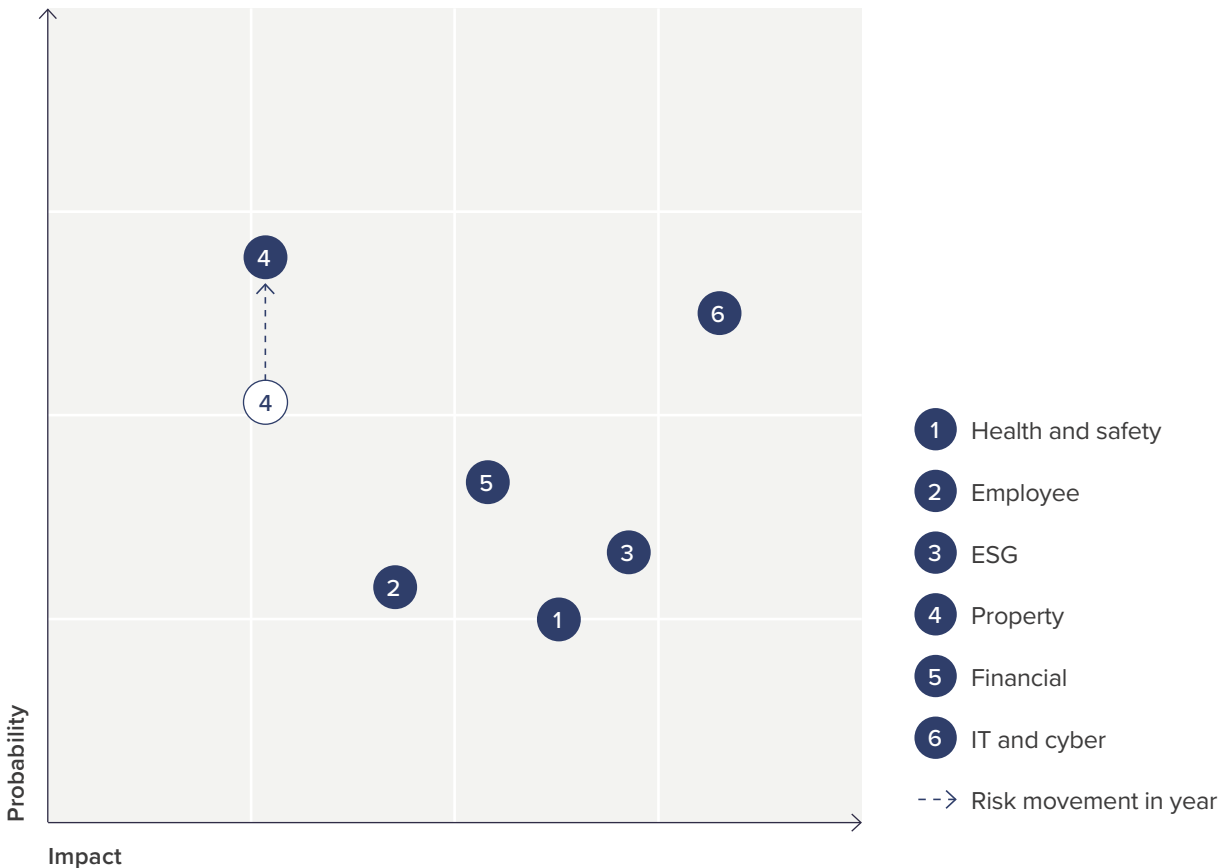
Each year, the Duchy updates its five-year business plan and prepares rolling forecasts for the year ahead, which are presented to the Duchy Council for approval. This process, coupled with input from our advisory committees, ensures that the Duchy remains informed of short-, medium- and long-term risks in our chosen markets.

Our continuous reassessment of strategic options takes full account of this risk assessment as we seek to achieve prudent growth in capital and income.

Management of risk is key to the success of the Duchy of Lancaster and is based on a control framework with low delegations of authority. The Duchy has a comprehensive risk management process in place within a framework of operational reporting and controls, formal Risk Registers and regular presentations at the Audit and Risk Committee and Duchy Council.

During the year, one of our major risk categories has changed rating. We consider that Property risk has increased due to the impact of interest rates on investment yields and increasing economic pressure amongst some of our tenants. While Cyber remains a latent threat, we have progressed significant infrastructure works this year to mitigate and have left this risk unchanged but we continue to closely monitor.

Our material risk categories



Health and safety

Risk area	Explanation of risk	Response and management
Working environments	Inadequate health and safety policy and procedures to maintain appropriate standards for the Duchy's staff and visitors.	<p>The Duchy's health and safety policy covers all aspects of health and safety for our employees and visitors along with procedures for reporting incidents</p> <hr/> <p>We have a clear line of responsibility for health and safety, which has been communicated to all staff: Chairman of Council > CEO > Head of Health and Safety</p> <hr/> <p>We have a comprehensive suite of online health and safety training courses, which are mandatory for all staff. Courses are regularly reviewed against new risks and/or legislative change</p> <hr/> <p>High priority and visibility is afforded to all health and safety, including mental health, reporting across the business from Survey to Council level</p>
Working environments	Inadequate health and safety policy and procedures regarding the common space and plant and equipment where the Duchy retains responsibility in commercial premises.	Third-party inspection of plant and equipment (e.g. lifts) on a scheduled basis, as required by our insurers
Tenanted properties	Inadequate health and safety policy and procedures regarding Duchy responsibility for tenants on agricultural properties, common land and built heritage assets.	Regular communication of our health and safety policy with our farming tenants and the raising of awareness of risks through regular Health and Safety forums which include mental health
Construction sites	Lack of clarity over responsibility for health and safety matters in relation to construction or other works.	<p>Responsibility for ensuring appropriate health and safety procedures are followed on site is clearly passed to suppliers and/or contractors as part of the Duchy's contract and appointment documents. Suppliers and/or contractors are required to provide comprehensive health and safety risk assessments and method statements, as well as timely reporting of incidents/accidents</p> <hr/> <p>Appointment of competent person (under CDM and Building Safety regulations) on larger sites, where required</p>

Strategic Report *continued*

Principal risks and uncertainties *continued*

Employee

Risk area	Explanation of risk	Response and management
Employees	Failure to attract and/or retain high-quality employees.	<p>Individuals work with line managers to agree their own performance objectives at the start of the year</p> <hr/> <p>Regular internal communication maintained to monitor performance against objectives, and appropriate training offered</p> <hr/> <p>Annual remuneration review for all staff, supported by external benchmarking</p> <hr/> <p>Employee Assistance Programme in place</p>
Organisational structure	Organisational structure is insufficient or inappropriate to ensure the operational management of the Duchy's day-to-day business.	<p>Organisational structure is reviewed at least twice a year to ensure that resources and skillsets are in place and appropriate</p> <hr/> <p>External HR consultants available to provide staff with expertise and guidance on all HR matters</p>
Corporate culture	Desired culture is not adequately defined and/or communication between staff is poor, leading to under-performance against expectations, failure to comply with policy and procedure.	<p>Small number of employees (36) and offices (two) allows for consistent and effective communication</p> <hr/> <p>Corporate values, mission and vision clearly communicated to all staff as part of formal induction programme</p> <hr/> <p>Regular internal communication, updating the team on progress against objectives, values and vision</p> <hr/> <p>Annual company conference involving all staff takes place each year on one of the Rural Surveys</p>

Environmental, social and governance

Risk area	Explanation of risk	Response and management
Carbon	Delivering our targets on Scope 1, 2 and 3 carbon reductions.	<p>Baseline established for Scopes 1 and 2 with reduction on a m² basis now being demonstrated</p> <hr/> <p>Work advancing on quantifying Scope 3 gross emissions with knowledge of the more material emitted areas of our tenanted operations</p> <hr/> <p>Sequestration offset calculations starting to be measured</p> <hr/> <p>Building emissions improvement included in design decisions for maintenance and refurbishment projects</p>
Climate	Climate-related risks reduce the value of assets or increase repair and maintenance costs.	<p>All Surveys currently overlaying national flood data over in-house mapping tools to assist better understanding of risk</p> <hr/> <p>Urban Survey mainly affected in the Savoy estate. We keep under review the effectiveness of national infrastructure assets to protect Central London from flooding</p>
Behavioural	Lack of knowledge and motivation to enable more sustainable behaviours among staff, tenants and suppliers prevents us from delivering across all sustainability objectives.	<p>Roll out sustainability learning across staff, including Carbon Literacy training</p> <hr/> <p>Duchy Farming Family email and farm visits to promote learning opportunities for farm tenants</p> <hr/> <p>Market-standard clauses around protecting EPC ratings and sharing of energy data included in all new commercial leasing</p> <hr/> <p>Commercial property refurbishments include consideration of technical measures to ease sustainable behaviours (e.g. electric vehicle chargers, electrified heating)</p> <hr/> <p>Residential tenant welcome pack includes information on sustainability</p>

Strategic Report *continued*

Principal risks and uncertainties *continued*

Environmental, social and governance (continued)

Risk area	Explanation of risk	Response and management
Inappropriate approvals	Transactions executed without the appropriate approvals, potentially exposing the Duchy to reputational or financial risk.	Full documentation of all approval limits fully embedded into operational systems <hr/> Procedures communicated internally and updated regularly <hr/> Reference documents easily accessible to all Duchy employees
Conflict of interests	Inappropriate approval of transactions.	Annual completion of Register of Interests by all Duchy Council members and senior staff <hr/> Standing agenda item at Committee and Council meetings

Property

Risk area	Explanation of risk	Response and management
Capital values	Our property holdings face risk around their carrying values and effects that may have on debt covenants, risks around physical loss, contamination and the management of third-party liabilities.	<p>High-quality assets likely to have lower volatility</p> <hr/> <p>Diversified portfolio of property holdings across office, industrial, residential and agricultural sectors</p> <hr/> <p>We have a comprehensive insurance policy covering a range of property risks along with close contact with tenants and active management of our assets</p>
Rural leasing	Changes in agricultural leases, resulting in lower values for Duchy rural assets.	Continuous and active encouragement with our agricultural tenants to gain a full understanding of their businesses and the issues they are facing, such as input cost inflation and increased cost of borrowing
Commercial leasing	Changes to the office and industrial leasing market, resulting in lower values for Duchy commercial assets.	<p>Regular contact with existing tenants to understand their changing business needs, encourage growth with a high focus on energy efficiency in our portfolio</p> <hr/> <p>Responding to market trends (shorter leases, fully fitted-out office premises, increased wellbeing facilities, greater energy efficiencies within buildings, etc.)</p>
Regulation	Property obsolescence due to environmental regulation, tenants causing environmental damage and/or changes to the climate.	<p>Upgrade programme in place for improved EPCs following refurbishment projects</p> <hr/> <p>Continuing to monitor assets and their management by tenants and third parties to ensure that this is aligned to the Duchy's environmental policies and that potential risks to the environment are mitigated</p> <hr/> <p>Investing in energy-efficient materials and systems wherever possible to lower energy consumption</p>

Strategic Report *continued*

Principal risks and uncertainties *continued*

Financial

Risk area	Explanation of risk	Response and management
Investments and cash	Lowered returns due to market performance coupled with loss of assets through error, fraud or irregularity.	<p>Market monitoring through Council and Finance Committee, assisted by professional external advisors</p> <hr/> <p>Clear mandates to fund managers</p> <hr/> <p>Clear delegated authorities, dual signing for all cash transfers</p> <hr/> <p>Expenditure approvals by department heads</p>
Financial performance	Insufficient finance to meet capital expenditure requirements, adherence to debt covenants, managing the lease expiry profiles and continuous contact with our tenants.	<p>Regular five-year cash flow projections, with continued analysis of potential divestment opportunities</p> <hr/> <p>Measurement and monitoring of lease-expiry profiles</p> <hr/> <p>Preparation of budgets, major lease event reports, five-year budgets</p> <hr/> <p>Significant headroom on all covenants and low levels of gearing</p>
Debt	Breach of debt covenants leading to immediate repayment.	<p>Material headroom on all covenant KPIs</p> <hr/> <p>Regular internal monitoring</p> <hr/> <p>Regular reports to banks and private placement holders</p>

IT and cyber

Risk area	Explanation of risk	Response and management
Cyber risk	Increased cyber risks, causing penetration and loss of controls over Duchy systems, leading to data breach, potential financial loss and inability to operate.	<p>Use of Microsoft-accredited advisors and operating systems</p> <hr/> <p>Comprehensive system of physical and software controls to mitigate potential cyber attack</p> <hr/> <p>Cyber Essentials Plus certification along with Cyber risk training for all staff</p>
External threat	Temporary or permanent loss of access to ICT services and systems including data in London or Lancaster due to fire/flood, terrorism or other external event.	<p>Overnight backup of data to physical servers and daily backup to cloud-based storage</p> <hr/> <p>Loss of main application would mean delay whilst applications are restored</p>
Data protection	Failure to comply with data protection legislation leads to action by Data Commissioner and/or third party.	<p>Independent audits of GDPR compliance across the Duchy</p> <hr/> <p>A business recovery plan is in place and regularly updated</p> <hr/> <p>Updated Privacy Notice in relation to personal information issued to Duchy staff</p>
Subject access requests	Failure to comply with Digital Subject Access Requests in line with underlying legislation.	<p>All Subject Access Requests managed by Duchy solicitor with appropriate external report as required</p> <hr/> <p>Duchy has already had SARs which have been dealt with appropriately</p>

Report of Council

Review of governance

Duchy capital and revenue

The Duchy of Lancaster is governed by a number of statutes which place constraints and controls upon the management and administration of the Duchy and its assets. The principal Acts are:

- the Crown Lands Act 1702;
- the Duchy of Lancaster Act 1817;
- the Duchies of Lancaster and Cornwall (Accounts) Act 1838;
- the Duchy of Lancaster Lands Act 1855;
- the Duchy of Lancaster Act 1920;
- the Duchy of Lancaster Act 1988; and
- the Trustee Act 2000.

The Sovereign is entitled neither to the Duchy's capital nor to capital profits.

Church livings

His Majesty The King is Patron of 42 Church Livings in Right of His Duchy of Lancaster.

Political and charitable donations

Charitable donations were made from the net income from the bona vacantia and Palatinate accounts credited to Duchy of Lancaster charitable funds and direct grants from the Duchy. During the year, the Duchy paid a total of £13.3m (2024: £1.4m) in charitable donations.

Bona vacantia and The Duchy of Lancaster charitable funds

Proceeds of bona vacantia comprise the residue of assets and liabilities which have fallen to be dealt with by the Solicitor for the Affairs of the Duchy of Lancaster acting as a Corporation Sole under the Administration of Estates Act 1925, the Companies Act 2006, and other relevant legislation.

Until 31st March 2025, net income from bona vacantia, after allocations for future liabilities and the costs of administering bona vacantia, was applied by the Duchy to the costs of Palatine administration and historical obligations, which include Lancaster Castle, The King's Chapel of the Savoy and nine other castles, and at the direction of the Council the balance was transferred to the Duchy of Lancaster Jubilee Trust, the Duchy of Lancaster Benevolent Fund or The Duke of Lancaster Housing Trust, and other separate registered charities.

From 1st April 2025, the net income from bona vacantia will be transferred on receipt by the Duchy to The Jubilee Trust, (now renamed The Duke of Lancaster's Foundation) after consideration made to any further contributions to the Late Claim Fund and any direct charitable grants made by the Duchy.

The Duchy of Lancaster charitable funds comprise three separate registered charities.

- The Duchy of Lancaster Benevolent Fund (established in 1993) makes donations to a wide range of charitable causes, primarily within the County Palatine. In the year to 31st March 2025 it made 273 grants totalling £473,000. At 31st March 2025, it had an endowment of £18.4m.
- The Duke of Lancaster Housing Trust (established in 2007) provides affordable rural housing, predominantly within or close to the Duchy's estates. At 31st March 2025, it owns 43 houses, with the most recent asset valuation of £7.9m.
- The Duke of Lancaster's Foundation (formerly The Duchy of Lancaster Jubilee Trust) was established in 2001 to benefit charitable causes in all areas associated with the Duchy and will, from 1st April 2025, be the recipient of all net income from bona vacantia. The Foundation had an endowment of £38m at 31st March 2025.

The annual audited accounts of all three charities are published separately and are available from the Charity Commission and from the Duchy Office.

Administration

The accounts are prepared in compliance with HM Treasury Direction set out on pages 87 to 89. The Chancellor has designated the members of the Council of the Duchy of Lancaster as the Proper Officers and the Chairman of Council and Clerk of the Council are authorised to sign the accounts on behalf of Council.

The Proper Officers (who are the serving members of Council on the facing page) are responsible for the preparation of accounts, which are required to be submitted to HM Treasury and presented to both Houses of Parliament by Section 2 of the Duchies of Lancaster and Cornwall (Accounts) Act 1838.

Council of the Duchy of Lancaster

The Chancellor is responsible to His Majesty The King in connection with the affairs of the Duchy of Lancaster, separate from his or her Parliamentary role. On 1st July 2000, the Chancellor revocably delegated certain functions, particularly those relating to asset management, to Council. That revocable delegation is reaffirmed by successive Chancellors.

Appointments to the Duchy Council are made by His Majesty The King on the advice of the Chancellor. The Clerk of the Council, is a member of Council and reports to that body, with Council being responsible to the Chancellor.

Authority for decision making is delegated to the Duchy Council, who have in place a framework of Committees to aid their decision-making responsibilities. These Committees are further divided into formal Committees of the Duchy Council and advisory committees.

Responsibilities of the Proper Officers

The Proper Officers are responsible for ensuring that proper accounting records are maintained with respect to the affairs of the Duchy and for preparing the Annual Report and Accounts in accordance with applicable law and UK-adopted international accounting standards and for submitting the Report and Accounts annually to the Lords' Commissioners of the Treasury in an agreed form.

The Proper Officers are also responsible for safeguarding the Duchy's assets and for maintaining a satisfactory system of control over transactions affecting Duchy property in accordance with the statutes. In preparing the Accounts, the Proper Officers will:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts on a going concern basis.

The Proper Officers are responsible for the maintenance and integrity of the corporate and financial information included on the Duchy's website.

So far as the Proper Officers are aware, there is no relevant audit information of which the Duchy's auditors are unaware. The Proper Officers have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Duchy's auditors are aware of that information.

The Council believes that it is good practice to review the external audit function in line with the UK Corporate Governance Code.

Sustainability policy

The Duchy of Lancaster is committed to protecting natural capital and improving sustainability across all areas of the business. Finding ways to protect the natural environment is at the core of everything we do. The key components of the policy are addressing climate change, reducing waste and encouraging biodiversity.

The evaluation and operation of the policy and associated procedures is monitored and reviewed by the executive team with oversight by Council to ensure that they remain effective and appropriate to the activities of the Duchy.

Statement on corporate governance

The UK Corporate Governance Code, issued by the Financial Reporting Council, is widely acknowledged as representing best practice in governance. Although the Duchy is not obliged to comply with the requirements of the Code, Council nevertheless supports the principles and provisions set out in the Code and seeks to comply with these in so far as they are applicable to the circumstances of the Duchy. A full compliance statement is produced internally and reviewed annually by Council.

There are two formal committees of the Duchy Council – the Audit and Risk Committee and Remunerations and Nominations Committee – and there are three advisory committees to the Duchy Council – the Finance Committee, Rural Committee and Urban and Strategic Development Committee.

Report of Council *continued*

Membership of Duchy Council Committees

● Chairman ● Member ● In attendance

Committee	Duchy Council	Audit and Risk	Remunerations and Nominations	Finance	Rural	Urban and Strategic Dev.
Duchy Council						
Sir James Leigh-Pemberton	●		●			
Sir Michael Stevens	●	●	●	●		
Sonia Tolaney	●					
Sir Nathan Thompson	● Until 4/11/24		● Until 4/11/24	● Until 4/11/24	● Until 4/11/24	● Until 4/11/24
Alastair Martin	●		●	●	●	●
Hugh Bullock	● Until 31/10/24					
Toby Anstruther	● From 18/11/24				● From 18/11/24	
Alistair Elliott	●					●
The Marquess of Downshire	●	●		●		
Jill May	●	●		●		
Lucy Macdonald	●	●		●		

Advisors to Council						
Toby Anstruther					● Until 18/11/24	
Sir Francis Brooke				●		
Ilaria del Beato						●
David Cope					● From 12/06/25	
Richard Exley						●
Jennifer Fitzherbert-Brockholes					●	
James Hadwin					● From 30/04/24	
Mark Hancock					● Until 30/04/24	
Ross Murray					● Until 30/04/24	
Emily Norton					● From 12/06/25	
Geraint Richards					● From 12/06/25	
Paul Sedgwick					●	
Merryn Somerset Webb				●		
Mark Tentori				●		
David Turner						●
Mark Younger						●

Executive Members						
Adrian Bayliss						●
Hugh Bruce-Watt	●					●
Hugo Buchanan						●
Mark Coombs					●	
Jonathan Murrin	●	●	●	●	●	●
Lady Thompson					● Until 4/11/24	● Until 4/11/24

Formal Committees of the Duchy Council

Committee	Matters reviewed
Audit and Risk	Three meetings were held in 2024/25 to review Risk Registers, ensure the appropriate accounting treatments are in place, review property valuations and liaise with external auditors.
Remunerations and Nominations	Four meetings were held in 2024/25 to cover executive remuneration and key management appointments. No Council member or employee was involved in discussions about their own pay.

Advisory Committees to the Duchy Council

Committee	Matters reviewed
Finance	Three meetings were held in 2024/25 to review the investment portfolio, the performance of our fund managers following the move into Sustainable Equity Funds last year, as well as cash forecasts and risk management.
Rural	Two meetings were held in 2024/25 to provide support to the Duchy executive and advice to Duchy Council. Financial performance (gross and net revenue), opportunities to make sustainability improvements across the estates and the maintenance and development of the built assets were discussed.
Urban and Strategic Development	Four meetings were held in 2024/25 to provide support to the Duchy executive and advice to Duchy Council. Guidance was given on the strategic direction of the Urban Survey along with advice on urban estate policy, business planning and current market trends.

Internal control and risk

The Duchy of Lancaster operates within a control framework appropriate for its size. This incorporates:

- a defined management structure with appropriate delegation of authority to operational management;
- the setting of detailed budgets and regular reporting against them;
- the setting of specific targets to measure financial and other performance;
- physical and computer security procedures and contingency planning; and
- risk assessment reviews.

Information on the use of financial instruments by the Duchy and its management of financial risk is described on page 33.

Going concern

The Duchy's financial projections show that it has considerable financial resources and is forecast to operate within its available cash and other sources of additional liquidity for a

period of at least 12 months from the approval date of these accounts. The Proper Officers report that, following a review of the relevant financial information, they have a reasonable expectation that the Duchy has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Viability statement

In line with the UK Corporate Governance Code, the Council has reviewed cash flow and surplus projections based on conservative assumptions for the next five years and considers that there is a reasonable expectation of being able to continue in operation and meet all liabilities as they fall due during that five-year period. A period of five years has been selected as the Duchy is able to control expenditure and has relatively predictable income streams.

Sir James Leigh-Pemberton CVO

Alastair Martin CVO

8th July 2025

Independent auditor's report to the Council of the Duchy of Lancaster

Opinion

We have audited the financial statements of the Duchy of Lancaster ("the Duchy") for the year ended 31st March 2025 which comprise the Revenue Account Statement of Comprehensive Income, the Capital Account Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Capital and Reserves, the Statement of Cash Flows and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards (IAS) as applied to the Duchy of Lancaster given by HM Treasury dated June 2025.

In our opinion the financial statements:

- give a true and fair view of the state of the Duchy's affairs as at 31st March 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with IAS as applied to the Duchy of Lancaster by the Accounts Direction given by HM Treasury dated June 2025; and
- have been prepared in accordance with the Accounts Direction given by HM Treasury dated June 2025.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Duchy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Proper Officers' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Duchy'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.

Our responsibilities and the responsibilities of the Proper Officers with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Proper Officers are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of Council for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of Council have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Duchy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of Council.

We have nothing to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Proper Officers' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Proper Officers

As explained more fully in the Proper Officers' Responsibilities Statement set out on page 43, the Proper Officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Proper Officers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Proper Officers are responsible for assessing the Duchy'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 Proper Officers either intend to liquidate the Duchy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the Duchy's financial statements to material misstatement and how fraud might occur, including through discussions with the Proper Officers, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Duchy by discussions with management and updating our understanding of the sector in which the Duchy operates.

Independent auditor's report to the Council of the Duchy of Lancaster *continued*

Laws and regulations of direct significance in the context of the Duchy include The Accounts Direction given by HM Treasury dated June 2025.

In addition, the Duchy is subject to other laws and regulations that do not have a direct effect on the financial statements but where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements; through a significant fine, litigation or prosecution. These include significant laws and regulations applicable to landlords, such as the Landlord and Tenant Act 1985, Tenancy Deposit Scheme, and Health & Safety Laws.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Duchy's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Duchy's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council, as a body. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Duchy and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

Jamie Younger (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

8th July 2025

Revenue Account Statement of Comprehensive Income

	Note	Year ended 31st March 2025 £'000	Year ended 31st March 2024 £'000
Revenue	2	35,590	35,212
Operating costs	3	(6,913)	(4,928)
Administrative expenses		(2,375)	(2,335)
Operating surplus		26,302	27,949
Finance income	5	3,681	4,449
Finance costs	6	(3,169)	(3,821)
Net operating income		26,814	28,577
Net proceeds from bona vacantia	9	1,807	78
Payable for Duchy of Lancaster charitable purposes		(1,807)	(78)
Net surplus for the year		26,814	28,577
Other comprehensive income: <i>Items that will not be reclassified to profit and loss</i>			
Actuarial loss on retirement benefit obligations	21	(137)	(345)
Total comprehensive income on Revenue account		26,677	28,232
Net surplus for the year		26,814	28,577
Less non-cash adjustments: Rent incentives (IFRS 16)		(2,424)	(1,227)
Adjusted net surplus		24,390	27,350

The notes to the accounts on pages 54 to 85 are an integral part of these financial statements.

Capital Account Statement of Comprehensive Income

	Note	Year ended 31st March 2025 £'000	Year ended 31st March 2024 £'000
Net gain from fair value adjustment on investment property	12	28,979	6,783
Gain on disposal of investment property		4,988	463
Loss from termination of interest rate swap		(801)	–
Repayments to capital:			
Proportion of mineral royalties	3	102	75
Less recovery of capital valuation fees		(43)	–
Net income/(expenditure) from escheats		167	(33)
Staff costs recharged from revenue		(511)	(594)
Net gain on disposal of financial assets	15	850	10,208
Surplus for the year on Capital account		33,731	16,902
Other comprehensive income:			
<i>Items that will be reclassified to profit and loss</i>			
Gain/(loss) on the revaluation of financial assets measured at fair value through other comprehensive income	15	1,104	(1,335)
Loss on financial derivatives		(1,353)	(2,188)
<i>Items that will not be reclassified to profit and loss</i>			
Net loss on the revaluation of financial assets measured at fair value through other comprehensive income	15	(1,229)	(8,770)
Net (loss)/gain from fair value adjustment on other property	14	(1,327)	959
Total comprehensive gain on Capital account		30,926	5,568

The notes to the accounts on pages 54 to 85 are an integral part of these financial statements.

Balance Sheet

	Note	Year ended 31st March 2025 £'000	Year ended 31st March 2024 £'000
Assets			
Non-current assets			
Investment property	12	673,216	712,091
Investment property assets held for sale	13	6,886	–
Property, plant and equipment	14	5,175	6,499
Financial assets	15	66,441	64,784
Interest rate swaps	19	7,792	12,402
Total non-current assets		759,510	795,776
Current assets			
Trade and other receivables	16	9,452	4,772
Cash and cash equivalents		31,129	29,858
Investment property assets held for sale	17	6,749	–
Total current assets		47,330	34,630
Total assets		806,840	830,406
Liabilities			
Current liabilities			
Trade and other payables	18	(18,098)	(32,284)
Total current liabilities		(18,098)	(32,284)
Non-current liabilities			
Borrowings	19	(110,000)	(152,000)
Other payables	20/24	(1,628)	–
Retirement benefit obligations	21	1,619	1,507
Total non-current liabilities		(110,009)	(150,493)
Total liabilities		(128,107)	(182,777)
Net assets		678,733	647,629
Capital and reserves			
Capital account		665,560	630,024
Capital hedging reserve	19	7,792	12,402
Revenue account		6,675	6,360
Retirement benefit reserve		(1,294)	(1,157)
Total reserves		678,733	647,629

Sir James Leigh-Pemberton CVO
Alastair Martin CVO
8th July 2025

The notes to the accounts on pages 54 to 85 are an integral part of these financial statements.

Statement of Changes in Capital and Reserves

	Note	Capital account		Revenue account		Total £'000
		Capital reserve £'000	Capital hedging reserve £'000	Revenue reserve £'000	Retirement benefit reserve £'000	
Balance as at 31st March 2023		622,268	14,590	5,123	(812)	641,169
Net surplus for the year		16,902	–	28,577	–	45,479
Other comprehensive income:						
Net gain from fair value adjustment on other property	14	959	–	–	–	959
Net (loss)/gain on the revaluation of financial assets	15	(10,105)	–	10	–	(10,095)
Loss on financial derivatives		–	(2,188)	–	–	(2,188)
Actuarial loss on retirement benefit obligations	21	–	–	–	(345)	(345)
Less amounts payable to the Privy Purse		–	–	(27,350)	–	(27,350)
Balance as at 31st March 2024		630,024	12,402	6,360	(1,157)	647,629
Net surplus for the year		33,731	–	26,814	–	60,545
Other comprehensive income:						
Net loss from fair value adjustment on other property	14	(1,327)	–	–	–	(1,327)
Net loss on the revaluation of financial assets	15	(125)	–	–	–	(125)
Gain/(loss) on financial derivatives		3,257	(4,610)	–	–	(1,353)
Actuarial loss on retirement benefit obligations	21	–	–	–	(137)	(137)
Less amounts payable to the Privy Purse (Current-year distributable profit)		–	–	(24,390)	–	(24,390)
Less amounts payable to the Privy Purse (Prior- year reserves)		–	–	(2,109)	–	(2,109)
Balance as at 31st March 2025		665,560	7,792	6,675	(1,294)	678,733

Statement of Cash Flows

	Note	Year ended 31st March 2025 £'000	Year ended 31st March 2024 £'000
Cash generated from operating activities	23	10,687	23,495
Interest paid		(3,425)	(2,903)
Net cash inflow from operating activities		7,262	20,592
Cash flows from investing activities			
Purchase and improvement of investment property	12	(3,787)	(13,161)
Purchase of financial investments	15	(37,810)	(40,836)
Purchase of property, plant and equipment	14	(73)	(31)
Proceeds from disposal of investment properties		62,993	1,289
Proceeds from disposal of financial investments	15	36,876	51,044
Financial investment income		4,004	3,350
Net cash inflow from investing activities		62,203	1,655
Cash flows from financing activities			
Proceeds from additional borrowings		–	10,000
Repayments of borrowings		(42,000)	–
Proceeds from termination of interest rate swap		2,456	–
Payments made to the Privy Purse		(28,650)	(29,558)
Net cash outflow from financing activities		(68,194)	(19,558)
Increase in cash in the year		1,271	2,689
Cash and cash equivalents at start of year		29,858	27,169
Cash and cash equivalents at end of year		31,129	29,858

Notes to the accounts

Separate Statements of Comprehensive Income are presented for the Revenue account and the Capital account, which represents a departure from the requirements of International Financial Reporting Standards (IFRS). This departure is necessary due to the separate nature of the Duchy Revenue and Capital accounts, and because only the surplus on the Revenue account may be distributed to the Privy Purse and no distribution may be made of the proceeds from the disposal of capital assets or the gains or losses on their revaluation. The Statement of Changes in Capital and Reserves is also analysed between the Revenue and Capital accounts. These variations to IFRS are as specified in the Accounts Direction given by HM Treasury set out on pages 87 to 89.

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of property investments, derivative financial instruments and financial assets at Fair Value Through Other Comprehensive Income (FVTOCI), and in accordance with all applicable accounting standards. The accounts are in compliance with the Accounts Direction set out on pages 87 to 89 and, except as disclosed above, in accordance with UK-adopted International Accounting Standards and as modified by HM Treasury.

Adoption of new and revised standards

During the financial year, the Duchy has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, which became effective for the first time.

Standard	Effective date, annual period beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1st January 2024
Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants: amendments to IAS 1	1st January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1st January 2024

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Duchy, and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	Effective date, annual period beginning on or after
Lack of Exchangeability (Amendments to IAS 21)	1st January 2025
Annual Improvements to IFRS Accounting Standards – Volume 11	1st January 2026

The Duchy is evaluating the impact these standards will have on their financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Duchy, and which have not been applied in these financial statements, have not been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed.

Notes to the accounts *continued*

1. Accounting policies (continued)

Standard	Effective date, annual period beginning on or after
Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9)	1st January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1st January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1st January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1st January 2027

The Duchy is evaluating the impact that these standards will have on the financial statements of the Duchy.

(b) Significant judgements, key assumptions and estimates

Accounting estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Duchy makes estimates and assumptions concerning the future. The resulting accounting estimates could, by definition, differ from the actual outcome. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised as follows:

Retirement benefit obligations

The Duchy recognises and discloses its retirement benefit obligation in accordance with the measurement and presentational requirement of IAS 19, 'Retirement Benefit Obligations.' The calculations include a number of judgements and estimations in respect of the expected rate of return on assets, the discount rate, inflation assumptions, the increase in salaries and life expectancy, amongst others. Changes in these assumptions can have a significant effect on the value of the retirement benefit obligation. Further details of the assumptions are set out in note 21.

Bona Vacantia late claims fund

The Late Claims Fund is a provision for legitimate claims on Estates declared to be bona vacantia and whose assets have already been distributed. The provision is based on two years' worth of late claims, which is deemed appropriate by management given the anticipated level of late claims. The provision at the year end is equal to the other financial assets balance in note 15 as these funds are held in a bond. Further details on proceeds from bona vacantia are disclosed in note 9.

Financial instruments valuations

The Duchy discloses the fair value of its financial instruments in a hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The three levels are as follows:

- Level 1 financial instruments are valued at unadjusted quoted prices in active markets for identical instruments. These require no judgement;
- Level 2 financial instruments are valued based significantly on observable market data. Inputs other than quoted prices are directly or indirectly observable for the asset or liability; and
- Level 3 financial instruments use valuation techniques which incorporate at least one input (with a potentially significant impact on valuation) which is based on unobservable market data.

Classification within the hierarchy and the valuation techniques applied require judgement and further details are set out in note 22.

Property valuations

Investment properties, owner-occupied properties and investment properties held for sale are all held at fair value, in accordance with valuations carried out by external and internal valuers. Valuations are based on a number of key assumptions, including estimates of future rental income, the ready availability of a market for the properties and published life tables.

Notes to the accounts *continued*

1. Accounting policies (continued)

(c) Operating leases

The Proper Officers have exercised judgement in determining that in all material respects, where the Duchy of Lancaster is the lessor, all such leases are accounted for as operating leases. In exercising this judgement consideration has been given to the nature and economic life of the buildings (which are all accounted for within investment properties), the split of lease rentals between the land and buildings elements, and whether substantially all the risks and rewards of ownership remain with the Duchy.

(d) Valuation of property

Investment property assets held for sale and owner-occupied property are all held at fair value. The policy of the Duchy is to have the investment and operational property assets independently valued at least every five years. In the current year, the commercial properties and land held for development were mainly valued externally.

All the valuations are in accordance with the principles of the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors as follows:

- (i) Investment properties including land held for development and properties occupied by the Duchy are valued on the basis of Market Value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion. Mineral-bearing land is valued on the basis of Existing Use Value.
- (ii) Mineral and foreshore assets are only valued where a letting exists, where entry has occurred or where an interest is likely to be sold in the next year for a capital premium.
- (iii) Castles and other historical properties which are not commercially let are valued at the lower of depreciated replacement cost and net realisable value, or, where there is no market in assets of that type and the property could not be physically reconstructed, a nil value is applied.

The aggregate surplus or deficit arising from revaluation is transferred to the Capital account, which is not distributable.

The purchase or sale of property is recognised from the date on which an unconditional contract is entered into or the last substantive condition in a conditional contract is satisfied. The profit or loss on disposal of property is taken to the Capital Account Statement of Comprehensive Income. Further details are shown in note 12.

Investment properties held for sale are shown in the balance sheet as investment property within current and non-current assets when the property is either being actively marketed or has a contracted sale. The split between current and non-current assets reflects either the contractual terms agreed or management estimate of when assets will be disposed. Further details are shown in note 13 and note 17.

(e) Owner-occupied property

Properties occupied by the Duchy of Lancaster are valued on the basis of fair value. The properties are included within property, plant and equipment. Any surplus or deficit arising on revaluation is taken directly to the Capital Account Statement of Comprehensive Income.

No depreciation is provided in respect of these properties. The residual value of the property at the point where the Duchy would cease to use it, or would dispose of it, is expected to be materially in line with fair value. As such, any depreciation (between fair value and residual value) at any point would be immaterial.

(f) Financial assets

Financial assets are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to fair value of financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the accounts *continued*

1. Accounting policies (continued)

Debt instruments that meet the following conditions are measured subsequently at FVTOCI:

- (i) the financial asset is held with a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Duchy has made an irrevocable election to designate all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9. See note 15.

Quoted Investments are shown at fair value, determined at market value based on quoted prices. Unquoted Investments are shown at the latest independent valuation. Any profit or loss is taken to the Capital Account Statement of Comprehensive Income.

(g) Depreciation

- (i) In accordance with IAS 40 no depreciation is provided on investment properties or owner-occupied properties.
- (ii) Revenue fixed assets are fully depreciated in the year of purchase.

(h) Woodlands

Sales of timber and expenditure relating to the upkeep of the woodlands are included in the Revenue account. Where timber is planted as a commercial crop, expenditure will be capitalised.

(i) Recognition of income

Income from property and interest income is accounted for on an accruals basis. Rental income and lease incentives are recognised on a straight-line basis over the lease term in accordance with IFRS 16. Dividends and income from bona vacantia are accounted for when received.

(j) Strategic land income

Allocation of strategic land income to revenue is limited to 10% of Gross Development Value of the project and 25% of the total receipt of the project. Any allocation to revenue is made either when there are option fees payable before any land disposal or when the Duchy is exposed to a variability in revenue.

(k) Mineral royalties

The receipts from mineral royalties are apportioned on the basis of one half to Capital and one half to Revenue. Mineral royalties are accounted for on an accruals basis dependent on the timing of extraction.

(l) Pension liabilities and post-retirement benefits

Defined benefit pension scheme current service costs relating to the year, together with the Scheme interest cost less the expected return on the Scheme assets for the year, are recorded in administrative expenses within the Revenue account. Actuarial gains and losses are recognised in the Revenue Account Statement of Comprehensive Income.

The Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the Scheme liabilities. The resulting defined benefit asset is presented within non-current liabilities in the balance sheet.

Contributions by the Duchy to personal pension arrangements of 10% of salaries up to age 50 and 13% of salaries thereafter are charged to the Revenue account as they fall due.

(m) Capitalisation of staff costs

Staff costs are recharged to the Capital account on a relevant time basis for dealing with appropriate capital works or transactions.

Internal costs relating to staff time spent working on capital projects are also charged to Capital on completion of the project.

Notes to the accounts *continued*

1. Accounting policies (continued)

(n) Bona vacantia

Proceeds of bona vacantia comprise the residue of assets and liabilities which have fallen to be dealt with by the Solicitor for the Affairs of the Duchy of Lancaster acting as a Corporation Sole under the Administration of Estates Act 1925, the Companies Act 2006 and other relevant legislation.

Net income from bona vacantia, after allocations for future liabilities and costs of administering bona vacantia, is applied to the costs of Palatine administration and historical obligations, which include Lancaster Castle, The King's Chapel of the Savoy and nine other castles and, at the discretion of the Council, the balance is transferred to the Duke of Lancaster's Foundation, The Duchy of Lancaster Benevolent Fund or the Duke of Lancaster Housing Trust, and other registered charities. An interest charge, at reasonable commercial rates, is applied to the average bona vacantia funds held by the Duchy and is payable to the Duke of Lancaster's Foundation as a donation. All net income receivable at Lancaster Castle is paid to the bona vacantia account to meet expenditure on charitable funds and historical obligations.

The proceeds from bona vacantia are accounted for by The Duchy in the year in which they are received, and represent the proceeds received from estates settled by the Solicitor for the Affairs of the Duchy of Lancaster in the year ended 30th September 2024.

(o) Heritage assets

There is no International Financial Reporting Standard equivalent to UK GAAP included in FRS102. However, the Duchy continues to refer to those assets previously treated as Heritage Assets as such. Heritage Assets are a collection of assets that the Duchy has held over the centuries. These assets are considered to be of historic and artistic importance and cover a range of items including paintings, furniture and works on paper. Certain Heritage Assets of the Duchy are held by museums, galleries or other institutions open to the public, where they are on loan and managed as part of their permanent collections.

The Duchy's Heritage Assets are managed by the Assistant Keeper of the Records, who reports to the Keeper of the Records, being the Chief Executive of the Duchy. In addition, a register of the Duchy's Heritage Assets is maintained on a database and there are a number of paper records which relate to individual collections. All objects are subject to regular reviews to verify location and any change in conservation status. Where appropriate, specialist conservation and curatorial advice is sought from relevant experts.

It is the intention that the Duchy's Heritage Assets will be held for the long term. In exceptional circumstances, Council may consider a disposal of objects and there are no current plans to add further to the collection.

The assets hold no material value except to the extent that they add to the cultural and historical wealth of the country and accordingly they are not shown as assets within these financial statements.

(p) Trade and other receivables

Trade and other receivables are stated at amortised cost less appropriate allowances for estimated irrecoverable amounts. Such allowances are based on an individual assessment of each receivable. The Duchy applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

(q) Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost.

(r) Borrowings

Borrowings are initially recognised at fair value and subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are capitalised and amortised over the period of the facility to which it relates.

(s) Hedge accounting

Derivative financial and hedging activities: Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Duchy designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge). The gains or losses arising on the revaluation of the derivative contracts are recognised in the Capital hedging reserve in the Capital account.

Notes to the accounts *continued*

1. Accounting policies (continued)

At the inception of the hedge relationship, the Duchy documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Duchy documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 22 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in note 19.

(t) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income within the Capital account. The gain or loss relating to the ineffective portion is recognised immediately in the capital income statement, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the capital income statement in the periods when the hedged item is recognised in the capital income statement, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Duchy revokes the hedging relationship or when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income at that time is accumulated in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the capital income statement.

2. Revenue

	2025 £'000	2024 £'000
Income from property		
Commercial	25,144	24,156
Agricultural	6,724	6,894
Residential	2,963	2,794
Strategic land	50	788
Mineral rents and royalties	709	580
Total	35,590	35,212

Notes to the accounts *continued*

3. Operating costs

	Repairs and other direct costs £'000	Repayments to Capital £'000	Total 2025 £'000	Total 2024 £'000
Expenditure on property				
Commercial	2,225	–	2,225	1,394
Agricultural	1,574	–	1,574	1,171
Residential	1,053	–	1,053	513
Mineral rents and royalties	39	102	141	104
	4,891	102	4,993	3,182
Staff costs, administration and professional fees	1,920	–	1,920	1,746
Total	6,811	102	6,913	4,928

4. Leasing: operating leases with tenants

The Duchy of Lancaster leases out all of its investment properties under operating leases with, on average, 27 years remaining to expiry. The aggregate minimum rentals, excluding contingent rents, receivable under non-cancellable leases are as follows:

	2025 £'000	2024 £'000
Less than one year	24,509	28,614
Between one and two years	22,314	25,205
Between two and three years	18,257	22,516
Between three and four years	16,300	18,288
Between four and five years	14,983	16,362
After five years	399,209	343,668
	495,572	454,653

The value of the assets generating this rental income is detailed in note 12.

5. Finance income

	2025 £'000	2024 £'000
Interest on fixed-interest stocks and unit trusts	572	683
Income from equities	1,591	2,267
Bank and other interest	1,568	1,535
Investment management fees	(50)	(36)
	3,681	4,449

Notes to the accounts *continued*

6. Finance costs

	2025 £'000	2024 £'000
Loan interest	3,169	3,821

Capitalised finance costs included within purchases at cost in note 12 amount to nil (2024: £105,751). The interest rate used to determine the borrowing costs eligible for capitalisation in the year was not applicable (2024: 4%).

7. Total comprehensive income for the year

	2025 £'000	2024 £'000
Total comprehensive income for the year is arrived at after charging:		
Staff costs (note 8(a))	3,689	3,979
Depreciation of property, plant and equipment	70	46
Auditors' remuneration		
– audit services	52	50
– non-audit services	8	–

Staff costs of £511,400 (2024: £594,200) are charged to the Capital account reflecting the extent that they are deemed to be enhancing its value.

8. Employee information

(a) The total cost of employees (excluding fees paid to the Chancellor and non-executive Council members) during the year was as follows:

	2025 £'000	2024 £'000
Wages and salaries	2,891	3,206
Social security costs	351	345
Pension contributions	447	428
	3,689	3,979

(b) The average number of employees (excluding the Chancellor and non-executive Council members) during the year was 36 (2024: 35).

(c) The full details of the Chancellor and each Council member's remuneration package for the financial year are set out on the next page. These individuals are the key management personnel.

Notes to the accounts *continued*

8. Employee information (continued)

	Basic salary and fees £'000	Taxable benefits and allowances £'000	Total 2025 £'000	Total 2024 £'000
Rt Hon Pat McFadden (appointed 10th July 2024)	–	–	–	–
Rt Hon Oliver Dowden (retired 10th July 2024)	–	–	–	–
Sir James Leigh-Pemberton CVO	70	–	70	52
Sir Alan Reid GCVO (retired 4th July 2023)	–	–	–	18
Sir Michael Stevens GCVO	–	–	–	–
Mr Alastair Martin CVO (appointed CEO 4th November 2024)	156	51	207	18
Sir Nathan Thompson KCVO (retired 4th November 2024)	289	2	291	287
Mr Hugh Bullock CVO (retired 31st October 2024)	11	–	11	18
Mr Alistair Elliott	18	–	18	18
The Marquess of Downshire	18	–	18	18
Ms Sonia Tolaney KC	18	–	18	15
Mrs Jill May	18	–	18	18
Ms Lucy Macdonald	18	–	18	18
Mr Toby Anstruther (appointed 18th November 2024)	7	–	7	–

Banded performance payments relating to the relevant financial year have been paid as follows:

	2025	2024
Between £145,001 and £150,000	1	–
Between £115,001 and £120,000	–	1

In addition pension contributions paid by the Duchy for the financial year are set out below:

	2025 £'000	2024 £'000
Mr Alastair Martin CVO	22	–
Sir Nathan Thompson KCVO	38	37

Notes to the accounts *continued*

9. Net proceeds from bona vacantia

	2025 £'000	2024 £'000
Proceeds from bona vacantia	13,069	6,494
Provisions for late claims transferred to Late Claims Fund	(2,907)	(1,663)
	10,162	4,831
Costs of Palatinate administration and historical obligations (note 10)	(8,355)	(4,753)
	1,807	78

Charitable donations were made as detailed below with the balance of bona vacantia funds held within the Duchy of Lancaster and payable to the Duchy of Lancaster charitable funds or to meet historical obligations.

Four donations were made totalling £12,514,000 to The Duke of Lancaster's Foundation (formerly known as The Duchy of Lancaster Jubilee Trust). This included £214,000 that was pledged in the prior financial year. Sir Nathan Thompson KCVO whilst in position as Chief Executive Officer acted as a trustee of the Duke of Lancaster's Foundation (formerly The Duchy of Lancaster Jubilee Trust) to 1st November 2024. Alastair Martin CVO whilst in position as Chief Executive Officer acted as a trustee of the Duke of Lancaster's Foundation (formerly The Duchy of Lancaster Jubilee Trust) from 1st November 2024 to 12th March 2025.

A donation of £555,000 (2024: £240,000) was made to the Duke of Lancaster Housing Trust. The Chief Executive Officer acts as a trustee of the Duke of Lancaster Housing Trust.

A donation of £100,000 (2024: £1,000,000) was made to the Duchy of Lancaster Benevolent Fund. The Receiver General and the Attorney General of the Duchy of Lancaster, together with the Vice Chancellor of the County Palatine, act as trustees of the Duchy of Lancaster Benevolent Fund.

A donation of £100,000 was made to King Charles III Charitable Fund Small Grants programme (2024: £nil).

A donation of £10,000 was made to the British Red Cross in relation to Hurricane Beryl (2024: £nil).

A donation of nil was made to the Sustainable Food Trust (2024: £50,000).

A donation of nil was made to the FairShare food bank as part of the King Charles III Charitable Foundation Coronation Food Project (2024: £150,000).

In March 2024 a donation of £720,000 was pledged to the King Charles III Charitable Foundation Coronation Food Project to be paid over four years. £180,000 was paid in the current financial year (2024: £nil). The balance of £540,000 is held in trade and other payables: £180,000 in current liabilities and £360,000 in non-current liabilities.

10. Palatinate administration and historical obligations

	2025 £'000	2024 £'000
Administration of bona vacantia – costs met directly by the Duchy	273	178
Upkeep of castles and historic monuments	7,255	4,012
Deficit/(surplus) on Savoy Chapel – stipends, running costs and repairs	71	(22)
Ceremonial, ancient stipends, charitable annuities and preservation of historic records	722	529
Administration of Duchy of Lancaster charitable funds	34	56
	8,355	4,753

Notes to the accounts *continued*

11. Analysis of balance sheet

	Revenue		Capital	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Assets				
Non-current assets				
Investment property	–	–	673,216	712,091
Investment property assets held for sale	–	–	6,886	–
Property, plant and equipment	–	–	5,175	6,499
Financial assets	2,536	1,538	63,905	63,246
Interest rate swaps	–	–	7,792	12,402
Total non-current assets	2,536	1,538	756,974	794,238
Current assets				
Trade and other receivables	9,452	4,772	–	–
Cash and cash equivalents	13,482	17,672	17,647	12,186
Investment property assets held for sale	–	–	6,749	–
Balances due from Revenue	–	–	3,392	–
Balances due from Capital	–	11,640	–	–
Total current assets	22,934	34,084	27,788	12,186
Total assets	25,470	35,622	784,762	806,424
Liabilities				
Current liabilities				
Trade and other payables	(16,688)	(31,926)	(1,410)	(358)
Balances due to Capital	(3,392)	–	–	–
Balances due to Revenue	–	–	–	(11,640)
Total current liabilities	(20,080)	(31,926)	(1,410)	(11,998)
Non-current liabilities				
Borrowings	–	–	(110,000)	(152,000)
Other payables	(1,628)	–	–	–
Retirement benefit obligations	1,619	1,507	–	–
Total non-current liabilities	(9)	1,507	(110,000)	(152,000)
Total liabilities	(20,089)	(30,419)	(111,410)	(163,998)
Net assets	5,381	5,203	673,352	642,426
Capital and reserves				
Revenue account	6,675	6,360	–	–
Capital hedging reserve	–	–	7,792	12,402
Capital account	–	–	665,560	630,024
Retirement benefit reserve	(1,294)	(1,157)	–	–
Total reserves	5,381	5,203	673,352	642,426

Notes to the accounts *continued*

12. Investment property

	Commercial and indirect property investment £'000	Agricultural, woods, minerals and foreshores £'000	Residential £'000	Land held for development £'000	Total £'000
Value at 31st March 2023	391,857	211,943	67,649	21,615	693,064
Purchases at cost	8,925	2,426	1,788	22	13,161
Transfers to owner-occupied property	(91)	–	–	–	(91)
Disposals	–	–	(26)	(800)	(826)
Change in fair value	(2,770)	5,186	1,704	2,663	6,783
Value at 31st March 2024	397,921	219,555	71,115	23,500	712,091

	Commercial and indirect property investment £'000	Agricultural, woods, minerals and foreshores £'000	Residential £'000	Land held for development £'000	Total £'000
Value at 31st March 2024	397,921	219,555	71,115	23,500	712,091
Purchases at cost	745	1,418	1,478	146	3,787
Transfers to investment property assets held for sale (current asset)	–	–	(595)	(6,154)	(6,749)
Transfers to investment property assets held for sale (non-current asset)	–	–	–	(6,886)	(6,886)
Disposals	(24,200)	(25,553)	(214)	(8,039)	(58,006)
Change in fair value	11,660	6,827	5,077	5,415	28,979
Value at 31st March 2025	386,126	202,247	76,861	7,982	673,216

The changes in fair values are recognised in the Capital Account Statement of Comprehensive Income.

All landed property is situated in England and Wales. Purchases at cost include expenses of purchases and expenditure on permanent improvements of £3,787,000 (2024: £13,161,000). Sales proceeds are net of expenses of sale and development costs charged from Revenue.

Notes to the accounts *continued*

12. Investment property (continued)

At 31st March 2025 virtually all of the commercial property portfolio was valued externally by professionally qualified valuers. The rural property portfolio was valued externally by professionally qualified valuers. The breakdown of the external valuations at 31st March 2025 by valuer is as follows:

Knight Frank	54%
Savills	45%
Other	1%

Relationship of significant unobservable inputs to fair value and the impact of significant changes to those inputs

Unobservable input	Impact on fair value of changes to input	
	Increase in input	Decrease in input
Adjusted comparable vacant possession values	Increase in fair value	Decrease in fair value
Rental values	Increase in fair value	Decrease in fair value
Capitalisation rates	Decrease in fair value	Increase in fair value
Discount Rates	Decrease in fair value	Increase in fair value

Impact on fair value of changes to capitalisation and discount rates

	Increase of 50 basis points £'000	As disclosed £'000	Decrease of 50 basis points £'000
Agricultural	139,809	151,435	171,762
Other rural assets	67,488	68,734	70,062
Urban commercial	335,162	367,687	408,200
Rural commercial	21,396	22,281	23,271
Residential property	78,817	81,889	85,299

Impact on fair value of changes to market rental values

	Increase of 10% £'000	As disclosed £'000	Decrease of 10% £'000
Urban commercial	398,459	367,687	339,921

Notes to the accounts *continued*

12. Investment property (continued)

Quantitative data about fair value measurement using unobservable inputs (Level 3)

	Property type	Fair value at 31st March 2025 £'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs (where meaningful)
Agricultural & forestry	Agricultural	151,435	Yield methodology	Rental values	Farms: 1.05% to 2.34%
				Capitalisation rate	Bare land: 1.00% to 2.00%
			Adjusted sales comparison approach	Farmland vacant possession values	Range: £293/ac to £34,754/ac average £7,994/ac
				Discount rate for terminal value	Range: 5.00% to 5.50%
			Estimate of period until vacant possession achieved	0 to 74 years (average 1.80 years)	
	Forestry	12,233	Adjusted sales comparison approach	Forestry vacant possession values	Range: £3,507/ac to £6,240/ac (average £4,222/ac)
	Sporting	3,650	Yield methodology	Rental values Capitalisation rate	Range: 3.37% to 10.00% (average 6.72%)
	Foreshore	24,679	Yield methodology	Rental values Capitalisation rate	Range: 5.94% to 10.07% (average 8.84%)
	Mineral	3,257	Yield methodology	Rental values Royalty income	Range: 8.00% to 12.00% Range: 10.00% to 12.00%
Development land		21,127	Discounted cash flow	Discount rate	Range: 8.00% to 10.00% (average 8.00%)
				Risk factor	Range: 5.00% to 80.00% (average 40.00%)
				Time to completion	1 to 25+ years (average 9 years)
Other rural assets		3,788	Yield methodology	Rental values Capitalisation rate	Range: 1.00% to 15.00% (average 5.63%)
				Adjusted sales comparison approach	Adjusted comparable vacant possession values
Total		220,169			

Notes to the accounts *continued*

12. Investment property (continued)

Quantitative data about fair value measurement using unobservable inputs (Level 3) (continued)

Property type		Fair value at 31st March 2025 £'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs (where meaningful)
Commercial	Urban commercial	367,687	Yield methodology	Rental values	Industrial: £6.25 to £34.00 psf Office: £13.56 to £115.00 psf Retail: £13.56 to £200 psf
				Capitalisation rate	Industrial: 5.00% to 8.50% Office: 3.75% to 11.50 % Retail: 4.75% to 6.75%
	Rural commercial	22,281	Yield methodology	Rental values	–
				Capitalisation rate	Range: 4.52% to 9.91% (average 8.78%)
Total		389,968			
Residential	Rural residential	73,929	Adjusted sales comparison approach	Adjusted comparable vacant possession values	–
				Discount rate for terminal value	5.00% to 5.50%
				Estimate of period until vacant possession achieved	0 to 44 years (average 0.9 years)
	Urban residential	7,960	Adjusted sales comparison approach	Adjusted comparable vacant possession values	
				Discount rate for terminal value	
				Estimate of period until vacant possession achieved	0 to 123 years (average 1.7 years)
Total		81,889			

Notes to the accounts *continued*

12. Investment property (continued)

Quantitative data about fair value measurement using unobservable inputs (Level 3) (continued)

	Property type	Fair value at 31st March 2024 £'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs (where meaningful)
Agricultural & forestry	Agricultural	170,583	Yield methodology	Rental values	Farms: 1.02% to 2.11%
				Capitalisation rate	Bare land: 1.2% to 1.9%
	Adjusted sales comparison approach	12,145	Adjusted sales comparison approach	Farmland vacant possession values	Range: £1,520/ac to £12,303/ac average £8,220/ac
				Discount rate for terminal value	Range: 4.5% to 5.5%
				Estimate of period until vacant possession achieved	0 to 81 years (average 1.88 years)
	Forestry	12,145	Adjusted sales comparison approach	Forestry vacant possession values	Range: £3,507/ac to £6,161/ac (average £4,222/ac)
	Sporting	3,468	Yield methodology	Rental values Capitalisation rate	Range: 4.60% to 10.0% (average 6.80%)
Foreshore	23,975	Yield methodology	Rental values Capitalisation rate	Range: 6.04% to 10.04% (average 9.76%)	
Mineral	2,717	Yield methodology	Rental values Royalty income	Range: 8.00% to 12.00% Range: 10.00% to 11.00%	
Development land	23,629	Discounted cash flow	Discount rate	Range: 8.00% to 10.00% (average 8.00%)	
			Risk factor	Range: 0.00% to 75.00% (average 50.00%)	
			Time to completion	1 to 25+ years (average 10 years)	
Other rural assets	2,300	Yield methodology	Rental values Capitalisation rate	Range: 3.33% to 3.33% (average 5.17%)	
			Adjusted sales comparison approach	Adjusted comparable vacant possession values	Range: £216/ac to £3,925/ac
Total		238,817			
Commercial	Urban commercial	377,934	Yield methodology	Rental values	Industrial: £4.75 to £31.00 psf Office: £12.50 to £90.00 psf Retail: £13.56 to £200.00 psf
				Capitalisation rate	Industrial: 4.75% to 8.50% Office: 3.35% to 11.50% Retail: 4.75% to 6.75% Other: 3.20% to 10.0%
	Rural commercial	20,463	Yield methodology	Rental values	–
				Capitalisation rate	Range: 4.51% to 11.29% (average 14.03%)
Total		398,397			

Notes to the accounts *continued*

12. Investment property (continued)

Quantitative data about fair value measurement using unobservable inputs (Level 3) (continued)

Property type		Fair value at 31st March 2024 £'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs (where meaningful)
Residential	Rural residential	68,516	Adjusted sales comparison approach	Adjusted comparable vacant possession values	–
				Discount rate for terminal value	5.00% to 5.50%
				Estimate of period until vacant possession achieved	0 to 45 years (average 0.76 years)
	Urban residential	6,361	Adjusted sales comparison approach	Adjusted comparable vacant possession values	
				Discount rate for terminal value	
				Estimate of period until vacant possession achieved	0 to 123 years (average 0.375 years)
Total		74,877			

13. Investment property assets held for sale (non-current)

	2025 £'000	2024 £'000
At 1st April	–	–
Transfers from investment property	6,886	–
At 31st March	6,886	–

The assumptions regarding quantitative data about fair value measurement relating to these assets are detailed in note 12.

The non-current held-for-sale asset relates to a contracted land sale with phased land payments due between September 2026 and September 2028.

Notes to the accounts *continued*

14. Property, plant and equipment

	Owner-occupied property £'000	Motor vehicles £'000	Plant & equipment £'000	Total £'000
Cost or valuation				
Balance at 1st April 2023	5,449	17	442	5,908
Additions during the year	–	–	31	31
Change in fair value	959	–	–	959
Transfers from Investment property	91	–	–	91
Balance at 31st March 2024	6,499	17	473	6,989
Accumulated depreciation				
Balance at 1st April 2023	–	17	427	444
Charged during the year	–	–	46	46
Balance at 31st March 2024	–	17	473	490
Net book value				
31st March 2024	6,499	–	–	6,499

	Owner-occupied property £'000	Motor vehicles £'000	Plant & equipment £'000	Total £'000
Cost or valuation				
Balance at 1st April 2024	6,499	17	473	6,989
Additions during the year	3	–	70	73
Disposals	–	(17)	(308)	(325)
Change in fair value	(1,327)	–	–	(1,327)
Balance at 31st March 2025	5,175	–	235	5,410
Accumulated depreciation				
Balance at 1st April 2024	–	17	473	490
Charged during the year	–	–	70	70
Less: disposals during the year	–	(17)	(308)	(325)
Balance at 31st March 2025	–	–	235	235
Net book value				
31st March 2025	5,175	–	–	5,175

The assumptions regarding quantitative data about Fair Value measurement relating to Owner-occupied property is detailed in note 12.

Notes to the accounts *continued*

15. Financial assets

	Capital financial assets			Other financial assets		Total
	Fixed interest £'000	Equities £'000	Private equity £'000	Total capital financial assets £'000	Fixed income unit trust £'000	£'000
Value at 31st March 2023	11,279	61,061	1,011	73,351	1,528	74,879
Purchases	1,011	39,825	–	40,836	–	40,836
Sale proceeds	(2,804)	(48,240)	–	(51,044)	–	(51,044)
Gain on sale	–	10,208	–	10,208	–	10,208
Change in fair value	(1,335)	(8,005)	(765)	(10,105)	10	(10,095)
Value at 31st March 2024	8,151	54,849	246	63,246	1,538	64,784
Purchases	8,454	28,356	–	36,810	1,000	37,810
Sale proceeds	(7,681)	(29,075)	(120)	(36,876)	–	(36,876)
(Loss)/gain on sale	(339)	1,186	3	850	–	850
Change in fair value	1,104	(1,216)	(13)	(125)	(2)	(127)
Value at 31st March 2025	9,689	54,100	116	63,905	2,536	66,441

Debt instruments classified as FVTOCI

Fair value is determined in the manner described in note 21. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognised in profit or loss. The amounts recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in carrying amount of these corporate bonds are recognised in other comprehensive income. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments designated as at FVTOCI

Investments in equity instruments designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised on other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of equity investments; instead it is transferred to capital reserve. Dividends on these investments in equity are recognised in Revenue Accounts Statement of Other Comprehensive Income in accordance with IFRS 9. Dividends are included in the 'finance income' line in note 5.

The changes in market values are recognised in the Capital Account Statement of Comprehensive Income apart from the change in market value of the fixed-interest unit trust, which is recognised in note 20.

All financial assets except the private equity funds are listed on recognised stock exchanges, are authorised unit trusts or are authorised open-ended investment companies. Other financial assets are investments held to cover late claims liabilities in note 20.

Investment management fees of £278,596 were charged in the year (2024: £331,665). These fees are charged to the capital of the investment funds.

In the year to 31st March 2024, £10,000,000 was transferred from the financial assets portfolio to a fixed-term cash deposit.

Notes to the accounts *continued*

16. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables (rents)	1,541	1,744
Other receivables	203	213
Prepayments and accrued income	7,708	2,815
	9,452	4,772

Prepayments and accrued income includes £5,669,923 (2024: £1,226,742) from rent incentives which are recognised over the life of the lease.

As of 31st March 2025 trade receivables of £1,541,000 (2024: £1,519,000) were due but not impaired.

The ageing analysis of these trade receivables is as follows:

	2025 £'000	2024 £'000
Under 3 months	1,532	1,519
3 to 12 months	9	–
Over 12 months	–	–

The ageing of impaired receivables is as follows:

	2025 £'000	2024 £'000
Under 3 months	–	–
3 to 12 months	347	160
Over 12 months	5	8

There is no significant concentration of credit risk with respect to trade receivables as the Duchy has a large number of tenants.

Movements in the provision for impairment of trade receivables are as follows:

	2025 £'000	2024 £'000
At 1st April	168	371
Increase/(decrease) in the provision for receivables impairment	410	(20)
Receivables written off	(226)	(183)
At 31st March	352	168

The recognition and release of the provision for impaired receivables has been included in the Revenue Account Statement of Comprehensive Income.

The other classes within trade and other receivables do not contain impaired assets.

The Duchy measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and the forecast direction of conditions at the reporting date.

Notes to the accounts *continued*

16. Trade and other receivables (continued)

The Duchy writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtors have been placed under liquidation or have entered into bankruptcy proceedings. None of the trade receivables that have been written off are subject to enforcement activities.

17. Investment property assets held for sale (current)

	2025 £'000	2024 £'000
At 1st April	–	–
Transfers from investment property	6,749	–
At 31st March	6,749	–

The assumptions regarding quantitative data about fair value measurement relating to these assets are detailed in note 12.

18. Trade and other payables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade payables	2,775	2,667
Other taxes and social security	1,332	940
Other payables	2,504	2,892
Late claims provision	1,268	1,663
Accruals and deferred income	7,774	8,632
Due to the Privy Purse	–	2,150
Due to Duchy of Lancaster charitable funds and historical obligations	2,445	13,340
	18,098	32,284

19. Borrowings

	Less than 1 year £'000	1 to 5 years £'000	Over 5 years £'000	2024 Total £'000
Borrowings	–	74,500	77,500	152,000
Interest rate swaps	–	(8,215)	(4,187)	(12,402)

	Less than 1 year £'000	1 to 5 years £'000	Over 5 years £'000	2025 Total £'000
Borrowings	–	62,500	47,500	110,000
Interest rate swaps	–	(7,792)	–	(7,792)

Notes to the accounts *continued*

19. Borrowings (continued)

The total borrowings of £110m consist of six loans with the following terms:

- loan of £32.5m repayable November 2028, interest in the year is at a floating rate, all of the loan has been swapped to a fixed rate of 1.49%;
- loan of £15m repayable June 2029, interest in the year is at a floating rate, all of the loan has been swapped to a fixed rate of 2.33%;
- loan of £15m repayable August 2029, interest in the year is at a floating rate, all of the loan has been swapped to a fixed rate of 1.94%;
- loan of £27.5m repayable January 2050, interest in the year is at a fixed rate of 2.20%;
- loan of £10.0m repayable June 2052, interest in the year is at a fixed rate of 3.00%; and
- loan of £10.0m repayable April 2053, interest in the year is at a fixed rate of 3.10%.

Interest rate swaps

Under interest rate swap contracts, the Duchy agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Duchy to mitigate the risk of changing interest rates on the fair value of issued fixed-rate debt held and the cash flow exposures on the issued variable-rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the financial year.

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, The Duchy performed a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. The main sources of hedge ineffectiveness in these hedge relationships are the effect of the counterparty and the Duchy's own credit risks on the fair value of the interest rate swap contracts, which are not reflected in the fair value of the hedged items attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedged relationships.

In April 2023, a final £10m of debt was drawn down from the Private Placement facility. This loan is repayable in April 2053, and interest is charged at a fixed rate of 3.10%

In August 2024, £23.5m of debt was repaid. This related to a £5m loan (in which £2.5m was fixed at a rate of 3.0% and £2.5m was fixed at a rate of 1.93%) and £18.5m towards a £37m loan which was fixed at a rate 1.96%. The remaining £18.5m of debt in relation to the £37.0m loan (fixed at 1.96%) was repaid in December 2024.

The following table details various information regarding interest rate swap contracts outstanding at the end of the reporting period and their related hedged items.

Cash flow hedges

	Average contracted fixed interest rate		Notional principal value		Carrying amount of the hedging instruments		Change in fair value used for calculating hedge ineffectiveness	
	2025 %	2024 %	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Less than 1 year	–	–	–	–	–	–	–	–
1 to 2 years	–	–	–	–	–	–	–	–
2 to 5 years	1.80	1.79	62,500	74,500	7,792	8,215	(423)	3,984
5 years +	2.56	2.38	47,500	77,500	–	4,187	(4,187)	(6,172)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest swaps is SONIA. The Duchy will settle the difference between the fixed and floating interest rate on a net basis.

Notes to the accounts *continued*

19. Borrowings (continued)

All interest rate swap contracts exchanging floating-rate interest amounts for fixed-rate interest amounts are designated as cash flow hedges to reduce the Duchy's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

20. Provisions for liabilities and charges

The Late Claims Fund was established to provide a form of insurance against legitimate claims on estates declared to be bona vacantia whose assets have already been distributed. Income earned on the assets of the fund is retained to meet claims. Any surplus on the fund is payable to the Duchy of Lancaster charitable funds. The fund is separately invested in a unit trust (note 15). The movements of the fund are as follows:

	2025 £'000	2024 £'000
Provisions for late claims received from the bona vacantia account	2,907	1,663
(Decrease)/increase in value of investments	(2)	10
Claims paid during the year	(2,032)	(1,538)
Surplus for the year	873	135
Late Claims Fund balance at 1st April	1,663	1,528
Late Claims Fund balance at 31st March	2,536	1,663

	2025 £'000	2024 £'000
Shown as:		
Included in Trade and other payables	1,268	1,663
Included in Non-current liabilities – provisions	1,268	–

21. Retirement benefit obligations

The major assumptions used by the actuary were (in nominal terms) as follows:

	31st March 2025 % pa	31st March 2024 % pa
Discount rate	5.6	4.8
Inflation assumption (RPI)	n/a	3.5
Inflation assumption (CPI)	2.8	2.8
Rate of increase in pensions in payment	2.8	2.8
Rate of increase in pensionable salaries	2.8	5.0

Assumed life expectancies on retirement at age 60 are:

	31st March 2025	31st March 2024
Retiring today – males	25.9	25.9
Retiring today – females	29.2	28.4
Retiring in 20 years' time – males	27.4	27.1
Retiring in 20 years' time – females	30.5	29.6

Notes to the accounts *continued*

21. Retirement benefit obligations (continued)

The assets in the Scheme were:

	Value at 31st March 2025 £'000	Value at 31st March 2024 £'000
Gilts	1,812	3,076
Equities	–	1,612
Cash	3,529	1,485
Corporate bonds	1,656	921
Liability-driven investment (LDI)	793	1,159
Fair value of Scheme assets	7,790	8,253

The actual return on assets over the period was:

	31st March 2025 £'000	31st March 2024 £'000
Net actual return on assets over the period	(88)	38

	2025 £'000	2024 £'000
Present value of funded obligations	(6,171)	(6,747)
Fair value of Scheme assets	7,790	8,254
Surplus in funded Scheme	1,619	1,507

Present value of unfunded obligations	–	–
Unrecognised actuarial gains/(losses)	–	–
Adjustment in respect of asset ceiling and minimum funding requirement	–	–
Net surplus in balance sheet	1,619	1,507

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	2025 £'000	2024 £'000
Benefit obligation at beginning of year	6,748	6,991
Current service cost	16	16
Interest cost	311	323
Contributions by Scheme participants	1	1
Net remeasurement (gain)/loss – financial	(499)	111
Net remeasurement loss/(gain) – demographic	43	(163)
Net remeasurement loss – experience	118	33
Benefits paid	(567)	(564)
Past service cost	–	–
Benefit obligation at end of year	6,171	6,748

Notes to the accounts *continued*

21. Retirement benefit obligations (continued)

Reconciliation of opening and closing balances of the fair value of Scheme assets

	2025 £'000	2024 £'000
Fair value of Scheme assets at beginning of year	8,253	8,587
Interest income on Scheme assets	387	403
Return on assets, excluding interest income	(475)	(365)
Contributions by employer	446	329
Contributions by Scheme participants	1	1
Benefits paid	(567)	(564)
Scheme administrative costs	(255)	(138)
Fair value of Scheme assets at end of year	7,790	8,253

Reconciliation of the effect of the asset ceiling

	2025 £'000	2024 £'000
Effect of the asset ceiling at beginning of year	–	–
Interest income on the asset ceiling	–	–
Changes in the effect of the asset ceiling excluding interest income	–	–
Effect of the asset ceiling at end of year	–	–

The amounts recognised in profit and loss:

	2025 £'000	2024 £'000
Service cost – including current and past service costs and settlements	16	16
Service cost – administrative cost	255	138
Net interest on the net defined benefit liability	(76)	(80)
Total expense	195	74

Remeasurements of the net defined benefit liability/(asset) to be shown in other comprehensive income (OCI):

	2025 £'000	2024 £'000
Net remeasurement (gain)/loss – financial	(499)	111
Net remeasurement loss/(gain) – demographic	43	(163)
Net remeasurement loss/(gain) – experience	118	33
Return on assets excluding interest income	475	364
Changes in the effect of the asset ceiling excluding interest income	–	–
Total remeasurement of net defined benefit liability to be shown in OCI	137	345

Notes to the accounts *continued*

21. Retirement benefit obligations (continued)

Sensitivity analysis

	Impact on Scheme liabilities	
	2025	2024
Discount rate – decrease by 1.0% pa	+9%	+10%
Rate of inflation rate (CPI) – increase by 0.2% pa	+2%	+2%
Mortality (increase life expectancy by one year)	+5%	+6%

Please note that extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

Characteristics and risks associated with the Scheme

(a) Information about the characteristics of the Scheme

The Scheme provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary and their length of service.

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements.

The Scheme was established from 1st April 1995 under trust and is governed by the Scheme's trust deed and rules dated 31st March 1995.

The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy in conjunction with the Duchy.

(b) Information about the risks of the Scheme to the Duchy

The Scheme exposes the Duchy to actuarial risks such as market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk.

The Scheme does not expose the Duchy to any unusual Scheme-specific or Duchy-specific risks.

(c) Information about the valuation of the defined benefit obligation at the accounting date

The most recent formal actuarial valuation of the Scheme was at 31st March 2024.

The liability model used for our calculations is the same as that used for the 2024 valuation, using the proposed IAS 19 assumptions and membership data used for the 31st March 2024 valuation rolled forward to 31st March 2025.

(d) Information about the most recent actuarial valuation and expected future cash flows to and from the Scheme

The valuation as at 31st March 2024 revealed a funding surplus of £0.7m.

From 1st April 2025 the Duchy will pay contributions of £17,000 p.a. to meet the cost of future accrual of benefits for active members of the Scheme and insurance premiums for death-in-service lump sums, in line with the schedule of contributions dated 19th March 2025. The contributions paid by the Duchy are reviewed every three years as part of each formal actuarial valuation. The Scheme's next actuarial valuation is due with an effective date of 31st March 2027.

In addition, the Duchy is expected to meet the cost of administrative expenses for the Scheme.

The liabilities of the Scheme are based on the current value of expected benefit payment cash flows to members over approximately the next 60 years. The average duration of the liabilities is approximately eight years.

(e) The Scheme's investment strategy

The Scheme's investment strategy is to invest 100% in matching assets (LDI, index-linked gilts, investment-grade credit and liquid cash assets). This strategy is targeting an approximate hedge of 95% against changes in liabilities on the solvency basis due to changes in interest rates and inflation expectations.

The Scheme has no interests in any assets of the Duchy.

Notes to the accounts *continued*

22. Fair value measurements

The following table sets out the Duchy's capital assets and liabilities that are measured and recognised at fair value at 31st March 2024.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Debt instruments at FVTOCI	8,151	–	–	8,151
Investments in equity instruments designated at FVTOCI	54,850	245	–	55,095
Total recurring financial assets	63,001	245	–	63,246
Financial debtors				
Interest rate swaps	–	12,402	–	12,402
Total recurring financial debtors	–	12,402	–	12,402
Non-financial assets:				
Investment properties	–	–	712,091	712,091
Owner-occupied properties	–	–	6,499	6,499
Total recurring non-financial assets	–	–	718,590	718,590
Non-recurring fair value measurements				
Property held for sale (non-current)	–	–	–	–
Property held for sale (current)	–	–	–	–
Total non-recurring non-financial assets	–	–	–	–

Notes to the accounts *continued*

22. Fair value measurements (continued)

The following table sets out the Duchy's capital assets and liabilities that are measured and recognised at fair value at 31st March 2025.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Level 4 £'000
Financial assets				
Debt instruments at FVTOCI	9,689	–	–	9,689
Investments in equity instruments designated at FVTOCI	54,100	116	–	54,216
Total recurring financial assets	63,789	116	–	63,905
Financial debtors				
Interest rate swaps	–	7,792	–	7,792
Total recurring financial debtors	–	7,792	–	7,792
Non-financial assets:				
Investment properties	–	–	673,216	673,216
Owner-occupied properties	–	–	5,175	5,175
Total recurring non-financial assets	–	–	678,391	678,391
Non-recurring fair value measurements				
Property held for sale (non-current)	–	–	6,886	6,886
Property held for sale (current)	–	–	6,749	6,749
Total non-recurring non-financial assets	–	–	13,635	13,635

The Duchy has measured land at fair value on a non-recurring basis as a result of the reclassification of the land as held for sale.

There have been no transfers between Levels 1 and 2 recurring fair value measurements during the year.

The Duchy's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

The following table sets out the total gains or losses for the period included in profit or loss that are attributable to the changes in unrealised gains or losses relating to those assets and liabilities held at the end of the reporting period that are included in gains/(losses) recognised in other income.

	Unlisted equity securities £'000	Investment property £'000	Owner-occupied property £'000	Total £'000
Unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period	–	28,979	(1,327)	27,652

Notes to the accounts *continued*

22. Fair value measurements (continued)

The following table sets out the valuation techniques used in the determination of fair values within Level 3 including the key unobservable inputs used and the relationship between unobservable inputs and fair value.

Item and valuation approach	Key unobservable inputs	Relationship between unobservable inputs and fair value
-----------------------------	-------------------------	---

Investment property:

Fair value has been determined by a range of recognised valuation methodologies depending on the nature of the individual properties. As shown in note 12 most of the properties have been valued by external professionally qualified valuers.

The methodologies applied by the valuers include the following:

Investment method:

An assessment is made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions these are then applied to the property, taking into account size, location, terms, covenant and other material factors.

Market rents are assessed on a tenant-by-tenant basis taking into account significant variation between location, sector, size and quality.

The higher the discount rate, terminal yield and expected vacancy rate the lower the fair value.

Residual method:

The market value of the site in its existing condition is arrived at using the residual method, which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed development (Gross Development Value), using the investment method described above, the valuers deduct it from the total costs of development and an allowance is made for the developer's profit.

The estimated market value of a completed project, development costs and expected appreciation in the price.

The lower the development costs the greater the anticipated market value.

Fair values of trade receivables and payables, short term investments, and cash and cash equivalents are assumed to approximate to cost due to the short-term maturity of the instruments and as the impact of discounting is not significant.

The following table sets out the valuation technique used in determination of fair values within Levels 2 and 3 including the key inputs used.

Item	Valuation approach and inputs used	
Financial assets	The fair values of financial assets and financial liabilities have been determined with reference to available market information at the balance sheet date.	Level 2
Interest rate swaps	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	Level 2

Notes to the accounts *continued*

23. Cash flow notes

Reconciliation of Revenue account surplus to net cash inflow from operating activities.

	Note	2025 £'000	2024 £'000
Net surplus on Revenue account		26,814	28,577
Net surplus on Capital account		33,731	16,902
Adjusted for:			
Depreciation	14	70	46
Current service costs less contributions to pension scheme		(251)	(175)
Net finance income		(512)	(628)
Increase in valuation of other financial investments		–	(10)
Net gain from fair value adjustment on investment property	12	(28,979)	(6,783)
Gain on disposal of investment property		(4,988)	(463)
Proceeds from termination of interest rate swap		801	–
Net gain on the disposal of financial assets	15	(850)	(10,208)
Increase in receivables		(5,003)	(256)
Decrease in payables		(10,146)	(3,507)
Net cash inflow from operating activities		10,687	23,495

Reconciliation of liabilities arising from finance activities

A reconciliation from the most directly comparable IFRS measure to net debt is given below:

	1st April 2023 £'000	Cash flow £'000	Acquisitions and disposals £'000	Fair value gains and losses £'000	Interest charge £'000	31st March 2024 £'000
Cash and bank balances	27,169	2,689	–	–	–	29,858
Interest rate swaps	14,590	–	–	(2,188)	–	12,402
Borrowings	(142,000)	(10,000)	–	–	–	(152,000)
	(100,241)	(7,311)	–	(2,188)	–	(109,740)

	Non-current assets £'000	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Total £'000
Cash and bank balances	–	29,858	–	–	29,858
Interest rate swaps	12,402	–	–	–	12,402
Borrowings	–	–	–	(152,000)	(152,000)
Balance at 31st March 2024	12,402	29,858	–	(152,000)	(109,740)

Notes to the accounts *continued*

23. Cash flow notes (continued)

	1st April 2024 £'000	Cash flow £'000	Acquisitions and disposals £'000	Fair value gains and losses £'000	Interest charge £'000	31st March 2025 £'000
Cash and bank balances	29,858	1,271	–	–	–	31,129
Interest rate swaps	12,402	(2,456)	(801)	(1,353)	–	7,792
Borrowings	(152,000)	42,000	–	–	–	(110,000)
	(109,740)	40,815	(801)	(1,353)	–	(71,079)

	Non-current assets £'000	Current assets £'000	Current liabilities £'000	Non-current liabilities £'000	Total £'000
Cash and bank balances	–	31,129	–	–	31,129
Interest rate swaps	7,792	–	–	–	7,792
Borrowings	–	–	–	(110,000)	(110,000)
Balance at 31st March 2025	7,792	31,129	–	(110,000)	(71,079)

24. Related party transactions

Four donations totalling £12,514,000 (2024: £533,000) were made to the Duke of Lancaster's Foundation. This included £214,000 that was pledged in the prior financial year. Sir Nathan Thompson KCVO whilst in position as Chief Executive Officer acted as a trustee of the Duke of Lancaster's Foundation (formerly The Duchy of Lancaster Jubilee Trust) to 1st November 2024. Alastair Martin CVO whilst in position as Chief Executive Officer acted as a trustee of the Duke of Lancaster's Foundation (formerly The Duchy of Lancaster Jubilee Trust) from 1st November 2024 to 12th March 2025.

A donation of £555,000 (2024: £240,000) was made to the Duke of Lancaster Housing Trust. The Chief Executive Officer acts as a trustee of the Duke of Lancaster Housing Trust.

A donation of £100,000 (2024: £1,000,000) was made to the Duchy of Lancaster Benevolent Fund. The Receiver General and the Attorney General of the Duchy of Lancaster, together with the Vice Chancellor of the County Palatine, act as trustees of the Duchy of Lancaster Benevolent Fund.

A donation of £100,000 was made to King Charles III Charitable Fund Small Grants programme (2024: £nil).

A donation of nil was made to the FairShare food bank as part of the King Charles III Charitable Foundation Coronation Food Project (2024: £150,000).

In March 2024 a donation of £720,000 was pledged to the King Charles III Charitable Foundation Coronation Food Project to be paid over four years. £180,000 was paid in the current financial year (2024: £nil). The balance of £540,000 is held in trade and other payables: £180,000 in current liabilities and £360,000 in non-current liabilities.

During the period The Duchy of Lancaster incurred £87,449 in relation to The Duchy of Cornwall for secondment fees for personnel (2024: £nil). This was in the normal course of business and was conducted at arm's length.

Notes to the accounts *continued*

25. Financial risk management

A review of the Duchy's financial risks is set out in the Strategic Report on pages 34 to 41.

Market risk – cash flow and fair value interest rate risk

The Duchy's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Duchy to cash flow interest rate risk. Borrowings issued at fixed rates expose the Duchy to fair value interest rate risk.

The Duchy performs sensitivity analyses on its covenants, looking at all assets and also just liquid assets. This provides reassurance of the levels of market or tenant deterioration that would result in a potential covenant breach.

The Duchy analyses its interest rate exposure on a periodic basis. In particular, when entering into a new swap agreement various scenarios are considered to understand the effect that a change in the base rates would have on both interest rate risk and fair value interest rate risk. As at 31st March 2025, the Duchy has swapped or fixed 100% of its loans, as detailed in note 19.

The Duchy manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps and fixed-interest loans. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The Duchy has set policies as to the proportion of its borrowings against which interest rate swaps must be taken out in order to mitigate its interest rate risk.

Liquidity risk

The majority of the Duchy's financial liabilities fall due within one year and notes 18–20 provide further details of these liabilities. Liquidity risk is minimised by holding £66m in liquid assets, specifically equities and bonds, within the financial portfolio. The Duchy continually monitors its liquidity position through cash flow forecasts. It is not possible to state the maturity profile of the Duchy's Late Claims Fund provision (see note 20) and its retirement benefit obligations (see note 21) due to the uncertain timing of their potential crystallisation.

The table below summarises the maturity profile of the Duchy's financial liabilities on a contractual undiscounted cash flow basis.

	Less than 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Borrowings	–	62,500	47,500	110,000
Net interest payable on swaps	–	(7,792)	–	(7,792)
Trade and other payables	18,098	1,628	–	19,726
At 31st March 2025	18,098	56,336	47,500	121,934
At 31st March 2024	32,790	66,285	73,313	172,388

Credit risk

The Duchy uses external investment consultants to assess the credit quality of banks and financial institutions based on their financial position, experience of past performance and other factors as deemed relevant. As set out in note 16 there is no significant concentration of credit risk with respect to trade receivables as the Duchy has a large number of tenants.

Capital management

The Duchy continually monitors its financial situation by means of regular management information and accounts. This ensures that the covenants in relation to the bank loan facility are adhered to.

26. Capital commitments

As at 31st March 2025 the Duchy had entered into contracts for major improvement works in respect of various refurbishments that gave rise to capital commitments totalling £9,149,435 (2024: £1,567,371).

Duchy of Lancaster Rural Surveys

The Duchy of Lancaster Rural Surveys total approximately 41,908 acres.

		Acres
The Staffordshire Survey	Needwood estate	7,396
The Cheshire Survey	Crewe estate Marbury estate	3,448
The Lancashire Survey	Whitewell estate Myerscough estate Wyreside estate Salwick estate	9,875
The Yorkshire Survey	Cloughton estate Pickering estate Marishes estate Goathland estate Pontefract estate	15,127
The Southern Survey	Higham Ferrers estate Castleton estate Ogmore estate Other (Tickhill Castle estate, Bolingbroke Castle estate, Wolstanton estate, Halton estate, Desford estate)	6,062
		41,908

Accounts direction given by HM Treasury

Operating Review

1. The Duchy of Lancaster shall prepare accounts for the financial year ended 31 March 2025 and subsequent financial years comprising:

- a Report of Council including a Governance Statement;
- a revenue account statement of comprehensive income;
- a capital account statement of comprehensive income, with a reconciliation of movements in the capital account;
- a balance sheet; and
- a cash flow statement

including such notes as may be necessary for the purposes described in the following paragraphs.

2. The accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses and cash flows for the financial year, and the state of affairs as at the end of the financial year. Subject to these requirements and the exemptions set out in Schedule 1, the accounts shall be prepared in accordance with UK-adopted international accounting standards (IAS).
3. The application of the accounting and disclosure requirements of the Companies Act 2006 (CA), accounting standards, and other disclosure requirements is given in Schedule 1 attached.
4. This direction supersedes that of June 2024. It shall be reproduced as an appendix to the accounts.

David Fairbrother
Treasury Officer of Accounts
June 2025

Accounts direction given by HM Treasury *continued*

Schedule 1 - Accounting and disclosure requirements

Companies Act 2006

1. The disclosure exemptions permitted by the CA shall not apply to the Duchy of Lancaster unless specifically approved by the Treasury.
2. The CA requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, information relating to the Duchy shall be contained in the Report of Council for the year, which shall be signed and dated by the Clerk of the Council or other Proper Officer.
3. The Duchy shall take into consideration the CA requirements as they apply to non-listed companies (to the extent that they can be applied in the circumstances of the Duchy).
4. When preparing its revenue account, the Duchy shall take into consideration the requirements of the profit and loss account format 2 prescribed in statutory instruments 2008 No 410 (SI20081410), Schedule 1 Part 1.
5. When preparing its balance sheet, the Duchy shall take into consideration the requirements of the balance sheet format 1 prescribed in Schedule 1 Part 1 of SI20081410, subject to the exceptions listed below. The balance sheet totals shall be struck at "Net Assets" and the balance sheet shall be signed by the Clerk of the Council or other Proper Officer.
6. The Duchy is not required to provide the historical cost information described in paragraph 34(3) of Schedule 1 Part 1 of SI20081410.
7. The Duchy is not required to comply with the requirement specified in paragraph 35 of Schedule 1 Part 1 of SI20081410 to maintain a revaluation reserve.

Accounting standards

8. It is considered that the Duchy should prepare separate statements of comprehensive income for both the revenue and capital accounts rather than one statement of comprehensive income as required by IAS 1.

Accounts direction given by HM Treasury *continued*

Other disclosure requirements

9. The Report of Council shall, inter alia:

- state that the accounts have been prepared in accordance with this Treasury direction;
- include a brief history of the Duchy and its statutory background, and identify its estates by county and area;
- include a resume of the powers delegated to the Council and those retained by the Chancellor of the Duchy of Lancaster over and above those delegated to the Council; and
- provide information concerning the Duchy's charitable and other activities and the principles supporting them. The information should also indicate where copies of the accounts of the charities may be obtained.

10. The notes to the accounts shall, inter alia:

- distinguish between the Capital and Revenue elements of the consolidated statements and disclose amounts owing from Revenue to Capital for permanent improvements (including the repayment profile) and depreciation rates;
- disclose the names and qualifications of the valuers, both internal and external;
- (where it arises) provide details of the terms of any loan from the capital account for revenue purposes, and the purpose for which it is required, together with explicit assurance that the loan is not being used to inflate the revenue surplus payable; and
- provide details of salary and allowances of the Chancellor of the Duchy of Lancaster and each Council member, together with a note of the pension contributions made in respect of Council members. In addition, performance payments in the year should be separately reported from salaries in bands of £5,000.

11. A formal valuation of the pension scheme was undertaken in 2024 and the deficit reduction contribution rate subsequently was reduced to nil as that valuation indicated the pension scheme had a surplus. The Duchy is still required to contribute to fund any future accrual of pension benefits being offered within the Scheme. This has been agreed by the actuary, the Council and the trustees. The pension reserve required by IAS 19 shall be a separate non-distributable reserve within the revenue account balance sheet. The next formal valuation of the pension scheme will be undertaken during 2027.



DUCHY *of* LANCASTER

www.duchyoflancaster.co.uk

Writing, design and production

The Duchy of Lancaster with Flag Communication Ltd.

www.flag.co.uk

This report is printed using FSC® certified paper from responsibly managed sources. HP Indigo ElectroInks are used—free from hazardous air pollutants, designed for recyclability, and certified compostable under EU regulation EN 13432.

The carbon impact of the paper has been fully offset through the World Land Trust's Carbon Balanced Programme, supporting the protection of threatened habitats worldwide.



Front cover image

His Majesty The King meeting tenants in Staffordshire, February 2025