



2016 - 2017 ANNUAL REVIEW



CHAIRMAN'S FOREWORD



Once again I have great pleasure of introducing you to the Annual Review of the National Ice Centre and Motorpoint Arena Nottingham – on this occasion for the year 2016/17.

Overall, it has been one of our strongest years of operation and certainly the most successful financially, so I congratulate the team for the many successes that they have delivered and which are documented throughout this report.

June 2016 also saw the end of an era for the company, with the retirement of our long standing Chief Executive, Geoff Huckstep. For 15 years Geoff led from the front in building a team to transform a struggling organisation into the successful, vibrant and growing entity it is today. Geoff has headed off into the sunset with our grateful thanks and best wishes for a long, healthy and happy retirement.

Into the Chief Executive role, we are delighted to welcome Martin Ingham, who has been with the company in a senior role as Financial Director and Deputy Chief Executive for 15 years. Martin brings extensive experience of the company and the industry to his role, along with clear plans for business development that will be essential in meeting the future financial challenges that we face.

Finally, I would like to record my sincere thanks to the members of our Board, who continue to serve on a voluntary basis, with great insight and involvement, and Nottingham City Council which provides a stable base of support and co-operation.

R Michiel Stevenson

OBE DL Hon LLD Hon MA – Freeman of the City of Nottingham

OUR BOARD MEMBERS

THANK YOU TO THE BOARD WHO ARE AS FOLLOWS:

DIRECTORS:

Mich Stevenson OBE DL
Councillor Malcolm Wood
Councillor Brian Grocock
Councillor Ann Peach
Councillor Sarah Piper
Dr Tina Byrom
Mel Egglenton
Peter Ellis
Jo Bradley

MEMBERS:

Hugh White
Glen O'Connell
Ceri Walters
James Buller



CHIEF EXECUTIVE'S SUMMARY

2016/17 has undoubtedly been a great year for the National Ice Centre and the Motorpoint Arena Nottingham. We have once again hosted a full range of artists and shows to the delight of hundreds of thousands of customers – from legends like Jeff Lynne, Paul Simon and Rod Stewart to the up and coming Arena acts such as Bastille and The xx – all of whom played to sell-out shows. With family entertainment such as Marvel Universe Live!, and Disney on Ice and sporting performances including everything from ice hockey to darts, the Motorpoint Arena Nottingham continues to attract a wonderful range and calibre of events to the East Midlands.

Those events mostly attract people from the region but we also welcome customers from further afield in the UK and a significant number of international visitors, who contribute to the local economy. Our most famous visitor of the year though, HRH Prince Harry, showed the other side to the Company which, along with other sports venues in Nottingham, has invested in apprentices as part of the Coach Core Programme supported by Prince Harry's Royal Foundation.

Some other famous visitors to the venue this year included football legends from yesteryear with many members of Nottingham Forest's European Cup winning teams and players from down the years at Notts County celebrating their induction into the Football Hall of Fame.

Another sporting victory of note that must be mentioned was the tremendous feat of the GMB Nottingham Panthers in achieving what no other British ice hockey club has ever done before, namely winning a European trophy in the Continental Cup. Congratulations to the club for a remarkable achievement.

An even more remarkable achievement was achieved by one of our skaters. Elise Christie not only broke the world record in the 500m short track speed skating but then went on to become a triple World Champion in the 1000m, 1500m and the overall championship in a stunning season of success. It is wonderful to see Elise enjoying such well-deserved achievements and we look forward to the 2018 Winter Olympics with justifiable anticipation for the whole GB Short Track squad.

Our National Merchandise team continues to develop its services and successfully added the British Summer Time and Wireless festivals to its roster in the summer of 2016. Alongside this team, preparations are well under way for the creation of our National Catering brand as we bring our catering services in-house from 1st June 2017.

These highlights are simply the tip of the iceberg in terms of the achievements over the past twelve months of operation and the rest of the Annual Report gives further glimpses into more detail. What these myriad of successes have in common is the dedication, skill, enthusiasm, creativity and sheer hard work put in by our wonderful team of staff, working with a range of hugely supportive commercial and operational partners that combine to provide an environment in which excellence can thrive. We have many challenges and opportunities ahead in 2017/18 and we look forward to them with confidence.



PUBLIC SKATING



The continued focus of the National Ice Centre (NIC) is the growth of public skating and despite a number of initiatives to attract more customers, including national TV airtime through CBBC Ice Stars, increased marketing spend and additional themed sessions, public skating admissions were down on target, reflecting the national trend.

OVERVIEW

- Public sessions attracted over 109,000 customer visits, (down by almost 9% on the previous year). The decline is in line with the national trend, where the majority of the members of the Ice Rink Manager's Association (IRMA) recorded a similar downturn in attendance (between 5% - 25%)
- The NIC supported local and national campaigns to get Nottingham residents more active through the Beat the Street campaign and International Women's Day, plus free ice skating as part of the National Lottery and ITV's 'I Am Team GB' campaign
- A varied range of themed sessions including UV Paint, Foam, Superhero, Skate with a Princess, Halloween, Skate with Santa, Skate with the Panthers, Ice Wars, Painting on Ice, Silent Discos and Santa's Reindeer attracted new customers to the venue and made the experience for our regular users extra special
- Offers to attract newcomers and retain existing customers included a £10 family of four offer (normally £27) distributed to almost 10,000 people throughout the summer. A Groupon offer which ran throughout November assisted in attracting 11,250 public skating admissions - the highest number of admissions during the month of November since 2008
- The February half term school holiday once again proved popular with almost 5,000 visits, although admissions were down by 16% on the previous year. Family groups accounted for almost 26% of skaters
- The Easter school holiday remained one of the busiest periods of the year recording almost 5,700 visits (up by almost 6% on the previous year). The increase was due to the programming of eight additional sessions, including a foam party, along with a targeted marketing campaign
- Almost 17,500 admissions were recorded during December, as families enjoyed a festive skate and the magic of Christmas at the NIC, which included a reindeer attraction on Bolero Square. Although the NIC had competition from the Market Square ice rink, NIC admissions were up by 12% compared to the previous year. Nationally, outdoor ice rink operators reported a significant upturn in business due in some part to the optimum weather conditions
- Key promotional activities included the successful Christmas skating campaign, international press coverage from Prince Harry's visit to the National Ice Centre, Fresher's and summer fair promotions, Gem 106 radio advertising, social media campaigns and leaflet distribution - all aiming to inspire people to get active through skating
- 154 action packed celebrations on ice in the form of birthday parties took place over the year (down by 22% compared to the previous year). With over 2,310 participants, it's evident they had a great time, with 93% of customers rating their experience as excellent

SPORTS DEVELOPMENT

The NIC has worked in partnership to deliver a number of innovative programmes for the benefit of the community. Working with Nottingham City Council, our resident clubs, Blue Bell Hill Trust and local and national sports organisations, pathways have been established from grass roots to excellence in each of the ice sports disciplines. The award winning documentary series - CBBC's Ice Stars - aired for the second year. Due to its success, series three was commissioned and will hit our TV screens in the winter of 2017. The NIC has invested time and resources to support the production of Ice Stars in a bid to revive interest in ice skating around the UK.

COMMUNITY PROGRAMMES

Participation and Teaching New Skills

- 2,607 pupils ranging from 4 to 12 years attended the school skating programme. With around 15,600 attendances, the NIC has engaged with schools to get children active and learn new skills
- 120 pupils were awarded a six-week scholarship on the Skate UK 'Learn to Skate' programme
- The Urban Hockey programme was delivered to 1,720 pupils during their PE and after school sessions, achieving a lesson attendance of 10,350 over the year
- Over 5,000 people enrolled onto a NISA accredited Skate UK course (up by 5% on the previous year). This resulted in almost 30,000 skating lesson attendances over the course of the year
- Almost 20% of the 5,000 plus bookings were beginners
- With around 1,200 attendances, our coaches assisted 215 toddlers through the Skate UK Tots course
- 130 enrolments on the National Ice Skating Association (NISA) 'Learn to Speed Skate' programme resulted in 780 attendances over the year (up by 2% on the previous year)
- 484 bookings on the 'Learn to Play Ice Hockey' course with an overall lesson attendance of 2,900



Improving Health and Wellbeing through Partnership Working

- Blue Bell Hill Trust in partnership with the Nottingham Panthers and the NIC delivered three Nottingham Panthers activity days engaging almost 100 pupils
- Experian's 'Values, Money and Me' educational programme was delivered by the Blue Bell Hill Trust to over 150 families in the St Ann's area of Nottingham and the wider community. The aim of the programme is to develop mental, physical and moral capabilities through practical training or leisure time
- The NIC celebrated the 10th anniversary of the school skating programme by joining forces with the Nottingham Panthers to launch 'Skate with the Panthers' sessions. Over 470 pupils from 17 schools joined the programme with the opportunity to watch the Panthers train, before taking to the ice



- The Royal Foundation Coach Core Apprenticeship - Prince Harry visited the venue in October as part of his fifth visit to Nottingham in three years. He spent more than an hour with apprentice sports coaches and observed the young people delivering a skating session to local school pupils. The Coach Core scheme run by the Duke and Duchess of Cambridge and Prince Harry's Royal Foundation, boasts 42 nationwide partners including established sports clubs and charities. In Nottingham, its partners include the city's two major football teams, the county cricket side, Nottingham Rugby Football Club, together with the National Ice Centre, local charities and established community groups. The NIC has employed one apprentice from the Coach Core Apprentice scheme and recruited two apprentices for 2017/18.

ICE SPORTS

Short Track

The GB Short Track team had its best ever season. Highlights include:

- Elise Christie made history at the ISU World Championships claiming the 2017 World Championship title. Elise won the 1000m and 1500m titles, a feat that has never been achieved by a British woman before
- Elise Christie broke the world record for the 500m and won multiple World Cup medals, all stepping stones to Olympic success for PyeongChang in 2018. This achievement was recognised by the NIC through the unveiling of a venue banner of Elise
- Charlotte Gilmartin finished the World Cup series with two bronze medals as well as taking bronze in the 500m at the European Championship. Charlotte secured her overall ranking position of 4th place in the 1500m for this season, her best overall result ever
- Jack Burrows won the 500m gold medal at the ISU Star Class event, making it his second gold of the season
- The 'Need4Speed' campaign was launched in July as part of a nationwide search for Great Britain's future Olympic Champion in Short Track Speed Skating. The Academy was created with 12 young athletes from over 100 applicants between 15 and 18 years including one skater from the NIC Figure Skating Academy and three from the Nottinghamshire Ice Racing Club



Nottinghamshire Ice Racing Club (NIRC)

NIRC had yet another successful year:

- 44 new skaters attended club sessions to try the sport against a target of 60
- 59 racing members were registered with NISA (up by 3% on last year)
- 50 top three results at domestic competitions, five international medals and 14 British Championship medals
- Freddie Polak broke the British record in the Pee Wee 2 category of the 333m and 500m distances
- Chairman and top international referee, Peter Worth, was awarded the Lifetime Achievement for services to Short Track Speed Skating by Nottingham City Council and Nottinghamshire County Council

Ice Hockey

The ice hockey programme fulfilled participation and development targets across the range:

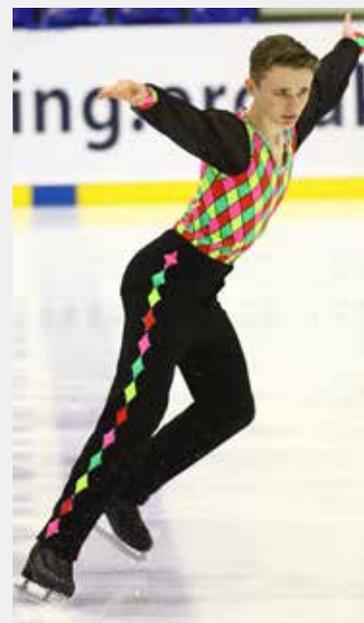
- 21 teams trained and competed out of the NIC including five recreational, five university, nine junior, one senior and one ladies team
- Over 500 players aged 5 to 50 years registered with the EIHA to compete during the season
- The Nottingham Ice Hockey Club programme was delivered by 40 EIHA registered volunteer coaches



- 13 Nottingham Ice Hockey Club (NIHC) players were selected to represent England, and eight were selected to represent Great Britain
- The NIHC hosted the World Girls' Hockey Taster session attracting over twenty girls to the session
- The NIC had representation at the World Student Games, with seven members of staff represented either as a player or coach
- Four weekend skills camps were delivered by Nottingham Panthers Assistant Coach and fan favourite, David Clarke, attracting over 160 players plus a week-long pro-camp was delivered by 'Clarke & Co' attracting talented players from across the UK
- The Nottingham Universities Mavericks Ice Hockey Club had a membership of over 100 with 51 new members recruited for the season. The Club operated five teams, entering a 6th into the British University Ice Hockey Association Nationals
- Partnered with University of Nottingham (UoN) Engage and Nottingham Trent University (NTU) Play for FUN to run taster sessions
- Launched a 'THIS GIRL CAN' event in partnership with the British Universities and Colleges Sport (BUCS) Girl Can Week
- Varsity Ice Hockey sold out and the Battle of Nottingham Universities match attracted over 700 spectators
- Launched a British Universities Ice Hockey Association (BUIHA) Women's tournament, and an international winter camp
- League ranking: C team finished second, Nationals; Tier 5 & Tier 3 achieved first place and Women second place.

Figure Skating

- Two skaters gained selection onto the GB Performance Team and six skaters finished the season in the top five of the NISA National Rankings including 1st and 3rd places
- Academy members achieved 63 top three results against a target of 60 from nine domestic competitions, including 14 gold, 26 silver and 23 bronze medals
- Eight podium finishes were gained from three international competitions including three gold, three silver and two bronze medals
- 18 skaters represented Nottingham at the British Championships in nine competitions. Medals were achieved in four out of the nine competitions
- Joshua Brown represented Great Britain at four international competitions including two Junior Grand Prix achieving a top 10 finish and a personal best score. Charlie Parry-Evans represented Great Britain at the World University Winter Games in Kazakhstan
- The NIC Figure Skating Academy presented the annual Gala to an audience in excess of 1,900. Excerpts from the Gala will feature in the CBBC Ice Stars series and showcase the various disciplines and wealth of talent in Nottingham
- Academy members completed over 180 NISA competitive test sessions achieving a 99% pass rate
- Three skaters were funded by their international federation to train at the NIC over the summer months under the tutelage of the Academy coaches



The Nottingham Synchronized Skating Academy (NSSA)

- Competed with six teams and has a membership of over 90 skaters
- NSSA dominated the British Synchronized Skating Championships with all six teams winning gold
- The club received a grant of £4,178 from the Danielle Beccan Memorial Fund to help finance the cost of teams travelling to international competitions
- At the International Skating Union (ISU) Winter Cup in Belgium, the Mixed Age and Junior teams secured silver; whilst the Juvenile and Advance Novice teams both won gold
- The Junior team represented Great Britain at the Junior World Championships achieving 18th place
- The NSSA was nominated as a finalist at the Nottinghamshire Sports Awards
- The NIC hosted the British Synchronized Skating Championships for the third successive year, attracting over 2,600 ticket holders and 52 teams. A superb team of 50+ volunteers (all members of the NSSA) helped deliver the Championships to a high standard, resulting in NISA repeating the booking for 2018.



SHOWS AND EVENTS

The overall Arena show programme for 2016/17 was very successful but we saw huge volatility between event genres.

It was a quieter year for music concerts, which was reflected across the UK Arena market, with overall attendance at music shows in arenas down by 9%. Within the genres of music shows, pop saw a huge decline with the fewest number of shows here since 2002/03, although rock / metal was strong, as were shows in the legends genre, which saw superb performances for example from Jeff Lynne's ELO, Rod Stewart and Paul Simon.

It was also the quietest year for comedy shows for 10 years, with only the two sold-out Russell Howard shows in the last weekend of March preventing it being the quietest year for comedy, since having zero comedy shows in 2004/05.

The main reason for the Motorpoint Arena's most successful event year on record was the proliferation of family shows in 2016/17. Due to scheduling changes, not one but two successful Disney on Ice shows visited in the year, although they were not as successful as the year's smash-hit family show – Marvel Universe Live! The Motorpoint Arena hosted nine performances of Marvel Universe Live!, many of them sold out, as well as over two weeks of rehearsals. It wasn't just the youngsters who were thrilled in huge numbers this year – Strictly Come Dancing broke its own venue attendance records, whilst Cirque du Soleil's Varekai show also became one of Cirque's most successful ever Nottingham shows.

Sporting events also hit records in 2016/17, with Varsity events now up to a total of four, including the sell-out ice hockey match, which never ceases to create the most raucous and humorous atmosphere of the year, while Team GB played two international ice hockey matches in the build up to their successful stint at the World Championships, where they achieved promotion. Other wonderful, mass-participation weekend events such as the British Synchronized Skating Championship and the British Cheerleading Championships also cemented their place at the Motorpoint Arena, while at the other end of the spectrum, crowd participation was once again the key component at the PDC Premier League Darts!

For the Nottingham Panthers, whilst it was a disappointing domestic season in terms of trophies, crowds were up and it was a historic season in terms of European ice hockey, as they became the first British side to win a European ice hockey trophy in the Continental Cup. This tremendous success led to qualification in the premier competition in European ice hockey – the Champions Hockey League which starts in August 2017.

Another Arena event highlight was the Football Hall of Fame celebrating the inductions of Notts County FC, John Robertson, and Nottingham Forest's European Cup winning teams of 1978 and 1979 with a dinner and gala event in front of thousands of admiring fans.



IT SERVICES

The IT team has focused on improving speed, reliability and resiliency of core systems and infrastructure. This has led to the investment of shared data storage for our large virtual infrastructure, which gives much more protection against hardware failure and makes routine maintenance easier. To coincide with this, network speeds in all offices around the venue have been upgraded to provide faster access to data.

Following results from the annual IT survey (circulated to all staff), new desktop PCs have been purchased and installed in many areas of the business. The old hardware was donated to charity. Staff departures led to opportunities to recruit new support roles to ensure all bases were covered across 1st, 2nd and 3rd line IT support.

The team has been heavily involved in several business-wide projects, including the renovations of the level 4 office, the implementation of a new HR and Payroll system, and bringing the venue's catering function in-house. The catering project required the team to tender for a brand new, modern till and inventory system, as well as substantial changes to our network on the concourse and in our bars to support new tills and tablets.

A new project team that includes members from IT, Marketing, Customer Services and Event Ticketing has been created with a primary focus to pro-actively maintain and improve all aspects of our ticketing system. This new multi-departmental team shares skills and experiences from their respective areas. A number of positive changes have been implemented to improve the customer journey while purchasing event tickets.



OPERATIONS

LEVY RESTAURANTS UK

In partnership with the NIC, Levy Restaurants UK has successfully operated over 100 events contributing to the NIC's overall financial success in 2016/17. There has been significant change within the catering management team over the last 12 months with a new General Manager, Deputy General Manager and Hospitality Catering Manager, plus a recently promoted Retail Manager. The last 12 months have seen the catering department expand with new products, initiatives and refurbishments that include:

- The creation of Encore Bar & Grill (replacing the T&D café/bar). A £90,000 investment jointly funded by the NIC and Compass
- The introduction of themed pop up bars on the concourse and in hospitality areas, such as:
 - i) The Prosecco Bar income regularly exceeds £1,000 on event nights
 - ii) The Jaeger Bar – a big hit on the rock events
 - iii) Pick & Mix and Slush station – following on from success at Disney on Ice events, we regularly install a pop up Slush station or additional draught beer bar on level 4, for the benefit of our hospitality guests. The Slush station has proved very popular at family events and Panthers games
- The introduction of a 2-pint disposable cup at the Premier League Darts event resulting in reduced bar queues and record sales

Record breaking events include 30% income growth at the Varsity Ice Hockey game compared to the previous year, plus Alterbridge, Rod Stewart, The xx, Craig David and Premier League Darts events where food and beverage targets were greatly exceeded.

Over 600 employees have been recruited from the local area.

FACILITIES

There was significant investment in a new CCTV operating system as well as new cameras around the building. Two members of the Ice Maintenance team received training from the ice industry leaders on ice painting and ice plant operations, forging links with international rinks including Madison Square Gardens.

A new ice resurfer (Zamboni) was purchased to cover the Olympic rink resurfaces. The previous machine was around 16 years old and had travelled the equivalent of four times around the world.



ENVIRONMENTAL

The business continued with the incredible achievements of recent years to shape and action positive environmental change, led by the environmental group.

Against the priorities set out by the group the following was achieved:

- Reduction in utility usage, emissions and costs. 2016/17 had the lowest ever usage for ice plant electricity, building heat, waste incineration and water
- Developed a bespoke system to publish our meter readings via the intranet, and the development of an environmental page on the intranet
- Achieved our recycling target. Recycled just over 39% of all waste to recyclable streams. That is 34 tonnes of plastic pint pots, cardboard, glass, paper, leaflets, metal, wood, fabrics, plastic trays and containers, waste oil and used electrical equipment
- Continue to see the financial and environmental benefits of our peak demand management (TRIAD), water recycle rebate and FIT tariff.

The venue also achieved runner up in the Nottingham Post's 'Coping with Climate Change' award.

BUILDINGS

The department's main focus for 2016/17 was reduction in energy use, specifically heating. The venue not only uses heat during the winter but during the summer for dehumidification. The maintenance team worked hard to achieve significant savings of 30% by closely managing the heating and alterations to the Building Measurement System (BMS) programming to attach the heating valves to the outside temperature.

During the summer all of the level one drains were lifted and footage was collected to monitor the condition. A new sound system was installed in the Olympic rink to make training and skating a much more pleasurable experience. Rubber flooring issues were addressed by trialling a 17mm thick interlocking rubber tile, which stood up to the rigours of skates admirably. This flooring will be installed in the near future.

The electrical infrastructure of the building was challenged by two significant power cuts from our energy supplier, one of which lasted six hours. Throughout both power cuts the buildings emergency systems, lights, Uninterruptable Power Supply (UPS) and generator all worked as they should and kept the venue ticking over until power could be restored.

ACCESSIBILITY

This year we implemented a new standard across all events, by offering a sign language interpreter for all Arena shows, holding fifteen designated seats up until four weeks before the event date to allow those with hearing impairments to fully enjoy the Arena experience. The service grew and was recognised nationally by Attitude is Everything with an Outstanding Attitude award. To date sign language interpreters have been provided for 16 events.

As part of our commitment to customers with disabilities, steps were taken to improve our website content; ranging from better descriptions, the introduction of British Sign Language (BSL) videos and general access videos. We meet the Access Starts Online standards and our website is accredited by Attitude is Everything. Our disabled evacuation planning procedures were reviewed, ensuring that our evacuation chairs and means of escape systems were accurate and up to date. Staff were also retrained on customer emergency evacuation plans (PEEPs).

We continue to ensure accessibility is considered in all aspects of our business, from staff engagement and training, through to building design in new projects, for example lowered counters and colour contrast design.

MARKETING

Our digital marketing platforms continued to thrive in 2016/17. Over £1.6million was generated from emails sent to our database and the Motorpoint Arena website continued to flourish with site visits, ticket sales, average order values and revenue increasing year on year - mobile revenue alone increased 79% compared to the previous year. Social media continues to be a key channel by which to raise awareness of our events and activities, with our content reaching, on average, two to three million unique users per month.

Monthly web, email and social media analysis continues to be undertaken by the team, to ensure our digital activity remains effective and delivers maximum commercial return. Data analysis across all areas of the business remains a key focus, and the team works closely with the IT Team to ensure key findings are communicated and used to support business decisions.

The first year of our new five-year partnerships with Motorpoint (Arena naming rights partner) and Gem 106 (Arena media partner) went well with both relationships continuing to prosper in year two.

A key development in summer 2016 was the launch of a new ice sports system. The system enables customers to book skating lessons and recreational classes online for the very first time, allowing us to gain valuable customer data and insight.

Following the downward trend in public ice skating admissions across the country, raising awareness of the National Ice Centre and attracting new skaters has, and continues to be, a key focus for the team. Venue branding improvements and new marketing activities; including a Groupon offer which attracted over 4,200 customers in November; have been implemented following the results of an initial piece of market research to gauge awareness levels of the venue and understand the barriers to skating. NIC marketing continues to be an ongoing priority, with further research and new activities scheduled for 2017/18.

In addition to the above major projects, other key projects supported by the Marketing team in 2016/17 include:

- Promotion of the second series of CBBC Ice Stars
- Launch of Encore Bar & Grill
- Development and launch of a new Conference & Events microsite
- Implementation and promotion of new 'View from your Seat' website functionality
- Christmas ice skating and reindeer marketing campaign
- Venue Wi-Fi promotion



SALES & HOSPITALITY

It was a positive year for the team with record hospitality figures achieved, conference and events reporting year on year increases and group sales performing well. The traditional advertising market has changed significantly in recent years so that proved to be the only problematic area which needs addressing.

HOSPITALITY

Annual hospitality recorded its best performance on record, achieving a 4.9% increase on its previous record year in 2015/16. Our client retention rates remain high and our executive suite waiting list, which has developed over recent years, has enabled us to maximise revenue by immediately selling any suites which become available. Our annual hospitality performance continues to exceed expectations year after year so we're hopeful this trend will continue.

It was also another successful year for single event hospitality with the 2016/17 profit target exceeded. We are continually looking for ways to enhance our hospitality experience, so are excited by the opportunities that our imminent move to in-house catering will present to us with.

CONFERENCE AND EVENTS

Following a difficult year in 2015/16 the profit generated from hiring our Bolero and Platinum Suites increased by 13% year on year. Although conference and events has struggled in recent years, the move to in-house catering will offer us more flexibility with our prices and catering options which we hope will help us secure more new business.

As in previous years we have been successful in retaining several large Arena events including the International Cheerleading Coalition (ICC); Varsity Ice Hockey and Basketball; Nottingham Trent University Graduation Ball; University of Nottingham Freshers' Party and the Capital One Vision Day.

ADVERTISING

The advertising market has changed in recent years with companies wanting to focus their marketing efforts on digital channels which can be tracked and measured. As traditional branding activity is in significant decline, we are looking to review our advertising channels to develop more online opportunities to meet the needs of existing and potential clients.

GROUP SALES

Our Group Sales Executive role is now well established and has proven to be a great addition to the team, having secured 6,314 new ice skating bookings and selling 6,684 event tickets in 2016/17.



ICE LOCKER



Continuing its rapid growth of recent years, Ice Locker had its most successful year to-date achieving a further 8% increase in revenue year on year.

Recent developments to the Ice Locker website had a positive impact on online sales, with the online arm of the business experiencing 74% growth year on year and now accounting for over 20% of total sales. There remains significant growth potential online and continual developments will be made to the website and greater investment made in marketing to exploit and maximise all sales opportunities.

One of the highlights of the year was the 2016/17 Elite Ice Hockey League Play-Off Finals, which was the most successful to date with revenue increasing by 13% from the previous record year. The store continues to trade well across the full range of products and is currently expanding its figure skating range.

NATIONAL MERCHANDISE

2016/17 was another busy and successful year for National Merchandise, with its highest annual turnover recorded, despite a quieter year than expected for concerts across the UK Arena market.

Existing partnerships with The O2, Scottish Event Campus, Liverpool Echo Arena, Aberdeen Exhibition & Conference Centre, Ricoh Arena and Nottingham's Royal Concert Hall continued to flourish and the successful partnership with AEG at The O2 resulted in National Merchandise being awarded the merchandise contract for Indigo at the O2, a live music venue located within the O2 complex.

National Merchandise's portfolio of outdoor events has continued to expand with the addition of contracts for London's Wireless Festival, the British Summertime Festival in Hyde Park and with the BBC for some of their outdoor events.

Other highlights of the year included managing the merchandise operation at the Royal Windsor, Dublin and London Olympia Horse Shows and enjoying a final year at the America's Cup World Series in Portsmouth. The partnership with AEG and David Haye continued and the team partnered with GMG Live and even ventured out to the Middle East to manage merchandise sales for the Cats tour.

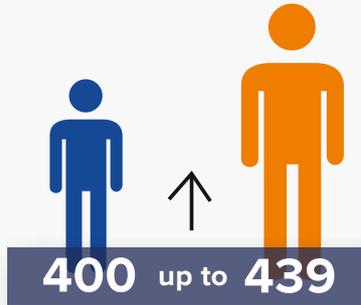


2017/18 is expected to see continued growth for National Merchandise with expansion into other venues and outdoor events, including Nottingham's Splendour Festival. The National Merchandise team will also be managing the new National Catering venture which will see the in-house team operating external catering at a number of outdoor events next year, a venture that will perfectly complement NM's outdoor operations.

HUMAN RESOURCES

EMPLOYEE DEMOGRAPHICS

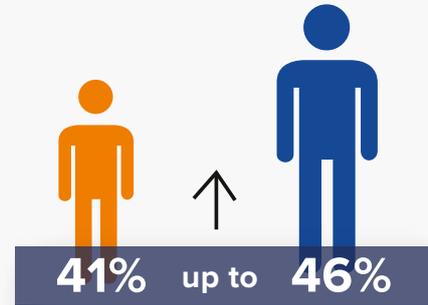
Our headcount increased from



compared to last year

EMPLOYEE TURNOVER

Rates increased from



FLEXIBLE WORKING



of our workforce is employed on a **zero hour** basis



on a **full time** basis



on a **part time** basis

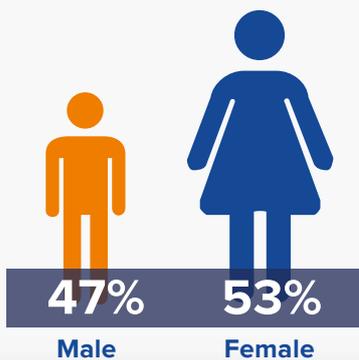
AGE & LENGTH OF SERVICE

Our employees range from

age 16 to age 67



GENDER



17.8% of employees employed for 5 years or more

GENDER PAY COMPARISON

Average hourly pay



This represents a 4.5% gender pay gap favourable to male employees

Management and supervisory roles



of roles held by **males**



of roles held by **females**

ABSENCE RATE



This is **2.4%** lower than the average UK industry absence rate
(Absence Management Annual Survey Report 2016, CIPD)

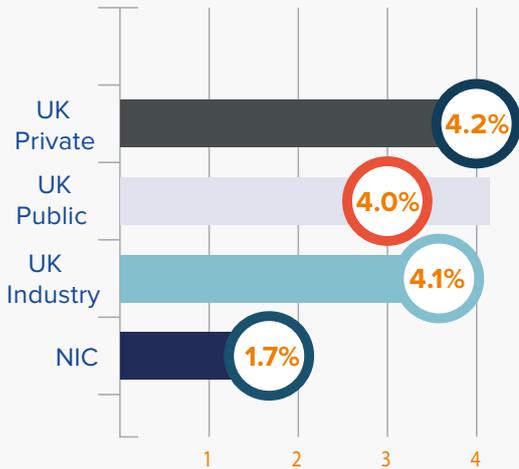
ABSENCE

Our adjusted absence rate (the removal of long term absences) has increased from the previous year by 1.5%.



ABSENCE

Absence rate (%)



ABSENCE COST

Cost of absence per employee (£)



Average cost of absence per employee was **£110**. This is **£568** lower than the average cost in the **UK industry** and **£412** lower than the average cost in the **private sector**.

DIVERSITY



of employees have an **ethnic origin** other than **'White British'**



of employees consider themselves to have a **disability**

RECRUITMENT





National Ice Centre



MOTORPOINT arena

NOTTINGHAM