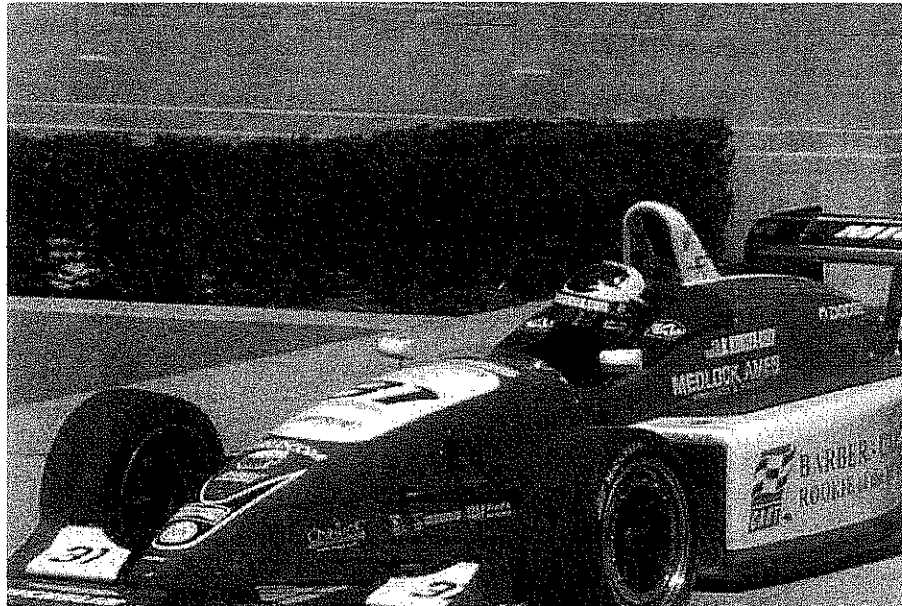


THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

FOR THE MONTH ENDING
July 31, 2001



SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

MARKETING

In July, The National Trade Centre sales team issued two major sales blitzes in an effort to secure additional business for 2001 and beyond. These blitzes targeted key contacts in the GTA within the automotive industry and the retail industry. Our sales team is currently working on the follow-up to these sales efforts as well as organizing sales blitzes for August to target other short-term business for 2001 such as AGM's and large corporate meetings.



GM Fleet Preview

On July 11, 2001, The National Trade Centre co-hosted the Welcome Reception for the annual forum for the Exposition Operations Society (EOS). EOS is an organization dedicated to operations professionals involved in the production of trade and consumer shows, corporate events and meetings. Over 40 people including EOS members and industry professionals attended the reception. Our sales team is working on following up with individual members in an effort to bring new business to our facility.

JULY SALES ACTIVITY

1 new 2001 event was contracted which increased our total to 40 new events for this year. The events are categorized as follows:

- 8 consumer shows
 - 4 trade shows
 - 12 special events/film/photo shoots
 - 16 corporate bookings/meetings/miscellaneous
- 8 additional contracts have been issued for new events

BUSINESS TRAVEL

In July, Barbara Outschoorn and Ellen de Boer attended the annual conference for the Canadian Society of Association Executives (CSAE) in Calgary, Alberta. Over 450 association delegates attended the CSAE conference. The National Trade Centre was also represented at the showcase portion of the conference as a booth participant under the Tourism Toronto booth. Our sales team is currently working on a sales plan to follow-up with the association members as a result of attending this conference.

PUBLICITY

Following is the July media coverage:

- Toronto Star – July 14, 2001 issue contained a photograph of the front of The National Trade Centre from the Molson Indy.
- Toronto Business Journal – July 30, 2001 issue contained an article entitled “Convention biz hit by short-term dip” which includes quotes from The National Trade Centre General Manager, Ernest Vincent and Metro Toronto Convention Centres (MTCC), Vice President Sales & Marketing, John Houghton.

EVENT SERVICES

During the month of July 2001, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

Trade	Exhibition Place Events
Consumer	
<ul style="list-style-type: none">• Canada Ceylon C.O.C. Consumer Show	<ul style="list-style-type: none">• World Cup Triathlon• Fed Ex Charity Challenge• Molson Indy Festival Bike Event
Other	<ul style="list-style-type: none">• Molson Indy/Motorfest• Hoop it Up

EVENTS

- Event & Facility Coordinators provided their skills to the coordination and management of services delivered to the Molson Indy. Extensive monitoring and reporting of the set up, operation and tear down was conducted in anticipation of next year’s World Youth Days that will set up directly before the 2002 Molson Indy.
- Canada Ceylon C.O.C. Consumer Show was a very successful Tamil Community trade event that attracted approx. 14,000 visitors to the QE Exhibit Hall. This growing event is considering moving to The National Trade Centre next year.

TELECOMMUNICATIONS

- Telecommunications services were deployed for the 2001 Molson Indy which included, digital phone services, analog Phone services and Internet Access via Ethernet.
- New points of presence were established for service deployment to the Food Building and Better Living Centre. These points of presence were outfitted with telephony interconnects that terminate in the main telecommunications room of the National Trade Centre. New fuse protection cabinets, interconnect splices and distribution panels have been installed in the National Trade Centre to facilitate these services.

- Telecommunications staff reacted promptly to a cable that was sliced through by a contractor. The severance occurred just west of the Sports Hall of fame and caused interruption of phone services across the west end of the grounds. Telecommunications worked throughout the weekend in order to bring service back as soon as possible.

BUILDING OPERATIONS

FACILITY SERVICES

All necessary building and equipment maintenance continued throughout July. The following work is either on going or completed.

- Exterior painting of doors, benches and dock plates was completed
- Molson Indy damages to walkways; shrubs, grass, trees, irrigation, electrical poles and interior wall divider panel were assessed. Repairs will be complete during the month of August
- Exterior and interior plants/gardens were maintained throughout facility
- The Automotive building roof drains were cleaned, and the remaining areas will be completed during August
- Emergency generators were maintained as per building code standards. Further repairs will be completed during August.
- Escalators and elevators underwent scheduled and unscheduled repairs throughout July
- Building automation controls were maintained as per service contract
- HVAC provided scheduled/unscheduled maintenance to the Cooling Towers, run pumps on manual, backwash sand filters, clean strainers and service pump seal filters, chemical testing and treatment

FINANCIALS

Net Operating Income for the seven months ending July 31, 2001 was \$831,099 compared to a budget of \$1,086,799, a variance of (\$255,700).

- Rental income is unfavourable to budget by (\$728,147) at \$3,630,453 due to relocation of the Gift Show and show shrinkage and softness in new business.
- Catering and concession commissions at \$823,123 fell short by (\$189,826), due to reduced new catered events and scheduling of new business.
- Electrical service at \$407,091 is unfavourable to budget by (\$180,358) mainly due to reduction of new business and reduced electrical services for the Hardware and Spring Gift show.
- Direct and indirect expenses are favourable to budget by \$663,081 partly as a result of positive efforts to further control expenditures.

Accounts receivables at July 31, 2001 were \$528,157 consisting mainly of:

- \$34,852 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month;
- \$378,951 owed as deposits for future events, of which \$92,265 was received in August.
- \$211,329 for services on completed events of which \$37,746 has been received in August.

SERVO-CANADA

RETAIL DEPARTMENT

- Servo Canada was involved with the CHIN International Picnic as the role of being the sole provider of international cuisine.
- Servo was again involved in the Toronto Triathlon during the month of July and sales were slow as attendance was low.
- Molson Indy was extremely busy this year as fantastic weather drew large crowds. By changing some of the services offered, Servo was able to build sales.
- The Canada Ceylon Consumer Show was offered a buyout on services due to the attendees' expectations and need for authentic ethnic foods.

CATERING DEPARTMENT

- The National Trade Centre played host to a very important reception in the East Galleria area on the 11th of the month. Visiting facility managers from across North America were given a special tour of The National Trade Centre and a stand up reception.
- Other catering for the month included some in-house meetings and catering associated with the Molson Indy.
- Our Catering Department began preparations and planning for the upcoming Canadian Meetings and Incentive Travel Symposium at the Metro Toronto Convention Centre (MTCC). We will be hosting a booth and representing The National Trade Centre.

APPENDIX "A"

THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS JULY 2001 and YEAR TO DATE

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events				60		
Direct Event Income	23,041.43	251,884.00	(228,842.57)	4,091,089.63	4,621,491.00	(530,401.37)
Ancillary Income	33,059.02	110,841.00	(77,781.98)	1,593,116.23	1,965,925.00	(372,808.77)
Advertising Income	22,213.00	30,213.00	(8,000.00)	140,135.05	155,706.00	(15,570.95)
CNE Recovery	78,313.45	392,938.00	(314,624.55)	5,824,340.91	6,743,122.00	(918,781.09)
Total Event Income						
Direct Expenses	225,612.78	378,247.00	152,634.22	2,822,612.53	3,252,472.00	429,859.47
Indirect Expenses	305,558.12	326,445.00	20,886.88	2,170,629.46	2,403,851.00	233,221.54
Total Event Expenses	531,170.90	704,692.00	173,521.10	4,993,241.99	5,656,323.00	663,081.01
NET INCOME (LOSS)	(452,857.45)	(311,754.00)	(141,103.45)	831,098.92	1,086,799.00	(255,700.08)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	9,377.35	54,200.00	(44,822.65)	1,710,677.83	1,935,070.00	(224,392.17)
PARKING EXPENSE	1,969.24	11,381.70	(9,412.46)	359,242.34	406,364.70	47,122.36
NET PARKING	7,408.11	42,818.30	(35,410.19)	1,351,435.49	1,528,705.30	(177,269.81)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At July 31, 2001 the markup paid to Exhibition Place was a total of \$ 222,034.85 (\$ 180,807.36 expensed against direct event income and the balance of \$ 41,227.49 in direct expense)



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT JULY 31, 2001 with COMPARISON TO JULY 2000**

	2000 YTD JULY ACTUAL	2001 YTD ACTUAL	2001 YTD BUDGET	2001 VARIANCE	VARIANCE TO YTD JUNE 2000 ACTUAL	%
Number of Events	63	60			(3)	(4.8%)
Direct Event Income	4,818,577.66	4,091,089.63	4,621,491.00	(530,401.37)	(727,488.03)	(15.1%)
Ancillary Income	1,949,146.86	1,593,116.23	1,965,925.00	(372,808.77)	(356,030.63)	(18.3%)
Advertising Income	164,786.30	140,135.05	155,706.00	(15,570.95)	(24,651.25)	(15.0%)
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	6,932,510.82	5,824,340.91	6,743,122.00	(918,781.09)	(1,108,169.91)	(16.0%)
Direct Expenses (Note 2)	3,108,203.71	2,822,612.53	3,252,472.00	429,859.47	285,591.18	9.2%
Indirect Expenses	2,233,901.23	2,170,629.46	2,403,851.00	233,221.54	63,271.77	2.8%
Total Event Expenses	5,342,104.94	4,993,241.99	5,656,323.00	663,081.01	348,862.95	6.5%
NET INCOME (LOSS)	1,590,405.88	831,098.92	1,086,799.00	(255,700.08)	(759,306.96)	(47.7%)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	1,862,945.52	1,710,677.83	1,935,070.00	(224,392.17)	(152,267.69)	(8.2%)
PARKING EXPENSE	391,218.56	359,242.34	406,364.70	47,122.36	31,976.22	8.2%
NET PARKING	1,471,726.96	1,351,435.49	1,528,705.30	(177,269.81)	(120,291.47)	(8.2%)

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour & materials. At July 31, 2001 the markup paid to Exhibition Place was a total of \$ 222,034.85 (\$ 180,807.36 expensed against direct event income and the balance of \$ 41,227.49 in direct expense)

Note: 2 Retroactive salary increase of \$36,750 resulting from increases of 2% for 1999, 2.17% for 2000, and increases as a result of the interim compensation plan which were not reflected in the 2000 numbers until November 2000.



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF JULY 2001

<u>MONTH. ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
-	841,123	994,775

Attendance [Note: 1]

<u>EVENT</u>	<u>ACTUAL # OF PERFORMANCES</u>		<u>(IN THOUSANDS)</u>		<u>REFRESHMENT PER CAP'S ACTUAL [Note: 2]</u>
	<u>2001</u>	<u>2000</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
Consumers Show	23	29	3,277	3,841	3.21
Trade Show	6	9	882	1,506	8.76
Concert	1	2	57	-	1.05
Photo/Film Shoot	3	5	51	-	48.66
Meeting/Corporate	27	18	491	96	19.07
	<u>60</u>	<u>63</u>	<u>4,757</u>	<u>5,443</u>	

Note: 1

Attendance estimates provided by Show Management.

Note: 2

Refreshment per cap's based on information reported by Servo Canada

Note: 3

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



**THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT JULY 31, 2001**

	2001	2000
ASSETS		
CURRENT ASSETS		
CASH	733,781.57	247,221.64
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,100,000.00	2,700,000.00
AMERICAN EXPRESS	172.20	9,401.97
TRADE ACCOUNTS RECEIVABLE	689,597.34	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(44,051.43)</u>	
NET ACCOUNTS RECEIVABLE	645,545.91	784,931.95
RECEIVABLE FROM EX PLACE	49,474.00	859.16
OTHER RECEIVABLE	108,942.63	158,977.59
PREPAID EXPENSES	<u>124,191.52</u>	<u>131,612.22</u>
TOTAL CURRENT ASSETS	4,012,107.83	4,283,004.53
FIXED ASSETS		
EQUIPMENT - NET	158,302.31	118,267.34
TOTAL ASSETS	<u>4,170,410.14</u>	<u>4,401,271.87</u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	783,686.31	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	54,599.37	
DEFERRED REVENUE	<u>2,445,319.60</u>	2,810,865.99
EQUITY		
NET INCOME (LOSS) CURRENT	831,098.92	1,590,405.88
PRIOR YEAR PSAB ADJUSTMENT	55,705.94	
PRIOR YEAR SURPLUS	2,209,850.24	
DISTRIBUTION TO EXHIBITION PLACE	<u>(2,209,850.24)</u>	
	<u>4,170,410.14</u>	<u>4,401,271.87</u>



THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED JULY 31, 2001

	<u>MONTH</u>	<u>YTD</u>
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(452,857.45)	831,098.92
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	257,773.49
SOURCES (USES) OF CASH		
TERM INVESTMENTS	-	2,300,000.00
ACCOUNTS RECEIVABLE - TRADE	16,299.99	1,627,720.88
RECEIVABLE FROM EX PLACE B.O.G	(18,939.67)	(49,474.00)
ACCOUNTS RECEIVABLE - OTHER	30,333.70	109,565.87
PREPAID EXPENSES	(39,216.06)	8,622.54
DEPOSITS AND OTHER ASSETS	(2,658.20)	15,303.94
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(130,149.35)	(1,518,870.70)
OTHER PAYABLES	11,467.28	(96,683.36)
DEFERRED INCOME	853,160.48	(920,980.64)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	267,440.72	2,564,076.94
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(2,209,850.24)
NET CASH FROM OTHER SOURCES	-	(2,209,850.24)
NET INCREASE (DECREASE) IN CASH	267,440.72	354,226.70
BEGINNING CASH BALANCE	466,340.85	379,554.87
ENDING CASH BALANCE	733,781.57	733,781.57

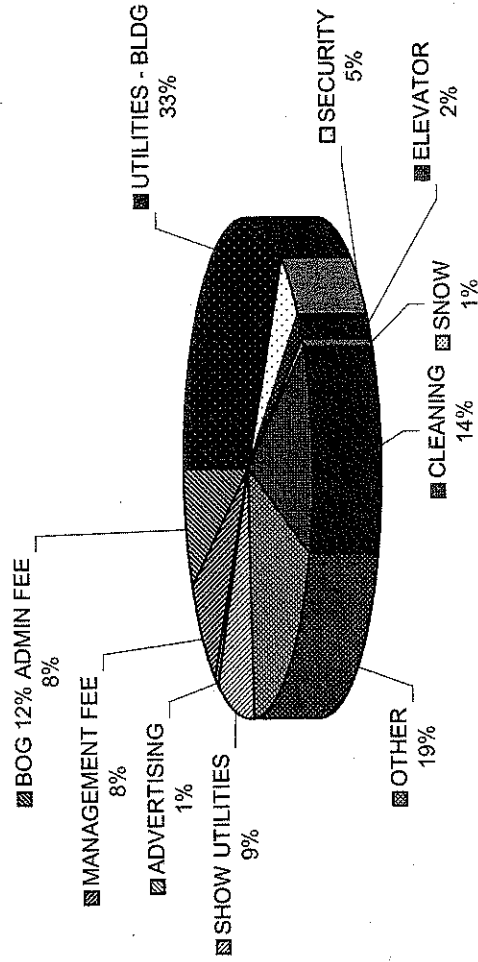
THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING

AS AT JULY 31, 2001

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	AS AT JULY 31, 2001			COMMENTS
			30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	
COMPLETED EVENTS						
TORONTO INT'L QUARTERHORSE SHOW	31,482.69				31,482.69	EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26 - MET WITH SH MANAGEMENT MAY 23, 2001. BALANCE TO BE PAID IN FULL THROUGH MONTHLY INSTALLMENTS BY SEPTEMBER 5, 2001.
ROYAL AGRICULTURAL WINTER FAIR	30,078.67	17,522.63	12,556.04			PHONE/INTERNET, UTILITIES & CLEANING JAN-JUNE 2001 - REC'D \$9,570.41 AUG. 7/01
PARALLEL PRODUCTION SERVICES	13,979.07	4,001.14	9,977.93			VARIOUS SERVICES - MARCH/JUNE 2001 EVENTS
GES CANADA EXPOSITIONS	17,877.08	5,000.00	12,677.08			VARIOUS SERVICES - APRIL/JULY 2001 EVENTS
CUSTOMER ACCOUNTS - LESS THAN \$10,000	118,111.18	69,791.13	33,362.35		14,957.70	REC'D \$28,176.75 ON AUG. 7-16/01
SUB-TOTAL	211,328.69	96,314.90	68,573.40		46,440.39	
FUTURE EVENTS						
REED EXHIBITION COMPANIES	126,929.10	126,929.10				BUILDING RENT - MACHINE TOOL / NFAS SHOW - OCT. 2001
CANADIAN CRAFT SHOWS LTD.	87,543.92	87,543.92				BUILDING RENT - ONE OF A KIND CHRISTMAS SHOW - DEC. 2001
MERCHANDISE MART ENTERPRISES	46,658.15	46,658.15				PAID IN FULL
CANADIAN NATIONAL SPORTSMEN'S SHOWS	30,781.76	15,390.88	15,390.88			BUILDING RENT - TORONTO SKI & SNOWBOARD SHOW - OCT. 2001 REC'D \$15,390.88 AUG.
DMG WORLD MEDIA - FALL HOME SHOW	30,217.17	30,217.17				PAID IN FULL
SHOWFEST PRODUCTIONS INC.	24,351.87	8,117.29		16,234.58		BUILDING RENT - COMPUTERFEST & MAC EXPO - SEPT. 2001
FREE LAND MARKETING INC.	19,099.50			19,099.50		BUILDING RENT - EVERYTHING ABOUT SEX SHOW - OCT. 2001
UMBRA LIMITED	13,369.65		13,369.65			BUILDING RENT - UMBRA FACTORY SALE - DEC. 2001
SUB-TOTAL	378,951.12	314,856.51	28,760.53	35,334.08		
SERVOMATION						
SERVO CANADA	34,852.15	34,852.15				CATERING COMMISSIONS FOR JULY CONTRACTUALLY DUE AUG. 25/2001 CLEANING & UTILITIES FOR THE MONTH OF JULY
BOARD OF GOVERNORS						
CANADIAN NATIONAL EXHIBITION ASSOC. EXHIBITION PLACE	45,365.88	2,570.33	42,795.55			MOLSON INDY OIL SPONSORSHIP, MR. CHEMICAL SIGNING BONUS + VARIOUS SERVICES REC'D \$25,000.00 ON AUG. 7/01
SUB-TOTAL	45,365.88	2,570.33	42,795.55			
SPONSORSHIP						
LITIGATION / RECEIVERSHIP						
SPORTSWORLD EXPO PRODUCTIONS	19,099.50				19,099.50	BUILDING RENTAL FEE FOR CANCELLED APRIL 2001 EVENT - CURRENTLY IN COLLECTION:
SUB-TOTAL	19,099.50				19,099.50	
	689,597.34	448,593.69	140,129.48	35,334.08	65,539.89	
	100%	65%	20%	5%	10%	



COMPONENTS OF DIRECT EXPENSE



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

**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - JUL 2001
GREATER THAN \$50,000**

Check No	Date	Description	Amount
11621	7/31/01	THE BOARD OF GOVERNORS OF EXHIBI	129,817.59
11620	7/31/01	THE BOARD OF GOVERNORS OF EXHIBI	109,231.49
11578	7/25/01	O&Y SMG CANADA	81,303.78
11496	7/4/01	THE BOARD OF GOVERNORS OF EXHIBI	64,068.48
11495	7/3/01	THE BOARD OF GOVERNORS OF EXHIBI	54,120.57
DISBURSEMENTS OVER \$50,000			438,541.91
OTHER DISBURSEMENTS LESS THAN \$50,000			360,804.21
TOTAL DISBURSEMENTS FOR JUL 2001			799,346.12



