



coventgarden

market authority



56th Report & Accounts 2016/2017

Covent Garden Market Authority

Report and Accounts for the accounting period from 1 April 2016 to 31 March 2017

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



Covent Garden Market Authority
Covent House
New Covent Garden Market
London
SW8 5NX

Price £7.00

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Bankers

Banco Bilbao Vizcaya Argentaria
Vauxhall Branch | 17a St George Wharf | London SW8 2LE

Auditors

Nexia Smith & Williamson
25 Moorgate | London EC2R 6AY

About Covent Garden Market Authority



The new Food Exchange

Covent Garden Market Authority (CGMA) owns and runs New Covent Garden Market (NCGM) and is accountable to the Department of Environment, Food and Rural Affairs (Defra). Its income comes from the rents and service charges charged for leasing trading and office space and it receives no public money.

£4.8m
Rental income

35 staff
employed by CGMA

What we do

CGMA lets and manages the space at NCGM and derives its income from the rents. Services provided include:

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

Brand New Covent Garden Market

CGMA in partnership with VINCI St. Modwen (VSM) is rebuilding NCGM. This is a long term project that will see brand new Market buildings and facilities and keep NCGM feeding and flowering London for generations to come.

The redevelopment of NCGM will provide modern facilities for the 175 small and medium sized companies based here and the 2,500 people they employ. The 57 acre NCGM site is part of a wider transformation of Nine Elms which will create an exciting residential and business district.

NCGM is one of Nine Elms' three icons alongside Battersea Power Station and the new American Embassy. The redevelopment of the site will create a new Food Quarter for London giving the general public the opportunity to explore the best of fresh produce available at NCGM.

20 acres of surplus land will be sold and used to build a new high quality residential-led mixed-use scheme, made up of 3,000 new homes, including 600 affordable homes, 135,000 sq ft of commercial space and 100,000 sq ft of retail, leisure and new community facilities, including shops, cafés and restaurants.

The ten year multi-phase programme will provide some 2,000 further jobs from the commercial and construction elements. It will also contribute 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 will mean the majority of people living and working in the area will be within five minutes' walk of a tube station.

During year ended 31 March 2017 several facilities were completed by our development partner, which included a new recycling compound, refurbishment of the multi storey car park, as well as rooftop sports pitches which will be of benefit to the local community.

Most significantly, just after the year end on 3 April 2017, the Flower Market tenants migrated from the old Flower Market to a new building which will be their home until the latter stages of the development, when they will move into the permanent Flower Market under the new Food Exchange.



Brand NEW
COVENT
GARDEN
MARKET

More information is available at
www.brand.newcoventgardenmarket.com

Highlights



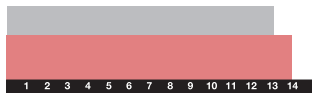
CGMA Revenue | down 3.5%
£15.54m 2015/16 | **£15.0m 2016/17**



Total NCGM Turnover | up 1.6%
£625m 2015 | **£635m 2016**



Total Trading Area | down 3% points
94% let 2016 | **91% let 2017**



General Service Charge £ per sq ft
13.07 2015/16 | **13.97 2016/17**



Total Volumes of Recycled Waste (tonnes) | up 6%
14,515 2015/16 | **15,408 2016/17**

Covent Garden Market Authority's (CGMA) Performance

Revenue from normal trading activity and recharged relocation costs was £16.2m, down £0.2m from 2015/16, and the operating profit before redevelopment project costs and asset disposal profits was £1.4m, down £0.4m from 2015/16. The reduced revenue reflects the impact of the construction work on both occupancy levels and the ability to generate ancillary income.

New Covent Garden Market (NCGM) Trade

Total NCGM turnover £635m, saw an increase of 1.6% on the previous year, reflecting a strong underlying performance despite a slight reduction in occupancy and some tenant churn.

CGMA's Key Performance Indicators

Occupancy Rate: Total Trading Area

Occupancy of trading space in the largest sector, the Fruit & Vegetable Market, reduced from 98% to 93% as at 31 March 2017. This is in part because some units are being kept vacant to facilitate the construction programme. The Flower Market occupancy increased from 80% to 82% during the period, demonstrating the continued strength in the market which is expected to continue in the Flower Market's new home.

General Service Charge (GSC): £ per sq ft

The GSC in 2016/17, after a rebate, was £13.97 per sq ft compared to £13.07 per sq ft the previous year. Initial expectations were that the GSC would be £14.85 per sq ft. For 2016/17 the upward trend reflects the continued extreme price pressures, principally from labour costs and waste transport costs.

Environmental Performance

The total volume of all waste handled increased by 6% to 15,408 tonnes, driven mainly by increased wholesale distributors' trading. Waste to energy represents just over half of the waste handled and recycled waste for organic feed is about a quarter of waste handled. Managing waste is one of the larger challenges that the Authority faces and a continual dialogue with tenants is maintained to seek to improve the waste cycle on site. The new recycling facility will help us achieve this.

Key Events

Completed works

During the year the construction of the new recycling compound, community use sports pitches and refurbishment of the Multi Storey Car Park were completed.

Shortly after the year end the new interim Flower Market was completed and open for business.

The Flower Market exhibited at RHS Chelsea for the first time and the stand was awarded a gold medal.

Covent Garden Market Authority
Covent House
New Covent Garden Market
London
SW8 5NX

29 June 2017

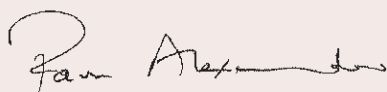
Dear Secretary of State

In accordance with Section 46 of the Covent Garden Market Act 1961, I submit the Report of the Covent Garden Market Authority, incorporating a Statement of Accounts drawn up in accordance with your directions, for the fifty sixth accounting period ended 31 March 2017.

The transformation of London's biggest and finest wholesale Market is well underway, securing a crucial link in serving London's hospitality sector whilst also playing a key role in changing the landscape of Nine Elms.

The redevelopment of the Market means major changes and new opportunities. In the past year we have faced some big challenges. We have made progress with a new Entry Plaza and a new Flower Market now open on the old entrance site. Trading started in the new Flower Market on 3 April this year and tenants and customers alike were overwhelmingly enthusiastic about the new facility. This move is the first in our redevelopment and the smooth transition is testament to the partnership working between the Flower Market tenants and CGMA staff.

This project relies on the support of our many stakeholders and the commitment of both my Board and the CGMA staff. I would like to express my thanks to all who have the best interests of the Market at heart.



Pam Alexander OBE
Chair

Secretary of State for Environment, Food and Rural Affairs
Nobel House
17 Smith Square
London
SW1P 3JR



Chair's Statement

Pam Alexander OBE, Chair

This past year has been one of considerable change. We have a new CEO, new Board Members and have also seen the first major move of tenants as part of the Market's redevelopment. The transformation of London's biggest and finest wholesale Market is well underway, securing a crucial link in serving London's hospitality sector while also playing a key role in changing the landscape of Nine Elms.

We have also seen considerable change in the trading environment where our businesses are facing the consequences of Brexit. The significance of these changes is yet to be fully understood. But the Market's traders have experienced and adapted to both political and economic fluctuations many times over the years. They have weathered seismic changes with entry into the EEC some 44 years ago just ahead of the move from Covent Garden. I have every confidence they will maintain business as usual as we now negotiate our way out of the EU. These uncertainties are not easy to cope with but the entrepreneurial spirit of the Market will seize the day.

The redevelopment of the Market means major changes and new opportunities. In the past year we have faced some big challenges. There have been delays and disappointments. We have made progress with a new Entry Plaza and a new Flower Market now open on the old entrance site. Trading started in the new Flower Market on 3 April this year and tenants and customers alike were overwhelmingly enthusiastic about the new facility. This move is the first in our redevelopment and despite setbacks the smooth transition is testament to the partnership working between the Flower Market tenants and CGMA staff.

The new Entry Plaza makes a bold introduction to the Market. Its distinctive shape will be echoed across the site at the gable ends of the new Fruit & Vegetable Halls and is already visible on the emerging Food Exchange building which will be the Market's new front door to the public.

Ahead of the Flower Market move we made our first ever appearance at the RHS Chelsea Flower Show. Our stand, designed by Ming Veevers Carter and supplied by the Flower Market traders, was a tribute to HM The Queen in honour of her 90th birthday. We are proud to say it won a gold and the image went viral on social media, highlighting the way in which the Flower Market supports florists across London. The publicity it generated exceeded our expectations with coverage of the great work of our wholesalers on prime time television and the image gracing the front page of national and international press.

There have been changes in people too. Daniel Tomkinson joined us in August last year as our new CEO. He brings many years of experience in both the property and logistics sector which will be of great value to ourselves, our tenants and our wider stakeholders. The redevelopment of NCGM is a major project and one of the three iconic elements that will transform Nine Elms. Over the seven years it will take to deliver this project we intend to become London's most important Food Quarter. Daniel is well placed to lead us on the next stage of that journey.

Last year saw the departure of our previous CEO, Jan Lloyd, and two Board Members, Helen Gordon and Glyn Smith. Jan was the architect of the redevelopment and we are grateful to her for developing the plans to the delivery stage over her ten years managing CGMA. Since their appointments in 2007, Helen and Glyn have made very significant contributions to shaping CGMA's plans to redevelop NCGM. The Board joins me in thanking them both for their commitment and dedication and in welcoming Sir Edward Lister, John Lelliott and Sara Turnbull to the Board. Together they bring an unrivalled combination of expertise in development, finance and entrepreneurship and have already contributed substantially to shaping our future.

I would like to thank my Board and all the CGMA staff for their commitment to the renewal of one of London's most iconic features, New Covent Garden Market.

“...tenants and customers alike were overwhelmingly enthusiastic...”

Chief Executive's Review

Daniel Tomkinson, Chief Executive

This is my first review as CEO at CGMA. New Covent Garden Market plays a vital role in London's hospitality and foodservice sectors. Its redevelopment is one of the most exciting projects in London and I look forward to shaping the future of the capital's most important food destination.

The overall turnover generated by businesses at NCGM has grown by 1.6% despite the uncertainty surrounding Brexit and a weaker pound. While the Fruit & Vegetable wholesale Market saw a small decline, wholesale distributors saw good growth, reflecting the strength of the hospitality sector in London. We recognise that there are challenges to come but are confident that the Market has the resilience and flexibility to respond.

Our financial results for 2016/17 continue to show a healthy surplus, but there are signs of how the redevelopment will impact on the business in future years. Both core and other income are beginning to be adversely affected as space is reduced compared to previous years and CGMA's total revenue reduced marginally from £16.4m to £16.2m.

This year culminated in the first major move of our redevelopment as the Flower Market moved to a new home on our main entrance site where it will be located for the next few years. The reaction from our tenants and our customers to this new facility has been very positive. No-one who visits it would imagine that it is temporary.

Many of the Flower Market traders have embraced the opportunity of this move to revitalise their businesses, whether through increased presence on social media or completely revamping their displays. I do not underestimate the stress a move puts a business under and I can only congratulate our tenants for the way in which they have risen to the challenge. While there are inevitably bedding in problems, in a spirit of co-operation we are well placed to address issues together as they arise.

Another important milestone is the construction of the building for the final home of the Flower Market and our new Food Exchange. Once completed it will house temporary warehouse space for three of our largest wholesale distributors, taking some of the strain off the rest of the construction site. Above what will eventually be the new Flower Market we will house SME food businesses, co-working space and educational facilities, including a demonstration kitchen. Our office will also be based there.

Our biggest challenge going forward is balancing the demands of the construction programme with the needs of the Market operation. When the Market moved to Nine Elms in 1974 it had the massive advantage of being able to build on a clear site and then move wholesalers in one go. We do not have that luxury today. This redevelopment has not only to accommodate construction space it also has to ensure that the day to day running of the 175 businesses based here can continue effectively. Challenging though the construction period inevitably is, we are confident that with the co-operation of our development partner, VSM, we can deliver a new Market that will continue to be one of London's icons for next generations to come.

Daniel Tomkinson



“...one of the most exciting projects in London...”

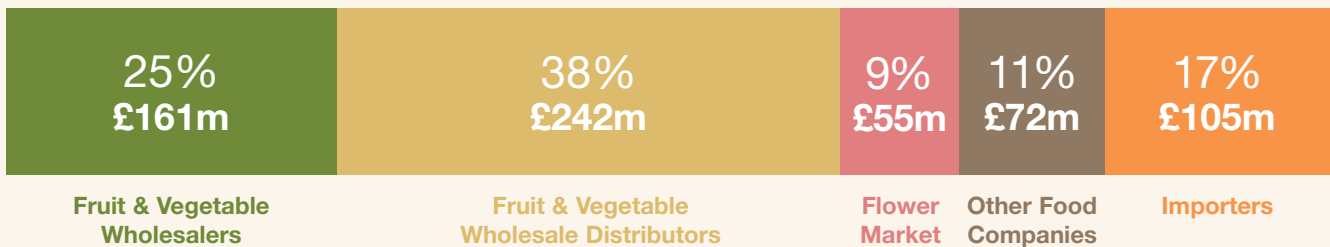
New Covent Garden Market Trade

New Covent Garden Market 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.

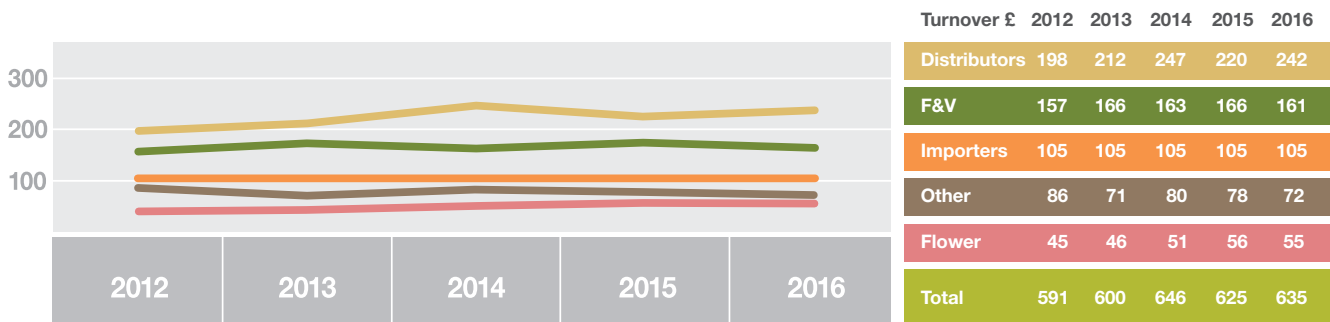
175 companies trade **fruit, vegetables** and **flowers** but also **dairy, meat, fish, ice** and **gourmet ingredients**.



Total Market Trade £635m up 1.6%



Calendar 5 year trends in Market trade on a like for like basis



New Covent Garden Market has a history over 800 years old. It has been at Vauxhall since 1974.

Fruit & Vegetable Wholesalers

QUALITY | RANGE | EXPERTISE

Selling **160** varieties of fruit and **180** varieties of vegetable - from apples to zucchini, from asparagus to yams.

Total turnover for the fruit and vegetable wholesalers decreased by **3%** from £166m to £161m.



F & V Wholesalers | down 3%
£166m 2015 | £161m 2016

Fruit & Vegetable Wholesale Distributors

QUALITY | SERVICE | ADDED VALUE

Daily deliveries, often more than once a day. **Prepared produce** - peeled, sliced, diced, juiced and an **extended product range** from frozen to morning and dried goods. **40%** of the fruit and vegetables on the plate outside the home in London come from NCGM. **20 out of 20** of London's top rated restaurants are supplied by NCGM.

NCGM is the only Market in the UK to have a complete **Red Tractor** supply chain. Total turnover for the wholesale distributors was up by **10%** at £242m.



F & V Wholesale Distributors | up 10%
£220m 2015 | £242m 2016

Flower Market

QUALITY | RANGE | PASSION

The **only** dedicated flower and plant wholesale Market in the UK. Offering the **best of the world** and the **pick of British** flowers, foliage, plants and accessories. **57%** of the flowers sold outside supermarkets have been supplied by NCGM and **75%** of London's florists use the Market.

Turnover for the Flower Market was marginally down by **2%** on the previous year at £55m.



Flower Market | down 2%
£56m 2015 | £55m 2016

Other Food Businesses

Turnover for this sector was reduced to £72m.



Other Food Businesses | down 8%
£78m 2015 | £72m 2016

Importers

Various **importers, agents and service providers** are based at NCGM and the value of this trade is estimated to be some £105m.



Importers
£105m 2015 | £105m 2016



Management Report

Lettings

The overall occupancy level of all areas of the Market has declined over the year from 72% to 68%; despite occupancy of trading space holding up well, the fall in occupancy in office and ancillary space has impacted the overall occupancy level. This overall decline masks differing trends in the various sections of the Market.

The occupancy of the Fruit & Vegetable Market, the largest trading space, has reduced from 98% to 93%. Demand for space in the Fruit & Vegetable Market remains robust. This drop is largely due to providing additional space to facilitate the increasing impact of the development and controlling overall traffic volumes as the site is compressed.

The old Flower Market was vacated just after the year end and the tenants were moved into the new interim Flower Market. Just prior to that move at the end of the year the occupancy of the old Flower Market was 82% compared to 80% a year earlier, which demonstrates the strength of the Flower Market. The new interim Flower Market is 100% let.

The occupancy level of the Rail Arches has remained constant at 83%; while the occupancy of office space and ancillary spaces has reduced from 31% to 23%, primarily due to space being vacated in advance of buildings being handed to the development partner for demolition.

Other Income

CGMA generates significant income from activities utilising various parts of the Market land other than through traditional property lettings. During the year the impact of the development, as Market land was used for construction, noticeably impacted ancillary income.

Revenue from car and coach parking reduced to £0.6m (2015/16: £0.8m) due to the reduction on available space. It is anticipated that this income stream will continue to be constrained as the development continues to impact on available space; in particular when the old Flower Market site is no longer available a substantial contract parking income stream will disappear.

Income from the Nine Elms Sunday Market (Sunday Market), which is a weekly Sunday market operated for CGMA by an independent management company, held up well during the year. The revenue generated from the Sunday Market declined slightly to £0.9m (2015/16: £1.0m). CGMA recognises the importance of the Sunday Market to the local community and it is intended to maintain a Sunday Market presence throughout the development, albeit that the scale may be restricted for periods.

Cleaning & Recycling

Cleaning and waste management is contracted to Interserve Ltd. Tenants are encouraged to perform a primary sort of waste initially before a secondary segregation is carried out at the waste compound. Fruit & Vegetable Market tenants are charged for the waste that they generate through a Pay as You Throw system.

CGMA ensures that all organic waste continues to be treated through sustainable systems and that no organic waste is sent to landfill. Total waste for the year was 15,408 tonnes compared to 14,515 the previous year, an increase of 6% largely due to the overall increased trading activity of the Fruit & Vegetable Market and Flower Market tenants. Waste to energy and organic waste continue to account for about three quarters of all of the waste processed.

During the year the recycling compound moved from its temporary location to its new permanent location, back on the site of the previous compound. The new recycling compound is under cover with new equipment, providing a better working environment for operatives as well as protecting the recyclable waste from the elements.



Core F&V Market | down 5% points
98% let 2016 | 93% let 2017



Flower Market % Let | up 2% points
80% let 2016 | 82% let 2017



Total Volumes of Recycled Waste (tonnes) | up 6%
14,515 2015/16 | 15,408 2016/17

Security

Security services continue to be provided by OCS Group UK Ltd. The increased development activity during the year has impacted the security provision in particular. Greater congestion and altered traffic movements have resulted in higher manning levels paid for by our development partner. Security staff provide an essential component of site health and safety.

Maintenance & Capital Works

Maintenance on the old Market is managed carefully to address operational functionality and regulatory requirements within the short period before buildings are demolished as part of the redevelopment. Maintenance is provided by external and outsourced contractors.

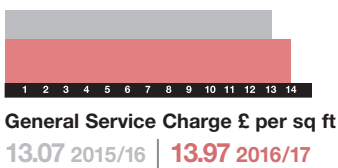
During the year capital expenditure, excluding development related items, was £0.8m (2015/16: £1.5m). Expenditure during the year included new recycling equipment for the recently opened new recycling compound.

Service Charges

The running costs of NCGM are covered through the General Service Charge (GSC). Each year the costs of running NCGM and the GSC budget is reviewed with the tenant community at the Market Finance Committee. The GSC costs are allocated to tenants based on square footage used, with CGMA being responsible for GSC on units not let.

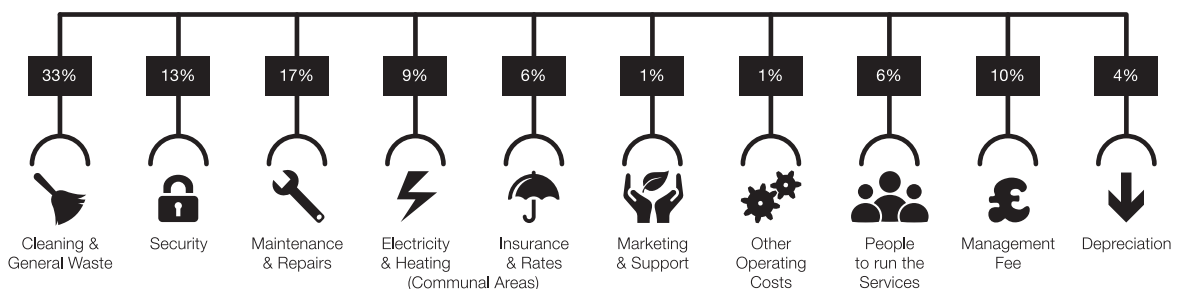
Special Service Charges are also levied on Flower Market tenants for services specific to that Market, which includes Market Support Operatives, temperature and humidity control.

The GSC for the year was £13.97 per sq ft, after a rebate of £0.88, from the initial expectation of £14.85 per sq ft. This compared to £13.07 for the previous year. The main components of the GSC are labour costs for waste management, cleaning and security. CGMA seeks to keep maintenance costs to a minimum despite the aged infrastructure.



GENERAL SERVICE CHARGE

Where the tenants' money goes when they pay their General Service Charge



The largest proportion of the GSC continues to be cleaning and general waste. CGMA continues to work with the tenant community to achieve an effective and efficient waste management system.

Health & Safety

Health and safety is of paramount importance and CGMA works closely with various representatives across the Market community, our development partner and also local bodies.

CGMA is responsible for health and safety in public areas of the site. Tenants are responsible for health and safety in their own premises and our development partner

is responsible for parts of the site that have been assigned to them. It is extremely important that CGMA works closely with tenants and also our development partner to ensure a clear and seamless continuation of appropriate health and safety standards throughout the site.

During the year there were 38 incidents on site reported to, or recorded by, CGMA security compared to 49 the previous year. The decrease is attributable to an increased focus on health and safety by all parties concerned. There were 16 vehicle incidents on site (2015/16: 18), none of which were reportable in compliance with RIDDOR compared to two in the previous year. These statistics are in the context of over one million vehicle movements during the year.

The development has posed increased challenges during the year, relating to vehicle movements as well as pedestrian movements. In order to meet these challenges signage for both vehicles and pedestrians has been improved. We have also commenced a fork lift safety trial to enhance pedestrian safety in the vicinity of these particular vehicle movements and traffic marshalls were used as required.

Environment

CGMA is committed to reducing the carbon footprint of the Market despite the age of the infrastructure. The total CO² produced by gas and electricity was 9,820 tonnes compared to 11,435 tonnes the previous year, a decrease of 14.1%. Gas consumption reduced by 21.4% and electricity consumption reduced by 5.7%.



CO² Emissions (tonnes) | down 14.1%
11,435 2016 | **9,820 2017**

Promoting the Market

The Market took a stand at RHS Chelsea for the first time and won a gold medal. The resulting publicity included coverage on television, radio, national and local newspapers. NCGM was also represented at the London Produce Show. As well as extensive media coverage in both trade and consumer press, effective promotion is carried out on social media across a number of different platforms.



Local Community & London

As part of its Corporate Social Responsibility, CGMA's Community Fund supports a number of local projects as well as donating funds to City Harvest, a charity feeding disadvantaged people. CGMA also works with those delivering the Edible Avenue project on Thessaly Road, funded by the Market's redeveloper, VSM, and with local film company Chocolate Films who are documenting the project through film, photographs and oral histories and the Market's people.



Stakeholders

In the year, CGMA brought together leading figures in the food world to form a Sounding Board to help advise on the delivery of CGMA's vision. Visits to the Market during the year included the Minister for London, Gavin Barwell, London Deputy Mayors Rajesh Agrawal and Jules Pipe as well as senior Defra team members. Daniel Tomkinson was introduced to many of our loyal supporters at our annual stakeholders' event in October 2016.





Financial Report

The financial results for the year continue to show a healthy profitable position, but the signs are beginning to show of the impact the development is having on the business. As predicted both core and other income are starting to be adversely affected as the development has reduced the available space in comparison to previous years.

The profit for the financial year after tax was £2.1m.

During the year CGMA paid a dividend to Defra of £3.3m, of which £3.1m was in respect of the sale of Market Towers which took place originally in 1987 but dividend payment was delayed, primarily due to the sale indemnity period. CGMA also paid a net cost of capital payment of £0.5m to Defra.

Accounts Presentation

The Authority's Accounts are presented in a form directed by Defra and approved by HM Treasury. The presentation adopted is the recommended format. The Accounts have been prepared under International Financial Reporting Standards. They continue to be presented under the historical cost convention as modified by the 1977 valuation of the Authority's properties.

Revenue

Total revenue decreased marginally from £16.4m to £16.2m.

Rents from tenants decreased during the year by 5% to £4.8m (2015/16: £5.1m). The reduction is mainly due to a decrease in the number of office tenants as the number of core trading tenants in the Fruit & Vegetable and Flower Markets has remained fairly constant.

The GSC, representing costs recovered from tenants, was £7.3m (2015/16: £7.2m). This was a slight increase compared to the previous year, mainly due to the impact of labour pay increases and increased waste disposal costs.

Income from car and coach parking declined by 30% to £0.6m (2015/16: £0.8m), a continuing trend from prior years, as a result of the reduction in available space. The Sunday Market income by contrast proved resilient with only a 6% reduction in revenue to £0.9m (2015/16: £1.0m), which underlines the value that the local community place on the Sunday Market and also reflects efficient management of space that is available.

CGMA is subject to an annual cost of capital charge from Defra, but it also receives a subsidy towards the cost of capital charge from Defra. The effect of the charge and subsidy is a net cost of £0.5m for the year, the same as the previous year.

Operating Costs

Staff costs for the year increased to £2.1m (2015/16: £2.0m). This increase is due to an increase in pension contributions.

The operating costs, excluding staff costs, increased to £10.5m (2015/16: £10.3m). Cost increases in the areas of security, cleaning and waste disposal were only in part mitigated by decreases in other costs, most notably lower utilities and publicity expenditure.

Result for the Financial Year

The profit for the financial year was £2.1m compared to £10.7m the previous year. The previous year's result was after a substantial profit on the disposal of Covent House. The operating profit before Redevelopment Project costs was £1.4m (2015/16: £1.8m), a reduction on the previous year due to the reduced revenue and increased operating costs described above.

Redevelopment Project costs increased to £0.7m (2015/16: £0.4m), this reflects increased expenditure as the development activity increased noticeably in respect of contractual leasing arrangements with tenants. A significant amount of costs related to the development have been capitalised as well.

Corporation tax for the year was a credit of £1.4m (2015/16: charge of £2.0m) after claiming rollover relief on the sale of Covent House that had been taxed in the prior year.

During the year total dividends of £3.3m (2015/16: £10.2m) were paid to Defra, consisting of £0.25m dividend in respect of the underlying profit and a special dividend of £3.1m to distribute the net profits arising from the sale of Market Towers in an earlier accounting period.

Pension Fund

The Accounts are prepared in accordance with International Accounting Standard 19, the IFRS accounting standard which relates to accounting for pension funds.

As at 31 March 2011, the Authority's defined benefits scheme ceased the accrual of future benefits. The Authority continues to make a monthly contribution to reduce the existing deficit in the scheme. The valuation in compliance with IAS 19 as at 31 March 2017 generated an actuarial loss in the year of £1.7m, this is due to effect of changes in financial assumptions, most notably a decrease in the discount rate from 3.7% to 2.5%. As a result the deficit year on year has increased by £1.6m to £3.0m (2015/16: £1.4m).

From 1 April 2011, the Authority introduced a new defined contribution personal pension scheme available to all staff.

Net Cash Flow

The level of cash and cash equivalents for the year reduced by £5.6m to £11.9m (2015/16: £17.5m). The reduction in cash was due mainly to corporation tax of £1.25m paid on the previous profit on sale of Covent House, as well as £3.3m of dividend payments to Defra.

Included in the total cash and cash equivalents is £2.0m (2015/16: £2.0m) in respect of monies held on behalf of tenants.

Fixed Assets

Capital expenditure during the year totalled £21.1m (2015/16: £1.5m). This included expenditure of £4.5m on completed development assets and £14.9m on construction in progress at the year end on incomplete development assets.

Total Equity

The total comprehensive income for the year resulted in a decrease in the value of net assets to £8.9m (2015/16: £11.6m).

Key Performance Indicators

Operational key performance indicators are included in the Management Report on pages 13 to 15.

The financial duty provided by s37 (1) of the Covent Garden Market Act 1961 as amended by the Covent Garden Market Act 1977 is that:

'It shall be the duty of the Authority so to exercise and perform their powers and duties as to secure that their revenues are not less than sufficient to meet all sums properly chargeable to revenue account, taking one year with another.'

Having regard to the profit made in the financial year 2016/17 and in previous years, notwithstanding the losses made in certain prior years, it is considered, taking one year with another that the requirement has been met.



Governance Statement

Responsibilities

As Accounting Officer I have responsibility for maintaining a sound system of risk, governance and internal control that supports the achievement of the Authority's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me under government accounting. In addition I am accountable to the Accounting Officer of Defra to enable her to discharge her overall responsibility for ensuring that the Authority, as a statutory corporation, has adequate financial systems and procedures in place. The relationship between the Authority and its sponsoring department, Defra, is set out in a Framework Document.

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 principles of public life.

It is the Authority's policy to recognise best practice in financial reporting and corporate governance, having regard to the UK Corporate Governance Code issued by the Financial Reporting Council, insofar as these are appropriate to a small statutory corporation and consistent with the requirements of the Covent Garden Market Acts.

Authority Board Members' Responsibilities

As required by the Covent Garden Market Acts 1961-1977 and company law, 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 the Authority as stated at the end of the year and of the profit and loss account for the trading year.

In preparing these statements, the Authority Board Members have adopted suitable accounting policies and have applied them consistently, made judgements and estimates that are reasonable and prudent, and have complied with all applicable accounting standards, and the directions of the Covent Garden Market Acts and the Secretary of State for Environment, Food and Rural Affairs.

The Authority Board Members are responsible for ensuring that adequate accounting records are maintained which disclose, with reasonable accuracy at any time, the financial position of the Authority, and enable them to ensure that the published financial statements comply with the requirements of the Covent Garden Market Act 1961.

In addition, the Authority 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. The Authority'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 the Authority's Board.

The Authority's Board

CGMA is governed by a Board comprising a Chair and a maximum of seven other Non-Executive Members, appointed by the Secretary of State for Environment, Food and Rural Affairs. One of these Members is nominated by the Secretary of State for Transport. Their appointment is usually fixed for a period of three years and their remuneration is set by the Secretary of State. Subject to performance, Board Members may be reappointed without competitive selection for a maximum of two further terms but limited to a total term in office of ten years. 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 bi-monthly 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.

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

	Board	Audit & Risk	Finance & Strategy	Remuneration
Total number of meetings	6	4	4	2
Pam Alexander	6/6	-	-	2/2
Bill Edgerley	6/6	-	4/4	2/2
Helen Gordon*	3/3	-	1/1	-
Nigel Jenney***	5/6	1/4	-	-
John Lelliott**	3/3	2/2	-	-
Sir Edward Lister*	4/5	-	3/3	-
Archie Robertson	6/6	4/4	-	-
Glyn Smith*	3/3	2/2	-	2/2
Sara Turnbull**	3/3	2/2	-	-
Teresa Wickham	6/6	-	4/4	-

Note: *Retired on 20 September 2016 •Appointed on 1 July 2016 **Appointed on 21 September 2016
***Transferred from the Audit & Risk Committee to the Finance & Strategy Committee in March 2017.

Audit & Risk Committee

The Audit & Risk Committee comprises three Members of the Board. Membership at the year-end consisted of John Lelliott (Chair), Archie Robertson and Sara Turnbull. The Chief Executive, in his capacity as Accounting Officer, attends meetings as well as other appropriate Members of the Authority. The Committee met four times during the year 2016/17. 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 and ensure that these are satisfactory and to receive reports on the internal and external audit of the Authority's affairs. Both the internal and external auditors attend relevant Committee meetings, providing reports to the Committee on audit strategy, findings and recommendations.

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

Finance & Strategy Committee

The Finance & Strategy Committee comprises four Members of the Board. Membership at the year-end consisted of Bill Edgerley (Chair), Teresa Wickham, Sir Edward Lister and Nigel Jenney.

The Committee reviews, recommends to the Board for approval and monitors the Annual Budget and the Business Plan which supports it, and the Long Term Business Plan. The Committee also reviews and provides recommendations to the Board in respect of various projects considered by CGMA.

Remuneration Committee

The Remuneration Committee comprises three Members of the Board. Membership at the year-end consisted of Bill Edgerley (Chair), Pam Alexander and John Lelliott. A representative of Defra may attend by invitation but is not a member of the Committee. The Committee sets the remuneration policy for the Senior Management Team and recommends and monitors the level and structure of remuneration for all staff.

Redevelopment Project

CGMA entered into a conditional Development Agreement with VINCI St Modwen (VSM) during the financial year ended 31 March 2013; this Development Agreement became unconditional on 9 April 2015.

During 2016/17 work has continued on building the new Market. In line with the Development Agreement, a Development Review Group meets monthly. This includes representatives from VSM and CGMA. In addition there are regular site meetings covering different aspects of the development on either a weekly or monthly basis.

CGMA has put together a team of professionals and specialist advisors to work closely with the staff of CGMA to manage the development.

The Authority as a 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. Any such view must take account of the pressing need for substantial investment in the Market's facilities. Now that the contract with VSM is unconditional, the rebuilding of the Market should be secured. It is therefore the opinion of the Authority's Board that the Authority has adequate resources to continue in operational existence for the foreseeable future.

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 the Authority'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 has been in place for the year ended 31 March 2017 and up to the date of approval of the Report and Accounts, and accords with HM Treasury guidance.

The Authority's internal auditors operate in accordance with Government Internal Audit Standards. They submit regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Authority's system of internal control together with recommendations for improvement for the year under review.

Risk Management

















The diagram below sets out the overall approach to risk management.









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

The senior management reviews risks on a regular basis both at an operational and strategic level. The principal risks and uncertainties facing the Authority are reviewed at each Audit & Risk Committee meeting and reports are made to the CGMA Board.

The Authority considers that the principal risks and uncertainties facing its business and strategy are:

Risk	Principal mitigations	Change in impact compared to previous year	Change in likelihood compared to previous year
Complexity of project			
The project is inherently complex with numerous critical factors. The redevelopment would be liable to fail if CGMA was not appropriately resourced and funded to manage its area of responsibility.	CGMA has recruited appropriately qualified staff and advisers, with a robust reporting procedure monitored by the Board.		
Vacant possession			
The delivery of vacant possession so that works can start on site on time and the surplus land be released as intended.	CGMA has inserted a landlord's break clause within all the current leases and VSM ensures that there are new premises available for tenants to move into when their current lease ends.		
Quality of development end product			
Lack of clarity or misunderstanding in the development specification adversely impacts end product.	CGMA works closely with VSM to clarify the detailed specification and ensure sufficient specialist resource is in place.		
Reputation and confidence			
A risk to CGMA's reputation and the tenants' and other stakeholders' confidence in them as landlord should the project not be delivered to the agreed plan or if the quality of execution affects the Market operation.	By developing a close co-operative working relationship with VSM such that any issues are addressed effectively and in timely way, whilst ensuring the specification and quality control process is adhered to as defined in the Development Agreement.		
Construction costs and sales values			
Significant construction inflation or falls in land values could adversely affect the ability to complete the development.	The risk of construction cost inflation and land value changes have been transferred to the development partner.		
Development partner problems			
Should the development partner experience problems which would result in it not being able to complete the development, then the Market could be left in a position of incomplete buildings.	There are a number of protections within the Development Agreement, should the development partner experience problems. These include the use of a separate development account, a performance bond, parent company guarantees and step in rights.		
Impact of development on tenants			
The ongoing construction of the new Market may adversely affect the ability of the tenants to continue to trade unhindered.	The Development Agreement provides various protection measures and commitments that ensure the tenants have the right to business continuity during the period of the development.		
Loss of stakeholder support			
The long term plan for the Market cannot succeed without the support of government, town planning and highway authorities, tenants and other stakeholders.	Maintaining a dialogue with all stakeholders as the project proceeds and the delivery of the long-term plan is progressed. Defra is briefed regularly on the progress being made. Appropriate contacts are being maintained with the town planning and highway authorities.		

Risk	Principal mitigations	Change in impact compared to previous year	Change in likelihood compared to previous year
Policy change			
The strategic and policy framework for the Market is determined by the government and town planning authorities. A significant change to that framework could undermine the redevelopment project.	The Authority seeks to ensure that the issues facing the Market are properly communicated to those who directly influence policy and to the wider community. The Authority uses professional town planning consultants to engage in formal planning processes and a communications agency to advise on more general communications.		
Terrorism or security impact			
An external event could severely impact either the operation of the Market or the progress of the development.	CGMA maintains regular dialogue with neighbours and relevant authorities. Regular review of business continuity plans and scenario incident exercises also take place.		
Loss of a large part of the site			
A fire or other major incident could seriously affect the business of the Market.	Preventative measures in place include: risk assessments, hot works control permits, third party inspections and the provision of guidance to tenants on how to minimise their risk. There is also a close working arrangement with the developer. The Authority's business continuity plan is regularly reviewed and tested.		

Review of Effectiveness

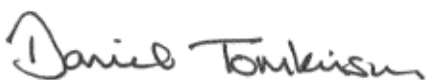
As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Authority who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit & Risk Committee, and I continue to address weaknesses and ensure continuous improvement of the system.

The opinion of the internal auditors, based on areas of activity reviewed during 2016/17, is that CGMA has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by CGMA. In respect of the areas reviewed, the internal auditors concluded that CGMA has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provide reasonable assurance regarding the effective and efficient achievement of CGMA's objectives. During the year there were no instances of actual or suspected fraud encountered during the internal auditors' work.

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 that the Authority's auditor was aware of that information.



Daniel Tomkinson, Chief Executive, Covent Garden Market Authority



Foreword to the Accounts

History, Statutory Background & 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.

The Authority 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 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 lands at Nine Elms, some 57 acres, 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 Market moved to the new site in 1974 and currently has 175 tenant companies, 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.

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 service charges which are reviewed annually in line with costs and following consultation with Covent Garden Tenants Association. The provision of services is through commercial contracts placed with specialist suppliers.

Equal Opportunities & Equality Act 2010

CGMA continues to be an employer that strongly advocates and promotes equality of opportunity regardless of an employee's gender, age, marital or civil partnership status, sexual orientation, religion or belief, colour, race or ethnic origin, disability and pregnancy and maternity. This extends to a further statutory duty to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people and to foster good relations between people who may or may not have the above protected characteristics.

CGMA senior management strongly believes that it applies the principles of the Equality Act 2010 and demonstrates leadership in matters of equality and diversity and acts in accordance with its Public Sector Equality duty.

The objectives that CGMA has adopted to achieve this include senior management demonstrating clear leadership with regard to promoting diversity and equality into every area of the business, the continuation of an inclusive, confident and zero tolerance workplace free from bullying, harassment and discrimination and the maintenance of a continuing programme of employee engagement and involvement.

Contractual Arrangements Essential to the Business

CGMA has lease agreements with each of its tenants.

The principal supply contracts during the year were with Interserve (Facilities Management) Ltd for cleaning, collection and pre-treatment of waste, OCS Group UK Limited for security, Atmosclear Building Services Ltd for mechanical maintenance works and JW & E Morris & Son Ltd for electrical maintenance.

Saunders Markets Limited has a contract to manage the weekly Sunday Market.

Business Review

Pages 10 to 29 of this Annual Report form the Business Review as defined by s417 Companies Act 2006.

Fixed Assets

The book value of tangible fixed assets, allowing for additions and disposals and adjusting for fully written off assets, but before allowing for annual depreciation charges, was £39.4m. It is the Authority's opinion that the market value of the Market land and buildings exceeds the book value shown in the Accounts.

Financial Risk Management

Details of the Authority's financial instruments and its policies with regard to financial risk management are given in note 20 to the Accounts.

Political & Charitable Donations

The Authority does not make political donations. Charitable and other donations during the year amounted to £27,650 (2015/16: £27,366).

Business Prospects

The Authority's Board believes that the Market must change if it is to continue to provide a high level of service to wholesalers and London businesses in the 21st century. Updating Market facilities will require considerable investment which has been secured by means of a land trade with our development partner. Rebuilding of the Market is underway.

Open Government & Publication Scheme

The Authority has adopted a Model Publication Scheme, in accordance with the provisions of the Freedom of Information Act 2000. Full details of the Publication Scheme are available on the Authority's website

www.newcoventgardenmarket.com

Complaints Procedure

The Authority aims to resolve complaints when and where they occur. When this is not possible the following procedure would be followed:

- The Authority undertakes that all complaints received will be addressed promptly and investigated impartially and that it will try to reach a satisfactory resolution.
- A complaint should be submitted to the Authority as soon as possible after the event that has given rise to it. In the first instance full details should be sent to the Authority's Secretary giving the names and positions of any Authority staff involved. Where possible communication should be in writing or by e-mail to the Secretary. Where the circumstances are urgent, contact may be made by telephone or in person.
- The Chief Executive Officer will investigate all formal complaints and the outcome of each investigation will be communicated to the complainant as soon as possible.

Payment of Creditors

It is the Authority's policy to settle all accounts for goods and services (unless subject to a dispute) in accordance with the terms agreed at the time of placing the contracts or orders to which these relate and generally to comply with the principles of the CBI Code of Practice for payments to creditors.



Personal Data Related Incidents

There were no protected personal data related incidents reported for CGMA in 2016/17. CGMA will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continued improvements of its systems.

Health and Safety

The Authority works with the London Borough of Wandsworth on all health and safety matters throughout the site. The Authority is directly responsible for all public areas of the Market. Key areas of focus are safe systems of work for all maintenance work on site, traffic management, checking fork lift truck compliance and the registering of all fork lift truck drivers. Tenants are responsible for their own business operations and are offered the support of the Authority.

Environment

The Authority is committed to reducing its impact on the environment by continuously improving the environmental performance of its operations and by actively working to improve those of companies based at New Covent Garden Market as a whole.

CGMA works to reduce its environmental impact by:

- Educating and informing both employees and tenants in environmental issues and the environmental impacts of their activities.
- Working with contractors and suppliers to enhance their understanding of the relevant environmental issues and ensuring effective management of environmental impacts.
- Monitoring progress and reviewing environmental performance on a regular basis.
- Recognising the need to comply with relevant environmental legislation as a minimum level of performance. Where no specific legislation exists the Authority will seek to set its own standards for compliance.

The Board

Members of the Authority (as at 31 March 2017)



Pam Alexander OBE

**Chair and Authority Member
from 1 February 2013**

**Appointed until
31 January 2019**

Currently

Chair

Nine Elms Cultural
Steering Group

Non-Executive Director

Crest Nicholson plc

Crossrail Ltd

Future Cities Catapult

Trustee

Design Council

Member

London Mayor's Cultural
Leadership Group

New London Architecture
Sounding Board

Previously

Chief Executive

South East England
Development Agency (SEEDA)
2003-2011

English Heritage
1997-2001

Deputy Chief Executive

Housing Corporation
1995-1997

Senior Civil Servant

Department of the Environment
1975-1994



Bill Edgerley

**Authority Member
from 1 March 2010**

**Appointed to
28 February 2019**

Currently

Trustee

Royal Greenwich Heritage
Trust

Henry Moore Foundation

Previously

Trustee

Cutty Sark
2010-2016

Chairman

Cutty Sark Enterprises
2010-2016

Managing Director

P&O Estates Limited
2005-2009

P&O Developments Limited
1994-2009

Chief Executive

Riverbus Partnership
1991-1993

Pre 1985 worked for
United Nations -
High Commissioner
for Refugees
Civil Engineering
Consultancy Practice



Nigel Jenney

**Authority Member
from 21 September 2013**

**Appointed to
20 September 2019**

Currently

Chief Executive

Fresh Produce Consortium

Non-Executive Director

Freshfel (European fresh
produce trade association)

International Federation of
Produce Standards

Previously

Managing Director

Univeg
2000-2004

ERFP

1996-2000

Senior Management

H J Heinz
1988-1996

Department of Agriculture,
Scotland
1982-1988



Teresa Wickham

**Authority Member
from 21 September 2013**

**Appointed to
20 September 2019**

Currently

Chief Executive

TWA Communications

Member

Harvard Business School
PAPSAC Committee

Worshipful Company of
Farmers

Ambassador

Tomorrow's People

Previously

CSR Adviser

Sainsbury Board

Governor

Royal Agricultural University
Cirencester

National Chairman

Women's Farming Union
1979-1985

Chairman

02GO
2000-2002

Director

Safeway Stores
1990-1996

Chair

London Tourist Board
2000-2002



Archie Robertson OBE

Authority Member
from 1 July 2013

Appointed to
30 June 2020

Currently

Non-Executive Chairman
Rapid5D Ltd

Trustee
Living Streets
Via Verde Inc

Director
Ardnish Experiences Ltd

Non-Executive Director
International Nuclear
Service Ltd

Previously

Strategic Adviser
Happold Consulting Ltd
2013-2014

Chief Executive
David MacBrayne Group
2010-2012

The Highways Agency
2003-2008

Non-Executive Director
Capita Symonds Ltd
2008-2011

ASI plc
2009-2010

Operations Director
The Environment Agency
1995-2003



Sir Eddie Lister

Authority Member
from 1 July 2016

Appointed to
30 June 2020

Currently

Chairman
Homes & Communities Agency

Director
Eco World Management
Advisory Services (UK) Ltd
Edward Lister Consultants Ltd

Governor
Museum of London

Previously

**Chief of Staff & Deputy
Mayor London**
June 2011-May 2016

Chair
Old Oak Common
Development Corporation
June 2015-May 2016

Leader
Wandsworth Council
May 1995-May 2011



Sara Turnbull

Authority Member
from 21 September 2016

Appointed to
20 September 2019

Currently

Chairman
Mayor of London's
Workspace Board

Director
HS2 Community
& Business Funds
Independent Panel Member
Work WILD Limited
Director & Founder
Bootstrap Company
Development Director

Previously

Directorships
Bootstrap Company
Chief Executive
July 2012-April 2017

Trustee
Energy Institute Women's
Engineering Society



John Lelliott OBE

Authority Member
from 21 September 2016

Appointed to
20 September 2020

Currently

Chairman
Natural Capital Coalition
ACCA Global Forum
on Sustainability

Non-Executive Director
Royal Bournemouth &
Christchurch NHS
Foundation Trust

Trustee
Asthma UK

Member
HRH The Prince of Wales'
Accounting for Sustainability
Advisory Council

Previously

Interim Chief Financial Officer
The Crown Estate
January 2016-September 2016
Finance Director 2001-2015



NEW
COVENT
GARDEN
MARKET



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5 Year Summary of Financial Statements

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
1 Gross income including finance income	16,767	18,038	17,777	17,992	17,793
2 Gross expenditure including depreciation	(14,619)	(14,880)	(16,022)	(16,168)	(16,413)
3 Surplus before redevelopment project costs	2,148	3,158	1,755	1,824	1,380
4 Disposal of Assets	-	-	-	11,274	-
5 Redevelopment project costs	(2,905)	(1,176)	(908)	(444)	(686)
6 Surplus/(deficit) for the year	(757)	1,982	847	12,654	694
7 Corporation tax & deferred tax	42	62	108	(2,002)	1,400
8 Net profit/(loss) after accounting for tax	(715)	2,044	955	10,652	2,094
9 Capital & reserves	8,685	10,298	10,448	11,584	8,915

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

We have audited the financial statements of Covent Garden Market Authority ('the Authority') for the year ended 31 March 2017 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 to 1977 and for no other purpose. Our audit work has been undertaken so that we might state to the Members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditor

As described in the statement on Corporate Governance, the Members of the Authority are responsible for preparing the Annual Report which includes responsibility for preparing the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

A description of the scope of an audit of financial statements is provided on the FRC's website at

www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Authority's affairs as at 31 March 2017 and of its profit for the year then ended;

- Have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Have been prepared in accordance with the requirements of the Covent Garden Market Acts 1961 to 1977.

Opinion on other matter prescribed by the Covent Garden Market Acts 1961 to 1977

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

- The information given in the Foreword to the Accounts for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- The Foreword to the Accounts has been prepared in accordance with applicable legal requirements.

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 Foreword to the Accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Covent Garden Market Acts 1961 to 1977 requires us to report to you if, in our opinion:

- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit; or
- The Statement on Internal Control does not reflect the Authority's compliance with the Treasury guidance 'Corporate Governance: Statement on Internal Control', does not meet the requirements for disclosure specified by the Treasury, or the statement is misleading or inconsistent with other information that we are aware of from our audit of the financial statements; or
- Information specified by law regarding Members' remuneration and transactions is not disclosed.

Income Statement for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Revenue	2	16,207	16,372
Government cost of capital subsidy	1m	1,530	1,530
		17,737	17,902
Operating expenditure			
Operating costs (excluding staff costs)	3	(10,472)	(10,266)
Board Members and staff costs	9	(2,085)	(2,040)
Depreciation	11	(1,779)	(1,764)
Government cost of capital charge	1m	(2,030)	(2,030)
Operating profit (before redevelopment project costs)		1,371	1,802
Redevelopment project costs	1p & 4	(686)	(444)
Operating profit (after redevelopment project costs)		685	1,358
Profit on sale of fixed assets		-	11,274
Finance income	5	56	90
Finance costs	8	(47)	(68)
Profit before taxation		694	12,654
Taxation	10	1,400	(2,002)
Profit for the financial year		2,094	10,652

Statement of Comprehensive Income for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Profit for the financial year		2,094	10,652
Other comprehensive income for the year			
Actuarial (loss)/profit on defined benefit pension plan	14	(1,714)	839
Income tax associated with actuarial profit/(loss) on pension liability	16	291	(151)
Total comprehensive income for the year		671	11,340

Statement of Financial Position as at 31 March 2017

	Note	2017 £'000	2016 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	23,931	4,755
Deferred tax assets	16	504	245
Total non-current assets		24,435	5,000
Current assets			
Trade and other receivables	12	1,392	908
Cash and cash equivalents	13	11,865	17,452
Current tax assets		1,266	-
Total current assets		14,523	18,360
Total assets		38,958	23,360
Equity and liabilities			
Equity			
Reserve fund		400	400
Retained earnings		8,515	11,184
Total equity		8,915	11,584
Non-current liabilities			
Deferred capital government grants	15	-	157
Deferred tax liabilities	16	209	235
Employee retirement benefit obligations	14	2,966	1,360
Total non-current liabilities		3,175	1,752
Current liabilities			
Trade and other payables	17	26,711	8,474
Current portion of deferred capital government grants	15	157	160
Current tax liabilities		-	1,390
Total current liabilities		26,868	10,024
Total liabilities		30,043	11,776
Total equity and liabilities		38,958	23,360

The accounts were approved by the Authority's Board and were signed on its behalf on 29 June 2017 by:

P Alexander OBE Chair

D Tomkinson Chief Executive Officer

29 June 2017

Statement of Changes in Equity for the year ended 31 March 2017

	Reserve fund £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2015	400	10,048	10,448
Profit for the year	-	10,652	10,652
Other comprehensive income	-	688	688
Total comprehensive income for the year	-	11,340	11,340
Dividends paid	-	(10,204)	(10,204)
Balance at 31 March 2016	400	11,184	11,584
Profit for the year	-	2,094	2,094
Other comprehensive income	-	(1,423)	(1,423)
Total comprehensive income for the year	-	671	671
Dividends paid	-	(3,340)	(3,340)
Balance at 31 March 2017	400	8,515	8,915

As per the Covent Garden Market Acts 1961 - 1977, 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.

Distributions of profits and other capital appropriations are governed and calculated under requirements different from IFRSs. As a result, actual distributable profits may not coincide with the figures shown above.

Statement of Cash Flows for the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Operating cash flow (before redevelopment project costs)		1,464	5,413
Operating cash outflow relating to redevelopment project costs		(773)	(531)
Cash flow from operating activities	18	691	4,882
Income taxes paid		(1,250)	(1,250)
Net cash (outflow)/inflow from operating activities		(559)	3,632
Dividends paid		(3,340)	(10,204)
Cash flow from investing activities			
Interest received		56	90
Purchases of property, plant and equipment		(1,744)	(1,493)
Proceeds on disposal of Covent House		-	11,374
Net cash (outflow)/inflow from investing activities		(1,688)	9,971
Net (decrease)/increase in cash and cash equivalents		(5,587)	3,399
Cash and cash equivalents at beginning of year		17,452	14,053
Cash and cash equivalents at end of year		11,865	17,452

Notes to the Accounts for the year ended 31 March 2017

1 Accounting policies

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

a Basis of preparation

The accounts are prepared in accordance with IFRSs issued by the International Accounting Standards Board as adopted by the European Union and are in a form determined by the Secretary of State for Environment, Food and Rural Affairs with the approval of HM Treasury in accordance with Section 46 of the Covent Garden Market Act 1961 as amended by 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 2016/2017 have been prepared in accordance with the statutory direction 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 so appointed unless he is a member of one or more of the following bodies:
 - The Institute of Chartered Accountants in England & 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 him facilities for the verification of information furnished by them in such manner and at such times as he may require.

- vii The Secretary of State shall lay a copy of each report made to him 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.

The Members have, at the time of approving the accounts, a reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

b Critical accounting judgements and key sources of estimation uncertain

The preparation of accounts in conformity with generally accepted accounting practice 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 judgement and estimation relate to recoverability of trade and other receivables, post-retirement benefits, taxation, value of completed development assets and the value of construction in progress.

i Recoverability of trade and other receivables

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

All individual balances are reviewed on a month by month 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 receivables in these accounts, net of provisions, is £1.170m (2015/16: £0.862m).

ii 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 1h and 14 for further details.

iii Provision for taxation

In providing for tax due, the Authority has made judgements regarding the availability of certain deductions for tax purposes. The Authority believes that certain costs to date should be tax deductible; however for prudence it has made partial allowance for non-deduction of certain costs in accruing for tax due in these financial statements.

See note 10 for further details.

iv Accounting for the development

Judgement was required as to whether the construction agreement and land sales represent two separate transactions or one linked 'exchange transaction'. Having considered both the legal position and substance of the arrangements, management have concluded that all indicators suggest that it is a linked transaction and therefore the Authority has accounted for it as such.

v Recognition of the exchange transaction

Accounting standards require that an exchange transaction is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. From review of the cash-flow calculations in respect of the Market, it has been considered highly likely that the transaction has commercial substance and has been dependably calculated. The rationale being that the cash-flows to be derived from the completed Market are substantially different to those from the sale of the surplus land.

There are two possible amounts at which to account for the acquisition of the completed Market in an exchange transaction being the fair value of the asset received (the completed Market) or the fair value of the asset given up (the surplus land). The risk, timing and amount of the cash flows of the asset that CGMA is receiving differs from the risk, timing and amount of the cash flows of the asset that CGMA is transferring. As per IAS 16 the standard takes the view that if the fair value of the asset given up can be based on a reliable estimate it is preferred over the fair value of the asset received, unless the fair value of the asset received is more clearly evident. No further guidance is provided around 'more clearly evident' and as such this is a judgemental area. Management have concluded that the fair value of the asset received is 'more clearly evident' as the fair value of the asset received is more reliable to measure and there is less subjectivity over the value of the Market due to the expected cash-flows being identifiable. This is in contrast to the value of the asset given up (the land) which is subject to significant external factors, has significant variability over time and is also not certain.

vi Valuation attributable to the asset received

The fair value of the Market was valued externally by Gerald Eve based upon a discounted thirty year cash-flow model incorporating a terminal value. The valuation has been performed in accordance with the Valuation Practice Statements and Practice Guidance contained in the Valuation - Professional Standards, incorporating the International Valuation Standards of the Royal Institute

of Chartered Surveyors. The valuation was completed on the basis of special 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.

The Authority has currently recognised costs within the financial statements in relation to the work performed to date. The value of construction in progress and completed assets in relation to the redevelopment are based on an estimate of the total actual costs to complete the development and the actual costs incurred by the year end, taking into account the fair value of the development assets capitalised and the remaining fair value of assets to be capitalised. The estimate of the total actual costs to complete the development and the actual costs incurred by the year end 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.

See also note 11.

c New standards and interpretations

A number of new International Financial Reporting Standards ('IFRS') have recently been issued or are due to be issued shortly which will have an effect on the Authority. Below is a brief description of the provisions of each new or planned IFRS and an overview of the likely effect on the Authority.

The full impact on the Authority should be considered in detail in the near future.

The following new International Financial Reporting Standards ('IFRS') were effective for the year ended 31 March 2017:

- Amendments to IAS 19:
Employee Benefits - regional market issue
- Amendments to IAS 1:
Presentation of Financial Statements

The assessment by Members is that the adoption of each of these standards and interpretations had no material impact on the accounts in the period of application.

Certain standards require retrospective application to prior year figures if such application is deemed to have a material effect on the comparative figures. Having considered this for each relevant standard, the Members do not believe that adjustments are necessary.

At the date of authorisation of these accounts the following new standards and interpretations have been issued but are not yet effective and have not been applied in these accounts:

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (not yet endorsed by EU)
- Amendments to IAS 7: Statement of Cash Flows - Disclosure initiative (not yet endorsed by EU)
- Amendments to IFRS 9: Financial Instruments (not yet endorsed by EU)
- Amendments to IFRS 15: Revenue from Contracts with Customers (not yet endorsed by EU).

The impact of the adoption of these standards and interpretation on the accounts has yet to be fully assessed.

d Property, plant and equipment

i Properties

The Authority adopted the transitional arrangements available under IFRS 1 'First time adoption of International Financial Reporting Standards', whereby the book values of properties, previously stated at professional valuations at 1 April 1977 plus subsequent additions at cost, less disposals and accumulated depreciation, are now treated as being carried at cost less accumulated depreciation and provision for impairment.

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 depreciated on a straight line basis over 50 years for buildings and three to eight years for plant and machinery from the point that they are complete. The land element is not depreciated.

ii Plant and equipment

Plant, equipment and motor vehicles are stated at cost less accumulated depreciation and provision for impairment. These assets are depreciated on a straight line basis using various rates which reflect the expected useful life of the assets. These range from three to eight years.

iii Development assets and construction in progress

The Development Agreement provides a schedule for delivery of new buildings, coupled with the mechanisms for payment, primarily being the transfer of land surplus to CGMA's requirements for the new Market, to the developer. This arrangement represents an exchange transaction. IAS 16 requires that the cost of an item of property, plant and equipment in an exchange transaction is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. The Authority has assessed that the transaction has commercial substance and can be reliably measured. The assets are therefore measured at their fair value, representing the fair value of the assets received. The fair value of the Market has been calculated by a third party valuer, using a recognised valuation technique and on the basis of existing use.

The Authority recognises costs within the financial statements in relation to the work performed to date based upon assessments of the stage of completion, as provided by the development partner. The carrying value of assets are based on an estimate of the total actual costs to complete the development and the actual costs incurred by year end, taking into account the fair value of the development assets capitalised and the remaining fair value of assets still to be capitalised. At year end completed assets are stated at their fair value less accumulated depreciation and provision for impairment with the assets being depreciated on a straight line basis of 50 years for buildings and between three to eight years for plant and machinery. Assets under the course of construction are carried at cost less impairment and

include professional fees, costs of construction and directly attributable staff costs. Depreciation of these assets commences when they are capable of use.

e Impairment of assets

At each statement of financial position 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 pre-tax 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.

f Deferred income

This includes funds collected from Market tenants in accordance with the terms of their leases, for the funding of future maintenance costs, which will be held until utilised.

g 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).

h Pensions

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

In relation to its defined contribution plans, the Authority makes contributions to independently administered plans, the contributions being recognised as an expense when they

fall due. The Authority has no legal or constructive obligation to make any further payments to the plans other than the contributions due.

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

i Deferred taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts.

Deferred tax is determined using tax rates and laws that have been enacted (or substantially enacted) by the statement of financial position date and 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 equity in which case the related deferred tax is also charged or credited directly to equity.

j Government grants

Government grants relating to expenditure classified as property, plant and equipment are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned. Capital grants are recorded on a receipts basis and therefore no debtor is recorded for grant financed capital expenditure in excess of the grant received.

k Revenue

i Rent, sales of services and other income

Revenue is recorded on an accruals basis when the Authority has obtained a right to consideration and is exclusive of value added tax and the amount of any deferred income, where receivable in the year but in relation to future accounting periods.

The majority of the revenue is rent and service charge from tenants which is predominantly invoiced quarterly in advance in accordance with lease contracts. Revenue from parking and entry charges is mainly collected at the point the event takes place.

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.

l Financial instruments

Financial assets and financial liabilities are recognised on the Authority's statement of financial position when the Authority becomes party to the contractual provision of the instrument.

i Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities expected to be greater than 12 months after the statement of financial position date. These would be classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. A provision is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

ii Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits held with banks.

iii 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.

See note 20 for further details on financial instruments and risk management.

m Cost of capital

Defra levies a cost of capital charge on the Authority in accordance with guidance set out in the Treasury Consolidated Budgeting Guidance. The charge represents the notional cost to the government of holding assets. In 2016/17 the charge was calculated by reference to a valuation by DVS - Valuation Office Agency as at 31 March 2009 and a 3.5% rate of return. Defra pays a subsidy to the Authority which contributes towards the payment of the charge.

n 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. Four purchase days (2015/16 - two purchase days) were outstanding on the purchase ledger at the year end.

o Ultimate controlling party

The Authority is classified as a Public Corporation, which operates under a management 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.

p Redevelopment project costs

Costs arising from the project to redevelop the Market, including managing the project, are classified as 'redevelopment project costs'.

2 Revenue

	2017 £'000	2016 £'000
Income from tenants		
Rents	4,800	5,051
Recoveries from tenants	7,250	7,151
Other income		
Commercial vehicle charges	1,274	1,253
Car and coach parking charges etc	573	815
Sunday Market	907	966
Miscellaneous receipts	196	303
	15,000	15,539
Recharge of relocation costs	1,207	833
	16,207	16,372

For management purposes, the Authority is currently organised into one operating division. All the Authority's operations are within the United Kingdom.

3 Operating costs (excluding staff costs)

	2017 £'000	2016 £'000
Market security	1,307	1,244
Rates	482	545
Maintenance, repairs and renewals	1,564	1,301
Cleaning and waste	3,067	2,939
Heat, light and power	2,007	2,226
Insurance	435	446
Printing, stationery and telephone	53	60
Professional fees	325	323
Bad debt provision	20	50
Publicity	94	230
Sunday Market operating costs	369	402
General expenses	352	419
Costs reimbursed	397	81
	10,472	10,266

4 Redevelopment project costs

	2017 £'000	2016 £'000
Project costs	686	444
	686	444

5 Finance income

	2017 £'000	2016 £'000
Interest receivable:		
On market activities	46	77
On funds invested following the sale of Market Towers	10	13
	56	90

6 Operating profit for the year is stated after charging

	Note	2017 £'000	2016 £'000
Depreciation of property, plant and equipment	11	1,779	1,764
Staff costs	9	2,085	2,040
		3,864	3,804

7 Auditor's remuneration

	2017 £'000	2016 £'000
Fees payable to the Authority's auditor for the audit of the Authority's annual accounts	32	31
Fees payable to the Authority's auditor for other services:		
Relating to taxation	59	49
Relating to other services	14	2
Fees payable to the Authority's auditor in respect of associated pension schemes	5	3
	78	54

8 Finance costs

	Note	2017 £'000	2016 £'000
Net interest costs on pension	14	47	68
		47	68

9 The Members and Staff Costs

The Members of the Authority during the year were:

Ms P E Alexander OBE (Chair) • Mr W T Edgerley • Miss H C Gordon* • Mr N R Jenney • Mr A Robertson OBE • Mr G M Smith* • Mrs T M Wickham • Sir Edward Lister* • Ms S Turnbull** • Mr J Lelliott OBE**

Note: *Retired on 20 September 2016 *Appointed on 1 July 2016 **Appointed on 21 September 2016.

The Chair was the highest paid Member. During the year the Chair's emoluments were £42,000 (2015/16: £42,000) in relation to base salary. In addition, Members are reimbursed for expenses incurred in fulfilling their duties. Any tax that arises on the reimbursed expenses is paid by the Authority to the Member in the form of additional remuneration. During the year the Chair was paid £917 in respect of reimbursed taxable expenses and tax on those reimbursed expenses (2015/16: £3,748 in respect of tax on reimbursed expenses incurred since her appointment).

Other Members' emoluments were in the following ranges:

	2017	2016
£0 - £5,000	2	-
£5,001 - £10,000	4	-
£10,001 - £15,000	2	4
£15,001 - £20,000	1	2

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

The Principal Officers of the Authority during the year were:

	Age	Remuneration 2017 £	Remuneration 2016 £
Mr D Tomkinson, Chief Executive Officer (joined 01.08.2016)	46	93,965	-
Mrs J Lloyd, Chief Executive Officer (left 31.07.16)	56	55,353	197,763
Mr F Knipe, Finance Director (joined 03.05.2016)	48	101,842	-
Mr R Marlow, Operations Director	66	110,450	115,526
Mrs H Evans, Business Development & Support Director	59	87,132	84,738
Mr M Weatherald, Property & Project Director	54	148,078	46,667

The principal Officers of the Authority are also considered key management, being persons responsible for the planning, controlling and directing the activities as defined in IAS24 Related Party Disclosures.

The Authority contributed 10% or 15% (2015/16: 10% or 15%) of pensionable salaries to a Pension Plan for each applicable officer with the exception of Jan Lloyd who received payment in lieu of pension included in the above of £6,013 (2015/16: £17,995). The total of contributions for the other principal officers for the year amounted to £95,511 (2015/16: £63,343).

The employer's national insurance on the remuneration of the above officers of the Authority amounted to £70,936 (2015/16: £81,120).

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

	2017	2016
Administration	35	36
	35	36

Staff costs for the above persons were:

	2017 £'000	2016 £'000
Board Members - aggregate emoluments	133	131
Wages and salaries	1,591	1,592
Social security costs	161	167
Pension service costs	200	150
	2,085	2,040

The following number of employees received salaries in the ranges:

	2017	2016
£0 - £10,000	7	4
£10,001 - £20,000	3	6
£20,001 - £30,000	5	4
£30,001 - £40,000	8	9
£40,001 - £50,000	6	6
£50,001 - £60,000	3	1
£60,001 - £70,000	2	4
£70,001 - £80,000	2	-
£80,001 - £90,000	1	3
£90,001 - £100,000	1	-
£100,000 - £110,000	1	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	2	-
£140,001 - £150,000	1	1
£190,001 - £200,000	-	1

Expenses

The total of expenses paid and reimbursed to Chair, Members and employees for travel and entertainment (including meetings) amounted to £16,822 in the year ended 31 March 2017 (2015/16: £13,725), reflecting additional Members and increased activity due to the redevelopment.

Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid officer in their organisation and the median remuneration of the organisation's workforce.

The mid-point of the banded remuneration of the highest-paid officer in the financial year 2016/17 was £150,000 (2015/16: £200,000) this was 3.73 times (2015/16: 5.46) the median

remuneration of the workforce, which was £40,163 (2015/16: £36,653).

In 2016/17 nil (2015/16: nil) employees received remuneration in excess of the highest paid officer; remuneration ranged from £3,235 to £148,078 (2015/16: £17,828 to £125,529).

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The change in the multiple brought about by the change in the salary amounts on both sides of the ratio is due the amount of bonuses and retention payments paid to staff and to the highest paid officer during 2015/16.

10 Taxation

	Note	2017 £'000	2016 £'000
UK Corporation Tax on profits for the year		659	2,466
Adjustment to previous year's tax provision		(2,065)	(466)
Total current tax (credit)/charge		(1,406)	2,000
Deferred tax	16	6	2
Total deferred tax		6	2
Total tax (credit)/charge		(1,400)	2,002

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:

	2017 £'000	2016 £'000
Tax reconciliation		
Profit before taxation	695	12,654
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% (2015/16: 20%)	139	2,531
Tax effects of:		
Expenses not allowable for taxation	293	669
Capital allowances in excess of depreciation	313	140
Adjustments to tax charges in respect of previous years	(2,064)	(466)
Income not taxable for tax purposes	(372)	(843)
Adjust closing deferred tax to 20% (2015/16: 20%)	291	(29)
Total tax (credit)/charge for the year	(1,400)	2,002

The adjustment tax charge in the year of £2.064m related to an election to claim rollover relief in respect of the sale proceeds received on the disposal of Covent House during the preceding accounting period.

The UK Government has announced future tax changes to corporation tax rate. These changes resulted in a decrease in the standard rate of corporation tax of 20% for both the 2015/16 and 2016/17 tax years, falling to a rate of 19% for the 2017/18, 2018/19 and 2019/20 tax years and eventually culminating in a rate of 17% by 2020/21.

As at 31 March 2017 all such changes have been substantively enacted and have therefore been reflected in the calculation of deferred tax for the year ended 31 March 2017.

11 Property, plant and equipment

	Freehold buildings £'000	Leasehold buildings £'000	Plant, equipment & motor vehicles £'000	Construction in progress £'000	Total £'000
Cost					
At 1 April 2015	13,087	1,167	3,896	-	18,150
Additions	704	275	514	-	1,493
Disposals	(607)	-	(672)	-	(1,279)
At 31 March 2016	13,184	1,442	3,738	-	18,364
Additions	6,069	-	138	14,920	21,127
Disposals	(118)	-	(36)	-	(154)
At 31 March 2017	19,135	1,442	3,840	14,920	39,337
Depreciation					
At 1 April 2015	9,132	830	2,902	-	12,864
Charge for the year	1,315	113	496	-	1,924
Disposals	(507)	-	(672)	-	(1,179)
At 31 March 2016	9,940	943	2,726	-	13,609
Charge for the year	1,293	113	533	-	1,939
Disposals	(109)	-	(33)	-	(142)
At 31 March 2017	11,124	1,056	3,226	-	15,406
Net book value					
At 31 March 2017	8,011	386	614	14,920	23,931
At 31 March 2016	3,404	339	1,012	-	4,755

Included in freehold buildings are assets fully funded by a grant from Defra; the cost of these assets amounts to £1.675m.

	2017 £'000	2016 £'000
Total depreciation charge to revenue	1,939	1,924
Depreciation charge to capital grant	(160)	(160)
	1,779	1,764

Following a review by the Board of assets to be replaced by the redevelopment project, the useful economic life of the original freehold and leasehold buildings and all plant and equipment was reduced to eight years from 1 April 2010. Previously the freehold and leasehold buildings had a useful economic life of 20 years from 1 April 2003 and the plant and equipment had a range of useful economic lives from 3-20 years.

Land & Buildings

- a Land and buildings were last valued at 31 March 1977 by Knight Frank at a level of £16.1m. This amount has been treated as being the historical cost of the assets.

The current cost of £20.5m (2015/16: £14.6m) takes into account this valuation after allowing for approximately £21.3m of additions and £17.7m of disposals.

The original cost of the freehold land and buildings, after allowing for grants, amounted to £28.048m. At the time of the above-mentioned valuation the carrying value was £25.9m, some £9.8m higher than the valuation.

The value of land not depreciated is £0.4m (2015/16: £0.4m).

Freehold land and buildings includes the following asset values representing premises capable of being leased to tenants.

	2017 £'000	2016 £'000
Cost	7,675	10,137
Accumulated depreciation	(7,154)	(9,312)
Net book value	521	825

12 Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	240	244
Less: provision for impairment	(87)	(99)
Trade receivables, net	153	145
Other receivables	1,017	717
Prepayments	57	46
Other taxation	165	-
	1,392	908

A provision for impairment of trade receivables is established when there is 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.

	2017 £'000	2016 £'000
Provisions for impairment of trade receivables:		
As at 1 April 2016	99	80
Impairment losses reversed	20	50
Uncollected amounts written off, net of recoveries	(32)	(31)
	87	99

As at 31 March 2017, trade receivables of £0.1m were considered to be impaired (2015/16: £0.1m). As at 31 March 2017 trade receivables of £nil (2015/16: £nil) were past due but not impaired. As at 31 March 2017 other receivables of £nil (2015/16: £nil) were past due but not impaired. Due to short term nature of the receivables their fair value approximates to their carrying value per these accounts.

13 Cash and cash equivalents

	2017 £'000	2016 £'000
Bank deposits - sterling	10,571	16,032
Cash at bank and in hand - sterling	1,294	1,420
	11,865	17,452

Cash balances of £2.0m (2015/16: £2.0m) are in respect of tenants and are held in individual interest-bearing accounts jointly in the name of the Authority and the respective tenants and represent refundable deposits paid on granting of the leases. The carrying value of cash and cash equivalents approximates to its fair value.

14 Employee retirement benefits

The Authority made payments to a defined contribution Pension Fund which it does not administer of £0.2m (2015/16: £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 Scottish Widows plc, using the accrued benefit method of valuation and the projected unit method to determine the funding requirement triennially.

The most recent actuarial valuation at 6 April 2015 has been updated for IAS19 purposes as at 31 March 2017.

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 taken into account in the 31 March 2017 IAS 19 calculation.

The Authority expects to make a contribution of £168,000 to this defined benefit pension plan in the year to 31 March 2018.

The weighted average duration of the defined benefit obligation is around 20 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 IAS19 valuation was prepared by David Watson - 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:

	2017	2016
Retail price inflation:	3.7%	3.3%
Salary escalation:	4.7%	4.3%
Increase to pensions in payment:	3.6%	3.2%
Increase in deferment:	2.7%	3.3%
Discount rate (pre and post retirement):	2.5%	3.7%
Mortality assumptions:		
Life expectancy at 65 at year end:		
Future pensioners - male	110% PNA00	110% PNA00
Future pensioners - female	110% PNA00	110% PNA00
Current pensioners - male	110% PNA00	110% PNA00
	MCMIN 1.5%	MCMIN 1.5%
Current pensioners - female	110% PNA00	110% PNA00
	MCMIN 1.5%	MCMIN 1.5%

The following table presents a sensitivity analysis for each significant actuarial assumption showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at the reporting date. This sensitivity analysis applies

to the defined benefit obligation only and not to the net defined benefit pension liability in its entirety, the measurement of which is driven by a number of factors including, in addition to the assumptions below, the fair value of plan assets.

Assumption	Plus	Estimated increase/(decrease) to obligation	
		£'000	£'000
Discount rate	0.1%	(156)	158
RPI	0.1%	186	(182)
CPI	0.1%	13	(13)
Salary	0.1%	21	(120)
Age of member	1 year	(416)	432

The assets and liabilities of the plan are as follows:

	2017 £'000	2016 £'000
Group pension contract	4,673	4,455
Cash and other	-	-
	4,673	4,455
Present value of plan liabilities	(7,639)	(5,815)
Deficit in the plan	(2,966)	(1,360)

Analysis of the amounts charged to the income statement:

	2017 £'000	2016 £'000
Interest income related to plan assets	162	149
Interest expense on retirement benefit obligations	(209)	(217)
	(47)	(68)

There are no current service costs. The net interest on retirement benefit obligations and the expected return on plan assets are included within finance costs.

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

	2017 £'000	2016 £'000
Actual return less expected return on pension scheme assets	218	(388)
Experience gains and losses arising on the scheme liabilities	294	376
Change in demographic assumptions	-	26
Changes in assumptions underlying the present value of the scheme liabilities	(2,226)	825
	(1,714)	839

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

	2017 £'000	2016 £'000
Deficit in scheme at beginning of year	(1,360)	(2,283)
Contributions net of administration charge	155	152
Other finance cost	(47)	(68)
Actuarial (loss)/gain	(1,714)	839
Deficit in scheme at end of year	(2,966)	(1,360)

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

	2017 £'000	2016 £'000
At the start of the year	4,455	4,915
Interest income	162	149
Actuarial gains/(losses)	218	(388)
Employer contributions	168	168
Administration costs (excluding asset management costs)	(13)	(16)
Benefits paid out	(317)	(373)
At the end of the year	4,673	4,455

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

	2017 £'000	2016 £'000
At the start of the year	5,815	7,198
Interest cost	209	217
Actuarial gains/(losses)	1,932	(1,227)
Benefits paid out	(317)	(373)
At the end of the year	7,639	5,815

The amounts for the current and previous four years are as follows:

	2017	2016	2015	2014	2013
Difference between actual and expected return on scheme assets:					
Amount (£'000)	(218)	(388)	160	(199)	262
Percentage of scheme assets	(4.7%)	(8.7%)	3.3%	(4.0%)	5.2%
Experience gains/(losses) on scheme liabilities:					
Amount (£'000)	294	376	(68)	(153)	27
Percentage of the present value of scheme liabilities	3.8%	6.4%	(0.9%)	(2.5%)	0.5%
Total amount recognised in statement of comprehensive income:					
Amount (£'000)	(1,714)	839	(1,006)	(539)	(660)
Percentage of the present value of the scheme liabilities	22.4%	14.4%	(14%)	(8.7%)	(11%)
Total assets and liabilities of the scheme:					
Total fair value of scheme assets	4,673	4,455	4,915	4,857	5,077
Total present value of scheme liabilities	7,639	5,815	(7,198)	(6,230)	(5,995)

15 Deferred capital government grant

	2017 £'000	2016 £'000
Current portion	157	160
Non-current portion	-	157
	157	317

16 Deferred taxation

	2017 £'000	2016 £'000
Deferred tax assets	504	245
Deferred tax liabilities	(209)	(235)
	295	10

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

	Capital allowances £'000	Retirement benefit obligations £'000	Total £'000
At 31 March 2015	(294)	457	163
Credited to the income statement	59	(61)	(2)
Credited to other comprehensive income	-	(151)	(151)
At 31 March 2016	(235)	245	10
Credited to the income statement	26	(32)	(6)
Credited to other comprehensive income	-	291	291
At 31 March 2017	(209)	504	295

17 Trade and other payables

	2017 £'000	2016 £'000
Trade payables	338	82
Other tax and social security payable	65	158
Accruals and deferred income	4,864	6,193
Deposits from tenants	2,040	2,027
Development partner	19,383	-
Pension contributions March 2017	21	14
	26,711	8,474

The Members consider that the carrying amount of trade and other payables approximates to their fair value.

18 Cash flow from operating activities

	2017 £'000	2016 £'000
Profit before taxation	694	12,654
Net finance income	(9)	(22)
Operating profit	685	12,632
Loss/(profit) on disposal of fixed assets	12	(11,274)
Total depreciation charge	1,939	1,924
Net employer contribution after administration cost	(155)	(152)
Amortisation of Defra grant	(160)	(160)
Operating cash inflow before changes in working capital	2,321	2,970
(Increase)/decrease in trade and other receivables	(484)	1,500
(Decrease)/increase in trade and other payables	(1,146)	412
Net cash inflow from operating activities	691	4,882

19 Future expected dividend payment

Following recent discussions with Defra, the Authority has an expectation that further dividends may be payable in the future subject to performance and availability.

20 Financial instruments

The limited powers of the Authority to borrow or invest surplus funds are set out in the Covent Garden Market Acts 1961 to 1977. As a result, financial instruments play a much more limited role in creating or changing risk than would be typical of companies to which IAS 39 'Financial instruments - recognition and measurement' and IFRS 7 'Financial instruments - disclosures' apply. 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 'Loans and receivables', and trade and other payables are classified as 'Financial liabilities measured at amortised cost'. The carrying values of the Authority's loans and receivables and financial liabilities measured at amortised cost approximate to their fair value.

Liquidity risk

The Authority only invests its surplus funds in short-term deposits with clearing banks or building societies rated P1 and above, or Local Authorities. These short-term deposits are all readily convertible into cash. As a result, the Authority is not exposed to any significant liquidity risks.

Contractual maturity of the Authority's financial liabilities as at 31 March 2017 is as follows:

	2017 Trade and other payables £'000	2016 Trade and other payables £'000
On demand	23,989	5,915
Less than 1 month	1,359	1,018
1 to 3 months	654	946
3 to 6 months	709	595

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

	2017 £'000			2016 £'000		
	Fixed	Floating	Total	Fixed	Floating	Total
Cash	-	1,294	1,294	-	1,420	1,420
Short-term deposits	8,531	2,040	10,571	8,000	8,032	16,032
	8,531	3,334	11,865	8,000	9,452	17,452

The weighted average interest rate for the fixed rate deposits is 0.38% (2015/16: 0.46%) and the weighted average days until maturity is 69 days (2015/16: 39 days). The short-term deposits are held on call at BBVA at 0.39% (2015/16: 0.52%). Should floating interest rates decrease by 1%, potential profit and equity of the Authority for the year would decrease by £0.046m (2015/16: £0.077m).

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.

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 - 1977.

21 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 management 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 2004 Defra approved a capital grant of £1.675m for capital works to be performed in the years 2004/05 and 2005/06.

At 31 March 2017, all of the grant had been received and expenditure incurred.

See note 1m in respect of a cost of capital charge of £2.0m (2015/16: £2.0m) and associated subsidy.

See note 9 for details of management remuneration and other information.

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.

Related due to other reasons

None.

22 Capital commitments

On 7 January 2013, the Authority entered into a conditional Development Agreement with VSM (NCGM) Limited (VSM) for the redevelopment of New Covent Garden Market in exchange for options to VSM to receive surplus Authority land. The Authority and VSM having satisfied the conditions, the Development Agreement became unconditional on 9 April 2015.

The total contracted expenditure is £140.0m (2015/16: £140.0m). At the year end the total expenditure on development assets and construction in progress incurred was £39.0m (2015/16: £nil) leaving a remaining commitment of £101.0m (2015/16: £140.0m).

There were no other capital commitments authorised or contracted for as at 31 March 2017 (2015/16: nil).

23 Events after the reporting period

The Flower Market tenants moved into new premises over the weekend of 1-2 April 2017 and commenced trading on 3 April 2017.

In accordance with the Development Agreement there is an expectation that options over surplus land will be exercised at various points over the coming years.

The Authority's Management Appendix I

The Authority's key staff members as at 31 March 2017 were as follows:

Daniel Tomkinson	Chief Executive Officer	Finance	
Fred Knipe	Finance Director		
Bob Marlow	Commercial Operations Director	Russell Scott	Finance Manager
Helen Evans	Business Development & Support Director	Operations	
Mark Weatherald	Property Director & Project Director	Jo Breare	Facilities Manager
		Colin Corderoy	Operations Manager
Business Development		Property	
Beth Stephens	Project Liaison Manager	Richard McAuley	Property Manager
Alastair Owen	Communications Manager		

Statutory Committees Appendix II

Membership of the Committees during the year was as follows:

Joint Management Advisory Committee: Flowers

Daniel Tomkinson	Chair, CGMA
Fred Knipe	ex officio
Bob Marlow	CGMA
Helen Evans	CGMA
Martin Panter	Arnott & Mason (Hort) Ltd
John Hardcastle	Bloomfield Wholesale Florist Ltd
Simon Russell	Bluebells
Alan Dawson	Dawson Flowers
Steve Tones	Horticultural Development Agency
Bryan Porter	Porters Foliage
Julie Brown	Quartz Flowers
Simon Lycett	Simon Lycett Ltd
Sophie Hanna	Sophie Hanna Flowers
Brian Perkins	Whittingtons Ltd
Graeme Diplock	Zest

Joint Management Advisory Committee: Food

Daniel Tomkinson	Chair, CGMA
Fred Knipe	ex officio
Gary Marshall	Bevington Salads
Steve McVickers	Capespan
Robert Hurren	County Supplies (London) Ltd
Ian Leggat	Defra
A Sole	E A Williams (CG) Ltd
Michael Hickey	Eurofrutta
Dan McCullough	First Choice Fruit Ltd
Nigel Jenney	Fresh Produce Consortium
Peter Fowler	Gilgrove
Andrew Dorling	H G Walker Ltd
Gary McKechnie	Harbour and Jones
Jack Henley	Henley Transport
Steve Tones	Horticultural Development Agency
Rick Harris	I A Harris & Son Ltd
Jeremy Boxall	LEAF (Linking Environment And Farming)
Paul Ryan	Linkclass Ltd
Giovanni Lapi	Nature's Choice
Pam Lloyd	Pam Lloyd Associates
Jason Tanner	Premier Fruit
Andrew Thorogood	S Thorogood & Sons
David Mulcahy	Sodexo UK & Ireland
Shahid Mirza	Tropical Catering
Gary Hunter	Westminster Kingsway

Market Traffic Advisory Committee

Daniel Tomkinson	Chair, CGMA
Fred Knipe	ex officio
Bob Marlow	CGMA
Helen Evans	CGMA
Natalie Chapman	Freight Transport Association
Nigel Jenney	Fresh Produce Consortium
Tim Long	London Borough of Camden
Abu Barkatoolah	London Borough of Lambeth
Dave Cook	Metropolitan Police
Ray Engley	Road Haulage Association
Isaac Kwakye	Wandsworth Council
Ian Wainwright	Transport for London
Debbie McSweeney	Unite
Don Murchie	Westminster City Council

Market Workers' Advisory Committee

Daniel Tomkinson	Chair, CGMA
Fred Knipe	ex officio
Helen Evans	CGMA
Bob Marlow	CGMA
Nigel Jenney	Fresh Produce Consortium
Debbie McSweeney	Unite





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