Covent Garden Market Authority

65th Report and Accounts for the accounting period from 1 April 2025 to 31 March 2026

LARGE TEXT VERSION

65th Report and Accounts 2025–26
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Presented to Parliament pursuant to Section 46 of the Covent Garden Market Act, 1961

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The Report and Accounts

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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

£4.9m Rental income (£4.6m 2024–25)
28 staff Employed by CGMA (28 staff 2024–25)

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.

The redevelopment of NCGM is providing modern facilities on a 38* acre site for the 130 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 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%)

* 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.

affordable homes, 12,624 sq ft of office space, and 8,994 sq ft of retail, leisure, and new community facilities, including shops, cafés, and restaurants.

The commercial and construction elements of the 14-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

During the year, Phase 4 was completed with the new consolidated Buyer's Walk opening in January 2026. Phase 5 commenced following vacant possession in January 2026. The build has progressed well and is proceeding according to expected timeframe.

Whilst the development programme is currently under review, it is anticipated that the final tenant migrations will be completed by August 2028.

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

Highlights

Covent Garden Market Authority's Performance

Revenue from trading activity was £18.5m, an increase of £1.8m from 2024–25, due to additional tenant recoveries. Grant income increased by £7.5m from £1.9m in 2024–25 to £9.4m in the current year. Total revenue was £27.9m, an increase of £8.8m compared to the previous year. Total operating costs increased from £18.1m in 2024–25 to £18.5m due to a number of factors including inflationary pressures.

The overall operating profit before development activity was £9.4m (2024–25: £0.9m). When the impact of grant income and the government capital charge are excluded, operating profit before development activity has increased from £0.6m to £2.0m, due primarily to the increase in trading revenues noted above.

CGMA's Key Performance Indicators

Covent Garden Market Authority (CGMA) maintained stable performance across its core occupancy indicators during 2025–26, reflecting continued tenant confidence despite wider market volatility. As at 31 March 2026, the occupancy rate of core trading areas increased to 96% (2024–25: 91%), driven by the Fruit and Vegetable Market increasing to 97% (2024–25: 90%) and the Interim Flower Market continuing to operate at full occupancy. The Food

Exchange saw a decline to 74% (2024-25: 93%). The General Service Charge (GSC) averaged £18.70 per square foot, with an in-year rebate of £0.73 from the forecasted £19.43 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, increase in employer national insurance, 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 2026 saw continued progress in the redevelopment of the Fruit and Vegetable Market. Phase 4 of the project was completed during the year, with tenants taking occupation and the new Buyers' Walk formally opening during January 2026. Work on Phase 5 has commenced with the demolition of the old Buyers' Walk.

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 2025–26 financial year marked a considerable increase in operating profit for CGMA before redevelopment costs from £0.9m in 2024-25 to £9.4m in 2025-26. When the impact of grant income and the government capital charge are excluded, operating profit before development activity has increased from £0.6m to £2.0m.

Total trading revenue reached £18.5m, a £1.8m increase on the prior year. Tenant recoveries rose to £10.4m, reflecting a recalibration of service charge rates in response to higher operating costs, while rental income increased to £4.9m.

The profit before taxation was £13.1m, an increase of £11.8m compared to the previous year. The key reasons for the increase are as follows:

- An increase in grant income of £7.5m from £1.9m to £9.4m, to fund additional costs associated with the site redevelopment;
- A revaluation gain of £1.4m recorded on the investment property;
- A gain on sale of assets of £1.8m due to additional overage receipts from the sale of a parcel of land;
- The underlying increase in operating profit from ongoing activities of £1.6m from £0.6m to £2.0m.

Capital expenditure in the year was £5.9m required to complete Phase 4 of the redevelopment. Cash and cash equivalents stood at £40.9m at year end, in line with £40.0m in 2024–25, as scheduled investment in infrastructure continued. £30.1m (2025: £33.6m) of the cash held is in relation to the development works in accordance with the Development Agreement.

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 £1.079b, up from £934m in 2024–25, 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

The past year has marked a turning point for the Covent Garden Market Authority (CGMA). We have successfully pivoted away from the challenges of previous years, moving from a period of difficult transition to one of clear, continued progress. This transformation is evident in our physical landscape and is now reflected in a significantly strengthened financial position, providing the Market with a solid foundation for the future. The figures within this report confirm that we are now a resilient organisation that can generate a modest profit and this will dramatically improve after completion of the market in 2028.

The physical landscape of New Covent Garden Market continues to evolve at pace. Our work this year is best described as a process of "buildings coming down and buildings going up" as we modernise our infrastructure. This strategic redevelopment has continued with the demolition of aged structures to make way for new, state-of-the-art facilities designed to meet the demands of a 24-hour wholesale environment.

A central highlight of this effort has been the completion of the new fruit and vegetable wholesale Block B. Completed in September 2025 and its official opening in January 2026 following tenant fitouts, the structure has a striking 205 metre Buyers' Walk without any breaks, I would argue it is now the best in Europe, if not the world. These changes are essential in ensuring the Market remains a world-class facility capable of supporting the complex logistics and diverse needs of our tenants and their customers.

I look forward to reporting next year on the completion of the first part of Block C in the Fruit and Vegetable Market and, at the end of 2028, the completion of the new Flower Market in the base of the Food Exchange, the enabling work for which has already begun. This will mark the completion of the main redevelopment. We live in exciting times.

Beyond the physical works, CGMA remains committed to fostering a vibrant commercial ecosystem. This year, we have made progress in widening our range of tenants, ensuring the Market remains a dynamic hub for the food and flower industries. Attracting a broader tenant base strengthens our community and supports our long-term commercial relevance in a changing marketplace.

I would like to thank my Board colleagues for their oversight and commitment during the year. I also recognise the Executive and staff team’s dedicated hard work in managing the complex redevelopment phases and supporting the Market’s ongoing operations and thank them for this.

Our objective remains to provide stakeholders with absolute confidence in our strategic direction and the future of the Market. The results of the past year demonstrate that our approach to redevelopment is yielding tangible results. Our strategy is clear: we plan to continue to build on this momentum to ensure New Covent Garden Market remains at the heart of London’s wholesale industry and remains an essential pillar of the UK’s food security infrastructure.

Wanda Goldwag OBE
Chair
6 July 2026

General Manager’s Statement
Robert McAuliffe

am pleased to present my first introduction as General Manager, having joined the Covent Garden Market Authority (CGMA) in November 2025.

My first six months have been a period of intense review and action. We have had to navigate some fairly choppy waters, unpick a number of legacy issues, and start putting in place the foundations needed for the market’s next chapter.

Financial Performance and Strategy

One of the key priorities during this period has been strengthening our financial controls and improving the quality of reporting across the organisation. Thanks to the diligent work of our Finance Director, alongside the support and challenge provided by the Board, we have already made significant progress in improving both transparency and operational oversight.
While there is still work to do, the direction of travel is

extremely encouraging. For the financial year ending 31 March 2026, the Authority recorded a profit of £17.7m (2024-25: £1m) on total income of £27.9m (2024–25: £19m). Our balance sheet remains strong, with total assets increasing to £142m (2024–25: £130m) and total equity reaching £107m (2024–25: £90m).

As we continue to deliver against our long-term vision and bring the redevelopment programme to completion, we expect the business to be in rude financial health by 2030. Importantly, as the estate modernisation concludes and our income streams are realigned, we also anticipate a substantial increase in the overall asset value of the estate by the end of the decade.
Our Vision: A Resilient Food Security Pillar and London's Home of Food Culture

My review of the market's operations has only reinforced how important New Covent Garden Market is to London, the South East, and the wider UK food supply chain. We are far more than simply a wholesale market; we are a critical piece of national food infrastructure and an important pillar of food resilience.

The market's importance was demonstrated clearly during the COVID-19 pandemic, when it continued to supply one of the largest cities in the world without interruption. In today's increasingly uncertain environment, that role has become even more important for the communities across London, the South East, and the wider UK that rely on us.

Looking ahead to 2030, our ambition is to position New Covent Garden Market as more than merely a world-renowned wholesale and horticultural market, but also as one of London's iconic destinations for food, flowers, and hospitality. We want the market to be recognised both for its operational importance and for its place within the capital's wider food culture.

Consolidation and the Year Ahead

The 2026–27 financial year will be a year of stabilisation and consolidation as we approach the conclusion of this long-term transformation programme. Quite simply, it is about getting our house in order and ensuring the organisation is set up properly for the future.

Robert McAuliffe
General Manager
6 July 2026

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

130 Businesses

£1.079b Turnover (£934m in 2024–25)

Tenant Business Type	Turnover £m	Number of businesses
Fruit and Vegetable Wholesale Distributors	516	49
Flower Market	82	33
Importers	32	3
Other Companies	112	30
Fruit and Vegetable Wholesalers	337	15
Total	1,079	130

* Figures show total annual turnover from tenants' financial statements, year ending 31 March 2026 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.

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 2025–26:

	Board	Audit and Risk	Remuneration
Total number of meetings	10	4	3
Wanda Goldwag	10/10	-	3/3
Victoria Wilson *	9/10	1/1	3/3
Sarah Calcutt	8/10	-	3/3
Fiona Fell	10/10	4/4	-
David Fison	10/10	4/4	-
Catherine Dugmore **	0/1	1/1	-
Jo Wright ***	8/9	3/3	-

* Appointed as an interim member of the Audit and Risk Assurance Committee from November 2024 to May 2025.

** 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.

*** Jo Wright was appointed to the Board as Chair of Audit, Risk and Assurance Committee in May 2025.

Audit and Risk Assurance Committee

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

Members of the Executive Team attend meetings as well as other appropriate Members of the Authority. The committee met four times during financial year 2025–26. 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 2025–26 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 2025–26 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 various aspects of the redevelopment on either a weekly or monthly basis.

During financial year 2025–26, 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 27–33).

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 2025–26 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 2025–26 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 2025–26, one internal audit on financial controls and a VAT review, both of which commenced in 2024-25, were concluded. A critical friend review was undertaken on the development programme and a third party review was undertaken on the service charge. A number of recommendations for improvement were implemented.

Risk Management

The Authority maintains an established framework for identifying, assessing and managing risks across the business. The Board retains overall responsibility for risk management, while the practical oversight is delegated to the Audit and Risk Assurance Committee.

The Executive Team maintains the risk register on an ongoing basis, and proactively identifies emerging risks informed by operational oversight, tenant and supplier engagement, financial monitoring and awareness of the business environment. Risks identified are assessed against likelihood and impact and kept under active review. Where mitigation actions are required, they are implemented through existing internal control processes, with clear ownership and regular monitoring of progress.

The Audit and Risk Assurance Committee reviews the risk register at its quarterly meetings, challenges the adequacy of mitigation actions, and provides assurance to the Board that the principal risks facing the Authority are appropriately managed.

Principal Risks and Uncertainties

The risks set out below are those the Authority considers most significant to the delivery of its strategy and the stability of its operations. They do not represent an exhaustive list of every risk facing the Authority; other risks and uncertainties exist and may develop overtime.

Risk	Description and Impact	Mitigation
Workforce challenges including the retention and recruitment of talented staff and staff welfare	• The ability to attract and retain key personnel is critical to the success and growth of CGMA. • It is important to maintain diversity across the business and the Executive team. • Where colleagues do leave the organisation, it is important that succession plans are in place.	• The Authority's remuneration policies, which remain under review, are structured to reward performance. • There are contractual notice periods in place for all key staff. • The Authority supports training and development across the business. • A wellbeing programme is in place which all staff can access confidentially. • Staffing levels are monitored regularly and support provided through contractors if required. • A staff reorganisation has improved the structure of the business and succession planning. • Policies and procedures support the development of a diverse workforce over time.

Risk	Description and Impact	Mitigation
Business resilience and the impact of the economic environment	• The success and financial stability of CGMA is dependent on a strong market. • Any unlet space results in void costs for the Authority. • Tenant businesses remain under pressure in challenging and uncertain economic conditions. • Inflationary pressures could have an adverse impact on the level of service charge and occupancy costs for tenants.	• The Authority seeks to promote the market as the country's leading bulk horticultural space and attract a diverse mix of tenants. • Unlet space is monitored and managed proactively through marketing activity and the use of agents. • Credit checks are undertaken on new tenants and rent deposits are put in place to reflect the level of credit risk. • The financial health and stability of tenants is closely monitored, and any arrears are managed through tenant engagement. • Service charge costs are now under review and a retender process has commenced to improve efficiency and help mitigate inflationary pressures.

Risk	Description and Impact	Mitigation
Funding and cashflow	• The terms of the 2020 settlement agreement restrict CGMA's ability to generate rent until the first rent review in 2027. • The costs of completing the redevelopment and implementing design changes and modifications that are required to deliver a fully functioning site, represent a significant outflow of cash through to completion. • Funding available from Defra is fixed with £2.9m due in 2026–27.	• Credit control and cash collection processes seek to maximise cash inflows on a day-to-day basis. • Revenue opportunities across the site, such as short term parking contracts, are used to increase income and support cashflows. • The rent review in 2027 will give the Authority the opportunity to bring rents across the estate more into line with market rates. • Consultation processes on remaining redevelopment phases will be used evaluate the requirement for design changes and modifications. • The redevelopment budget is reviewed and monitored each month. • There is proactive engagement with the development partner to achieve cost savings and efficiencies.

…Continues

Risk	Description and Impact	Mitigation
		• Alternative sources of funding can be explored, as well as the disposal of surplus land across the estate should opportunities arise. • Proactive steps are taken to ensure, where applicable, the recovery of sums due to CGMA under the development agreement.

Risk	Description and Impact	Mitigation
Completing the ongoing redevelopment project	• The ongoing development project results in disruption to activities across the estate. • Delays to the programme prolong this disruption and may also adversely impact the 2027 rent review for those areas of the estate where construction is not complete. • Claims from tenants may also arise in connection with delays or defects. • The redevelopment project also impacts neighbours to the site with noise and dust arising from demolition works.	• Processes are in place to ensure that any defects are reported and investigated. • Regular meetings are held with the development partner to review construction progress and to ensure that any defects are dealt with appropriately under the terms of the development agreement. • Regular meetings and engagement with tenants and the development partner help ensure that disruption is minimised. Consultation also takes place with neighbours when required. • Claims in respect of programme delays or defects will be pursued against the relevant party.

Risk	Description and Impact	Mitigation
Systems and IT infrastructure	• A number of legacy systems require updating and improvement. • A lack of investment into IT equipment and hardware impacts the ability of the business to function efficiently. • The lack of a tenant portal restricts CGMA's ability to communicate effectively with its tenants. • Cyber-attacks and fraud could result in financial loss, reputational risk, disruption to the business and the loss of personal data.	• A number of system improvements are scheduled in 2026–27 including HR, Health and Safety and the development of a tenant portal. • A programme of hardware upgrades is in progress which will include the decommissioning of any end-of-life servers. • Controls and processes around cyber security continue to be monitored closely. • Mandatory training is provided to all staff with respect to cyber security and the control of data.

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.

Robert McAuliffe
General Manager, Covent Garden Market Authority,
6 July 2026

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 130 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 2025–26 has resulted in an operating profit of £9.4m.

The key variances are as follows:

- Tenant recoveries increased by £1.1m to £10.4m (2024–25: £9.3m), reflecting higher service charge recoveries in line with inflationary cost pressures. Occupancy rates remained broadly stable.
- Commercial vehicle charges increased by £0.1m to £1.2m (2024–25: £1.1m), mainly due to increased tag entry income.
- Grant income increased by £7.5m to £9.4m, reflecting additional funding received from Defra during the year to assist in funding development cashflows.
- Cleaning and waste disposal costs remained high at £5.3m (2024–25: £4.7m), as volume and per-tonne charges remained elevated. London Living Wage uplifts continued to impact contracted services.
- Electricity costs increased to £1.6m (2024–25: £1.3m), reflecting the requirement to hold void space in preparation for future phases of redevelopment.
- Gains on sales of assets has increased significantly to £1.8m (2024-25: £0.0m) due to additional consideration from a previous disposal being received as part of an overage mechanism.

The profit for the financial year 2025–26 after tax is £17.7m (2024–25: £1.0m).

Pension

The surplus relating to the defined benefit pension plan increased by £0.17m to £0.58m (2024–25: £0.41m surplus). The Authority paid no employer contributions to the Pension Fund 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 increased by £0.9m to £40.9m (2024–25: £40.0m), reflecting:

- Net operating cash inflow of £4.6m (2024–25: £2.9m);
- Net investing outflow of £3.7m (2024–25: £4.8m).

The total figure as at 31 March 2026 of £40.9m comprised:

- £30.1m (2024–25: £33.6m) reserved for development, subject to Development Agreement conditions;
- £1.6m (2024–25: £1.5m) held on behalf of tenants;
- £9.2m (2024–25: £4.9m) available operating cash.

Capital Expenditure and Fixed Assets

Capital expenditure on property, plant and equipment during the financial year totalled £0.06m (2024–25: £0.04m).

Property, which is held as an investment property and measured at fair value, increased during the year by £7.4m to £92.4m (2024–25: £85.0m (see note 11). There was £5.9m of capital expenditure and £1.4m of fair value gain.

Key Performance Indicators

Operational key performance indicators (KPI) are included in the Highlights on page 4.

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 (2024-25: £nil) (see note 17).

Political and Charitable Donations

The Authority does not make political donations. During the financial year, one charitable donation of £600 was made to Theatre503 Limited (2024–25: £500 to Covent Garden Tenants Association Ltd).

Business Prospects

The Authority enters the next phase of its development from a position of growing strength, with a materially improved financial result in 2025-26, strong liquidity and continued confidence across the Market. Together, these factors have strengthened the Authority's financial resilience and provided a firmer platform from which to complete the redevelopment and plan for the next stage of the Market's future. The redevelopment of the Market has continued to move forward, with full completion currently expected in 2028. These final phases represent a turning point. On completion, New Covent Garden Market ("NCGM") will emerge from years of construction as a modern 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.

Sustainability remains an important part of the Authority's long-term vision for NCGM, and the progress made through redevelopment is already delivering more modern and environmentally efficient facilities. The new buildings brought into use through the redevelopment, including the all-new Buyers' Walk, have been constructed to Building Research Establishment Environmental Assessment Method (BREEAM) 'Very Good' standards, reflecting a clear commitment to higher environmental performance as the estate is renewed. At the same time, the Market continues to build on its strong operational sustainability credentials, with all organic waste recycled through anaerobic digestion to generate renewable energy, supporting the Authority's long-standing zero-to-landfill approach. Together, these measures demonstrate that the redevelopment is not only modernising the Market physically, but also helping to ensure that NCGM remains a responsible, efficient and resilient wholesale hub for London and the South East.

Demand for space at NCGM has remained robust, underlining the enduring appeal of the Market to both existing tenants and prospective occupiers. That resilience is especially encouraging given the wider pressures affecting the food, flower and hospitality sectors. It reflects the fundamental strengths of the Market: its central London location, its role at the heart of the capital's supply chain, and the improving quality of the estate as redevelopment progresses. The Authority is confident that, as more of the new facilities come into use and construction constraints recede, the Market will become still more attractive as a place to trade, invest and grow.

The completion of Phase 4 and the opening of the new Buyers' Walk during the year marked an important milestone in the redevelopment programme. Looking ahead, the Authority's focus is on delivering the remaining phases, including the first stage of Block C and the permanent Flower Market accommodation, with completion currently expected in 2028. These final stages will create a modern, efficient wholesale market, better equipped to support established businesses, attract new entrants and strengthen NCGM's role as London's leading wholesale hub.

The Board remains confident in the long-term prospects of the Authority and the Market. With a stronger balance sheet, good liquidity, continuing support for redevelopment and a resilient tenant base, the Authority is well placed to complete this period of transformation successfully. On completion, New Covent Garden Market will be in an even stronger position to fulfil its statutory purpose and to serve London and the South East as a world-class wholesale market for generations to come.

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 IASB, 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 proper 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, 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

	2021–22	2022–23	2023–24	2024–25	2025–26
	£'000	£'000	£'000	£'000	£'000
Total income	23,256	16,709	17,581	19,091	27,905
Total expenditure including depreciation	(14,235)	(15,928)	(17,749)	(18,149)	(18,520)
Operating profit/(loss) before redevelopment activity	9,021	781	(168)	942	9,385
Disposal of assets	-	5	2,649	11	1,796
Redevelopment project costs not capitalised	4	(244)	(53)	(93)	-
Change in Fair Value (loss)/gain	6,298	(19,962)	4,154	(54)	1,430
Net finance income	450	276	339	479	496
Profit/(loss) before taxation	15,773	(19,144)	6,921	1,285	13,107
Taxation	(2,295)	(680)	(1,366)	(319)	4,575
Profit/(loss) for the financial year	13,478	(19,824)	5,555	966	17,682
Capital & reserves	101,166	82,441	88,784	89,568	107,278

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

for the year ended 31 March 2026

Opinion

We have audited the financial statements of Covent Garden Market Authority (the 'Authority') for the year ended 31 March 2026, which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

In our opinion the financial statements:

- give a true and fair view of the state of the Authority's affairs as at 31 March 2026 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 2025–26.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Board's 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 Board 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 Board Members are responsible for the other information contained within the Annual Report. 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, General Manager's Statement, or the Governance Statement.

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

- proper accounting records have not been kept, or proper returns for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board 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 Board Members' responsibilities statement set out on page 43, the Board 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 Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 Board Members either intend 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 non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Authority through discussions with Board Members and other management, and from our commercial knowledge of the business;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Authority, including 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 2025–26, taxation legislation and employment legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Authority's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- reviewed the design and implementation of controls over significant audit risks; and
- reviewed the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance where meetings took place;
- testing the appropriateness of a sample of significant journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of 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 Authority's shareholders 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.

Mark Sisson

Mark Sisson (Senior Statutory Auditor)

for and on behalf of **Crowe U.K. LLP**
Statutory Auditor
Medway Bridge House, 1–8 Fairmeadow,
Maidstone, Kent ME14 1JP

Date: 6 July 2026

Income Statement
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Revenue from contracts with customers	2	18,530	16,745
Grant income	3	9,375	1,866
Government capital subsidy		-	480
Total income		27,905	19,091
Operating expenditure			
Operating costs (excluding staff costs)	4	(13,617)	(13,206)
Board members and staff costs	5	(2,754)	(2,463)
Depreciation	10	(164)	(161)
Impairment (loss)/gain on trade receivable and contract assets		45	(289)
Government capital charge		(2,030)	(2,030)
		(18,520)	(18,149)
Operating profit (before redevelopment activity)		9,385	942
Redevelopment project costs		-	(93)
Gain on sale of assets		1,796	11
Change in Fair Value (loss)/gain		1,430	(54)
Operating profit		12,611	806
Finance income	6	497	479
Finance costs		(1)	-
Profit before taxation		13,107	1,285
Taxation	9	4,575	(319)
Profit for financial year		17,682	966

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

Statement of Comprehensive Income
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Profit for the financial year		17,682	966
Other comprehensive income for the year			
Actuarial gains/(losses) on defined benefit pension plan	14	28	(243)
Income tax associated with actuarial gain on pension liability	15	-	61
		28	(182)
Total comprehensive income for the year		17,710	784

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

Statement of Financial Position
as at 31 March 2026

	Note	2026 £'000	2025 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	715	858
Investment property	11	92,392	85,020
Total non-current assets		93,107	85,878
Current assets			
Trade and other receivables	12	8,458	4,304
Cash and cash equivalents	13	40,863	39,979
Total current assets		49,321	44,283
Total assets		142,428	130,161
Equity and liabilities			
Equity			
Reserve fund	1.g	400	400
Retained earnings	1.h	106,878	89,168
Total equity		107,278	89,568
Non-current liabilities			
Deferred tax liabilities	15	2,264	4,763
Other liabilities	16	22,283	16,970
Total non-current liabilities		24,547	21,733
Current liabilities			
Trade and other payables	16	10,603	16,784
Current tax liabilities		-	2,076
Total current liabilities		10,603	18,860
Total liabilities		35,150	40,593
Total equity and liabilities		142,428	130,161

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 6 July 2026 by:

Robert McAuliffe
General Manager

Jo Wright
Chair of Audit, Risk and Assurance Committee

Statement of Changes in Equity
for the year ended 31 March 2026

	Reserve fund £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2024	400	88,384	88,784
Profit for the year	-	966	966
Other comprehensive income	-	(182)	(182)
Total comprehensive income for the year	-	784	784
Balance at 31 March 2025	400	89,168	89,568
Profit for the year	-	17,682	17,682
Other comprehensive income	-	28	28
Total comprehensive income for the year	-	17,710	17,710
Balance at 31 March 2026	400	106,878	107,278

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

As per the Covent Garden Market Acts I961–77, 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.

Statement of Cash Flows
for the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
Cash flows from operating activities			
Profit before taxation		13,107	1,285
Net finance income	6	(497)	(479)
Net finance costs		1	-
Operating profit		12,611	806
Total depreciation charge	10	164	161
Net contribution to pension plan		28	(162)
Gain/(loss) on fair value		(1,430)	54
(Gain)/loss on sale of asset		(1,796)	-
Reversal of impairment provision on trade receivable		(304)	166
		9,273	1,025
(Increase)/decrease in trade and other receivables excl. impairment provision		(3,837)	176
(Decrease)/increase in trade and other payables		(868)	1,736
Cash generated from operating activities		4,568	2,937
Income taxes refund		-	-
Net cash from operating activities		4,568	2,937
Cash flows from investing activities			
Interest received		497	479
Purchase of property, plant and equipment	10	(63)	(41)
Proceeds from sale of assets		1,796	-
Addition to investment property under construction	11	(5,914)	(5,219)
Net cash used in investing activities		(3,684)	(4,781)

Cash flows from financing activities			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		884	(1,844)
Cash and cash equivalents at beginning of year	13	39,979	41,823
Cash and cash equivalents at end of year		40,863	39,979

Notes to the Accounts for the year ended 31 March 2026

1. Accounting policies

A summary of the material 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 2025–26 have been prepared in accordance with the Direction provided by Defra and the legislative requirements of the Covent Garden Market Act 1961 as follows:

i. 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.
ii. 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.

iii. 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.

iv. 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.

v. 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.
vi. 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.
vii. 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 and liabilities 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 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 credit loss model. Expected credit 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 £2.072m (2024–25: £2.673m).

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 £5.811m (2024–25: £0.851m).

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 £0.598m. 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.j 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 availabilityof 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. Having reviewed the position, management are of the opinion that rollover relief is fully available on this sale, and therefore no provision has been made. The provision of £2.1m recognised in the previous year is adjusted in the current year tax charge.

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 Newmark Gerald Eve LLP 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. Newmark Gerald Eve LLP have updated their valuation as at 31 March 2026 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

Mandatory amendments

- Amendments to IAS 21 – Lack of Exchangeability
- Amendments to IFRS 9 and IFRS 7 – the Classification and Measurement of Financial Instruments

Adoption of these standards has had no material impact to the financial statements.

New standards issued but not yet effective

- IFRS 18 Presentation and Disclosure in Financial Statements

This is not expected to have a material impact to the 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 is 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

e. Investment Properties

Investment properties comprises of completed land and buildings, as well as properties under construction. These assets are held to earn long-term rental yields and for capital appreciation. The Authority operates from within one of the buildings recognised as investment property.

Investment properties are initially recognised at cost, including directly attributable transaction costs. Subsequent to initial recognition, investment properties are measured at fair value in accordance with IAS 40 Investment Property. Fair value is determined by reference to market evidence and valuations is prepared by independent, external, and professionally qualified valuers who are members of the Royal Institute of Chartered Surveyors.

Any gain or loss arising from changes in the fair value of investment properties is recognised in the Income Statement in the period in which they arise.

In accordance with IAS 40, investment properties measured under the fair value model are not subject to annual depreciation or impairment testing. Investment properties under construction is also measured under the fair value model.

Rental income from investment properties is recognised on a straight-line basis over the term of the lease and is included within revenue. Direct operating expenses arising from investment properties are recognised in the Income Statement as incurred.

f. 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.

g.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.

h.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).

i. 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.

j. 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 profit. 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.

k. 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.

l. Grants

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.

m. 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.

ii. 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.o) 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.

n.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.

o. 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.

p. 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.

q. 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.

r. 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. Thirty purchase days (2024–25: forty-five) were outstanding on the purchase ledger at the year end.

s. 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.

t. Redevelopment project costs

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

u. 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.

2. Revenue from contracts with customers

	2026	2025
	£'000	£'000
Income from tenants		
Rents	4,943	4,640
Recoveries from tenants	10,399	9,282
Other revenue		
Commercial vehicle charges	1,182	1,059
Car and coach parking charges	537	271
Sunday Market	985	994
Miscellaneous receipts	484	499
	18,530	16,745
Primary geographical markets		
United Kingdom	18,530	16,745

Timing of revenue recognition		
Over time	16,634	14,802
At a point in time	1,896	1,943
	18,530	16,745

3. Grant income

	2026	2025
	£'000	£'000
Capital grants	9,375	1,866
	9,375	1,866

4. Operating costs (excluding staff costs)

	2026	2025
	£'000	£'000
Market security	1,830	1,751
Rates	664	545
Maintenance, repairs and renewals	1,244	1,383
Cleaning and waste	5,283	4,656
Heat, light and power	1,634	1,340
Insurance	722	825
Printing, stationery and telephone	49	57
Professional fees	896	1,073
Publicity	214	243
Sunday Market operating costs	732	671
IT costs	210	213
General expenses	112	427
Pension costs	27	22
	13,617	13,206

5. Members and staff costs

The Members of the Authority during the year were:

Ms W Goldwag (Chair), Mr D Fison, Ms S Calcutt, Mrs F Fell, Mrs V Wilson, Ms J Wright (from May 2025), Ms C Dugmore (left May 2025).

Wanda Goldwag was the highest paid Member during the year.

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

	2026	2025
	£	£
Wanda Goldwag	56,940	63,528
John Lelliot (left 20.09.24)	-	11,845
David Fison	18,720	20,048
Sarah Calcutt	18,903	20,048
Fiona Fell	19,584	21,267
Victoria Wilson	23,431	23,362
Catherine Dugmore (from 6.1.25, left 19.5.25)	1,008	1,375
Jo Wright (from 19.5.25)	22,012	-
	160,598	161,473

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

During the year, Wanda Goldwag was paid £nil in respect of reimbursed expenses (2024–25: £527).

Member’s other emoluments were in the following ranges:

	2026	2025
	£	£
£0–20,000	5	5

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 Chair and Members, was:

	2026	2025
Administration	28	28

Staff costs for the above persons were:

	2026 £'000	2025 £'000
Board Members - aggregate emoluments	161	161
Wages and salaries	2,485	2,231
Social security costs	253	222
Pension service costs	200	192
Total payroll cost	3,099	2,806
Less amounts capitalised during the year	(345)	(343)
Board Members and staff costs	2,754	2,463

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 £345k (2024–25: £343k).

The capitalised staff costs included:

	2026 £'000	2025 £'000
Wages and salaries	268	257
Social security costs	39	31
Pension service costs	38	39
Other directly attributable costs	-	16
Total capitalised staff costs	345	343

The following number of employees received salaries in the ranges:

	2026	2025
£0 – 50,000	16	15
£50,001 – 100,000	9	8
£100,001 – 150,000	1	5
£150,001 –200,000	2	-

Expenses

Total of expense paid and reimbursed to Chair, Members and employees for travel, accommodation, meetings and entertainment amounted to £21,640 in the year ended 31 March 2026 (2024–25: £10,395).

6. Finance income

	2026 £’000	2025 £’000
Bank interest receivable:		
On market activity	395	159
Tenant interest charges	1	17
Finance income - other:		
On redevelopment activity	101	295
Interest on pension plan	-	8
	497	479

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.

As at 31 March 2026, the funds held in the ESA account was fully drawn down by CGMA.

7. Operating profit for the year is stated after charging

		2026	**2025**
	Note	**£'000**	**£'000**
Staff costs	5	2,754	2,463
Depreciation of property, plant and equipment	10	164	161
		2,918	2,624

8. Auditor's remuneration

	2026	**2025**
	£'000	**£'000**
Fees payable to the Authority's auditor for the audit of the Authority's annual accounts	80	148
Fees payable to the Authority auditor for other services:		
Relating to Taxation	15	20
Relating to other services	6	19
Fees payable to the Authority's auditor in respect of associated pension schemes	-	4
	21	43

9. Taxation

	Note	2026 £'000	2025 £'000
UK Corporation Tax on profit for the year		(2,076)	-
Total current tax (credit)		(2,076)	-
Deferred tax - origination and reversal of temporary differences		(2,499)	358
Adjustments to previous year's tax provision		-	(39)
Total deferred tax	15	(2,499)	319
Total tax (credit)/charge		(4,575)	319

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:

	2026 £'000	2025 £'000
Tax reconciliation		
Profit before taxation	13,107	1,285
Tax on profit on ordinary activities at standard UK corporation tax rate of 25% (2024–25: 25%)	3,277	321
Tax effects of:		
Expenses not allowable for taxation	40	57
Fixed asset differences	10	-
Adjustments to tax charges in respect of previous years	-	(39)
Income not taxable for tax purposes	(2,712)	(466)
Chargeable (losses)/gains	-	(28)
Movement on deferred tax previously not recognised	(3,114)	474
Release of brought forward corporation tax	(2,076)	-
Total tax (credit)/charge for the year	(4,575)	319

10. Property, plant and equipment

	Note	Freehold buildings £'000	Leasehold buildings £'000	Plant & equipment £'000	Furniture, Fixtures & Fittings £'000	Motor vehicles £'000	Construction in progress £'000	Total £'000
Cost								
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
Additions		-	-	46	17	-	-	63
Transfers		-	-	1	-	-	(1)	-
Disposals		(3,190)	-	(2,065)	-	(27)	(42)	(5,324)
At 31 March 2026		3,228	1,168	1,648	102	237	379	6,762
Depreciation								
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
Transfers		-	-	-	-	-	-	-
Charge for the year	7	-	-	122	18	24	-	164
Disposals		(3,190)	-	(2,065)	-	(27)	-	(5,282)
At 31 March 2026		3,190	1,168	1,459	38	192	-	6,047

Net book value							
At 31 March 2026	38	-	189	64	45	379	715
At 31 March 2025	38	-	264	65	69	422	858

11. Investment property
a. Reconciliation of carrying amount

	Land	Freehold buildings	Investment property under progress	Total
	£'000	£'000	£'000	£'000
Carry Value (fair value)				
At 31 March 2024	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
Additions	-	5,296	618	5,914
Transfers	-	23,187	(23,187)	-
Fair value gain	(1,820)	(19,291)	22,569	1,458
At 31 March 2026	16,480	75,912	-	92,392

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 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 2025–26 was £4.9m (2024–25: £4.6m) (see note 2). Tenant recoveries which include reimbursement of service charge costs and direct recovery of electricity costs and waste collection services were £10.4m (2024–25: £9.3m) (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.	Expected market rental growth (2025–26: 2.50%; 2024–25: 2.25%)	The estimated fair value would increase (decrease) by:
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.	Occupancy rates (2025–26: 94–96%, weighted average 95% ; 2024–25: 95–100%, weighted average 98%)	£5.0m/(£4.8m) if the expected market rental growth were 0.25% higher (lower)
	Risk-adjusted discount rates (2025–26: 8.00%, 2024–25: 8.25%)	£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

	2026 £'000	2025 £'000
Amounts falling due within one year		
Trade receivables	2,431	3,098
Less: provision for impairment	(359)	(425)
Trade receivables, net	2,072	2,673
Other receivables	5,811	1,089
Less: provision for impairment	-	(238)
Other receivables, net	5,811	851
Other taxes and social security receivable	-	263
Prepayments and accrued income	575	517
	8,458	4,304

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 credit 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.

	2026	2025
	£'000	£'000
Movements in the impairment allowance trade and other receivables are as follows:		
Opening provision for impairment of trade and other receivables	663	497
Impairment losses reversed	(275)	-
Uncollected amounts written off, net of recoveries	(388)	(229)
Receivables impaired in the year	359	395
	359	663

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
	2026	2026	2026
	£'000		£'000
Current	8,057	4%	332
1–30 Days	95	15%	14
31–60 days	44	14%	6
61–90 Days	1	0%	-
> 90 Days	45	16%	7
Total	8,242		359

13. Cash and cash equivalents

	2026	2025
	£'000	£'000
Bank deposits - sterling	36,274	35,162
Cash at bank and in hand - sterling	4,589	4,817
	40,863	39,979

Included within cash and cash equivalents is £30.1m (2024–25: £33.6m) 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 £1.6m (2024–25: £1.5m) 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 £nil (2024–25: £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 2026.

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 2026 IAS 19 calculation. The Authority made £nil contributions to this defined benefit pension plan in the year to 31 March 2026 (2024–25: £176,000).

The weighted average duration of the defined benefit obligation is around 13 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 from Mercer, a 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:

	2026	2025
Retail price inflation:	3.6%	3.3%
Salary escalation:	3.1%	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):	6.2%	5.8%

Mortality assumptions:		
Base table	100%S4PMA / 90%S4PFA	100%S4PMA / 90%S4PFA
Improvement rate	CMI2024 (1.5%)	CMI2023 (1.5%)
Life expectancy at 65 at year end:		
Retiring at year end date	21.8 (M) / 24.6 (F)	21.5 (M) / 24.5 (F)
Retiring 20 years after year end	23.5 (M) / 26.4 (F)	23.1 (M) / 26.2 (F)

	Change in assumption	Change in liabilities
Discount rate	Increase / (Decrease) of 0.50% p.a.	(£131,000) / £142,000
Rate of inflation	Increase / (Decrease) of 0.25% p.a.	(£115,000) / £114,000
Rate of salary growth	Increase / (Decrease) of 0.25% p.a.	£0 / £0
Rate of mortality	Increase / (Decrease) in life expectancy of 1 year	£117,000 / (£121,000)

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 2026 is £nil.

The asset distribution of the underlying investments were as follows:

	2026 %	2025 %
Fixed Interest Securities	27.2	26.8
United Kingdom Equities	5.4	7.0
Overseas Equities	41.3	35.6
Emerging Market Equities	6.5	7.4
Property	7.7	8.5
Debt	8.4	8.5
Cash	3.5	5.3
Forwards	-	0.9
	100	100

The assets and liabilities of the plan are as follows:

	2026 £'000	2025 £'000
Fair value of plan assets	2,723	2,680
Present value of Defined Benefit Obligation	(2,139)	(2,270)
Effect on asset ceiling	(584)	(410)
Surplus in the plan	-	-

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:

	2026 £'000	2025 £'000
Interest income related to plan assets	155	138
Interest expense on retirement benefit obligations	(132)	(130)
Interest expense on effect of asset ceiling	(24)	-
Total net interest (cost)/income	(1)	8
Administrative expenses	(27)	-
Defined benefit cost included in income statement	(28)	-

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 (2024-25: income).

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

	2026 £'000	2025 £'000
Actual return less interest income on pension scheme assets	145	(48)
Experience gains and losses arising on the scheme liabilities	13	(109)
Changes in assumptions underlying the present value of the scheme liabilities	20	324
Changes in asset ceiling	(150)	-
	28	167

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

	2026 £'000	2025 £'000
Deficit in scheme at beginning of year	-	81
Contributions net of administration charge	-	154
Other finance cost	(28)	8
Actuarial gain	28	167
Changes in asset ceiling	-	(410)
Surplus in scheme at end of year	-	-

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

	2026 £'000	2025 £'000
At the start of the year	2,680	2,850
Interest income	155	138
Actuarial loss	145	(48)
Employer contributions	-	176
Administration costs (excluding asset management costs)	(27)	(22)
Benefits paid out	(230)	(414)
At the end of the year	2,723	2,680

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

	2026 £'000	2025 £'000
At the start of the year	2,270	2,769
Interest cost	132	130
Actuarial gains	(33)	(215)
Benefits paid out	(230)	(414)
At the end of the year	2,139	2,270

15. Deferred taxation

	2026	2025
	£'000	£'000
Deferred tax liability	(2,264)	(4,763)

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

	Capital allowances	Investment properties	Losses carried forward	Pension schemes	Total
	£'000	£'000	£'000	£'000	£'000
At 31 March 2024	(4,511)	-	-	6	(4,505)
Charged to income statement	(286)	-	34	(67)	(319)
Credit to other comprehensive income	-	-	-	61	61
At 31 March 2025	(4,797)	-	34	-	(4,763)
Charged to income statement	(279)	-	2,778	-	2,499
Charged to other comprehensive income	-	-	-	-	-
At 31 March 2026	(5,076)	-	2,812	-	(2,264)

16. Trade payables and other liabilities

	2026 £'000	2025 £'000
Amounts falling due within one year		
Trade payables	1,186	3,312
Other payables	2,570	424
Other tax and social security payables	453	46
Accruals	613	1,097
Deferred income	4,231	10,359
Deposits from tenants	1,550	1,546
	10,603	16,784
Amounts falling due after one year		
Other payables	4,521	-
Development Partner	17,762	16,970
	22,283	16,970
Total current and non-current	32,886	33,754

The development creditor of £17.76m 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/A1/F1 (or equivalent), 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 2026 is as follows:

	2026 Trade and other payables £'000	2025 Trade and other payables £'000
On demand	1,555	1,546
Less than 1 month	3,699	-
1 to 3 months	180	4,828
3 to 6 months	189	-
6 to 12 months	296	-
12 months +	22,283	21,491
Totals	28,202	27,865

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

	2026	2026	Total	2025	2025	Total
	£'000	£'000	£'000	£'000	£'000	£'000
	Fixed	**Floating**		**Fixed**	**Floating**	
Cash	-	4,589	4,589	-	3,784	3,784
Short-term deposits	34,724	1,550	36,274	34,649	1,546	36,195
	34,724	6,139	40,863	34,649	5,330	39,979

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 2025–26 was £4.9m (2024–25: £4.6m).

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

	2026	**2025**
	£'000	**£'000**
Within 1 year	3,839	4,603
Within 1–2 years	3,882	4,051
Within 2–3 years	3,548	3,525
Within 3–4 years	3,430	3,172
Within 4–5 years	2,981	3,049
After 5 years	12,932	12,356
Total	30,612	30,756

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.

In respect of a capital charge of £2.0m (2024–25: £2.0m) and associated subsidy of £nil (2024–25: £0.5m).

£9.4m (2024–25: £1.9m) 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.

£4.5m of Covid-19 cash flow support from Defra is included within non-current liabilities as management expects the related conditions and obligations associated with the grant to be settled more than 12 months after the reporting date.

Key management personnel remuneration including the board totalled £1.4m (2024–25 £1.5m). 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 2026, phases 1, 2, 3 and 4 of the programme were complete, and the remaining phases are due to complete by 2028 with capital expenditure commitments of approximately £16.3m.

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 2026. 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 (2024–25: £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 2026 were as follows:

Executive Team

Robert McAuliffe (appointed November 2025)	General Manager
Robert Sisley	Finance Director
Tim Hampden-Smith (appointed November 2025)	Chief Operating Officer
Tony O'Reilly (left April 2026)	Project Director
Alasdair Thomas	General Counsel
Toyin Allen (left April 2026)	Head of Human Resources
Giles Roddy	Communications Director

Senior Leadership Team

Brendan Marino	Head of Development Projects
Colin Corderoy	Senior Operations Manager
Lee Cooper (appointed February 2026)	Contracts Manager
Michael Peacock (appointed November 2025)	Financial Controller

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