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THE NATIONAL TRADE CENTRE  
MANAGEMENT REPORT

FOR THE MONTH ENDING  
APRIL 30, 2005



National Home Show

**SUBMITTED BY:**

**RON TAYLOR**  
**MANAGING DIRECTOR/O&Y/SMG CANADA**

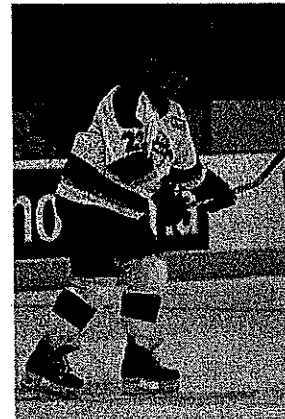
**ARLENE CAMPBELL**  
**GENERAL MANAGER/NTC**

# SALES & MARKETING

## APRIL SALES EFFORTS

During the month of April our Sales & Marketing team secured 5 new events for 2005, increasing our total to 29. The events are categorized as follows:

- 8 trade shows
- 4 consumer shows
- 12 special events/film/photo shoots
- 5 corporate/meetings



Oldtimers Hockey Challenge

## BUSINESS TRAVEL

In April, Ellen de Boer attended the Washington DC sales mission organized by Tourism Toronto. Ellen, along with 25 representatives from Toronto venues and hotels, met with prominent U.S. based association managers. She will be returning to Washington with the TORCVB group in May to follow up with these contacts at the GWSAE Springtime Tradeshow. Arlene Campbell was part of the General Manager Team for the Washington Sales Mission. The intent of the Sales Mission is to sell Toronto as the City of choice to the large associations and meeting planners. Toronto is viewed as a vibrant, value added destination. Participation in Tourism Toronto events is key to successfully marketing the new conference centre.

Laura Purdy attended the Society of Independent Show Organizers CEO Summit in Las Vegas as part of the SMG corporate sales initiative. During this meeting, Laura met with representatives from US and European show management companies.

This month, Barbara Outschoorn attended a Chicago Sales Mission organized by Tourism Toronto. Barbara, together with 20 representatives from Toronto venues, hotels and attractions, met members of 40 U.S. based associations. She will be following-up with contacts this spring.

## PUBLICITY

Media attention during the month of April included Toronto Star, National Post, Mix 99.9, 102.1 The Edge, CHUM FM, CityTV and CP24.

# EVENT SERVICES

## APRIL SUMMARY

During the month of April of 2005, Event and Facility co-ordinators at The National Trade Centre were involved in the following events:

## APRIL

### National Trade Centre Trade/Consumer Events

- National Motorcycle Show
- Total Health Show
- Postage Stamp Show
- National Home Show
- Canadian National Marsville
- Toronto Psychic Expo
- Toronto Comicon
- Pharmasave Trade Show
- Toronto Police Services Tattoo

### Other Events

- Fidelity Investments
- Oldtimers Hockey Challenge
- Assurant Solutions
- Maple Leaf Sports
- Holiday Inn on King Skate
- Borealis Inc. Corporate Skate
- GTHL
- Ricoh Canada Skate
- City of Toronto, EDCT Coronation Park Training Session
- Eid-e-Milad-un-Nabi –Program

### NTC EVENTS

The National Motorcycle Show Management expressed satisfaction with all aspects of the NTC and F&B customer staffing. Management staff are working with the National Home Show management to improve site safety during move-in and move-out as well. No major concerns were reported during this event.

### RICOH COLISEUM

The Oldtimers Hockey Challenge was very successful. Heritage Court was used for entering and exiting to accommodate the large crowds. The Toronto Police Services Tattoo was also a success. This year the west Annex was used for volunteers. GTHL hockey was held in Ricoh this year. The facility worked very well for the community event and participants were thrilled to compete at the arena.

### TELECOMMUNICATIONS

During the month of April Telecom staff helped deploy computers across the grounds for the Post Y2K computer upgrade, provided various telecommunications and IT services for a variety of Events across the grounds, and started working on CNE setup and deployment.

Telecom worked with MSLE in trying to secure a contract for providing Telecom and IT services in the Ricoh Coliseum.

Telecom has been working on reducing costs for services. Several options for cost reduction have been identified, and Telecom is awaiting direction as to which avenue to pursue.

## BUILDING OPERATIONS

- Delegates from the Operations Department attended the *Light Fair International* in New York City to seek out a more efficient replacement for the 1000 watt fixtures within the NTC. Numerous manufacturers were contacted and meetings have been arranged to discuss the best possible solutions. Large energy savings can be achieved, provided the correct fixtures and lamp combinations are used.
- Chiller maintenance has been scheduled and a seal replacement for the last Chiller will be completed prior to the summer events.
- *Angus* Preventative Maintenance work is ongoing in all plumbing, HVAC, and electrical departments. The Building Operators are also completing daily task sheets regarding fire code checks and regular building equipment inspections.
- *Johnson Controls* building automation system software upgrades have been completed as part of a Capital Works funded project. New graphics are to be completed and training for Operations staff is being scheduled.
- The *Carma* Hydro metering system has been repaired after a communication module failed between the main data logging computer and the field measurement devices. The system is now fully operational.
- Weekly and Monthly diesel generator checks have been completed and all fuel levels topped up in preparation for this summer's major events.
- Plumbing department has completed repairs on underground parking domestic hot water lines. Gasket-type couplings have failed and replacement was required to control leakage.
- Toronto Fire Services conducted inspections relating to the completion of the facility fire alarm upgrades. All conditions were approved and they have initiated a final approval of the system.

## FACILITY SERVICES

Facility services were challenged throughout April with co-ordinating delivery of services to many shows and completing many building improvement projects. As May approaches, Facility Services staff are planning for the upcoming summer events.

- Cleaned and re-painted floor ports throughout Hall A and Heritage Court.
- Paint and plaster touch-ups throughout halls, salons, meeting rooms, Auto Bldg.
- Applied specialized epoxy coating to Hall A and C entrances from underground garage.
- Removed lockers from labour pool will install when location determined.
- Ordered new plants for the Galleria.
- Maintenance to all exit doors and hardware where necessary.
- Completed fleet maintenance and repairs per the *Angus* program.
- Roof maintenance and repairs to various areas throughout facility.
- Staff continues to assist the Waste Diversion team in ensuring all targets are on track.
- Inspection and repairs to all interior / exterior mechanical doors per the PM program.
- Staff work closely with Parks to ensure exterior landscaping is in tact.
- Stripped and re-sealed the Galleria floor.
- Re-arranged plants and public seating throughout the Galleria.
- Co-ordinate projects with Capital including construction of a utility room at Automotive, renovate Mid-Arch washrooms, construct a first aid room in B2, and re-attach snow guards on Galleria roof.

## SERVICE STARS

Avi Sarkar of Xentel DM Incorporated e-mailed Eileen Davies on April 6<sup>th</sup> to say: "Thank you for allowing us to do hold this year Oldtimers' Hockey Challenge game in your facility. With your staff and management help the event was great success."

Norm Mackenzie of the Toronto Police Tattoo called on May 5<sup>th</sup> to thank Ellen de Boer and Jim MacGregor for the service they provided: "I just wanted to call and thank you for all your help with the Tattoo; it was very greatly appreciated. The Tattoo was very successful and well received and I was extremely happy.... on behalf of myself and also the Toronto Police service, thank you very, very much for everything that you did for us."

## CENTERPLATE

### **RETAIL DEPARTMENT**

Planning continues for the conversion of Concession Stand # 6 (Mattawa Market) to our new concept "Go Gourmet". Construction timing is subject to necessary approvals.

Menu pricing is being reviewed currently for a possible increase. We are reviewing each item individually to measure the effect of increased product costs due the current rise in fuel costs. This rise has had an effect in almost every market, driving up the cost of production and delivery. Pricing at competing facilities will be reviewed as well to ensure Centerplate is in line with other facilities in the downtown core and in our market across the GTA.

### **CATERING DEPARTMENT**

Catering for the month included service mainly to in house events. One event of significance was the Pharmasave Trade Show, which was completely catered. Catering included all-day hot and cold beverage service as well as lunch for 1,800 for the two days of the show.

Centerplate continues development of the Canadian web site and targets mid May for completion. Upon completion a marketing blitz will be initiated via email and snail mail in order to market the NTC and holiday events.

## APRIL FINANCIALS

Net Operating Income for the month ending April 30, 2005 was \$1,303,812 compared to a budget of \$1,523,100 for an unfavourable variance of (\$219,288). NTC operations have been successful in the first four months of 2005, producing a positive variance of \$10,665; this was offset by the negative contribution from Ricoh Coliseum of (\$229,953), mainly due to the absence of budgeted hockey events.

Senior management staff have been made aware of this shortfall and the NTC budget pressure faced to the end of the year. To make up the shortfall the following actions are in place or are going to be put in place:

- (1) Ricoh staffing complement has been reviewed and reduced at the end of April and Ricoh work is now covered by NTC staff.
- (2) Both cost controls and cost containment are in place; discretionary expenditures are being reviewed. All required building maintenance and repairs are ongoing.
- (3) The Sales Team endeavours to achieve and, if possible, exceed sales target without hindering long term sales efforts.
- (4) An additional pressure anticipated for Ricoh Coliseum as of July 1<sup>st</sup>, 2005 is the fact that the net budget contribution from rent after payment of property tax and debt obligation from MLSE as forecast by City Finance in Spring 2004 was budgeted prior to completion of the sublease. Due to changes in the debt obligation terms (amortization) there is a shortfall from the anticipated forecast first made by the City of \$90,000. While we are striving to cover off this shortfall, this variance is outside of NTC management's control.
- (5) Shortfall in sponsorship dollars has been reviewed with WAM; *"In addition to the pending naming rights agreement with Direct Energy, WAM has a number of prospects with which it is attempting to secure sponsorship agreements for the NTC. It is anticipated that sponsorship agreements will be concluded in 2005 in the following categories:*

- |                        |                     |
|------------------------|---------------------|
| - Vehicle              | - Lighting          |
| - Food                 | - Courier           |
| - Beverage             | - Computer software |
| - Consumer electronics |                     |

*Based on the likelihood of pending agreements, it is anticipated that sponsorship agreements valued at \$221,000 will be concluded in the balance of this year."*

It is very important that these aggressive targets be achieved.

As of April 30, 2005:

- Rental income was \$3,225,443 compared to a budget of \$3,310,008, an unfavourable variance of (\$84,565) due to the timing of new business offset by increased rent for the Boat Show, Bridal Show and Home Show. We are forecasting achieving the rental budget by year end.
- Direct and indirect expenses are favourable to budget by \$81,794 as a result of decreased PM&D expenses.
- Food & Beverage concessions of \$653,472 are unfavourable to budget by (\$41,043) due to the timing of new business.

Accounts receivable for the month ending April 30, 2005 was \$2,797,696 consisting mainly of:

- \$1,041,068 from Coliseum partners and sub-contractors for Arena-related project and lease costs.
- \$942,783 for services on completed events, of which \$84,131 has been received by May 9, 2005.
- \$370,624 of Food & Beverage Concessions is owed by Centerplate, contractually due on the 25<sup>th</sup> of the following month.
- \$336,103 owed as deposits for future events, of which \$40,000 has been received by May 9, 2005.
- \$74,900 for Ricoh Canada third year sponsorship; now paid in full.

### **BUSINESS TRAVEL**

In late May, Hardat Persaud will attend a two day SMG Directors of Finance meeting in Philadelphia. Attendance will provide the opportunity to network with SMG's Senior Management. Discussions and presentations regarding corporate performance, client expectations, new accounting software, risk management, industry overviews and trends and best practices etc. are on the agenda.

# APPENDIX "A"

## THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS APRIL 2005 and YEAR TO DATE

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	14	10	4	40	44	(4)
Direct Event Income	1,117,791.83	1,170,739.00	(52,947.17)	3,564,146.10	3,598,337.00	(34,190.90)
Ancillary Income	354,573.21	360,186.00	(5,612.79)	1,301,849.29	1,296,787.00	5,062.29
Advertising Income	13,856.29	40,245.00	(26,388.71)	48,589.35	131,649.00	(83,059.65)
Ricoh Recovery	11,310.37	-	11,310.37	41,059.96	-	41,059.96
CNE Recovery	-	-	-	-	-	-
<b>Total Event Income</b>	<b>1,497,531.70</b>	<b>1,571,170.00</b>	<b>(73,638.30)</b>	<b>4,955,644.70</b>	<b>5,026,773.00</b>	<b>(71,128.30)</b>
Direct Expenses	521,265.19	466,139.00	(55,126.19)	2,182,651.95	2,171,287.00	(11,364.95)
Indirect Expenses	321,374.16	398,388.00	77,013.84	1,504,068.34	1,597,227.00	93,158.66
<b>Total Event Expenses</b>	<b>842,639.35</b>	<b>864,527.00</b>	<b>21,887.65</b>	<b>3,686,720.29</b>	<b>3,768,514.00</b>	<b>81,793.71</b>
<b>NET INCOME BEFORE RICOH</b>	<b>654,892.35</b>	<b>706,643.00</b>	<b>(51,750.65)</b>	<b>1,268,924.41</b>	<b>1,258,259.00</b>	<b>10,665.41</b>
<b>RICOH COLISEUM</b>	<b>58,687.68</b>	<b>90,673.00</b>	<b>(31,985.32)</b>	<b>34,887.98</b>	<b>264,841.00</b>	<b>(229,953.02)</b>
<b>NET INCOME AFTER RICOH</b>	<b>713,580.03</b>	<b>797,316.00</b>	<b>(83,735.97)</b>	<b>1,303,812.39</b>	<b>1,523,100.00</b>	<b>(219,287.61)</b>

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30/05, markup paid to ExPlace was a total of \$ 162,740.42 ( \$ 124,335.11 expensed against direct event income and the balance of \$ 38,405.31 in direct expense)



**THE NATIONAL TRADE CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
AS AT APRIL, 2005 with COMPARISON TO APRIL 2004**

	2004 YTD APRIL ACTUAL	2005 YTD ACTUAL	2005 YTD BUDGET	2005 VARIANCE	VARIANCE TO YTD APRIL, 2004 ACTUAL	%
Number of Events	32	40	44	(4)	8	25.0%
Direct Event Income	3,627,102.18	3,564,146.10	3,598,337.00	(34,190.90)	(62,956.08)	(1.7%)
Ancillary Income	1,770,470.54	1,301,849.29	1,296,787.00	5,062.29	(468,621.25)	(26.5%)
Advertising Income	76,628.80	48,589.35	131,649.00	(83,059.65)	(28,039.45)	(36.6%)
Ricoh Recovery	-	41,059.96	-	41,059.96	41,059.96	
CNE Recovery	-	-	-	-	-	
<b>Total Event Income</b>	<b>5,474,201.52</b>	<b>4,955,644.70</b>	<b>5,026,773.00</b>	<b>(71,128.30)</b>	<b>(518,556.82)</b>	<b>(9.5%)</b>
Direct Expenses	2,104,500.53	2,182,651.95	2,171,287.00	(11,364.95)	(78,151.42)	(3.7%)
Indirect Expenses	1,550,836.15	1,504,068.34	1,597,227.00	93,158.66	46,767.81	3.0%
<b>Total Event Expenses</b>	<b>3,655,336.68</b>	<b>3,686,720.29</b>	<b>3,768,514.00</b>	<b>81,793.71</b>	<b>(31,383.61)</b>	<b>(0.9%)</b>
<b>NET INCOME BEFORE RICOH</b>	<b>1,818,864.84</b>	<b>1,268,924.41</b>	<b>1,258,259.00</b>	<b>10,665.41</b>	<b>(549,940.43)</b>	<b>(30.2%)</b>
RICOH COLISEUM	-	34,887.98	264,841.00	(229,953.02)	34,887.98	0
<b>NET INCOME AFTER RICOH</b>	<b>1,818,864.84</b>	<b>1,303,812.39</b>	<b>1,523,100.00</b>	<b>(219,287.61)</b>	<b>(515,052.45)</b>	<b>(28.3%)</b>

Note: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30/05, markup paid to ExPlace was a total of \$ 162,740.42 ( \$ 124,335.11 expensed against direct event income and the balance of \$ 38,405.31 in direct expense)



# THE NATIONAL TRADE CENTRE EVENT STATISTICS

FOR THE MONTH OF APRIL 30, 2005

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note:1]	163,050	655,525	675,760

<u>EVENT</u>	ACTUAL # OF PERFORMANCES				(IN THOUSANDS)		REFRESHMENT
	2005	2004	2003	2003	ACTUAL	BUDGET	PER CAP'S ACTUAL [Note: 2]
Consumers Show	19	21	16	16	3,638	3,501	3.38
Trade Show	7	7	3	3	329	590	4.21
Concert	1	0	0	0	2	-	-
Photo/Film Shoot	1	1	3	3	2	-	-
Meeting/Corporate	12	3	4	4	120	-	44.05
	<u>40</u>	<u>32</u>	<u>26</u>	<u>26</u>	<u>4,091</u>	<u>4,090</u>	

Note: 1 Attendance estimates provided by Show Management.

Note: 2 Refreshment per cap's based on information reported by Centerplate

Note: 3 Net event income includes rent and services, ancillary income includes catering and electrical commissions.



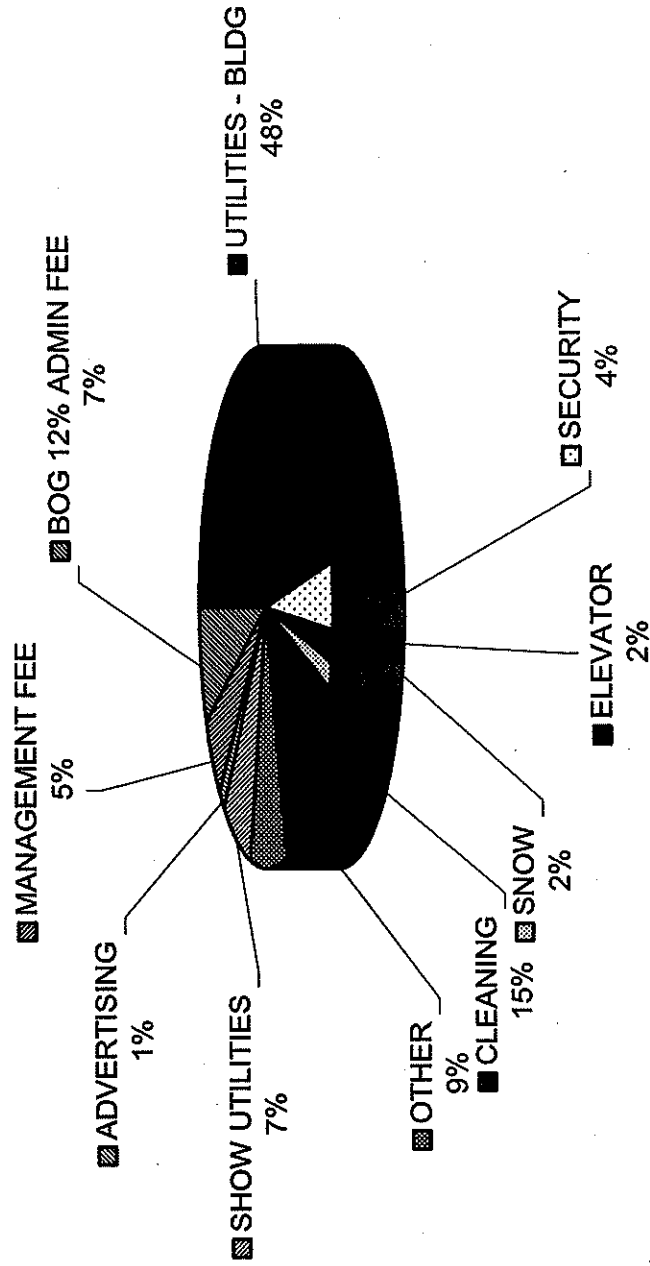
**THE NATIONAL TRADE CENTRE  
BALANCE SHEET  
AS AT APRIL 30, 2005**

ASSETS	2005	2004
<b>CURRENT ASSETS</b>		
CASH	403,071.20	188,984.55
ADVANCE TO EX PLACE	320,000.00	320,000.00
TERM INVESTMENTS	2,150,000.00	4,650,000.00
AMERICAN EXPRESS	18,952.84	983.93
TRADE ACCOUNTS RECEIVABLE		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	2,797,695.92	
NET ACCOUNTS RECEIVABLE	<u>(72,630.01)</u>	
RECEIVABLE FROM EX PLACE	286,608.81	1,811,516.19
OTHER RECEIVABLE	137,003.31	15,489.30
PREPAID EXPENSES	86,614.06	10,739.33
<b>TOTAL CURRENT ASSETS</b>	<u>6,040,702.07</u>	<u>7,084,327.36</u>
<b>FIXED ASSETS</b>		
EQUIPMENT - NET	27,904.23	42,090.47
<b>TOTAL ASSETS</b>	<u><u>6,068,606.30</u></u>	<u><u>7,126,417.83</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCRUED LIABILITIES	2,351,496.01	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	81,685.28	
DEFERRED REVENUE	<u>2,091,115.94</u>	5,247,355.29
<b>EQUITY</b>		
NET INCOME (LOSS) CURRENT	1,303,812.39	895,805.56
PRIOR YEAR PSAB ADJUSTMENT	<u>(167,422.07)</u>	<u>(167,422.07)</u>
PRIOR YEAR SURPLUS		
DISTRIBUTION TO EXHIBITION PLACE	407,918.75	1,150,679.05
	<u>6,068,606.30</u>	<u>7,126,417.83</u>

**THE NATIONAL TRADE CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED APRIL 30, 2005**

	MONTH	YTD
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME (LOSS)	713,579.96	1,303,812.39
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
<b>SOURCES (USES) OF CASH</b>		
TERM INVESTMENTS	500,000.00	2,000,000.00
ACCOUNTS RECEIVABLE - TRADE	250,525.71	353,205.92
RECEIVABLE FROM EX PLACE B.O.G	-	-
ACCOUNTS RECEIVABLE - OTHER	(107,740.78)	(169,192.09)
PREPAID EXPENSES	(501.10)	55,834.56
DEPOSITS AND OTHER ASSETS	(16,177.35)	(13,751.63)
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(15,449.95)	(1,158,544.82)
OTHER PAYABLES	(29,170.03)	(46,620.72)
DEFERRED INCOME	(796,354.39)	(1,769,584.03)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
<b>NET CASH FROM OPERATIONS</b>	<b>498,712.07</b>	<b>555,159.58</b>
<b>OTHER SOURCES (USES) OF CASH</b>		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	(413,189.58)	(1,213,189.58)
<b>NET CASH FROM OTHER SOURCES</b>	<b>(413,189.58)</b>	<b>(1,213,189.58)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>85,522.49</b>	<b>(658,030.00)</b>
<b>BEGINNING CASH BALANCE</b>	<b>317,548.71</b>	<b>1,061,101.20</b>
<b>ENDING CASH BALANCE</b>	<b>403,071.20</b>	<b>403,071.20</b>

**COMPONENTS OF DIRECT EXPENSE  
YTD APRIL 30, 2005**



- UTILITIES - BLDG
- ▣ SECURITY
- ELEVATOR
- ▣ SNOW
- CLEANING
- ▣ OTHER
- ▨ SHOW UTILITIES
- ▨ ADVERTISING
- ▨ MANAGEMENT FEE
- ▨ BOG 12% ADMIN FEE

**THE NATIONAL TRADE CENTRE  
CHEQUE DISBURSEMENTS - APRIL 2005  
GREATER THAN \$50,000**

Check No	Date	Description	Amount
17433	4/20/2005	THE BOARD OF GOVERNORS OF EXHIBI	413,189.58
17432	4/20/2005	THE BOARD OF GOVERNORS OF EXHIBI	290,740.03
17456	4/26/2005	THE BOARD OF GOVERNORS OF EXHIBI	216,570.30
17360	4/5/2005	THE BOARD OF GOVERNORS OF EXHIBI	121,462.31
17383	4/13/2005	THE BOARD OF GOVERNORS OF EXHIBI	100,435.60
17436	4/20/2005	ENBRIDGE GAS	64,983.02
17388	4/13/2005	ENBRIDGE GAS	60,827.87
17449	4/20/2005	CANADA CUSTOMS AND REVENUE AGENCY	51,928.99
		BALANCE OF Y2004 SURPLUS	
		LABOUR COSTS FOR SHOWS & ELECTRICAL REVENUES	
		BI-WEEKLY SALARY-WK ENDING APR.16/HYDRO-FEB 2005	
		BI-WEEKLY SALARY-WK ENDING APR.2	
		LABOUR COSTS FOR SHOWS & ELECTRICAL REVENUES	
		GAS CONSUMPTION - APR.05	
		GAS CONSUMPTION - APR.05	
		GST REMITTANCE - MAR.05	
		<b>DISBURSEMENTS OVER \$50,000</b>	<b>1,320,137.70</b>
		<b>OTHER DISBURSEMENTS LESS THAN \$50,000.</b>	<b>349,217.05</b>
		<b>TOTAL DISBURSEMENT</b>	<b>1,669,354.75</b>

