



**64th Report and Accounts for the accounting
period from 1 April 2024 to 31 March 2025**

LARGE TEXT VERSION



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Report and Accounts for the accounting period
from 1 April 2024 to 31 March 2025

Presented to Parliament pursuant to Section 46
of the Covent Garden Market Act, 1961

Covent Garden Market Authority
Food Exchange
New Covent Garden Market
London
SW8 5EL

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Covent Garden Market Authority

Covent Garden Market Authority (CGMA) (the Authority) owns and runs New Covent Garden Market (NCGM) (the Market) and is accountable to the Department for Environment, Food and Rural Affairs (Defra). Its income is derived from the rents and service charges accrued by tenants leasing both trading and office space.

What we do

CGMA lets and manages the space at NCGM. Services provided include:

- Maintenance of buildings, plant and equipment
- Cleaning and waste management
- Energy supply
- Site security
- Traffic control

£5.5m rental income (£3.6m 2023–24 restated)

28 staff employed by CGMA (31 staff 2023–24)

New Covent Garden Market Redevelopment

CGMA, in partnership with VINCI St. Modwen (VSM), is rebuilding New Covent Garden Market (NCGM) in a land for construction deal.

This is a long-term, complex project that will see the construction of new market buildings and facilities and allow NCGM to continue to feed and flower London for generations to come. At the end of March 2025, the redevelopment was 511 weeks into a 633-week programme. In August 2025 CGMA was notified by the developer that they will not be able to meet the agreed programme, and as a consequence there may be a delay to completion until 2028. No formal submission has been received from the developer and every effort will be made to minimise the delay once the formal submission has been received and evaluated.

The redevelopment of NCGM is providing modern facilities on a 38* acre site for the 137 small and medium sized companies based in the Market and the 2,000+ people they employ. The NCGM site is part of a wider transformation of Nine Elms, which is creating

* The acreages stated above are estimated and are not subject to a formal site survey. The redevelopment acreage has been reviewed and adjusted from 19 to 18 acres following a site survey.



a new and exciting residential and business district. NCGM is one of three iconic sites in the district of Nine Elms, sitting alongside Battersea Power Station and the American Embassy. The redeveloped NCGM site will be ideally placed to form a central part of a proposed new Food Quarter for London.

The redevelopment will release 18* acres of surplus land to facilitate a new, residential-led scheme, consisting of 2,973 homes, including 447 (15.1%) affordable homes, 12,624 sq ft of office space, and 8,994 sq ft of retail, leisure, and new community facilities, including shops, cafes, and restaurants. The commercial and construction elements of the 11-year multi-phase programme will provide 2,000 further jobs. The redevelopment partners have also contributed to the cost of the Northern Line extension and the new station at Nine Elms. The extension of the Northern Line and the opening of two new tube stations (Autumn 2021) means most people living and working in the area are within ten minutes walk of a tube station, and has improved access to the market for both the workforce and customers.

Progress to date

As at March 2025, the New Covent Garden Market redevelopment programme had been extended from 615 to 633 weeks. This change reflects agreed modifications following a settlement agreement, including enhancements to the buyer's walk, canopies, and unit recesses. This did not represent a programme delay, but rather an extension of time to accommodate revised design requirements. As noted above, CGMA has recently notification from the developer that they will not be able to meet the agreed programme, and as a consequence there may be a delay to completion until 2028.

In 2024–25, an adjudication between CGMA and its developer (VSM) was resolved in CGMA's favour. Phase 4 commenced following vacant possession in July 2025. The build has progressed smoothly and remains on schedule. Tenant fit-out is due to begin in September 2025, with occupation expected in January 2026. The final phases of the redevelopment are due to complete by 2028.

There have been no material issues with utilities or infrastructure during this period.

www.newcoventgardenmarket.com



Highlights

Covent Garden Market Authority's Performance

Revenue from trading activity was £17.6m, an increase of £2.0m from 2023–24, due to additional rents and tenant recoveries. Grant income decreased by £0.4m from £1.5m in 2023–24 to £1.1m in the current year. Total revenue was £19.1m, an increase of £1.5m compared to the previous year. Total operating costs increased from £17.7m in 2023–24 to £18.1m due to a number of factors including inflationary pressures. The overall operating profit before development activity was £0.9m (2023–24 restated: £0.2m loss).

CGMA's Key Performance Indicators

Covent Garden Market Authority (CGMA) maintained stable performance across its core occupancy indicators during 2024–25, reflecting continued tenant confidence despite wider market volatility. As at 31 March 2025, the occupancy rate of core trading areas remained unchanged at 91%, with the Fruit and Vegetable Market steady at 90% and the Interim Flower Market continuing to operate at full occupancy. The Food Exchange saw a marginal decline to 93%, a 1 percentage point drop on the previous year.

The General Service Charge (GSC) averaged £17.79 per square foot, with an in-year rebate of £0.39 from the forecasted £18.18 per square foot. This mirrors the rate set the previous year. Costs remained under pressure from inflationary forces, notably increased labour rates under the London Living Wage and higher waste handling costs, but these were effectively offset by CGMA's proactive financial management and tenant recoveries.

Key Events

The financial year ending 31 March 2025 saw continued progress in the redevelopment of the Fruit and Vegetable Market. Following the successful completion of Phase 3 construction in the previous year, the new trading units were brought into use during this period. Work on Phase 4 commenced and is proceeding as planned, with completion and tenant occupation expected during the 2025–26 financial year.



Occupancy has remained stable across the Market, supported by sustained tenant interest in the site's strategic location and high-quality infrastructure. This is a positive signal amid ongoing sector-wide headwinds, including rising input costs, economic uncertainty and pressures within hospitality supply chains. The Market's ability to attract and retain businesses in this environment reflects its operational strength and the value it offers tenants now and into the future. As redevelopment milestones are reached, interest from prospective tenants is expected to build further. The eventual removal of construction-related constraints will enhance the appeal of the site, and the completion of the scheme in 2028 is likely to create new opportunities for diversification and growth, strengthening the Market's role as a vital part of London's food and logistics network.

Financial and Operational Performance

The 2024–25 financial year marked a return to surplus for CGMA before redevelopment costs. Total trading revenue reached £17.6m, a £2.0m increase on the prior year. Tenant recoveries rose to £9.3m, reflecting a recalibration of service charge rates in response to higher operating costs, while rental income increased to £5.5m with new phases of the redevelopment coming online.

The Authority recorded an operating surplus before redevelopment activity of £0.9m, a significant improvement on the prior year position. The profit before taxation was £1.3m, a reduction of £5.6m compared to the previous year. The reduction was due to significant fair value revaluation gain recorded on the investment property in 2023–24 of £4.2m.

Capital expenditure in the year was £5.2m required to complete Phase 3 of the redevelopment.

Cash and cash equivalents stood at £40.0m at year end, down from £41.8m in 2023–24, as scheduled investment in infrastructure continued.

Market Profile and Trading Activity: Resilience and Readiness

The number of active businesses at New Covent Garden Market demonstrates the enduring appeal of the Market to both long-standing and new entrants. Combined turnover for all tenants reached £934m, up from £893m in 2023–24, despite economic headwinds in the food, flower, and hospitality sectors. As the redevelopment progresses towards its 2028 conclusion, CGMA's focus remains on building a future-ready estate, enabling businesses to thrive in a purpose-built environment. The Authority enters the final stages of transition with strong financial discipline, an engaged tenant base and a clear strategic direction.



Chair's Statement

Wanda Goldwag OBE



It is my privilege to present this annual report on behalf of Covent Garden Market Authority, at the end of a year marked by progress, reflection, and renewed momentum. Since joining the Authority in April 2024, I have seen at close hand the resilience, dedication and resourcefulness of our tenants, staff group and partners. These are the qualities that are the lifeblood of New Covent Garden Market at Nine Elms.

This year, as we marked the 50th anniversary of the Market at Nine Elms, we took time to reflect not only on our history, but also on what lies ahead. Our anniversary celebrations were genuinely moving, drawing together, in some cases, four generations of market families and reaching audiences worldwide. Our campaign achieved a remarkable reach to over 4 billion, raising the profile of both the Authority and the Market in a way few public sector organisations achieve. Like any long-established organisation, the Authority

has faced its share of challenges over the years. What has impressed me most is the way we have responded by learning from the past, strengthening our approach and working together to overcome these issues. This year, we successfully resolved a complex adjudication process between CGMA and our market developer, providing clarity and allowing us to move forward with the redevelopment with renewed confidence. The redevelopment has been a challenging, but necessary, process for the Authority and tenants alike, which is being recognised in the low rents that tenants pay during the redevelopment. As we continue to work towards completion of the redevelopment in 2028, we will be looking to establish, through a rent review process, what the future rents will be for the new, world-class horticultural market facilities that we will have delivered.

Looking forward, the Board is focused on what comes next: what kind of market will emerge from this transformation, and how the Authority can best support our tenants and the CGMA to succeed. At the heart of our vision remains a steadfast commitment to traditional wholesale, supporting the businesses and skills that have served London's food and flower needs for generations. Alongside this, we welcome innovation and recognise the growing importance of digital and online trade, as well as



new business models and entrants. The Authority is committed to ensuring that New Covent Garden Market remains a place where traditional wholesale thrives, remaining connected to the market's roots, while moving forwards and making full use of all modern tools on offer, harnessing those for the success of both the Authority and tenants alike. It is particularly encouraging to see London's hospitality and events sectors recovering. Our tenants are exceptionally well placed to serve a city whose appetite for fresh, high-quality produce and flowers is as strong as ever. They are also well positioned to lead in new areas of sustainability, enterprise and community engagement.

We still have much work to do, but I am proud of the progress the Authority and the Market redevelopment has made. My sincere thanks go to our staff team, to the Board and to every member of the market community. Together, we are putting New Covent Garden Market firmly back on the map and preparing it for a confident, modern future, rooted in traditional wholesale and open to new opportunities.



Wanda Goldwag OBE

Chair

28 October 2025

General Manager's Statement

Jo Breare



The past year has marked a step change for Covent Garden Market Authority, both in terms of day-to-day delivery and preparation for the future. As the redevelopment draws closer to completion, the Authority has sharpened its focus on strengthening business processes, supporting operational resilience and positioning New Covent Garden Market as a modern, adaptable asset for London.

Our tenants remain central to all that we do. Their resilience, adaptability and commitment have kept the Market strong in the face of supply chain pressures and rising costs. I am particularly proud that this year we have worked in close partnership with both our long-standing traders and new businesses choosing to join the Market. New Covent Garden Market is now a place where established firms and ambitious newcomers can grow together.

A priority this year has been improving the Authority's



financial operations and internal controls. Following a period of challenge, the finance team has put in place new systems and processes that have greatly improved the accuracy and efficiency of our transactions. This progress has restored confidence and ensured that the Authority is now well placed to support ongoing business needs and respond swiftly to any risks or changes in trading conditions.

The Authority recorded a surplus of £0.9m before redevelopment costs, reflecting both prudent financial management and stronger operational performance. This surplus represents a clear improvement on previous years and is evidence of the progress made in restoring financial stability. With robust financial management and operational control, the Market is able to maintain its investment in high-quality facilities, technological upgrades and operational support.

With over three quarters of the redevelopment finished, the Market is fast becoming a showcase for modern wholesale facilities. The project was on track for completion in late 2027, however a recent submission by the developer proposes this will extend into 2028, at which point New Covent Garden Market will emerge as a state-of-the-art, purpose-built asset for the capital. Planning is already underway to ensure the Authority has the right structures, staffing and systems in place to succeed in a post-development world.

Looking beyond 2027, there is a genuine sense of optimism. The completion of the main redevelopment is only the beginning. The surrounding environment will continue to evolve, with further development of the apex sites by independent partners expected up to 2033. Opportunities exist to enhance the use of assets such as the railway arches and to explore new business streams and partnerships, all while maintaining focus on the Authority's core purpose.

The Market remains well positioned to adapt to London's changing needs, attract new business and take advantage of fresh opportunities across food, flowers and logistics. With a revitalised team, stronger processes, and a clear strategic direction, Covent Garden Market Authority is entering its next era with confidence and ambition.

My thanks go to all staff and partners for their commitment and adaptability over the past year. Together, we are ready for the challenges and opportunities of the years ahead.

A handwritten signature in black ink, appearing to read 'Jo Breare', with a stylized, cursive script.

Jo Breare
General Manager
28 October 2025

New Covent Garden Market Trade

NCGM is London's original and finest fresh food and flower market – feeding and flowering the capital daily. It is the largest fruit, vegetable and flower wholesale market in the UK.

The 137 businesses here trade fruit, vegetables and flowers as well as bakery items, dairy foods, ice, drinks and gourmet ingredients.

137 Businesses

£934m Turnover (£893m in 2023–24)

Tenant Business Type	Turnover £ *	Number of businesses
Fruit and Vegetable Wholesale Distributors	412	53
Flower Market	82	35
Importers	28	4
Other Companies	114	29
Fruit and Vegetable Wholesalers	298	16
Total	934	137

* Figures show total annual turnover from tenants' financial statements, year ending 31 March 2025 in current prices and therefore include inflationary impact.



Governance Statement

Chair's Responsibilities

The Chair of the Authority is personally responsible for giving assurance to Defra's Principal Accounting Officer for safeguarding the public funds and assets for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those funds; and for the day-to-day operations and management of CGMA as a Public Corporation. In accordance with paragraph 3.1.2 of the government guidance document 'Managing Public Money' concerning how to handle public funds, the duties and standards of delivery normally associated with an Accounting Officer rest with the Chair.

In order to discharge this responsibility, the Chair ensures that CGMA maintains a sound system of risk management, governance, decision-making, financial management and internal control that supports the achievement of the Authority's policies, aims and objectives that are set out in the relevant government guidance. The relationship between the Authority and its sponsoring department, Defra, is set out in a Framework Document signed by both parties on 15 December 2020 and published on 18 January 2021.



Wanda Goldwag was appointed as the new Chair of the Authority, with her term commencing on 2 April 2024, taking over from the interim chair John Lelliott.

The Authority's Board

The Board of the Authority comprises the Chair and a maximum of seven other non-executive Members, appointed by the Secretary of State for the Department for Environment, Food and Rural Affairs (Defra), and including one member nominated by the Secretary of State for Transport. Their appointment is usually fixed for a period of between two and four years and their remuneration is set by the Secretary of State for Defra. Subject to performance, the Secretary of State may decide to reappoint Board Members without competitive selection. However, the Ministerial Governance Code on Public Appointments specifies that: 'there is a strong presumption that no individual should serve more than two terms or serve in any one post for more than ten years. In exceptional cases, Ministers may decide an individual's skills and expertise are needed beyond such a tenure'. The appointments are intended to ensure a balance of skills and experience relevant to the various sectors of the business. The Board meets at least six times a year and

receives reports from the management on key aspects of the Authority's business. It brings an independent judgement to its oversight of the direction, strategy and corporate objectives of Covent Garden Market Authority. There is an annual assessment of the Board's performance and effectiveness.

In managing the affairs of the Authority, Members of the Authority have adopted a Code of Practice in regard to their behaviour. The Code adopted is that recommended by government for use by members of non-departmental public bodies and covers public service values, standards in public life, the role of Board Members, the role of the Chair, handling conflicts of interest, the personal liability of Board Members and the seven 'Nolan' principles of public life.

A register of Members' declared interests is maintained at the Authority's offices and is available for inspection on application in writing to the Chair.

The following table sets out Members' attendance at Board and advisory committee meetings during financial year 2024–25:



	Board	Audit and Risk	Remuneration
Total number of meetings	11	5	2
John Lelliott *	3/4	3/3	-
Wanda Goldwag **	11/11	-	2/2
Victoria Wilson ***	10/11	2/2	2/2
Sarah Calcutt	11/11	-	2/2
Fiona Fell	11/11	5/5	-
David Fison	10/11	5/5	-
Catherine Dugmore ****	1	1/1	-

* Term ended 20 September 2024 and ceased to be a member of the Remuneration Committee in April 2024.

** Appointed as a member of the Remuneration Committee in April 2024

*** Appointed as an interim member of the Audit and Risk Assurance Committee in November 2024

**** Catherine Dugmore was appointed to the Board between 6 January and 19 May 2025 in an interim, advisory capacity. Accordingly, she was only expected to attend Board meetings where her advice was required on a specific agenda item.

Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee comprises three Members of the Board. Membership at the year-end consisted of Fiona Fell (Chair), David Fison and Victoria Wilson.

Members of the Executive Team attend meetings as well as other appropriate Members of the Authority. The committee met five times during financial year 2024–25. The Chair of the committee provides a regular report to the Board concerning internal controls and risk management policies and procedures after each meeting.

The Committee is required to review internal accounting and financial procedures to ensure that these are satisfactory and to receive reports on the internal and external audit of CGMA's affairs. Both the internal and external auditors attend relevant committee meetings, providing reports to the committee on audit strategy, findings and recommendations. The external auditors also review financial reporting and significant accounting estimates.

The risk management matters that the committee considers include both corporate and project related risk registers maintained by CGMA, internal and external health and safety reports, fraud and whistleblowing matters.



Remuneration Committee

The Remuneration Committee comprises three Members of the Board. Membership at the end of financial year 2024–25 consisted of Victoria Wilson (Chair), Wanda Goldwag and Sarah Calcutt.

The committee advises the Board on reward and recognition strategy and performance management; terms of employment; structure; resourcing and other HR matters.

Redevelopment Project Governance

During financial year 2024–25 work continued as noted in the section ‘New Covent Garden Market Redevelopment’ (page 2). In line with the Development Agreement, a Development Review Group meets monthly and includes representatives from VSM and CGMA. In addition, there are regular site meetings covering different aspects of the redevelopment on either a weekly or monthly basis.

During financial year 2024–25, the bi-weekly tenant liaison meetings regarding the redevelopment continued. These meetings play an important role in managing the challenges that arise in this unprecedented redevelopment of an active wholesale market site. CGMA does not underestimate these challenges and is grateful to the participants in the meetings for taking the time to help address them.

The Authority as a Going Concern

CGMA’s Board is required to give an opinion as to whether there is a reasonable expectation that adequate resources exist for CGMA to continue in operational existence for the foreseeable future – this being a minimum of 12 months from the date of signing of the Annual Report and Financial Statements. Any such view must take account of



the need for substantial investment in the market's facilities, and the risks identified in the section 'Principal Risks and Uncertainties' (pages 27–34).

The Board has undertaken a rigorous process to ascertain whether CGMA is a going concern. In forming a view that CGMA was a going concern as at the end of financial year 2024–25 and remains a going concern, the Board had regard to the following:

- CGMA's statutory powers to borrow and grant debentures, in the context of a largely unused statutory borrowing limit of £45m and the availability of unencumbered assets.
- CGMA's statutory power to dispose of or let land that is not required for the purposes of its statutory duties, to release funds to support compliance with those statutory duties (in accordance with s.18 of the Covent Garden Market Act 1961).
- The availability of qualifying expenditure to offset chargeable gains on previous disposals of surplus land.
- The contractual arrangements with VSM and their ability to complete the works. The contract with VSM provides the Authority with various forms of protection to mitigate the risk that VSM fail to fulfil their obligations to complete the redevelopment. These include the use of a separate development account, a performance bond, parent company guarantees and step in rights.

- The requirement for the continued existence of CGMA as a public corporation pursuant to the Covent Garden Market Acts, and the fact that the Authority's statutory duties are, for financial purposes, confined to:
 - breaking even, taking one year with another;
 - maintaining a reserve fund; and
 - carrying out alterations or improvements as needed.
- The continuing impact of the financial support for CGMA provided by Defra in relation to the settlement of tenant litigation in 2020, in accordance with the terms and conditions contained in Defra's funding approval letter dated 12 August 2020.

The balance sheet position is underpinned by the investment property valuation. A lifespan of 30 years has been assumed for the market facilities once they are complete, with the opportunity to generate revenues and income over this period. It is therefore the opinion of the Board that

there is reasonable assurance that CGMA has adequate resources to continue in operational existence for the foreseeable future taking into account the financial support offered by Defra.



The System of Internal Control

The system of internal control is designed to manage to a reasonable level, rather than eliminate, all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of CGMA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control, which includes the maintenance of a risk register, was in place throughout the financial year 2024–25 and has remained in place continuously up to the date of approval of the Report and Accounts, and it accords with HM Treasury guidance (Managing Public Money).

Internal Audit

In accordance with the DEFRA Framework Document and the applicable standards of good governance in the public sector, the Authority maintains an annual internal audit. Each year, and with the benefit of advice from a specialist internal audit provider, the Authority's Audit and Risk Assurance Committee

identifies three to four aspects of the Authority's business as priorities for audit. The identified audits are then carried out by the audit provider at agreed intervals during the financial year, save in cases where they do not have specialist resources in the relevant area – in which case a third-party audit provider is contracted to provide the audit in question. The internal auditors operate in accordance with recognised internal auditing standards.

The results of the internal audits are then reported to the Audit and Risk Assurance Committee and (where relevant) the Board. The reports include an independent opinion on the adequacy and effectiveness of CGMA's system of internal control in relation to the matters being audited, together with recommendations for improvement. Actions arising from these recommendations are tracked by the Authority's Legal and Governance team, who maintain a tracking database to monitor progress, and conduct regular meetings with the members of the Authority's Executive that are responsible for the action in question. Both the Audit and Risk Assurance Committee and the Board are kept informed as to progress with, and closure of, internal audit actions.

In the financial year 2024–25 three internal audits took place: a critical friend review of the dispute resolution process in relation to the redevelopment



that concluded during the financial year; a contract management audit; and an audit of the Authority's cash handling processes. No urgent or serious control issues were found, and a number of recommendations for improvement were implemented.

Risk Management

The risk management process within CGMA consists of the identification of risks facing the various sectors of the Authority's business, their classification in terms of likely occurrence and consequences. Priority is given to mitigating the highest risks.

The Executive team reviews risk on a regular basis both at an operational and strategic level. The principal risks and uncertainties facing the Authority are reviewed at each Audit and Risk Committee meeting and reports are made to the CGMA Board, and are summarised below as to their impact over the reporting period.

Principal Risks and Uncertainties

The Authority considers that the principal risks and uncertainties facing its business and strategy are as follows, noting that changes in impact and likelihood are assessed as at the date of approval of the Annual Report and Accounts, as compared to the end of the financial year 2023–24:

Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Workforce challenges				
Loss of corporate memory through churn. Financial limitations restricting recruitment.	Increased use of process manuals to ensure continuity. Encourage adaptability and cross-team working. Make use of temporary contractors to cover periods of specific demand.	Temporary contractors facilitated a transition to a new Finance team structure. Some process manuals were developed during the year, with more to follow in 2025–26.		

Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Funding and cash flow				
The redevelopment and the terms of the 2020 tenant settlement continue to restrict CGMA's ability to raise cash from rent through to the end of the development. The ability to meet all liabilities arising from, or connected with, the redevelopment.	Explore alternative sources of revenue. Rigorously enforce contractual rights to recover money, by improving credit control capabilities, and taking legal action where appropriate. Work with the development partner to achieve cost savings or efficiencies. Proactively manage tax liabilities and potential for relief. Consult with stakeholders as to how to optimise the completed development within the funding available. Explore alternative, commercial sources of funding.	Increase in non-service charge and rental income. Continued efforts to improve credit control and enforce contractual rights. Prior to instructing each new phase of the redevelopment the Project team undertakes a rigorous process to realise any available savings from works already instructed as part of the Guaranteed Maximum Price ('GMP'), as well as any new works not covered by the GMP. A consultation on optimising the completed development was prepared, and then launched after financial year end.		

Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Stakeholder confidence - Financial				
Staff turnover and performance within the finance team, manifesting itself in late filing of the 2022–23 and 2023–24 accounts and problems with invoicing. Failure of stakeholder engagement in relation to service charge budgeting.	Bring in temporary expertise to support recovery of the Finance function. Restructure the Finance team to address previous limitations. Maintain dialogue with stakeholders and regular updates to ensure transparency.	Specialist temporary contractors have completed their assignments. The Finance team is in the process of transitioning to its new structure. The service charge budgeting process is being rigorously monitored to ensure information is provided to stakeholders (and, where appropriate, Statutory Committees) in a timely manner. Meetings are taking place with tenants to ensure full transparency as to service charge. Systemic problems with invoicing have now largely been addressed.	↔	↓

Stakeholder confidence - Redevelopment

Defects identified in the new Market buildings undermining confidence in the finished product.

Ensure identified defects are dealt with appropriately under the defects management provisions in the development agreement. Pursue adjudication in relation to disputed defects.

Defects are reported and followed up by the Project team. Updates are provided and feedback is sought in regular meetings with both tenants and development partner. An adjudication process in relation to disputed defects was brought to a successful conclusion during the financial year, providing clarity.



Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Business resilience				
Resilience and diversity of tenant businesses, which are under pressure in changing market conditions and uncertain economic conditions. This underpins CGMA's own business resilience.	As far as possible, continue to facilitate the relocation of strong existing tenant businesses to the new Market. Monitor tenant business health. Improve credit control capabilities. Proactively manage any voids or potential voids through an improved online presence and strategic use of marketing agencies. Work to raise the profile of the Market as the country's leading bulk horticultural Market. Seek to promote diversity of offering amongst tenant businesses, thereby supporting the Market's financial ecosystem.	Phase 3 of the redevelopment completed during the financial year, with two of the Market's largest tenant businesses relocating to their new accommodation. Continued focus on credit control including bi-weekly cash collection meetings. Credit checks are carried out for any potential new tenants, and spot checks are also carried out in relation to existing tenants, as required. This takes the format of improved credit control processes and information utilisation.		

Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Business resilience (contd.)		Continued to attract new tenants into the market. PR and Marketing Campaign to mark the 50th anniversary of the Market's move to Nine Elms gained unprecedented global coverage for the NCGM brand and won national PR awards, which has promoted the Market's profile and its facilities to a much larger audience.		

Risk	Principal mitigations	Mitigation progress	Change in impact compared to financial year 2023–24	Change in likelihood compared to financial year 2023–24
Core IT system inefficiencies				
Continuing effects of an interfacing failure between CGMA's Finance IT system and its property management module, contributing to late or incorrect invoicing and associated system inefficiencies.	Engage specialist external advisors to review and advise on changes required to make the system fit for purpose.	A number of system changes were made in-year to improve performance and an ERP improvement project was instigated in-house which will continue into 2025–26.		

Note that the 'Development Partner Relations' Risk included as a 'Principal Risk and Uncertainty' in the 2023–24 Report and Accounts has been removed as it is now addressed under 'Stakeholder Confidence – Redevelopment' and 'Funding and cash flow'.

Disclosure of Information to the Auditor

In the case of each person who was a Board Member at the time this report was approved:

- so far as that Board Member was aware there was no relevant audit information of which the Authority's auditor was unaware; and
- that Board Member had taken all steps that the Board Member ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish the Authority's auditor was aware of that information.



Jo Breare

General Manager, Covent Garden
Market Authority, 28 October 2025

Foreword to the Accounts

History, Statutory Background and Principal Activities

CGMA is a statutory corporation established in 1961 by Act of Parliament. The Authority was initially charged with the duty of providing the horticultural wholesale market facilities then located at Covent Garden WC2, and improving them.

CGMA recommended that the market should be relocated, and a scheme was devised for its transfer to a new site at Nine Elms SW8. These proposals were approved by Parliament in 1966 and land was purchased on which the new market facilities were built.

The market moved to the current site in 1974 and currently comprises 137 tenant businesses, of which the majority are wholesale and distributive tenants in the horticultural sector. There are a number of other tenants, including importers and firms supplying foodstuffs and catering and other services.



The capital cost of the new market was funded by Government loans, the final balance of which was repaid in March 1990. The freehold title of the land at Nine Elms is vested in the Authority together with a leasehold interest until 2073 from Network Rail over the area beneath the railway viaduct crossing the site. The site is currently undergoing a complete redevelopment to create a renewed market estate.

In addition to providing facilities, such as warehouse and office premises, market halls, roads and vehicle parks, the Authority undertakes the supply of services needed by the market community: cleaning and waste disposal, energy supply, site security, traffic control and the maintenance of buildings, plant and equipment. Expenditure on these services is recovered from market tenants via a RICS-compliant service charge which is reviewed annually in line with costs and takes into consideration the advice of tenant representatives. The provision of services is through commercial contracts placed with specialist suppliers.

Business Review

The Authority's performance for the financial year 2024–25 has resulted in an operating surplus of £0.9m. Whilst income increased by £1.5m, this was partially offset by an increase in costs of £0.4m.

The key variances are as follows:

- Tenant recoveries increased by £0.3m to £9.3m (2023–24: £9.0m), reflecting higher service charge recoveries in line with inflationary cost pressures. Occupancy rates remained broadly stable.
 - Commercial vehicle charges decreased by £0.2m to £1.1m (2023–24: £1.3m), mainly due to reduced tag entry income.
 - Grant income decreased by £0.4m to £1.1m, reflecting the release of funding from Defra associated with the 2020 tenant settlement agreement.
 - Cleaning and waste disposal costs remained high at £4.7m (2023–24: £4.7m), as volume and per-tonne charges remained elevated. London Living Wage uplifts continued to impact contracted services.
 - Electricity costs decreased significantly to £1.3m (2023–24: £2.5m), reflecting falling wholesale prices and tenants moving to direct supply.
- The cost to CGMA remains partially impacted by the requirement to hold void space in



preparation for future phases of redevelopment.

The profit for the financial year 2024–25 after tax is £1.0m (2023–24 restated: profit of £5.6m). The result for 2023–24 includes a gain of £2.6m on the sale of assets and a fair value gain on the investment property of £4.2m.

Pension

The surplus relating to the defined benefit pension plan increased by £0.33m to £0.41m (2023–24: £0.08m surplus). The Authority paid £0.18m of additional employer contributions to the Pension Fund and ceased contributions due to the Pension Fund being overfunded.

The pension asset has not been recognised in this financial year as it cannot be demonstrated that future economic benefits are probable to flow to the Authority.

Net Cash Flow

Cash and cash equivalents decreased by £1.8m to £40.0m (2023–24: £41.8m), reflecting:

- Net operating cash inflow of £2.9m (2023–24 restated: £19.3m)
- Net investing outflow of £4.7m (2023–24 restated: £3.9m).

The total figure as at 31 March 2025 of £40.0m comprised:

- £33.6m (2023–24: £35.4m) reserved for development, subject to Development Agreement conditions.
- £1.5m (2023–24: £2.1m) held on behalf of tenants.
- £4.9m (2023–24: £4.3m) available operating cash.

Capital Expenditure and Fixed Assets

Capital expenditure on property, plant and equipment during the financial year totalled £0.041m (2023–24: £0.2m). This primarily related to the purchase of a fork-lift truck.

Property, which is held as an investment property and measured at fair value, increased during the year by £5.1m to £85.0m (2023–24 restated: £79.9m (see note s). There was £5.2m of capital expenditure and £0.1m of fair value loss.

Key Performance Indicators

Operational key performance indicators (KPI) are included in the Highlights on page 5.

Additionally, the Authority also monitors profitability, rental income, monthly cash flows and the delivery of the redevelopment project.

Financial Risk Management

Financial Risk Management details of the Authority's financial instruments and its policies relating to financial risk management are given in note 18 to the Accounts.

Dividends

The Authority paid no dividends during the financial year (2023–24: £nil) (see note 17).

Political and Charitable Donations

The Authority does not make political donations. During the financial year, one charitable donation of £500 was made to Covent Garden Tenants Association Ltd (2023–24: £1,615 and that the largest, £1,000, was made to Oracle Cancer Trust).



Business Prospects

The year 2024–25 has been one of progress and renewed momentum for New Covent Garden Market (NCGM) and Covent Garden Market Authority (CGMA). The 50th anniversary was not only a celebration of the Market's legacy at Nine Elms but also an opportunity to showcase its national and international relevance, with the anniversary campaign reaching billions and reaffirming NCGM's place as a valued London asset.

The redevelopment of the Market has continued to move forward, with 76.1% of the project completed by March 2025 and full completion on track for 2028. These final phases represent a turning point. On completion, NCGM will emerge from years of construction as a modern, future-fit wholesale hub, offering flexible facilities and an enhanced environment that will further strengthen its role in the supply of fresh produce and flowers to London and the South East.

CGMA continues to advance its sustainability agenda, with initiatives such as solar energy projects under consideration to improve environmental performance and operational efficiency. These efforts reflect a wider commitment to responsible stewardship and innovation, ensuring that the Market remains aligned with the expectations of London, its communities,

and the broader food and flower sector.

Occupancy levels have remained robust across all areas of the Market, even as trading conditions remain complex for the wider food, flower, and hospitality sectors. NCGM has maintained its status as a leading distribution centre, supporting London's dynamic economy and adapting to evolving patterns of demand.

Looking ahead to the final stages of redevelopment, the Market stands on the verge of a new era. The Authority's strategy is focused on maximising the value of NCGM as a key London resource, increasing its profile, and ensuring that its facilities and services meet the highest standards for efficiency, sustainability and innovation.

With strong community ties, a renewed estate and a proven ability to adapt and thrive, NCGM is exceptionally well placed to support London's ongoing growth as a world city. On completion of the redevelopment, NCGM is expected to remain a vital and modern asset for the capital for generations to come.

The year 2024–25 marks a significant milestone for NCGM as it celebrates 50 years of trading. This momentous occasion provides an opportunity to reflect on our rich history while focusing on the future



and the completion of the new Market redevelopment. Despite ongoing challenges and economic uncertainties, the Authority remains confident in the Market's vibrant and prosperous future. CGMA's optimism is grounded in the resilience of our tenants, the strength of our community and the critical role NCGM plays in sustaining London and the South East's fresh produce and flower supply chains.

CGMA continues to chart a robust and forward-thinking course for the Market. CGMA's commitment to ensuring the Market thrives is unwavering. CGMA firmly believes that NCGM and its tenants are more vital to London and the South East than ever in supplying and delivering fresh, high-quality produce and flowers to meet the demands of our dynamic region. Together, we look forward to building on our legacy and embracing the opportunities of the future.

Authority Board Members' Responsibilities

As required by the Covent Garden Market Acts 1961–77 and the Direction given by the Secretary of State for the Department for Environment, Food and Rural Affairs in respect of the annual accounts, CGMA must prepare accounts in accordance with the Covent Garden Market Acts 1961–77. As a result, the Authority Board Members prepare financial statements for the financial year, which must give a true and fair view of the state of affairs of CGMA as stated at the end of the year and of the profit or loss for the trading year.

In preparing the financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements and they have complied with the requirements of the Covent Garden Market Acts;
- assess the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and



- use the going concern basis of accounting unless they either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

CGMA's Board Members are responsible for ensuring that adequate accounting records are maintained which disclose, with reasonable accuracy at any time, the financial position of the Authority, and enable them to ensure that the published financial statements comply with the requirements of the Covent Garden Market Acts.

In addition, CGMA's Board Members are responsible for safeguarding the assets of the Authority and for taking reasonable steps for the prevention and detection of fraud and other irregularities. CGMA's Board is satisfied that appropriate control systems are in place within the Authority's management to achieve these ends.

Regular reports of financial performance against budget are received from management by CGMA's Board.

CGMA's Board Members agree strategic objectives and approve policies for the organisation and monitor the performance of executive management. As part of this role, they ensure that the Authority has appropriate policies in place relating to risk management, health and safety and corporate governance. They also ensure that adequate succession planning and remuneration arrangements are in place.

CGMA's Board Members are responsible for the maintenance and integrity of the corporate and financial information included on CGMA's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



5-Year Summary of Financial Statements

	2020–21 £'000	2021–22 £'000	2022–23 £'000	2023–24 £'000	2024–25 £'000
	Restated	Restated	Restated	Restated	
Gross income including finance income	15,604	23,740	17,035	17,927	19,570
Gross expenditure including depreciation and finance costs	(15,638)	(14,269)	(15,978)	(17,756)	(18,149)
Surplus/(deficit) before redevelopment activity	(34)	9,471	1,057	171	1,421
Disposal of assets	-	-	5	2,649	11
Redevelopment project costs not capitalised	(2,587)	4	(244)	(53)	(93)
Change in Fair Value (loss)/gain	16,883	6,298	(19,962)	4,154	(54)
Surplus/(deficit) before taxation	14,262	15,773	19,144	6,921	1,285
Corporation tax & deferred tax	(2,513)	(2,295)	(680)	(1,366)	(319)
Net profit/(loss) after accounting for tax	11,749	13,478	(19,824)	5,555	966
Capital & reserves	87,816	101,166	82,441	88,784	89,568

Independent Auditor's Report to the Members of Covent Garden Market Authority

for the year ended 31 March 2025

Opinion

We have audited the financial statements of Covent Garden Market Authority (the 'Authority') for the year ended 31 March 2025 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards ('IFRS').

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of the Covent Garden Market Acts 1961–77 and the accounts direction given by



the Secretary of State for the Department for Environment, Food and Rural Affairs ('Defra') in respect of the Annual Accounts for 2024–25.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Boards' 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 Authority'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 Members 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 Members 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Statement or the Governance Statement. We have nothing to report in respect of the Governance Statement not reflecting compliance with HM Treasury's guidance.

We have nothing to report in respect of the following matters where the compliance with the Companies Act 2006 as if that Act had applied to the entity requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Authority Board Members' Responsibilities statement on pages 46 to 48 the Members 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 Members determines 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 Members are responsible for assessing the Authority'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 Members either intends to liquidate the Authority 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 noncompliance 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;

- Enquiry of entity staff in tax and compliance functions to identify any instances of noncompliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or noncompliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:



This description forms part of our auditor's report.

Use of our report

This report is made solely to the Members of the Authority to assist them in meeting their responsibilities to the Secretary of State for Environment, Food and Rural Affairs, in accordance with the Covent Garden Market Acts 1961–77 and for no other purpose. Our audit work has been undertaken so that we might state to the Members of the Authority 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 Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rajeev Shaunak FCA

Rajeev Shaunak FCA

Registered Auditor

28 October 2025

For and behalf of MHA London, United Kingdom.
MHA is the trading name of MHA Audit Services LLP,
a limited liability partnership in England and Wales
(registered number OC455542).

Income Statement

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
			Restated
Revenue from contracts with customers	2	17,558	15,515
Grant income	3	1,053	1,486
Government cost of capital subsidy	1.m	480	580
Total Income		19,091	17,581
Operating expenditure			
Operating costs (excluding staff costs)	4	(13,206)	(13,468)
Board members and staff costs	5	(2,463)	(2,164)
Depreciation	10	(161)	(117)
Impairment (loss)/gain on trade receivable and contract assets	12	(289)	30
Government cost of capital charge	1.m	(2,030)	(2,030)
		(18,149)	(17,749)
Operating profit/(loss) (before redevelopment activity)		942	(168)
Redevelopment project costs		(93)	(53)
Operating profit/(loss) (after redevelopment activity)		849	(221)
Gain on sale of assets		11	2,649



Change in Fair Value (loss)/gain		(54)	4,154
Operating profit		806	6,582
Finance income	6	479	346
Finance costs		-	(7)
Profit before taxation		1,285	6,921
Taxation	9	(319)	(1,366)
Profit for financial year		966	5,555

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
			Restated
Profit for the financial year		966	5,555
Other comprehensive income for the year			
Actuarial (losses)/gains on defined benefit pension plan	14	(243)	125
Income tax associated with actuarial loss/(gain) on pension liability	15	61	663
		(182)	788
Total comprehensive income for the year		784	6,343

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Statement of Financial Position

as at 31 March 2025

	Note	2025 £'000	2024 £'000	2023 £'000
			Restated	Restated
Assets				
Non-current assets				
Property, plant and equipment	10	858	978	849
Investment Property	11	85,020	79,855	71,699
Employee retirement benefit surplus	14	-	81	-
Total non-current assets		85,878	80,914	72,548
Current assets				
Trade and Other receivables	12	4,304	4,646	5,031
Cash and cash equivalents	13	39,979	41,823	26,398
Total current assets		44,283	46,469	31,429
Total assets		130,161	127,383	103,977
Equity and Liabilities				
Equity				
Reserve fund	1.g	400	400	400
Retained earnings	1.h	89,168	88,384	82,041
Total Equity		89,568	88,784	82,441
Non-current liabilities				
Employee retirement benefit obligations	14	-	-	232
Deferred tax liabilities	15	4,763	4,505	4,003

Other liabilities	16	16,970	16,059	-
Total non-current liabilities		21,733	20,564	4,235
Current liabilities				
Trade and other payables	16	16,784	15,959	15,425
Current tax liabilities		2,076	2,076	1,876
Total current liabilities		18,860	18,035	17,301
Total liabilities		40,593	38,599	21,536
Total equity and liabilities		130,161	127,383	103,977

The above Statement of Financial Position should be read in conjunction with the accompanying notes. The Accounts were authorised for issue and approved by the Authority's Board and were signed on its behalf on 28 October 2025 by:



Jo Breare
General Manager



Fiona Fell
Interim Chair of Audit, Risk and Assurance Committee

Statement of Changes in Equity

for the year ended 31 March 2025

	Non-distributable		Distributable	
	Reserve fund £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2023 (Restated)	400	(15,318)	97,359	82,441
Profit for the year	-	4,154	1,401	5,555
Other comprehensive income	-	-	788	788
Total comprehensive income for the year	-	4,154	2,189	6,343
Balance at 31 March 2024 (Restated)	400	(11,164)	99,548	88,784
(Loss)/profit for the year	-	(54)	1,020	966
Other comprehensive income	-	-	(182)	(182)
Total comprehensive (loss)/profit for the year	-	(54)	838	784
Balance at 31 March 2025	400	(11,218)	100,386	89,568

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per the Covent Garden Market Acts 1961–77, the Reserve fund is maintained as required by the Authority subject to directives issued by the Secretary of State with approval of the Treasury and is regarded as an equivalent of share capital in these accounts and is non-distributable.

Retained earnings comprises of both distributable, £100.4m (2023–24 restated: £99.5m), and non-distributable, (£11.2m) (2023–24: (£11.2m) balances. The non-distributable balances represent the losses from changes in fair value on the investment property.

Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
			Restated
Cash flows from operating activities			
Profit before taxation		1,285	6,921
Net finance income	6	(479)	(346)
Net finance costs		-	7
Operating profit		806	6,582
Total depreciation charge	10	161	117
Net employer contribution after administration cost		(162)	(188)
Gain/(loss) on fair value (Investment property)	11	54	(4,154)
Reversal of impairment provision on trade receivable	12	166	(392)
		1,025	1,965
(Increase)/decrease in trade and other receivables excl. impairment provision		176	4,451
Increase in trade and other payables inc. provision		1,736	12,914
Cash generated from operating activities		2,937	19,330
Income taxes refund		-	-
Net cash from operating activities		2,937	19,330

Cash flows from investing activities			
Interest received		479	346
Purchase of property, plant and equipment	10	(41)	(242)
Addition to investment property under construction	11	(5,219)	(4,002)
Net cash used in investing activities		(4,781)	(3,898)
Cash flows from financing activities			
Interest costs on pension		-	(7)
Net cash flows from financing activities		-	(7)
Net increase/(decrease) in cash and cash equivalents		(1,844)	15,425
Cash and cash equivalents at beginning of year	13	41,823	26,398
Cash and cash equivalents at end of year		39,979	41,823



Notes to the Accounts for the year ended 31 March 2025

1. Accounting policies

A summary of the principal accounting policies is set out below.

a. Basis of preparation

The accounts are prepared in accordance with IFRSs issued by the International Accounting Standards Board and are in form determined by the Secretary of State for the Department for Environment, Food and Rural Affairs with approval of HM Treasury in accordance with Section 3(7) of the 1977 Act. Without limiting the information given, the accounts meet the requirements of the Companies Act 2006.

The Accounts for 2024–25 have been prepared in accordance with the Direction provided by Defra and the legislative requirements of the Covent Garden Market Act 1961 as follows:

- ii. The Authority shall, as soon as possible after the end of each of its accounting periods, make a full report to the Secretary of State on the exercise and performance by it of its powers and duties during that period.

- iii. The Authority shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each accounting period a statement of accounts in such form as the Secretary of State, with the approval of HM Treasury, may direct, being a form which shall conform to the best commercial standards.
- iv. The accounts of the Authority shall be audited by auditors to be appointed by the Authority with the approval of the Secretary of State, and a person shall not be qualified to be appointed unless they are a member of one or more of the following bodies:
 - The Institute of Chartered Accountants in England and Wales
 - The Institute of Chartered Accountants in Scotland
 - The Association of Chartered Certified Accountants
 - The Institute of Chartered Accountants in Ireland
 - Any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of Paragraph (a) of Subsection (i) of Section 161 of the Companies Act 1948 by the Board of Trade.
- v. The report required by subsection (i) of this section for any accounting period shall set out any direction given to the Authority under Sections 37, 42, 44 or 45 of the



Covent Garden Market Act 1961 (as amended) during that period and shall include such information relating to the plans, and past and present activities, of the Authority and the financial position of the Authority, as the Secretary of State may from time to time direct.

- vi. There shall be attached to the said report for each accounting period a copy of the statement of the accounts in respect of that period and a copy of any report made on the statement by the auditors.
- vii. The Authority shall furnish to the Secretary of State such returns or other information relating to the property or activities or proposed activities of the Authority as the Secretary of State may from time to time require, and shall afford her facilities for the verification of information furnished by them in such manner and at such times as she may require.
- viii. The Secretary of State shall lay a copy of each report made to them under subsection (i) of this section and of the statement attached thereto before each House of Parliament, and copies of each such report and statement shall be made available to the public at a reasonable price.

Basis of measurement

The financial statements have been prepared under the historical cost convention except for, where disclosed in the accounting policies, certain items shown at fair value.

- Investment property – measured at fair value
- Defined benefit pension plans – plan assets measured at fair value

Going Concern

The Authority's Board is required to give an opinion as to whether there is a reasonable expectation that adequate resources exist for the Authority to continue in operational existence for the foreseeable future, being a minimum of 12 months from the date of signing of the Auditor's Report. Any such view must take account of the need for substantial investment in the Market's facilities, and the risks identified in the section 'Principal Risks and Uncertainties' in the Governance Statement on page 27.

The Board has undertaken a rigorous process in respect of going concern. In forming a view, that the Authority remains a going concern, the Board had regard to the following:

- The Authority's statutory powers to borrow and grant debentures, in the context of



a largely unused statutory borrowing limit of £45m and the availability of unencumbered assets.

- The Authority's statutory power to dispose of or let land that is not required for the purposes of its statutory duties, to release funds to support compliance with those statutory duties (in accordance with s.18 of the Covent Garden Market Act 1961).
- The availability of qualifying expenditure to offset chargeable gains on previous disposals of surplus land.
- The contractual arrangements with VSM and their ability to complete the works. The contract with VSM provides the Authority with various forms of protection to mitigate the risk that VSM fail to fulfil their obligations to complete the redevelopment. These include the use of a separate development account, a performance bond, parent company guarantees and step in rights.
- Updated forecast and cash flow information for the next 12 months and beyond.
- The requirement for the continued existence of the Authority as a public corporation pursuant to the Covent Garden Market Acts, and the fact that the Authority's statutory duties are, for financial purposes, confined to:
 - breaking even, taking one year with another; and
 - building up a surplus for reinvestment for the benefit of the Market.

- The continuing impact of the confirmed external financial support for CGMA forthcoming from Defra in relation to the settlement of the tenant litigation in 2020, in accordance with the funding approval letter issued to the Board of CGMA and dated 12 August 2020.

The balance sheet position is underpinned by the investment property valuation. A lifespan of 30 years has been assumed for the market facilities once they are complete, with the opportunity to generate revenues and income over this period.

The assessment shows that the Authority remains a going concern.

The Board believes the scenarios modelled are prudent and, taking into account support offered by Defra, is therefore of the opinion that there is reasonable assurance that it has adequate resources to continue in operational existence for the foreseeable future.



b. Critical accounting judgements and key sources of estimation uncertainty

The preparation of accounts in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The main areas of estimation given judgements are provided below.

i. Recoverability of trade and other receivables

The trade and other receivables balances in the Authority's statement of financial position relate to numerous customers with small individual balances.

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on expected lifetime default rates and estimates of loss on default. The carrying amount of the

Authority's trade receivables in these accounts, net of provisions, is £2.673m (2023–24: £2.884m).

All individual other receivables balances are reviewed on a quarterly basis. Whilst every attempt is made to ensure that any bad debt provision is as accurate as possible, there remains a risk that the provisions do not match the level of debt which may ultimately prove to be uncollectible. The carrying amount of the Authority's other receivables in these accounts, net of provisions, is £0.851m (2023–24: £0.997m).

ii. Lease incentives discount term

Rent-free periods are offered on some leases, these are recognised as lease incentives and discounted over the period to the first break period or a subsequent period if management judge that it is not probable that an earlier break point will be exercised. Management review each lease where an incentive is offered and consider the probability of the tenant exercising their right to break at each break point in the lease. The discount period being that duration that is considered most probable by management.

There is significant estimation uncertainty in assessing lease duration, particularly for leases with break clauses within the next 12 months. A change in this assumption could result in a material adjustment to

deferred lease incentives. At year-end, the carrying amount of lease-related assets affected by this judgement is £0.429m. If all tenants were to exercise break options earlier than anticipated, this would reduce the carrying amount of lease assets to nil.

iii. Post retirement benefits

The determination of the pension cost and defined benefit obligation of the Authority's defined benefit pension scheme depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, mortality and expected return on scheme assets.

See notes 1.i and 14 for further details.

The main areas of judgement are provided below.

iv. Provision for taxation

In providing for tax due, the Authority has made judgements regarding the availability of certain deductions for tax purposes. The key area of judgement relates to the Authority's application for rollover relief on the sale of the Northern Site. There is still uncertainty whether HMRC will agree that the Authority has reinvested the remainder of the chargeable gains from the sale of the

Northern Site. A provision of £2.1m is still being recognised, representing the potential tax impact should rollover relief not be fully available.

v. Classification of Investment Property

The Authority recognises property that generates income from rent and service charge as investment property. The new market assets during the construction phase are recognised as investment property under construction and as the market buildings are completed and handed over to the Authority from the developer for use they are transferred to Investment Property Land and Buildings. As investment property they are held at fair value with any fair value gains or losses being taken to the Income Statement. Land, plant, machinery and equipment that is integral to these investment properties are recognised within the fair value of the property and not recognised separately.

The Authority operates from within one of the buildings recognised as investment property. As the portion of the building cannot be sold separately and comprises only 6% of the total lettable square foot of the building, it has been included within Investment Property.



Existing Market buildings (which have not been constructed as part of the redevelopment project) are held as Property, Plant and Equipment – with the majority having a carrying value of zero, are scheduled for demolition as part of the redevelopment project.

vi. Valuation attributable to the redeveloped market

The fair value of the market was valued externally by Gerald Eve based upon a discounted thirty-year cash-flow model incorporating a terminal value. The valuation has been performed in accordance with the Valuation Practice Statements and Practice Guidance contained in the Valuation – Professional Standards, incorporating the International Valuation Standards of the Royal Institute of Chartered Surveyors. The valuation was completed on the basis of assumptions: (i) the market buildings are completed to the development specification and the market is operating as a trading entity; and (ii) the valuation was carried out on the basis of existing use, which is that of a bulk horticultural market as per the obligations under the Covent Garden Market Acts. Gerald Eve have updated their valuation as at 31 March 2025 to take into account any adjustments to income and cost expectations anticipated.

The value of the construction in progress is based on the fair value of the completed market, less property capitalised to date, less an estimate of the total actual costs to complete and a reasonable profit margin.

The estimate of the total actual costs to complete the development with a reasonable profit margin is provided by our Development Partner. The judgement and estimate relates to the accuracy of the overall projected total costs and the stage of completion.

When measuring the fair value of an asset the Authority uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of



the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Authority recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 11.

c. New Standards and Interpretations

New and amended adopted standards

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1
- Lease Liability in Sale and Leaseback – Amendments to IFRS 16
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

Not yet adopted

- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 7 and IFRS 9

- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements

d. Property, plant and equipment

i. Properties

The original freehold and leasehold buildings are depreciated on a straight-line basis from 1 April 2003, reflecting the remaining useful life of the buildings of between 3 and 20 years. The newly constructed market assets are recognised as investment property (see note 1.b.v and vi). Land and plant and equipment that is integral to the newly constructed buildings are included within the investment property values. Land held as plant, property and equipment is not depreciated.

ii. IFRS 16 Lease as lessor

The Authority leases out its investment property. The Authority has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The income related to these properties are recognised on a straight-line basis over the lease term. Note 19 sets out information about the operating leases of investment property.



iii. Plant and equipment

Plant, equipment and motor vehicles are stated at cost less accumulated depreciation and impairment. These assets are depreciated on a straight-line basis over its expected useful life as follows:

- IT equipment 5 years
- Motor vehicles 5 years
- Office furniture 5 years
- Plant and equipment 5 years

Impairment of non-financial assets

At each reporting date, the members review the carrying amounts of the Authority's tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is



carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses recognised for cash-generating units are charged pro rata to the other assets in the cash-generating unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately.

e. Profit or loss on disposal of assets

Profit or loss on disposal of assets is calculated as the proceeds, less carrying amount and selling costs. In the case of the land options within the redevelopment agreement, the proceeds comprise of cash received, and entitlement to additional allowances under the development agreement. Profit or loss on disposal of assets also includes any overage amounts due in relation to the asset sold, provided the conditions for receipt have been met and it is probable that amounts will be received.

f. Reserve fund

The Authority is under an obligation to maintain a Reserve fund in accordance with the provisions of the Covent Garden Market Acts. The sums to be carried to the credit of the Reserve fund and the application of this Fund are to be such as the Authority may determine (subject to directions given by the Secretary of State with the approval of the Treasury).

g. Retained earnings

Represents the cumulative profits and losses less distributions to Defra and transfers to Reserve fund. A proportion of retained earnings is from Fair Value Gains and is not distributable. Further detail is included in the Statement of Changes in Equity.

h. Pensions

The Authority operates pension plans for the benefit of the majority of its employees, including both defined contribution and defined benefit plans.

In relation to its defined contribution plans, the Authority makes contributions to independently administered plans, the contributions being recognised as an expense when they fall due. The Authority has no legal or constructive



obligation to make any further payments to the plans other than the contributions due.

In relation to its defined benefit plans, the Authority recognises in its statement of financial position the present value of its defined benefit obligations less the fair value of plan assets. The current service cost is charged against operating loss. Interest on the scheme liabilities net of the interest on scheme assets is included in the finance costs.

The defined benefit obligation is calculated at each period end by independent actuaries using the projected unit credit method. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and which have terms to maturity approximating to the terms of the related pension liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are reflected in the statement of comprehensive income in the period in which they arise. The pension asset has not been recognised as it cannot be demonstrated that future economic benefits are probable to flow to CGMA.

i. Deferred taxation

Deferred taxation is calculated using the liability

method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts.

Deferred tax is determined using tax rates and laws that have been enacted (or substantially enacted) by the reporting date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to other comprehensive income or equity in which case the related deferred tax is also charged or credited directly to other comprehensive income or equity respectively.

b. Grants

Revenue grants are not recognised until there is reasonable assurance that the Authority will



comply with the performance conditions attaching to them and that the grants will be received. These grants are recognised in the Income Statement on a systematic basis over the periods in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

Government grant funding received from Defra to enable CGMA to meet the terms of the tenant settlement is repayable in the form of future distributions to be made by the Authority to Defra at a time when the Authority is capable of doing so. There are no agreed repayment terms and no requirement to pay if the Authority's income does not recover within the development timetable. Amounts are recognised in the Income Statement in line with related expenditure.

c. Revenue

Revenue is measured at the transaction price received or receivable allocated to the performance obligation satisfied and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. As the expected period between transfer of a promised good or service and payment from the customer is one year or less then no adjustment for a financing component has been made. Sales of goods are recognised when goods

are delivered and control has passed. Revenue arising from the provision of services is recognised when and to the extent that the customer simultaneously receives and consumes the benefits of the Authority's performance.

IFRS 15 Revenue from Contracts with Customers is applicable to all the Authority's revenue streams but excludes rental income. This income is generated from tenant leases and is outside of the scope of IFRS 16 Leases. The individual accounting policies for each major income stream are as follows:

i. Rent, sales of services and other income

Rental income comprises rents, management fees, recoveries from tenants for costs per the terms of the service charge regime, vehicle access charges, income from the Sunday Market operation and other miscellaneous sources such as costs reimbursed and advertising revenue.

Rent is received quarterly in advance, monthly in advance, and monthly in arrears, depending on the letting arrangement, and recognised in the period to which it relates over the course of the lease and at a level determined per a rent review exercise conducted every five years in accordance with lease contracts.



A lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The payments would be recognised on a straight-line basis over the lease term.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- a. periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- b. periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Service charges are recognised in the period to which they relate at a level determined per an annual forward budgeting exercise, with an additional surcharge or rebate provided to tenants at the financial year end based on actual costs incurred. Electricity and waste disposal charges are recognised in the period to which they relate. Charges for certain types of waste and electricity are recognised based on actual activity from tenants and costs incurred from electricity and waste disposal providers. Other types of electricity and waste costs are managed within the service charge regime described above.

Vehicle access charges are recognised in the period to which they relate. These are charged on either an annual fee (permit access) or activity (casual entries to the NCGM estate) and according to charges revised annually by the Authority.

Revenue relating to the Sunday Market is recognised in the period to which it relates based on actual activity in accordance with the contract in place with Saunders Markets Limited.

Recharges of certain costs associated with the redevelopment project are recognised in the period to which it relates based on costs incurred.

iii. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest income on the cash held for the progression of the development works (note 1.i.iv) does not belong to the Authority and is recognised as a liability and due to the developer on completion of the development.



Interest income is recognised within finance income and finance costs in the Statement of Income using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Authority estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

iv. Financial assets held at amortised cost

Trade Receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 9, as the contracts of the Authority do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss. Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature. A provision for impairment is established based on 12-month

expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

v. Cash and cash equivalents

Included within cash and cash equivalents is a balance which comprises bank accounts controlled by the Authority but for which there is no beneficial interest. The monies are held for the progression of the development works, however, their release is conditional on the conditions in the Development Agreement being met. The Authority has recognised a liability to reflect the nature of this arrangement (see note 16 for further information).

Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost. The carrying amounts approximate their fair values due to the short-term nature of these instruments.

vi. Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.



m. Cost of capital

Defra levies a cost of capital charge on the Authority in accordance with guidance set out in the Treasury Consolidated Budgeting Guidance. The charge represents the notional cost to the government of holding assets. In 2024–25 the charge was calculated by reference to a valuation by DVS – Valuation Office Agency as at 31 March 2009 and a 3.5% rate of return. Defra pays a subsidy to the Authority which contributes towards the payment of the charge. The cost of capital charge is paid on an annual basis, net of any subsidy which is separately agreed with Defra each year.

n. Provisions and reimbursement asset

i. Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, and it is probable that the Authority will be required to settle that obligation. Provisions are measured at the Board's best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date and are discounted to present value where the effect of the time value of money is material.

ii. Reimbursement asset

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Authority settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

o. Payment of creditors

Unless subject to a dispute the Authority's practice is to pay all accounts in accordance with the terms agreed at the time of placing the contract or order. Forty-five purchase days (2023–24: fifty-one) were outstanding on the purchase ledger at the year end.

p. Ultimate controlling party

The Authority is classified as a Public Corporation, which operates under a framework agreement with Defra. It has substantial day-to-day operating independence, but in the view of the Board of the Authority, the ultimate controlling party is Defra.



q. Redevelopment project costs

These are costs arising from the redevelopment project including directly attributable, legal, staff, admin and advisory fees.

r. Breaking even

The Authority has a statutory obligation under the Acts to “to secure that their revenues are not less than sufficient to meet all sums properly chargeable to revenue account, taking one year with another”. Management have judged this to mean the Authority must not make an operating loss after redevelopment activity on a continual basis.

s. Accounting policy change, correction of error and subsequent restatement

Accounting policy change – Recognition of Government Capital Grants

In August 2020, the Authority had requested financial support from Defra in form of a capital grant towards the fit-out costs that will be incurred by tenants for a total of £15.9m. This grant pertains to the investment property that is measured at fair value through profit and loss. In addition, £4.71m was also sought for from Defra for cash flow support.

Under IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, paragraph 7, government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:

- a. the entity will comply with the conditions attaching to them; and
- b. the grants will be received.

IFRS lacks specific guidance for government grants for investment properties under the fair value model. However, according to IAS 41 – Agriculture, paragraphs 34–35, unconditional government grants for assets measure at fair value



less costs to sell are recognised in profit or loss when, and only when, they become receivable.

During the financial year ended 31 March 2025, the Authority voluntarily changed its accounting policy for the recognition of the government capital grants received from Defra. Previously, capital grants were recognised as deferred income in the statement of financial position and released to income over the estimated useful life of the related asset once brought into use. Under the new policy, such grants are recognised in income applying IAS 41. 34–35 by analogy, when the related performance conditions have been met and there is reasonable assurance that the grant will be received, in accordance with IAS 20.

Management believes this new policy provides more relevant and reliable information about the impact of government funding on financial performance and aligns more closely with industry practice. The capital grant income is now reported within 'Grant income' in the income statement. The cumulative effect of this change is to increase retained earnings as at the start of the earliest comparative period presented (1 April 2023) by £7.063m, representing the total capital grants previously recorded as deferred income.

The change in policy has been applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Accordingly, comparative figures for prior years have been restated as if the new policy had always been applied.

Correction of error - Provisions

For the year ended 31 March 2025, the Authority has changed its judgement regarding the asset under construction provision for the investment property, whereby the initial treatment under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, paragraph 14, a provision shall be recognised when:

- an entity has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Under IAS 40 Investment Property, a provision is not included in the carrying amount of the investment property under the fair value model for measuring investment properties. Under IAS 40.21, “the cost



of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs”.

It is the view of the Authority to derecognise the provision, as costs are recognised as they are incurred and when the benefit of the associated cost has been received. For the market redevelopment, costs would only be capitalised as services are received. The Authority’s approach of estimating the cost of future market development activities that have not yet occurred as an increase to investment property and liabilities would be viewed as inconsistent with IFRS.

To ensure our financial statements fairly present our financial position and cash flow for the year ended 31 March 2025, we have retrospectively applied the accounting policy change and corrected the error of derecognising the provision and government grants and restated the prior year.

i. Consolidated statement of financial position

Impact of adjustments 31 March 2024	As previously reported £'000	Adjustments		As restated £'000
		due to error £'000	due to policy change £'000	
Property, plant and equipment	978	-	-	978
1. Investment property	87,262	(7,407)	-	79,855
2. Trade and other receivables: non-current	6,005	-	(6,005)	-
Employee retirement benefit obligations	81	-	-	81
2. Trade and other receivables: current	5,750	-	(1,104)	4,646
Cash and cash equivalents	41,823	-	-	41,823
Total assets	141,899	(7,407)	(7,109)	127,383
Reserve fund	400	-	-	400
2. Retained earnings	77,830	-	10,554	88,384
Total equity	78,230	-	10,544	88,784
Deferred tax liabilities	4,505	-	-	4,505
3. Other liabilities	-	16,059	-	16,059
4. Provisions: non-current	10,271	(10,021)	(250)	-
5. Trade payables and other liabilities	42,307	(8,935)	(17,413)	15,959
6. Provisions: current	4,510	(4,510)	-	-
Current tax liabilities	2,076	-	-	2,076
Total liabilities	63,669	(7,407)	(17,663)	38,599
Total equity and liabilities	141,899	(7,407)	(7,109)	127,383



Remarks

1. Adjustment relating to the investment property for estimated costs to complete the redevelopment.
2. Adjustment of Defra and Greater London Authority (GLA) government capital grant funding received in prior year recognised as income.
3. Reclassification of the VSM development partner and TfL from current liabilities to non-current liabilities (see note 16).
4. Adjustment to reverse the provision of the investment property for estimated costs to complete the redevelopment.
5. Adjustment to reverse Defra and GLA government capital grant liability. Also reclassification of the VSM development partner from current liabilities to non-current liabilities (see note 16).
6. Adjustment to reverse the provision of the investment property for estimated costs to complete the redevelopment.

ii. Consolidated statement of profit or loss and other comprehensive income

Impact of adjustments 31 March 2024		As previously reported	Adjustments due to error due to error	Adjustment due to policy change	As restated
		£'000	£'000	£'000	£'000
1.	Revenue	16,286	-	(771)	15,515
2.	Grant income	154	-	1,332	1,486
3.	Corporation tax	(1,050)	-	(316)	(1,366)
4.	Others	(9,608)	-	316	(9,292)
Total comprehensive income		5,782	-	561	6,343

Remarks

1. Reclassification of revenue grant funding provided to grant income.
2. Recognition of the Defra government capital grant funding provided.
3. Corporation tax on Defra and GLA government capital grant funding recognised as income.
4. Credit tax adjustment to other comprehensive income.



iii. Consolidated statement of cash flows

	Impact of adjustments 31 March 2024	As previously reported	Adjustments due to error	Adjustment due to policy change	As restated
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
1.	Profit before taxation	6,360	-	561	6,921
2.	(Increase)/decrease in trade and other receivables excl. impairment provision	(2,658)	-	7,109	4,451
3.	Increase in trade and other payables inc. provision	27,991	(7,407)	(7,670)	12,914
Cash flows from investing activities					
4.	Addition to investment property under construction	(11,409)	7,407	-	(4,002)

Remarks

1. Recognition of the Defra government capital grant funding provided and reversal of GLA capital grant taken to reserves.
2. Adjustment of the Defra government capital grant debtor.
3. Adjustment to reverse the provision of the investment property and reversal of Defra and GLA government capital grant.
4. Adjustment to reverse the provision of the investment property for estimated costs to complete the redevelopment.



iv. Restated Statement of Changes in Equity

for the years ended 31 March 2021–24

	Reserve fund £'000	Revaluation reserve (as previously reported) £'000	Retained earnings (as previously reported) £'000	Prior Period Adjustment (Grant Income) £'000	Restated Retained Earnings £'000	Total Equity (Restated) £'000
Balance at 1 April 2020 (Restated)	400	10,263	75,967	-	75,967	86,630
Profit for the year (2020–21) (Restated)	-	(11,917)	12,219	884	13,103	1,186
Balance at 31 March 2021 (Restated)	400	(1,654)	88,186	884	89,070	87,816
Profit for the year (2021–22) (Restated)	-	6,298	(896)	7,948	7,052	13,350
Balance at 31 March 2022 (Restated)	400	4,644	87,290	8,832	96,122	101,166



Loss for the year (2022–23)	-	(19,962)	77	1,160	1,237	(18,725)
Balance at 31 March 2023	400	(15,318)	87,367	9,992	97,359	82,441
Profit for the year (2023–24)	-	4,154	1,628	561	2,189	6,343
Balance at 31 March 2024	400	(11,164)	88,995	10,553	99,548	88,784

2. Revenue from contracts with customers

	2025 £'000	2024 £'000 Restated
Income from tenants		
Rents	5,453	3,558
Recoveries from tenants	9,282	8,966
Other revenue		
Commercial vehicle charges	1,059	1,296
Car and coach parking charges	271	299
Sunday Market	994	866
Miscellaneous receipts	499	530
	17,558	15,515
Primary geographical markets		
United Kingdom	17,558	15,515
Timing of revenue recognition		
Over time	15,615	13,677
At a point in time	1,943	1,838
	17,558	15,515



3. Grant income

	2025 £'000	2024 £'000
		Restated
Revenue grants	-	771
Capital grants	1,053	715
	1,053	1,486

4. Operating costs (excluding staff costs)

	2025 £'000	2024 £'000
Market security	1,751	1,541
Rates	545	507
Maintenance, repairs and renewals	1,383	1,447
Cleaning and waste	4,656	4,670
Heat, light and power	1,340	2,477
Insurance	825	725
Printing, stationery and telephone	57	45
Professional fees	1,073	973
Publicity	243	128
Sunday Market operating costs	671	579
IT costs	213	219
General expenses	427	141
Pension costs	22	16
	13,206	13,468

5. Members and staff costs

The Members of the Authority during the year were:

Ms W Goldwag (Chair from April 2024),
Mr D Fison, Ms S Calcutt, Mrs F Fell,
Mrs V Wilson, Ms C Dugmore.

Wanda Goldwag was the highest paid member during the year.

During the year the Board's emoluments were as follows:

	2025 £	2024 £
Wanda Goldwag (Chair from 2.4.24)	63,528	-
John Lelliot (left 31.3.24)	11,845	43,646
David Fison	20,048	20,048
Sarah Calcutt	20,048	20,048
Fiona Fell	21,267	21,411
Victoria Wilson	23,362	24,118
Catherine Dugmore (from 6.1.25)	1,375	-
	161,473	129,271

The recruitment of a permanent chair was completed in March 2024 with the appointment by Defra of Wanda Goldwag, who started her tenure as Chair of CGMA on 2 April 2024.



In addition, Members are reimbursed for expenses incurred in fulfilling their duties.

During the year, Wanda Goldwag was paid £527 in respect of reimbursed expenses mainly relating to travel and accommodation (2023–24: John Lelliott £442).

Member’s other emoluments were in the following ranges:

	2025	2024
	£	£
£0–20,000	5	5
£20,001–25,000	-	-

No retirement benefits are accruing to members under a defined benefits scheme, nor do they receive any other benefits.

The average number of employees, including the Interim Chair and Members, was:

	2025	2024
Administration	28	31

Staff costs for the above persons were:

	2025 £'000	2024 £'000
Board Members - aggregate emoluments	161	129
Wages and salaries	2,231	2,130
Social security costs	222	117
Pension service costs	192	147
Total Payroll Cost	2,806	2,523
Less amounts capitalised during the year	(343)	(359)
Board Members and staff costs	2,463	2,164

The Authority capitalised staff costs directly attributable to the construction of the redevelopment of the market in accordance with IAS 40.21 where time spent by relevant employees is directly associated with bringing the assets to the condition for intended use. The total amount of staff costs capitalised during the year was £343k (2023–24: £359k).

The capitalised staff costs included:

	2025 £'000	2024 £'000
Wages and salaries	257	257
Social security costs	31	32
Pension service costs	39	44
Other directly attributable costs	16	26
Total capitalised staff costs	343	359

The following number of employees received salaries



in the ranges:

	2025	2024
£0 – 50,000	15	17
£50,001 – 100,000	8	9
£100,001 – 150,000	5	5

Expenses

Total of expense paid and reimbursed to Chair, Members and employees for travel and entertainment (including meetings) amounted to £10,395 in the year ended 31 March 2025 (2023–24: £18,791).

6. Finance income

	2025 £'000	2024 £'000
Bank interest receivable:		
On market activity	159	90
Tenant interest charges	17	-
Finance income - other:		
On redevelopment activity	295	256
Interest on pension plan	8	-
	479	346

Finance income on redevelopment activities relates

to the interest the developer (VSM) is obliged to pay the Authority on any undrawn funds of the enhanced specification amount (ESA) calculated at the rate of 3.5% per annum from the date of the Development Agreement to the date it is paid to the Authority.

7. Operating profit for the year is stated after charging

	Note	2025 £'000	2024 £'000
Staff costs	5	2,463	2,164
Depreciation of property, plant and equipment	10	161	117
		2,624	2,281

8. Auditor's remuneration

	2025 £'000	2024 £'000
Fees payable to the Authority's auditor for the audit of the Authority's annual accounts	148	175
Fees payable to the Authority auditor for other services:		
Relating to Taxation	20	20
Relating to other services	19	21
Fees payable to the Authority's auditor in respect of associated pension schemes	4	6
	43	47



9. Taxation

	Note	2025 £'000	2024 £'000 Restated
UK Corporation Tax on profit for the year		-	-
Adjustments to previous year's tax provision		-	201
Total current tax charge		-	201
Deferred tax - origination and reversal of temporary differences		358	1,182
Adjustments to previous year's tax provision		(39)	(17)
Total deferred tax	15	319	1,165
Total tax charge		319	1,366

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2025 £'000	2024 £'000 Restated
Tax reconciliation		
Profit before taxation	1,285	6,921
Tax on profit on ordinary activities at standard UK corporation tax rate of 25% (2023–24: 25%)	321	1,730
Tax effects of:		
Expenses not allowable for taxation	57	45
Fixed asset differences	-	(655)
Adjustments to tax charges in respect of previous years	(39)	(3)
Income not taxable for tax purposes	(466)	(1,218)
Adjustments brought forward	-	660
Chargeable (losses)/gains	(28)	3,879
Movement in deferred tax not recognised	474	(3,273)
Potential tax charge re rollover relief	-	201
Total tax charge for the year	319	1,366

The standard rate of corporation tax for 2024–25 is 25% (2023–24: 25%).



10. Property, plant and equipment

	Note	Freehold build- ings £'000	Leasehold build- ings £'000	Plant & equipment Furniture, Fixtures & Fittings £'000	Motor vehicles £'000	Construction in progress £'000	Total £'000
Cost							
At 31 March 2023		6,428	1,168	3,522	-	242	416 11,776
Additions		-	-	128	85	29	- 242
Transfers		-	-	-	-	-	-
Disposals		(10)	-	14	-	-	- 4
At 31 March 2024		6,418	1,168	3,664	85	271	416 12,022
Additions		-	-	2	-	33	6 41
Transfers		-	-	-	-	-	-
Disposals		-	-	-	-	(40)	- (40)
At 31 March 2025		6,418	1,168	3,666	85	264	422 12,023
Depreciation							
At 31 March 2023		6,380	1,168	3,181	-	198	- 10,927
Transfers		-	-	-	-	-	-
Charge for the year	7	-	-	101	3	13	- 117
Disposals		-	-	-	-	-	-
At 31 March 2024		6,380	1,168	3,282	3	211	- 11,044
Transfers		-	-	-	-	-	-

Charge for the year	7	-	-	120	17	24	-	161
Disposals		-	-	-	-	(40)	-	(40)
At 31 March 2025		6,380	1,168	3,402	20	195	-	11,165
Net book value								
At 31 March 2025		38	-	264	65	69	422	858
At 31 March 2024		38	-	382	82	60	416	978

11. Investment property

a. Reconciliation of carrying amount

	Land £'000	Freehold buildings £'000	Investment property under progress £'000	Total £'000
Carry Value (fair value)				
At 31 March 2023	13,650	57,292	757	71,699
Additions	-	-	4,002	4,002
Transfers	-	6,114	(6,114)	-
Fair value gain	(1,483)	4,282	1,355	4,154
At 31 March 2024 (restated)	12,167	67,688	-	79,855
Additions	-	-	5,219	5,219
Transfers	-	-	-	-
Fair value loss	6,133	(968)	(5,219)	(54)
At 31 March 2025	18,300	66,720	-	85,020



Investment property consists of the new market buildings being constructed under the development agreement with VSM. These buildings are leased to the tenants of New Covent Garden Market and have break clauses in 2025, 2027 (on completion of the market) and 2030. Lessees are not anticipated to exercise their rights to break their lease, due to their investment in the fit-out of their new units.

Changes in fair values are recognised as gains and losses in profit or loss and included following operating profit/(loss) (after redevelopment activity). All gains are unrealised.

b. Amounts recognised in profit or loss

Rental income recognised by the Authority during 2024–25 was £5.5m (2023–24 restated: £3.6m) (see note 2).

Tenant recoveries which include reimbursement of service charge costs and direct recovery of electricity costs and waste collection services were £9.3m (2023–24: £9.0m) (see note 2).

c. Measurement of fair values

i. Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers who are members of the Royal Institution of Chartered Surveyors (RICS), having appropriate recognised professional qualifications, having experience in the category of the property being valued. The independent valuers provide the fair value of the Authority's investment property portfolio on an annual basis.

The fair value measurement for the investment properties has been categorised as level 3 fair value based on the inputs to the valuation technique used (see note 1.b.vi).

ii. Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:



Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow analysis: The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rents for each building type, once the redevelopment is complete, occupancy rate and other costs not paid by tenants, over a 30-year term. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the performance and nature of the current Fruit and Vegetable Industry, the market's location, and lease terms.	• Expected market rental growth (2024–25: 2.25%; 2023–24: 2.25%) • Occupancy rates (2024–25: 95–100%, weighted average 98% ; 2023–24: 95–100%, weighted average 98%) • Risk-adjusted discount rates (2024–25: 8.25%, 2023–24: 8.75%)	The estimated fair value would increase (decrease) by: • £5.0m/(£4.8m) if the expected market rental growth were 0.25% higher (lower) • £4.0m/(£4.0m) if occupancy rates were 1% higher (lower) • £4.0m/(£4.5m) if the risk-adjusted discount rate were 0.25% lower (higher)

12. Trade and other receivables

Current trade and other receivables

	2025 £'000	2024 £'000	2023 £'000
		Restated	Restated
Amounts falling due within one year			
Trade receivables	3,098	3,061	4,519
Less: provision for impairment	(425)	(177)	(541)
Trade receivables, net	2,673	2,884	3,978
Other receivables	1,089	1,317	356
Less: provision for impairment	(238)	(320)	(348)
Other receivables, net	851	997	8
Other taxes and social security receivable	263	-	-
Prepayments and accrued income	517	765	942
Development partner	-	-	103
	4,304	4,646	5,031

Trade receivables and other receivables are all measured at amortised cost.

As outlined in detail in note 1.b.i, a provision for impairment of trade receivables is established using an expected loss model. The Authority uses historical evidence on default levels alongside any current objective evidence that the Authority will



not be able to collect all amounts due according to the original terms. The Authority considers factors such as default or delinquency in payment, significant financial difficulties of the debtor and the probability that the debtor will enter bankruptcy in deciding whether the trade receivable is impaired.

	2025 £'000	2024 £'000
Provisions for impairment of trade and other receivables:		
As at 1 April 2024	497	889
Impairment losses reversed	-	(30)
Uncollected amounts written off, net of recoveries	(229)	(362)
Receivables impaired in the year	395	-
	663	497

For trade and other receivables, the Authority uses a provision matrix based on the historical credit loss experience, adjusted for forward-looking information. The loss rates are applied to ageing categories as follows:

Ageing category	Gross carrying amount	Expected loss rate	Loss Allowance
	2025	2025	2024
	£'000		£'000
Current	3,423	12%	405
1–30 Days	334	-	-
31–60 days	65	5%	3
61–90 Days	45	2%	1
> 90 Days	320	79%	254
Total	4,187		663

13. Cash and cash equivalents

	2025	2024
	£'000	£'000
Bank deposits - sterling	35,162	38,324
Cash at bank and in hand - sterling	4,817	3,499
	39,979	41,823

Included within cash and cash equivalents is £33.6m (2023–24: £35.4m) in respect of monies held for the progression of the development works in accordance with the Development Agreement. The amounts will be retained by the Authority until the conditions of the Development Agreement have been satisfied.

Cash balances of £1.5m (2023–24: £2.1m) are in respect of tenants and are held in individual interest-bearing accounts jointly in the name of the Authority and the respective tenants and represent refundable deposits paid on granting



of the leases. The carrying value of cash and cash equivalents approximates to its fair value.

14. Employee retirement benefits

The Authority made payments to a defined contribution Pension Fund which it does not administer of £0.2m (2023–24: £0.2m).

The Authority operates a defined benefit scheme for certain employees, the assets of which are held in a separate trustee-administered fund. The scheme's assets are invested in a group pension contract insured with Clerical Medical Investment Group Limited. The pension cost relating to the scheme is assessed in accordance with the advice of an independent qualified Actuary employed by Mercer Limited, using the accrued benefit method of valuation and the projected unit method to determine the funding requirement triennially.

The most recent actuarial valuation at 5 April 2024 has been updated for IAS 19 purposes as at 31 March 2025.

The scheme ceased the accrual of future benefits with effect from 31 March 2011. However, the salary link for members who remain in employment with the Authority has been retained. This change has been

considered in the 31 March 2025 IAS 19 calculation. The Authority made contributions totalling £176,000 to this defined benefit pension plan in the year to 31 March 2025 (2023–24: £211,000).

The weighted average duration of the defined benefit obligation is around 14 years.

The scheme has a number of purchased annuities in respect of past retirements. To the extent that these match the relevant liabilities, the value has been excluded from both the assets and the liabilities, at each accounting date.

The IAS 19 valuation was prepared by Rod Thouless - Fellow of the Institute and Faculty of Actuaries.

The scheme has money purchase Additional Voluntary Contributions (AVC) assets invested separately. These are understood to fully match the associated liabilities and so have been excluded from both the assets and liabilities.



The principal assumptions underlying the actuarial assessments of the present value of the plan liabilities are:

	2025	2024
Retail price inflation:	3.3%	3.4%
Salary escalation:	2.8%	2.8%
Increase to pensions in payment:		
Increase to deferment with a 5% cap on increase:	2.8%	2.8%
Increase to deferment with a 2.5% cap on increase:	2.5%	2.5%
Discount rate (pre and post retirement):	5.8%	4.9%

Mortality assumptions:

Base table	100%S4PMA / 90%S4PFA	100%S3PMA / 90%S3PFA
Improvement rate	CMI2023 (1.5%)	CMI2022 (1.5%)
Life expectancy at 65 at year end:		
Retiring at year end date	21.5 (M) / 24.5 (F)	21.7 (M) / 24.4 (F)
Retiring 20 years after year end	23.1 (M) / 26.2 (F)	23.3 (M) / 26.2 (F)

	Change in assumption	Change in liabilities
Discount rate	Increase / (Decrease) of 0.50% p.a.	£144,000 / (£159,000)
Rate of inflation	Increase / (Decrease) of 0.25% p.a.	(£131,000) / £189,000
Rate of salary growth	Increase / (Decrease) of 0.25% p.a.	£0 / £0
Rate of mortality	Increase / (Decrease) in life expectancy of 1 year	£126,000 / (£130,000)

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth.

The plan typically exposes the Authority to actuarial risks such as investment risk, interest rate risk, salary growth risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the statement of financial position and may give rise to increased charges in future income statements. This effect would be partially offset by an increase in the value of the plan's bond holdings, and in qualifying death in service insurance policies that cover the mortality risk. Additionally, caps on inflationary increases are in place to protect the plan against extreme inflation.

The best estimate of contributions to be paid by the Authority to the plan for the period commencing 1 April 2024 is £176,000.

The asset distribution of the underlying investments were as follows:

	2025 %	2024 %
Fixed Interest Securities	26.8	19.8
United Kingdom Equities	7.0	7.9
Overseas Equities	35.6	35.6
Emerging Market Equities	7.4	6.8
Absolute Return Fund	-	7.4
Property	8.5	10.1
Debt	8.5	9.2
Cash	5.3	2.7
Forwards	0.9	0.5
	100	100

The assets and liabilities of the plan are as follows:

	2025 £'000	2024 £'000
Fair value of plan assets	2,680	2,850
Present value of Defined Benefit Obligation	(2,270)	(2,769)
Restriction on asset recognised	(410)	-
Surplus in the plan	-	81

The pension asset has not been recognised as it cannot be demonstrated that future economic benefits are probable to flow to CGMA.

Analysis of the amounts charged to the income statement:

	2025 £'000	2024 £'000
Interest income related to plan assets	138	138
Interest expense on retirement benefit obligations	(130)	(145)
	8	(7)

There are no current service costs. The interest expense on retirement benefit obligations and interest income related to plan assets are included within finance income (2023–24: costs).

Amounts recognised in the other comprehensive income, directly within equity, are as follows:

	2025 £'000	2024 £'000
Actual return less interest income on pension scheme assets	(48)	(8)
Experience gains and losses arising on the scheme liabilities	(109)	21
Changes in assumptions underlying the present value of the scheme liabilities	324	112
	167	125



The net movement in the Defined Benefit Pension scheme were as follows:

	2025 £'000	2024 £'000
Deficit in scheme at beginning of year	81	(232)
Contributions net of administration charge	154	195
Other finance cost	8	(7)
Past service costs	-	-
Actuarial gain	167	125
Restriction on asset recognised	(410)	-
Surplus in scheme at end of year	-	81

The movements in the present value of the plan assets were as follows:

	2025 £'000	2024 £'000
At the start of the year	2,850	2,782
Interest income	138	138
Actuarial loss	(48)	(8)
Employer contributions	176	211
Administration costs (excluding asset management costs)	(22)	(16)
Benefits paid out	(414)	(257)
At the end of the year	2,680	2,850

The movements in the present value of the plan liabilities were as follows:

	2025	2024
	£'000	£'000
At the start of the year	2,769	3,014
Interest cost	130	145
Actuarial gains	(215)	(133)
Benefits paid out	(414)	(257)
At the end of the year	2,270	2,769



15. Deferred taxation

	2025	2024
	£'000	£'000
Deferred tax liability	(4,763)	(4,505)

Main sources of temporary differences giving rise to deferred tax included:

	Capital allowances	Investment properties	Other	Pension schemes	Total
	£'000	£'000	£'000	£'000	£'000
At 31 March 2023	(4,066)	-	-	63	(4,003)
Charged to income statement (Restated)	(445)	-	-	(720)	(1,165)
Credit to other comprehensive income (Restated)	-	-	-	663	663
At 31 March 2024	(4,511)	-	-	6	(4,505)
Charged to income statement	(286)	-	34	(67)	(319)
Charged to other comprehensive income	-	-	-	61	61
At 31 March 2025	(4,797)	-	34	-	(4,763)

16. Trade payables and other liabilities

	2025 £'000	2024 £'000	2023 £'000
		Restated	Restated
Amounts falling due within one year			
Trade payables	3,312	19	(2)
Other payables	424	519	-
Other tax and social security payables	46	431	552
Accruals	1,097	3,305	2,613
Deferred income	10,359	10,172	10,517
Deposits from tenants	1,546	1,491	1,727
Pension contributions	-	22	18
	16,784	15,959	15,425
Amounts falling due after one year			
Deferred income	-	23	-
Development Partner	16,970	16,036	-
	16,970	16,059	-
Total current and non-current	33,754	32,018	15,425

The development creditor of £16.97m represents amounts held on behalf of the developer within cash and cash equivalents, payments on account in respect of future construction costs and other liabilities associated with the development agreement and works.



17.Future expected dividend payment

The Authority is cognisant of the possibility that Defra may direct that further dividends may be payable from the excess sale proceeds of future land sales under the development agreement with VSM.

18. Financial risk management

The limited powers of the Authority to borrow or invest surplus funds are set out in the Covent Garden Market Acts 1961–77. As a result, financial instruments play a limited role in creating or changing risk. In general, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Authority in undertaking its activities.

The Authority's trade and other receivables and cash equivalents are classified as 'Financial assets measured at amortised costs'. Trade and other payables are classified as 'Financial liabilities measured at amortised cost'. The carrying values of the Authority's financial assets and liabilities measured at amortised cost approximate to their fair value.

Liquidity risk

The Authority only invests its surplus funds in short-term deposits with clearing banks or building societies rated P1 and above, or Local Authorities. These short-term deposits are all readily convertible into cash. As a result, the Authority is not exposed to any significant liquidity risks. Contractual maturity of the Authority's financial liabilities as at 31 March 2025 is as follows:

	2025	2024
	Trade and other payables	Trade and other payables
	£'000	£'000
		Restated
On demand	1,546	1,491
Less than 1 month	-	-
1 to 3 months	4,879	4,296
3 to 6 months	-	-
6 to 12 months	10,359	10,172
12 months +	16,970	16,059
Totals	33,754	32,018

Currency risk

The Authority does not engage in overseas trading and is not therefore exposed to significant currency risks.



Interest rate risk

All short-term deposits are invested at market interest rates. As a result, the Authority is only exposed to the interest rate prevailing in the market as a whole.

Interest rate profile

	2025	2025	Total	2024	2024	Total
	£'000	£'000	£'000	£'000	£'000	£'000
	Fixed	Floating		Fixed	Floating	
Cash	-	3,784	3,784	-	3,499	3,499
Short-term deposits	34,649	1,546	36,195	36,189	2,135	38,324
	34,649	5,330	39,979	36,189	5,634	41,823

Credit risk

The Authority has trade receivables at the year end and as such is exposed to credit risk. The Authority has policies in place to prevent bad debts and facilitate prompt collection of debts. Maximum exposure to credit risk equals the amount of trade receivables as shown in these accounts. Trade receivables are considered in default and subject to additional credit control procedures when they are more than 30 days past due in line with industry practice. Trade receivables are only written off when there is no reasonable

expectation of recovery due to insolvency of the debtor (see note 12 for more detail).

Other market risks

The Authority is exposed to price risk on purchasing goods and services in the normal course of its business. However, such goods or services are clearly of an auxiliary nature to the Authority's operations and are not subject to any specific risks other than general inflationary growth.

The Authority may pass the relevant risks to its tenants while negotiating terms with them. As such the Members believe that the Authority's exposure to other market risks is insignificant.

Capital risk management

The Authority's objectives when maintaining capital are to safeguard the Authority's ability to continue as a going concern and maintain an optimal capital structure.

The Authority defines capital as being the Reserve Fund and Retained Earnings. The Authority is not subject to any externally imposed capital requirements apart from the Covent Garden Market Acts 1961–77.



19. Operating leases

Lease as lessor:

The Authority leases out its investment property. The Authority has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Authority during 2024–25 was £5.5m (2023–24 restated: £3.6m).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	2025 £'000	2024 £'000
Within 1 year	4,603	4,475
Within 1–2 years	4,051	4,718
Within 2–3 years	3,525	3,978
Within 3–4 years	3,172	3,528
Within 4–5 years	3,049	3,194
After 5 years	12,356	15,589
Total	30,756	35,482

20. Related party transactions

Under provisions of IAS 24 Related Party Disclosures, the following parties are regarded as related parties of the Authority:

Parties exercising control over the Authority or are under common control with the Authority

The Authority is classified as a Public Corporation, which operates under a framework agreement with Defra. It has substantial day-to-day operating independence, but in the view of the Board of the Authority, the ultimate controlling party is Defra.

See note 1.m in respect of a cost of capital charge of £2.0m (2023–24: £2.0m) and associated subsidy of £0.5m (2023–24: £0.6m).

£1.1m (2023–24 restated: £1.5m) of grant funding from Defra and GLA was recognised in the Income Statement on the basis that the expenditure which underlined its purpose had been incurred.

Key management personnel remuneration including the board totalled £1.5m (2023–24 £1.4m). Key management personnel includes the executive team and other senior positions within Finances and Operations.



Post-employment benefit plan for the benefit of employees of the Authority

See note 14 for details of transactions and balances with the pension plan.

21. Capital commitments

Development costs

On 7 January 2013, the Authority signed a contract with VSM for the redevelopment of the New Covent Garden Market, through the demolition of all existing structures and redeveloping the market on a smaller, 38* acre footprint. At 31 March 2025, phases 1, 2 and 3 of the programme were complete, and the remaining phases are due to complete by 2028 with capital expenditure commitments of approximately £16.9m.

VSM has option agreements over the Authority's surplus land, including the Apex site, Entrance site and Thessaly Road site, which total approximately 6.06 acres and are still to be drawn down as at 31 March 2025. The transfer of these parcels of land will represent the final element of the Authority's payments to the Developer in respect of the redevelopment of the market.

No other material capital commitments were outstanding at the reporting date (2023–24: £nil).

- * The acreages stated above are estimated and are not subject to a formal site survey.



The Authority's Management

Appendix I

The Authority's key staff members as at 31 March 2025 were as follows:

Executive Team

Jo Breare	General Manager
Claudia Linden (left April 2025)	Interim Finance Director
Rob Sisley (appointed March 2025)	Finance Director
Tony O'Reilly	Project Director
Alasdair Thomas	General Counsel
Toyin Allen	Head of Human Resources
Giles Roddy	Head of Business and Partnerships
Michael Sharkey (left April 2025)	Head of Property
Lauren Tshabalala (appointed September 2024)	Interim Head of Property

Operations

Colin Corderoy	Operations Manager
Glyn Allen (left August 2024)	Facilities Manager (Interim)

Covent Garden Market Authority

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