

Crown Estates

Net income of The Crown Estate fell by 7% last year to £210.7 million according to their financial results announced yesterday.

The Crown Estate earned a net income surplus (profit) of £210.7 million in the year ending 31 March 2010. This is paid to the Treasury and helps reduce the fiscal deficit. Primarily because of the exceptionally low level of interest rates which we earned on our capital reserves (see footnote), this represents a fall of 7 per cent compared to the previous year.

Sir Stuart Hampson, Chairman of The Crown Estate, said, "As we anticipated, 2009/10 was an extremely challenging year. It has been a period when we have drawn on all the expertise and experience of our people to record a set of results which stand up well in the context of the economic downturn. Our urban, rural, marine and Windsor estates all recorded pleasing financial results."

Roger Bright, Chief Executive of The Crown Estate, added, "Despite the worst recession that most of us have experienced, thanks to the diversity and quality of our portfolio and the efforts of our staff we have delivered a good set of financial results.

"Looking ahead, our overall strategy is to concentrate on our core holdings and our areas of expertise. The Marine Estate will play an increasing part in this as it continues to facilitate the development of offshore renewable energy.

"Our results should be read in the context of our obligation not to chase short term income returns, and our statutory restrictions on borrowing, which increases our exposure to low interest rates."

On the marine estate, progress in the renewable energy sector dominated, as they took significant strides towards enabling

developers to realise the huge potential of the energy-rich coastal waters around the UK.

Revenue fell by 6.2 per cent to £46.6 million, reflecting conditions in the wider economy and a fall in demand for dredged aggregates from the construction industry. Total property value increased to £443.7 million, up 8.4 per cent on the previous year.

The coastal estate, which includes marinas, ports, harbours and other coastal activity, contributed £13.6 million to our turnover, an increase of 6.2 per cent.

The key highlight of the year on the marine estate was the Round 3 offshore wind programme which culminated towards the end of the financial year in the announcement of the successful bidders for each of the nine wind zones around the UK coastline. Coming on top of Rounds 1 and 2 and a Scottish Territorial Waters round, all of which are still in development, Round 3 aims to deliver a quarter of the UK's total electricity needs by 2020. The UK is already a world leader in generating electricity from offshore wind, and over 1GW of electricity is in production from leasing Rounds 1 and 2.

In March 2010, they passed another milestone with the announcement of the successful bidders for the world's first commercial wave and tidal leasing round, for 10 sites in Scotland's Pentland Firth and Orkney waters.

The rural estate achieved what they called a 'pleasing performance' during the year, with capital value rising by 5.7 per cent to £971.7 million. Revenue was £25.1 million, down by 6 per cent on the previous year.

The Crown Estate invested over £9.2 million in new works and improvements on the estate. In Scotland alone, the task of restoring and repairing property damaged by the harsh winter conditions will require over £1 million of investment.

The Annual Report can be accessed [here.](#)