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# **The Crown Estate Office**

## **Annual Report and Accounts 2022-23**

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Presented to the House of Commons pursuant to section 6(4)  
of the Government Resources and Accounts Act 2000

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This is part of a series of departmental publications which, along with the Main Estimates 2022-23 and the document Public Expenditure: Statistical Analyses 2023, present the Government's outturn for 2022-23 and planned expenditure for 2023-24.



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## Contents

<b>Performance Report</b>	2
<b>Accountability Report</b>	3
Corporate Governance Report	3
Remuneration and Staff Report	4
Parliamentary Accountability and Audit Report	5
Regularity of expenditure	9
<b>The Certificate and Report of the Comptroller and Auditor General to the House of Commons</b>	10
<b>Financial Statements</b>	
Statement of Comprehensive Net Expenditure	16
Statement of Financial Position	17
Statement of Cash Flows	18
Statement of Changes in Taxpayers' Equity	19
Notes to The Crown Estate Office Resource Accounts	20

## Performance Report

### Scope

The expenditure reported in this annual report and accounts relates solely to The Crown Estate Office. Under the Crown Estate Act 1961 (Schedule 1, paragraph 5) monies are provided by Parliament (Supply Finance) towards the cost of the Commissioners' salaries and the expense of their Office.

This annual report and accounts only include transactions in relation to these costs. The complete transactions and operations of The Crown Estate are reflected in The Crown Estate's Integrated Annual Report published on 29 June 2023 ([www.thecrownestate.co.uk](http://www.thecrownestate.co.uk)).

### Overview of Activities

This Annual Report and Accounts relate only to the 2022-23 expenditure in respect of the contribution by Parliament to salaries of The Crown Estate Commissioners and the expense of their Office.

Therefore, the Resource outturn of £2,365,000 is restricted to and matches the supply estimate for 2022-23 for Annually Managed Expenditure and is unchanged from that of 2021-22.

The activities covered by this account are in respect of a contribution to the salaries and costs of staff employed by The Crown Estate whose remuneration is included in The Crown Estate Integrated Annual Report for 2022-23.

In 2022-23 the £2,357,000 contribution by Parliament to the salaries of The Crown Estate Commissioners and the expense of their Office is unchanged from that of 2021-22.

A full review of the activities of The Crown Estate and 'Our risks' is given within the Strategic report in The Crown Estate's Integrated Annual Report.

### Preparation

The accounts of The Crown Estate Office are prepared in accordance with HM Treasury's Financial Reporting Manual.

Dan Labbad  
Chief Executive and Accounting Officer  
16 June 2023

## Accountability Report

### Corporate Governance Report

#### Governance

Under the Crown Estate Act 1961 (Schedule 1, paragraph 5) monies are provided by Parliament (Supply Finance) towards the cost of The Crown Estate Commissioners' salaries and the expense of their Office.

This Annual Report and Accounts only include transactions in relation to these costs. The complete transactions and operations of The Crown Estate and Governance Statement are reflected in a separate Integrated Annual Report published in June 2023 (and available at [www.thecrownestate.co.uk](http://www.thecrownestate.co.uk)).

#### Review of risk management

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within The Crown Estate who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. A detailed review of risk management at The Crown Estate can be found within the Risk section of The Crown Estate Integrated Annual Report.

#### Management Report

The Commissioners of The Crown Estate (the Board) for the period under review and up to the date of signing were as follows:

Dan Labbad, Second Commissioner and Chief Executive

Sir Robin Budenberg, First Commissioner and Chairman of the Board

Paula Hay-Plumb OBE (term as a Board Member ended 31 December 2022 and appointed as Board Counsellor 1 January 2023)

Dame Karen Jones DBE

James Darkins

Juliet Davenport OBE

Sara Wood

Anne Kavanagh (appointed as Board Member 4 July 2022)

Clare Shine (appointed as Board Member 4 July 2022)

Vijay Bharadia (appointed as Board Member 1 April 2023)

The role of the Board and a description of the procedures undertaken to ensure the effectiveness of the Board can be found in the Governance Report of The Crown Estate Integrated Annual Report.

#### Auditors

The accounts of The Crown Estate Office are audited by the Comptroller and Auditor General. The notional audit fee for work performed on the 2022-23 Crown Estate Office Account is £8,000. No fees have been incurred in respect of non-audit services.

#### Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed The Crown Estate to prepare Resource Accounts for each financial year, detailing the resources acquired, held, or disposed of during the year and the use of resources by The Crown Estate Office during the year.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Crown Estate Office and of its net resource outturn, application of resources, changes in Taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual*, and in particular to:

- a. observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b. make judgements and estimates on a reasonable basis;
- c. state whether applicable accounting standards, as set out in the *Government Financial Reporting Manual*, have been followed, and disclose and explain any material departures in the accounts; and
- d. prepare the accounts on a going-concern basis.

HM Treasury has appointed the Second Commissioner as Accounting Officer of The Crown Estate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding The Crown Estate's assets, are set out in *Managing Public Money* published by HM Treasury.

#### **Statement on Disclosure of Relevant Audit Information to the entity's Auditors**

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditor is unaware; and the Accounting Officer has taken all the steps that he ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The Accounting Officer confirms that the Annual Report and Account as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

#### **Remuneration and Staff Report**

The Remuneration and Staff Report can be found in The Crown Estate Integrated Annual Report.

**Parliamentary Accountability and Audit Report****Statement of Outturn against Parliamentary Supply (SOPS)**

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires The Crown Estate to prepare a Statement of Outturn against Parliamentary Supply (SOPS) and supporting notes.

The SOPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SOPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion. The format of the SOPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SOPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOPS to the financial statements (note 2); and a reconciliation of outturn to net cash requirement (note 3).

The SOPS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the Performance Report on page 2. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

The SOPS provides a detailed view of financial performance, in a form that is voted on and recognised by Parliament. The Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOPS disclosures.

**Summary of Resource and Capital Outturn 2022-23**

	2022-23 £'000						2021-22 £'000
	Estimate			Outturn			Outturn
	Voted	Non-voted	Total	Voted	Non-voted	Total	Total
<b>Departmental Expenditure Limit</b>							
- Resource	-	-	-	-	-	-	-
- Capital	-	-	-	-	-	-	-
<b>Annually Managed Expenditure:</b>							
- Resource (note SOPS 1.1)	2,365	-	2,365	2,365	-	2,365	2,365
- Capital	-	-	-	-	-	-	-
<b>Total Budget</b>	2,365	-	2,365	2,365	-	2,365	2,365
<b>Non-Budget</b>							
- Resource	-	-	-	-	-	-	-
<b>Total</b>	2,365	-	2,365	2,365	-	2,365	2,365
Total Resource	2,365	-	2,365	2,365	-	2,365	2,365
Total Capital	-	-	-	-	-	-	-
<b>Total</b>	2,365	-	2,365	2,365	-	2,365	2,365

Statement of Outturn against Parliamentary Supply (continued)

Net cash requirement 2022-23

	Note	2022-23 £'000	2022-23 £'000	2021-22 £'000
		Estimate	Outturn	Outturn compared with estimate: Saving / (excess)
Net cash requirement	SOPS 3	2,357	2,357	-

All activities are classified as programme costs.

Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary control. There is no difference between the Estimate and Outturn.



SOPS 1 Net outturn

SOPS 1.1 Analysis of net resource outturn by section

	2022-23						2021-22
	Outturn			Estimate			Outturn
	Programme		Total	Net Total	Net total compared to estimate	Net total compared to estimate, adjusted for virements	Total
	Gross	Income					
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Spending in Annually Managed Expenditure</b>							
Voted expenditure:							
<b>A: Administration</b>	2,365	-	2,365	2,365	-	-	2,365
<b>Total</b>	<b>2,365</b>	<b>-</b>	<b>2,365</b>	<b>2,365</b>	<b>-</b>	<b>-</b>	<b>2,365</b>

SOPS 2 Reconciliation of outturn to net operating expenditure

Resource outturn and Net operating expenditure are both £2,365,000.

SOPS 3 Reconciliation of Net Resource Outturn to Net Cash Requirement

	Note	Estimate £'000	Outturn £'000	Net total outturn compared with estimate:  Saving/ (excess)
Resource outturn	SOPS1.1	2,365	2,365	-
Accruals to cash adjustments:				
Adjustments to remove <i>non-cash</i> items:				
Notional audit fee		(8)	(8)	-
Net cash requirement		2,357	2,357	-

**Regularity of Expenditure**

This section is subject to audit

**Losses and special payments**

There were no disclosable losses and special payments during the year (2021-22 £nil).

**Remote contingent liabilities**

There are no reportable remote contingent liabilities (2021-22 £nil).

Dan Labbad  
Chief Executive and Accounting Officer

16 June 2023

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS****Opinion on financial statements**

I certify that I have audited the financial statements of The Crown Estate Office for the year ended 31 March 2023 under the Government Resources and Accounts Act 2000. The financial statements comprise The Crown Estate Office's:

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of The Crown Estate Office's affairs as at 31 March 2023 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

**Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Outturn Against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2023 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of The Crown Estate Office in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Conclusions relating to going concern**

In auditing the financial statements, I have concluded that The Crown Estate Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Crown Estate Office'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for The Crown Estate Office is adopted in consideration of the requirements set out in HM Treasury's Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

**Other Information**

The other information comprises information included in the annual report, but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**Opinion on other matters**

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

**Matters on which I report by exception**

In the light of the knowledge and understanding of The Crown Estate Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by The Crown Estate Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

**Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Crown Estate Office from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing The Crown Estate Office's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by The Crown Estate Office will not continue to be provided in the future.

**Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

**Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of The Crown Estate Office's accounting policies;
- inquired of management, the Crown Estate's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Crown Estate Office's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Crown Estate Office's controls relating to The Crown Estate Office's compliance with the Government Resources and Accounts Act 2000, Crown Estate Act 1961, Supply and Appropriation (Main Estimates) Act 2022 and Managing Public Money;
- inquired of management, the Crown Estate's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Crown Estate Office for fraud and identified the greatest potential for fraud in posting of unusual journals. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Crown Estate Office's framework of authority and other legal and regulatory frameworks in which The Crown Estate Office operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Crown Estate Office. The key laws and regulations I considered in this context included the Government Resources and Accounts Act 2000, Crown Estate Act 1961, Supply and Appropriation (Main Estimates) Act 2022 and Managing Public Money.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- In addressing the risk of fraud through management override of controls, I tested all of the transactions and balances reflected in the financial statements.

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain appropriate evidence sufficient to give reasonable assurance that the Statement of Outturn against Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



**Report**

I have no observations to make on these financial statements.

**Gareth Davies**

**21 June 2023**

**Comptroller and Auditor General**

National Audit Office

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London

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## Statement of Comprehensive Net Expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income and expenditure.

### For the year ended 31 March 2023

	Note	2022-23		2021-22	
		£'000	£'000	£'000	£'000
Contribution to Commissioners' costs	3	2,357		2,357	
Auditor remuneration	3	8		8	
<b>Net operating expenditure</b>			<b>2,365</b>		<b>2,365</b>
<b>Comprehensive net expenditure</b>			<b>2,365</b>		<b>2,365</b>

There is no reportable other comprehensive expenditure

The notes on pages 20 to 21 form part of these accounts

## Statement of Financial Position as at 31 March 2023

This statement presents the financial position of The Crown Estate Office. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of equity.

	At 31 March 2023 £'000	At 31 March 2022 £'000
Non-current assets	-	-
Current assets	-	-
<b>Total assets</b>	<b>-</b>	<b>-</b>
Current liabilities	-	-
<b>Non-current assets plus net current assets</b>	<b>-</b>	<b>-</b>
<b>Assets less liabilities</b>	<b>-</b>	<b>-</b>
Taxpayers' equity		
General fund	-	-

Dan Labbad  
Chief Executive and Accounting Officer

16 June 2023

The notes on pages 20 to 21 form part of these accounts

## Statement of Cash Flows

for the year ended 31 March 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of The Crown Estate Office during the reporting period. The statement shows how The Crown Estate Office generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from the operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by The Crown Estate Office. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to The Crown Estate Office's future public service delivery. Cash flows arising from financing activities include Parliamentary Supply and other cash flows, including borrowing.

		2022-23	2021-22
	Note	£'000	£'000
<b>Cash flows from operating activities:</b>			
<b>Net operating expenditure</b>		<b>(2,365)</b>	(2,365)
Adjustment for non-cash transactions	SOPS 2	8	8
<b>Net cash outflow from operating activities</b>		<b>(2,357)</b>	(2,357)
<b>Cash flows from financing activities:</b>			
From the Consolidated Fund (Supply) – current year		2,357	2,357
<b>Net cash inflow from financing activities</b>		<b>2,357</b>	2,357
<b>Net increase in cash and cash equivalents in the year before adjustment for payments to the Consolidated Fund</b>		-	-
Payments of amounts due to the Consolidated Fund		-	-
<b>Net increase in cash and cash equivalents in the year after adjustment for payments to the Consolidated Fund</b>		-	-
Cash and cash equivalents at the beginning of the year		-	-
<b>Cash and cash equivalents at the end of the year</b>		-	-

The notes on pages 20 to 21 form part of these accounts

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2023

This statement shows the movement in the year on the different reserves held by The Crown Estate Office, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Crown Estate Office only holds a General Fund Reserve.

	General Fund
	£'000
<b>Balance of Taxpayers' equity at 31 March 2021</b>	-
Net Parliamentary Funding – drawn down	2,357
Comprehensive net expenditure in year	(2,365)
<b>Non cash adjustments</b>	
Non cash charges – auditor's remuneration	8
<b>Balance of Taxpayers' equity at 31 March 2022</b>	-
Net Parliamentary Funding – drawn down	2,357
Comprehensive net expenditure in year	(2,365)
<b>Non cash adjustments</b>	
Non cash charges – auditor's remuneration	8
<b>Balance of Taxpayers' equity at 31 March 2023</b>	-

The notes on pages 20 to 21 form part of these accounts

## Notes to The Crown Estate Office Resource Accounts

for the year ended 31 March 2023

### 1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2022-23 *Government Financial Reporting Manual* (FReM) issued by the Treasury and in accordance with directions made by the Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) adopted by the UK, as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of The Crown Estate Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by The Crown Estate Office are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting convention

The accounts are prepared under the historical cost convention. The Crown Estate Office Account neither holds nor expects to hold fixed assets or stock requiring revaluation or depreciation.

#### 1.2 Basis of preparation

These accounts are for the Supply financed activities of The Crown Estate. The main activities of The Crown Estate are subject to a different financial accounting framework and are published separately in The Crown Estate's Integrated Annual Report.

The annual funding provided to The Crown Estate from the Treasury is written into legislation and is expected to continue in the foreseeable future. As a result, these financial statements are prepared on a going concern basis.

The accounting policies used in the preparation of these financial statements are consistent with those applied in the last year's financial statements. New standards issued but not yet effective are not expected to have any material impact on these financial statements.

#### 1.3 Operating income

The Crown Estate Office Account has no operating income and relies solely on Parliamentary Supply funding.

#### 1.4 Operating expenditure

Operating expenditure consists of the payment of a contribution to salaries of The Crown Estate Commissioners and the expenses of their Office.

#### 1.5 Accruals relationship

The Crown Estate Office Account transfers funding to The Crown Estate's Annual Financial Statements for a contribution to salaries of the Commissioners and the cost of their Office and any other specific resource funded activities approved in resource estimates. The Crown Estate Office Account recognises expenditure as the funding becomes due to The Crown Estate's Annual Financial Statements.

#### 1.6 Financial instruments

Cash is the only financial instrument held by The Crown Estate Office Account.

The Crown Estate Office Account has no borrowings and relies primarily on resource funding for its cash requirements, and is therefore not exposed to liquidity risks. It has no material deposits.

#### 1.7 Operating Segments

The activities funded by The Crown Estate Office Account are considered to provide a single function; maintaining and enhancing the value of The Crown Estate and the return obtained from it, and in terms of IFRS

is considered to be a single operating segment. It is therefore considered that no further segmental analysis is required to meet the requirements of IFRS 8.

## 2. Adoption of new and revised standards, changes in accounting policies, and standards in issue but not yet effective

HM Treasury implemented IFRS 16 Leases on 1 April 2022 for bodies applying the Government Financial Reporting Manual, which applies to this account. The adoption of IFRS 16 had no impact on these accounts.

IFRS 17 Insurance contracts is effective for annual reporting periods beginning on or after 1 April 2025 with earlier application permitted as long as IFRS 9 is also applied. The adoption of IFRS 17 will have no impact on these accounts.

## 3. Expenditure

	2022-23 £'000	2021-22 £'000
Contribution to Commissioners' costs	2,357	2,357
Auditor's remuneration	8	8
	<b>2,365</b>	2,365

There is no remuneration for non-audit work.

## 4. Contingent liabilities disclosed under IAS 37

There were no contingent liabilities at 31 March 2023 (31 March 2022 £nil).

## 5. Commitments

There were no contractual commitments as at 31 March 2023 (31 March 2022 £nil).

## 6. Related party transactions

The objective of The Crown Estate Office Account is to make transfers to The Crown Estate for the salaries of The Crown Estate Commissioners and the expense of their Office. Accordingly, all of The Crown Estate Office's transactions, excluding auditor remuneration, are with The Crown Estate and therefore The Crown Estate is regarded as a related party.

Neither the Accounting Officer nor any other related parties have undertaken any material transaction with The Crown Estate Office during the year.

## 7. Events after the Reporting date

In accordance with the requirements of IAS10, events after the reporting period are considered up to the date on which the accounts are authorised for issue by the Accounting Officer. The Accounting Officer authorised these financial statements for issue on the date the Comptroller and Auditor General issued his Audit Certificate.

There are no events to report.

