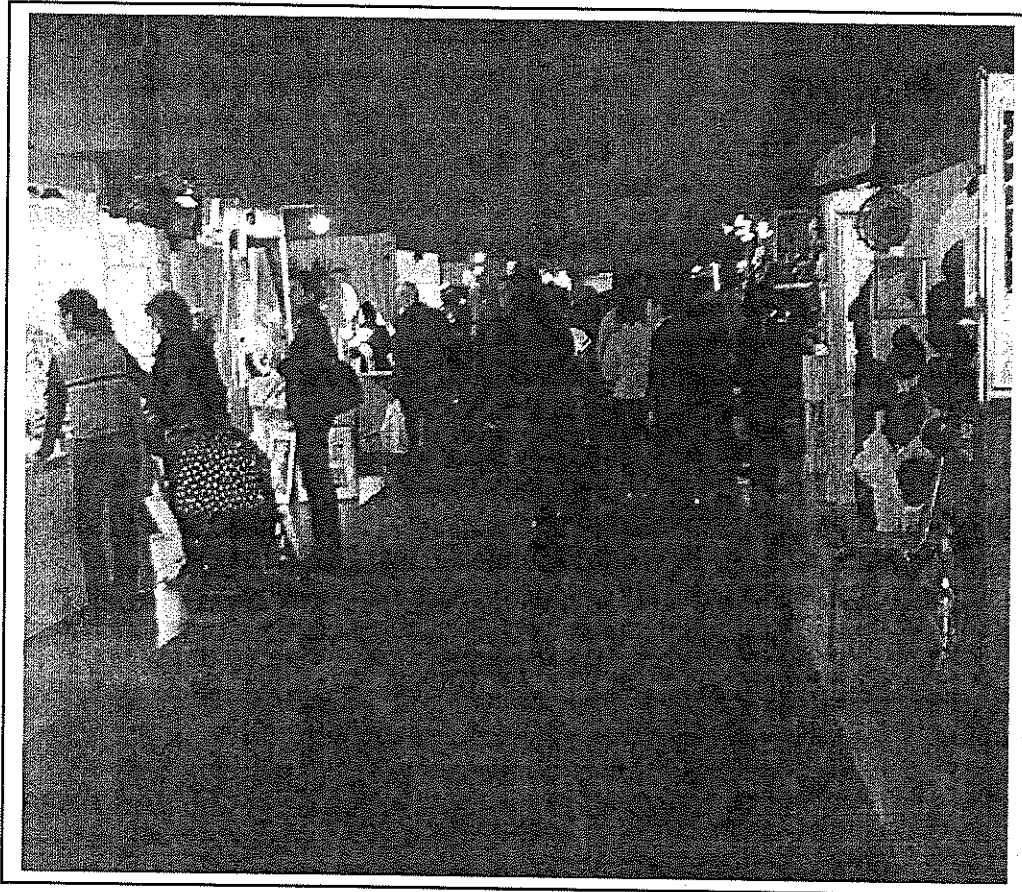


THE NATIONAL TRADE CENTRE  
MANAGEMENT REPORT

FOR THE MONTH ENDING  
APRIL 30, 2003

7



One of a Kind Show Spring Craft Show

**SUBMITTED BY:**

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

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

# EXECUTIVE SUMMARY

## SARS IMPACT

- This month we experienced event cancellations, postponement and future lost business due to the SARS health concern. The financial impact of the event cancellations was detailed in last month's walk-in SARS report to the Board.
- At this time, two major trade events scheduled for this summer have yet to decide if they will proceed with their events. O&Y/SMG Canada is working closely with both companies to ensure that their needs are met and are receiving accurate information from Public Health, in order to make an informed decision. For these and the cancelled clients we are exploring postponement to alternate dates in 2003 in order to salvage the business. On a new business note, the corporate short-term business, Canadian and US trade/consumer show business has all but ceased, with companies hesitating booking until they better understand the SARS economic impact.
- As of the end of April the actual incurred loss due to SARS is approximately \$500,000. It is anticipated that the remaining \$800,000 in new business yet to be booked for 2003 may be difficult to achieve. However during the month of April the sales team did secure 3 new events for 2003 and two new consumer shows for 2004.
- Many events held during the month of April experienced decreased attendance due to the SARS outbreak. Directly impacted was Centerplate, whose sales were down due to low event attendance prompted by SARS. In addition no new catering business was booked in April.

## OTHER BUSINESS

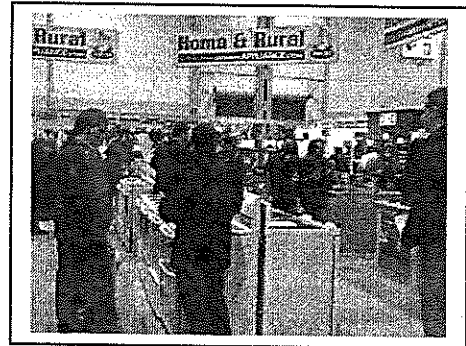
- National Trade Centre and Exhibition Place management and staff worked around the clock to ensure the successful installation of event services and cleaning required for shows at the NTC as a result of the Local 506 labour strike. Special attention was focused on keeping NTC clients, MMPI's One of a Kind Spring Craft Show and DMG World Media's The National Home Show, apprised of daily progress and operational, public and media relations strategies during the eight day strike. Show management of events during the strike expressed sincere appreciation for staff's efforts as did show exhibitors.
- Ricoh Coliseum construction is on schedule and on budget.
- Net Operating Income for the month ending April 30, 2003 was \$1,345,721 compared to a budget of \$1,871,504 for an unfavourable variance of (\$525,784). A focus for the balance of the year will be cost control and rebuilding of the book of business impacted by SARS.

# SALES & MARKETING

## APRIL SALES EFFORTS

During the month of April, our sales team secured 3 new events for 2003 increasing our total to 38. The events are categorized as follows:

- 16 consumer shows
- 4 trade shows
- 8 special events/film/photo shoots
- 10 corporate bookings/meetings/misc.



National Home Show

We also secured 2 new consumers shows for 2004 representing over \$39,000 in rental revenue.

- All members of the Sales and Marketing staff participated in service delivery to the One of a Kind Spring Craft Show and National Home Show during the 506 Labour disruption.
- This month we experienced event cancellations, postponement and future lost business due to the SARS health concern. The financial impact of the event cancellations was detailed in last month's walk-in SARS report to the Board.
- At this time, two major trade events scheduled for this summer have yet to decide if they will proceed with their events. O&Y/SMG Canada is working closely with both companies to ensure that their needs are met and are receiving accurate information from Public Health, in order to make an informed decision. For these and the cancelled clients we are exploring postponement to alternate dates in 2003 in order to salvage the business.
- On a new business note, the corporate short-term business, Canadian and US trade/consumer show business has all but ceased, with companies hesitating booking until they better understand the SARS economic impact.
- O&Y/SMG Canada is currently working on a sales blitz to key national automotive manufacturers to promote events such as ride and drives, product launches and meetings. Distribution of this blitz is scheduled for May.

## BUSINESS TRAVEL

In June, Barbara Outschoorn and Ellen de Boer of our sales team will attend the C.A.E.M. annual conference. The C.A.E.M. Conference (held by the Canadian Association of Exposition Management) will take place in Ottawa from June 21 to 24. A follow-up report will be included in our June summary.

## PUBLICITY

Events held this month received media attention in the Toronto Star and on CITYTV, CP24, and Rogers.

On April 10<sup>th</sup>, we issued a news release to industry trade and local print media, which announced our receipt of the BOMA Certificate of Excellence award. This prestigious award issued through The Building Owners and Managers Association recognizes facility expertise in the areas of building & environmental management, operations, design, tenant and community relations and tenant satisfaction. Media coverage was posted in the February 14, 2003 issue of conworld.net and the April 24, 2003 issue of m+a's Newsline.

## EVENT SERVICES

### APRIL SUMMARY

During the month of April of 2003, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

APRIL	
National Trade Centre Events	Exhibition Place Events
<b>Consumer</b>	
<ul style="list-style-type: none"> <li>• National Home Show</li> <li>• Canadian Fly Fishing Forum</li> <li>• Postage &amp; Stamp Show</li> <li>• Spas Ontario</li> <li>• Toronto District and Area School Board Spring Library Resource Fair</li> </ul>	
<b>Other</b>	
<ul style="list-style-type: none"> <li>• Toronto EDCT Meetings</li> </ul>	

### EVENTS

- The National Home Show reported a dip in attendance. This is believed to be due to the health concerns (SARS) in the City of Toronto at the time. Move-in of the Home Show was slower than in the past because Local 506 Labourers were on strike. Many Home Show exhibitors had to work much longer hours to be ready for show opening.
- The Toronto District and Area School Board Spring Library Resource Fair experienced a sharp decline in attendance. This was due to the outbreak of SARS, and also because the teacher's union was on a "work to rule" job action.
- The Canadian Fly Fishing Forum experienced lower attendance of both exhibitors and patrons for the same health reasons, while the strike on-site delayed move-in on the first Friday. Other than that, all events went relatively smoothly.
- During Spas Ontario, show management was disturbed intermittently by the sounds of drilling from construction taking place in the Coliseum. They were, however, sufficiently impressed by services that they wish to return to the facility next year.

### RICOH COLISEUM

- Consultation with the Royal Agricultural Winter Fair and the Boat Show continued in April to ensure the inclusion of their requirements.

## **LOCAL 506 LABOUR STRIKE**

- National Trade Centre and Exhibition Place management and coordination staff worked around the clock to ensure the successful installation of event services and cleaning required for shows at the NTC. Show management of events during the strike expressed sincere appreciation for staff's efforts as did show exhibitors.

## **TRAVEL**

Ron Mills, Facility Manager for The National Trade Centre, will be taking a course at the Public Assembly Facility Management School (PAFMS) at Olgebay in Wheeling West Virginia from June 2<sup>nd</sup> to 6<sup>th</sup> inclusive. The PAFMS is governed by the International Association of Assembly Manager (IAAM).

## **TELECOMMUNICATIONS**

- Telecommunications is currently working on a variety of new initiatives. A new 802.11G wireless network is being deployed within the National Trade Centre. This infrastructure will provide exhibitors and staff with up to 54 Mega Bit wireless connectivity and will provide a platform for various integrated solutions.
- A new windows 2003 server will provide certain staff with the ability to access their entire desktop and data files remotely (such as from home).
- Telecommunications is working on the design of the cable plant for the Ricoh Coliseum. This cable plant will provide copper and fibre data distribution within the new centre and will tie back to the existing PBX and data network.

## **BUILDING OPERATIONS**

- The Operations department continues to ensure delivery service to all shows in April.
- Chillers at the NTC have been checked and prepared for the summer season.
- Boilers and pressure equipment has been inspected by TSSA (Technical Standards and Safety Authority), and their recommendations are being implemented to ensure equipment meets safety standards.
- Preventative maintenance programs for lighting, filter replacement, diesel generators and H.V.A.C. equipment is ongoing to ensure peak performance for the summer season.
- The Automotive sub-station work has been undertaken to correct deficiencies.
- The Operations staff continues to assist and make recommendations to the RICOH Coliseum Project.

## **FACILITY SERVICES**

- All members of the Facility Services staff played a roll in ensuring delivery of services to The One of A Kind and National Home Shows during the Local 506 strike.
- All preventative maintenance continued throughout the month and the services of contractors were procured for equipment and building repairs where necessary.

- The physically challenged washrooms in the Automotive Building underwent renovations. And renovations to the South Mid Arch washrooms are currently underway.
- Staff continues to co-ordinate work requests with PCL.
- Staff attended various arena turnovers in Buffalo NY. Operations at other facilities have been studied and are being incorporated into the preparation of Arena quotes for Ricoh Coliseum.

## FINANCIALS

Net Operating Income for the month ending April 30, 2003 was \$1,345,721 compared to a budget of \$1,871,504 for an unfavourable variance of (\$525,784).

- Rental income at \$3,208,308 is unfavourable to budget by (\$282,304) mainly due to the timing of new business and the effect of SARS on corporate events.
- Electrical services of \$301,462 have fallen below budget. The reason for this is a reduced demand from exhibitors at certain shows for this service as well as higher costs to deliver the service for the Boat Show, Canadian Hardware and Building Materials Show, Toronto Sportsmen's Show and the Interior Design Show. Staff are addressing these issues.
- Budgeted Coliseum recoveries will not be realized as these have been delayed until the opening of the building on November 1, 2003.
- Direct and indirect expenses are unfavourable to budget by (\$35,284) partly as a result of higher costs or relief for the One of a Kind event and National Home Show due to the strike action by Local 506. Insurance is \$32,395 over budget due to general increases being experienced in public assembly facilities.
- Food & Beverage concessions of \$671,280 are unfavourable to budget by (\$53,608) due to the reduced corporate events that are not allowing new business targets to be achieved.
- Telecommunications at \$174,704 is favourable to budget by \$28,761 due to higher demand for internet services from the NDP Leadership Convention.

Accounts receivables for the month ending April 30, 2003 were \$1,743,893 consisting mainly of:

- \$812,863 for services on completed events of which \$30,726 has been received by May 15, 2003.
- \$430,947 owed as deposits for future events of which \$81,325 has been received by May 15, 2003.
- \$221,341 of Food & Beverage Concessions is owed by Centerplate contractually due on the 25<sup>th</sup> of the following month.
- \$176,131 for Coliseum partners and sub-contractors for Arena-related project costs of which \$40,000 has been received by May 15, 2003.
- \$86,559 of inter-program settlements, for event support services and Coca-Cola Bottling Sponsorship, of which \$42,500 has been received by May 15, 2003.
- \$16,050 for sponsorship approved by the Board, now paid in full.

## SERVICE STARS

Diane Gosling of the Canadian Sanitation Supply Association wrote to thank Arlene Campbell for the assistance she received from Laura Purdy: "... stupendous help from Laura Purdy. She was Superb! Accommodating! Helpful! And any other adjective you can find to describe a truly professional lady."

# CENTERPLATE

## **RETAIL DEPARTMENT**

Shows for the month included The National Home Show, One of a Kind Spring Craft Show, Postage Stamp Show, Fly Fishing Forum and The School Library Resource Fair. The impact on our community of SARS played a huge role in the outcome of the shows that did not cancel. Revenues were off significantly from expected budgets during the period.

## **CATERING DEPARTMENT**

Catering for the period included an event for Spas Ontario as well as very limited booth catering for The National Home Show. Again. This is also a severe drop in revenues from our original expectations.

# APPENDIX "A"

## THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS APRIL 2003 and YEAR TO DATE

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	7	4	3	33	22	11
Direct Event Income	1,099,464.36	1,199,520.15	(100,055.79)	3,540,083.63	3,808,667.00	(268,583.37)
Ancillary Income	312,224.07	328,187.05	(15,962.98)	1,263,438.73	1,464,253.00	(200,814.27)
Advertising Income	16,962.95	37,072.00	(20,109.05)	97,185.95	118,288.00	(21,102.05)
CNE Recovery	-	-	-	-	-	-
<b>Total Event Income</b>	<b>1,428,651.38</b>	<b>1,564,779.20</b>	<b>(136,127.82)</b>	<b>4,900,708.31</b>	<b>5,391,208.00</b>	<b>(490,499.69)</b>
Direct Expenses	491,487.42	460,729.00	(30,758.42)	2,007,706.92	2,017,821.00	10,114.08
Indirect Expenses	435,959.74	351,260.57	(84,699.17)	1,547,280.76	1,501,882.57	(45,398.19)
<b>Total Event Expenses</b>	<b>927,447.16</b>	<b>811,989.57</b>	<b>(115,457.59)</b>	<b>3,554,987.68</b>	<b>3,519,703.57</b>	<b>(35,284.11)</b>
<b>NET INCOME (LOSS)</b>	<b>501,204.22</b>	<b>752,789.63</b>	<b>(251,585.41)</b>	<b>1,345,720.63</b>	<b>1,871,504.43</b>	<b>(525,783.79)</b>

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30, 2003 the markup paid to Exhibition Place was a total of \$ 167,400.52 ( \$ 135,554.83 expensed against direct event income and the balance of \$ 31,845.69 in direct expense)





**THE NATIONAL TRADE CENTRE  
FINANCIAL STATEMENT HIGHLIGHTS  
AS AT APRIL 30, 2003 with COMPARISON TO APRIL 2002**

	2002 YTD APRIL ACTUAL	2003 YTD ACTUAL	2003 YTD BUDGET	2003 VARIANCE	VARIANCE TO YTD APRIL 2002 ACTUAL	%
Number of Events	36	33	22	11	(3)	(8.3%)
Direct Event Income	3,665,201.76	3,540,083.63	3,808,667.00	(268,583.37)	(125,118.13)	(3.4%)
Ancillary Income	1,177,834.65	1,263,438.73	1,464,253.00	(200,814.27)	85,604.08	7.3%
Advertising Income	109,386.31	97,185.95	118,288.00	(21,102.05)	(12,200.36)	(11.2%)
CNE Recovery	-	-	-	-	-	0.0%
<b>Total Event Income</b>	<b>4,952,422.72</b>	<b>4,900,708.31</b>	<b>5,391,208.00</b>	<b>(490,499.69)</b>	<b>(51,714.41)</b>	<b>(1.0%)</b>
Direct Expenses	1,883,988.59	2,007,706.92	2,017,821.00	10,114.08	(123,718.33)	(6.6%)
Indirect Expenses	1,241,484.23	1,547,280.76	1,501,882.57	(45,398.19)	(305,796.53)	(24.6%)
<b>Total Event Expenses</b>	<b>3,125,472.82</b>	<b>3,554,987.68</b>	<b>3,519,703.57</b>	<b>(35,284.11)</b>	<b>(429,514.86)</b>	<b>(13.7%)</b>
<b>NET INCOME (LOSS)</b>	<b>1,826,949.90</b>	<b>1,345,720.63</b>	<b>1,871,504.43</b>	<b>(525,783.79)</b>	<b>(481,229.27)</b>	<b>(26.3%)</b>

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30, 2003 the markup paid to Exhibition Place was a total of \$ 167,400.52 ( \$ 135,554.83 expensed against direct event income and the balance of \$ 31,845.69 in direct expense)



**THE NATIONAL TRADE CENTRE  
EVENT STATISTICS**

**FOR THE MONTH OF APRIL 2003**

<b>MONTH ACTUAL</b>	145,150	<b>YTD ACTUAL</b>	731,264	<b>PRIOR YEAR ACTUAL</b>	819,120
Attendance [Note:1]					

<b>EVENT</b>	<b>ACTUAL # OF PERFORMANCES</b>			<b>(IN THOUSANDS)</b>		<b>REFRESHMENT PER CAP'S ACTUAL [Note: 2]</b>
	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>NET EVENT INCOME [Note: 3] ACTUAL</b>	<b>BUDGET</b>	
Consumers Show	20	17	19	3,261	3,488	3.72
Trade Show	5	2	4	461	832	1.18
Concert	0	1	0	1	-	
Photo/Film Shoot	3	1	1	61	-	12.34
Meeting/Corporate	5	15	11	177	-	25.50
	<b>33</b>	<b>36</b>	<b>35</b>	<b>3,962</b>	<b>4,320</b>	

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, 2003

ASSETS	2003	2002
<b>CURRENT ASSETS</b>		
CASH	466,136.74	785,234.29
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,600,000.00	2,750,000.00
AMERICAN EXPRESS	-	2,463.52
TRADE ACCOUNTS RECEIVABLE	1,743,893.11	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(12,864.91)</u>	
NET ACCOUNTS RECEIVABLE	1,731,028.20	1,298,818.69
RECEIVABLE FROM EX PLACE	26,559.17	44,543.19
OTHER RECEIVABLE	68,082.34	123,541.00
PREPAID EXPENSES	<u>111,466.10</u>	<u>27,525.19</u>
<b>TOTAL CURRENT ASSETS</b>	<b>5,253,272.55</b>	<b>5,282,125.88</b>
<b>FIXED ASSETS</b>		
EQUIPMENT - NET	60,702.13	100,071.23
<b>TOTAL ASSETS</b>	<b><u>5,313,974.68</u></b>	<b><u>5,382,197.11</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCRUED LIABILITIES	2,494,837.53	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	73,169.70	
DEFERRED REVENUE	<u>1,567,668.89</u>	3,765,008.47
<b>EQUITY</b>		
NET INCOME (LOSS) CURRENT	1,345,720.63	1,826,949.90
PRIOR YEAR PSAB ADJUSTMENT	(167,422.07)	(209,761.26)
PRIOR YEAR SURPLUS	2,370,359.86	
DISTRIBUTION TO EXHIBITION PLACE	<u>(2,370,359.86)</u>	
	<b><u>5,313,974.68</u></b>	<b><u>5,382,197.11</u></b>

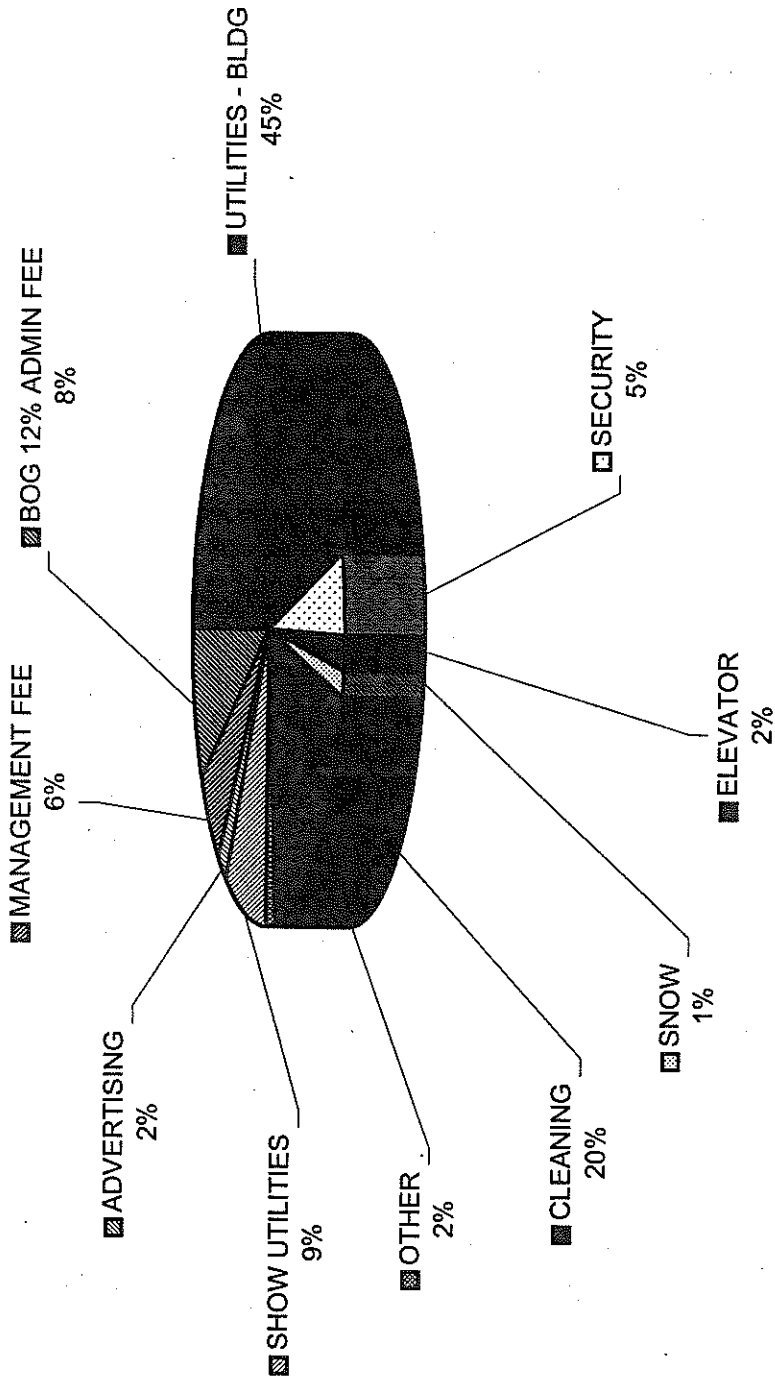


THE NATIONAL TRADE CENTRE  
 FINANCIAL STATEMENT HIGHLIGHTS  
**STATEMENT OF CASH FLOW**  
 FOR THE PERIOD ENDED APRIL 30, 2003

	MONTH	YTD
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME (LOSS)	501,204.22	1,345,720.63
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
<b>SOURCES (USES) OF CASH</b>		
TERM INVESTMENTS	2,000,000.00	4,250,000.00
ACCOUNTS RECEIVABLE - TRADE	120,670.29	344,541.28
RECEIVABLE FROM EX PLACE B.O.G	(7,560.17)	(26,559.17)
ACCOUNTS RECEIVABLE - OTHER	23,871.29	10,340.71
PREPAID EXPENSES	66,781.10	84,317.51
DEPOSITS AND OTHER ASSETS	9,470.10	23,786.00
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(253,897.51)	(1,667,413.63)
OTHER PAYABLES	5,560.72	(54,457.78)
DEFERRED INCOME	(974,989.67)	(1,952,052.66)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
<b>NET CASH FROM OPERATIONS</b>	<b>1,491,110.37</b>	<b>2,358,222.89</b>
<b>OTHER SOURCES (USES) OF CASH</b>		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	(2,328,020.66)	(2,328,020.66)
<b>NET CASH FROM OTHER SOURCES</b>	<b>(2,328,020.66)</b>	<b>(2,328,020.66)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(836,910.29)</b>	<b>30,202.23</b>
<b>BEGINNING CASH BALANCE</b>	<b>1,303,047.03</b>	<b>435,934.51</b>
<b>ENDING CASH BALANCE</b>	<b>466,136.74</b>	<b>466,136.74</b>



**COMPONENTS OF DIRECT EXPENSE  
YTD APRIL 30, 2003**



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

**THE NATIONAL TRADE CENTRE  
CHEQUE DISBURSEMENTS - APRIL 2003  
GREATER THAN \$50,000**

	Amount	DESCRIPTION
BOARD OF GOVERNORS	77,302.27	HRLY PAYROLL WE APRIL 12
BOARD OF GOVERNORS	1,328,020.66	2002 SURPLUS CHEQUE
BOARD OF GOVERNORS	84,713.12	WORK ORDERS - MARCH 2003
BOARD OF GOVERNORS	188,749.43	SALARIES - MAR/APR
BOARD OF GOVERNORS	82,272.53	SALARIES - WE APR 5
<hr/>		
<b>DISBURSEMENTS OVER \$50,000</b>	<b>1,761,058.01</b>	
<b>OTHER DISBURSEMENTS LESS THAN \$50,000</b>	<b>471,584.58</b>	
<b>TOTAL DISBURSEMENTS FOR APR. 2003</b>	<b>2,232,642.59</b>	

