

THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

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FOR THE MONTH ENDING
NOVEMBER 30, 2001



SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

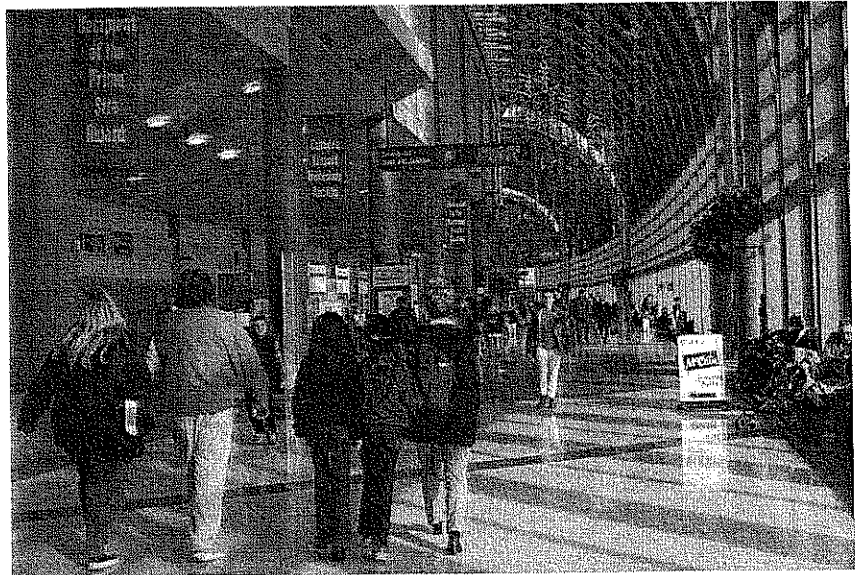
ERNEST VINCENT
GENERAL MANAGER/NTC



MARKETING

On November 23, 2001 the Sales & Marketing team issued a media release announcing the extension of O&Y/SMG Canada's management agreement of The NTC for a three year term. The release was issued to key local, national and international industry media and associations as well as City of Toronto Councillors.

On the evening of November 29, 2001, The NTC and Servo Canada hosted a holiday client appreciation reception. The reception was a huge success and was attended by over 40 representatives from our top client base as well as reps from our official suppliers.



Royal Agricultural Winter Fair

NOVEMBER SALES ACTIVITY

During the month of November, our Sales team continued researching opportunities within the Toronto tradeshow business to attract future business to The NTC. To coincide with Barbara Outschoorn's business trip to attend the International Association for Exhibition Management (I.A.E.M.) annual meeting and Expo! Expo! in Chicago, O&Y/SMG Canada's sales team contacted over 40 key business contacts in the U.S. to promote The National Trade Centre and to invite these contacts to attend an industry function co-sponsored with the Toronto Tradeshow booth partners during the I.A.E.M. meeting.

- 2 new 2001 events were contracted this month therefore increasing our total to 55 new events for this year. The events are categorized as follows:
 - 10 consumer shows
 - 6 trade shows
 - 17 special events/film/photo shoots
 - 22 corporate bookings/meetings/misc.

Our Sales & Marketing team has been aggressively working to secure new events for 2002. Results of these sales efforts are as follows:

- 5 new 2002 events were contracted this month increasing our total to 12 new events for 2002. The events are categorized as follows:
 - 4 consumer shows
 - 5 trade shows
 - 2 special events/film/photo shoots
 - 1 corporate booking/meeting/misc.
- Contracts have been issued for an additional 6 new events for 2002

PUBLICITY

During the month of November, The Toronto Star newspaper as well as local television and radio media such as CITY TV, CP24, Global, CTV, 680 news and CFRB, provided coverage of several events including the Jazz Convention, the Royal Agricultural Winter Fair and the City of Toronto media conference.

EVENT SERVICES

EVENTS

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

November	
	Exhibition Place Events
Consumer	
<ul style="list-style-type: none"> • Canadian International Jazz Expo • Royal Agricultural Winter Fair • "One of a Kind" Christmas Craft Show & Sale 	
Other	
<ul style="list-style-type: none"> • City of Toronto Media Launch • Library Resource Fair • The Learning Annex • Structures Film Shoot 	

- Staff continued to provide a vast menu of services to the Royal Agricultural Winter Fair (RAWF) this year including help to show management in planning services for the event. Show attendance was good, continuing the encouraging pattern of shows at the NTC this fall.
- Discussions are planned with the RAWF for December to address avoiding accumulated affect of animals in the new halls through exploring the reposition of RAWF programming.
- Canadian International Jazz Expo was a first time event located in the QE Theatre & Exhibit Hall. Show attendance was poor however the promoter wishes to continue to build the event on this site.

TELECOMMUNICATIONS

- Telecommunications completed an addendum to the Exhibition Place disaster recovery plan. The additional document covered the services specifically provided by The National Trade Centre, including grounds wide telecommunications as well as computer server operations and maintenance. The document provides specific configuration information, local contacts as well as third party support information
- Staff of the Telecommunications department took part in an onsite comprehensive training program given by MDR/Switch view. Training took place over a 3-day period and covered theoretical, operational and maintenance issues associated with the software that is used by staff to make add, moves, changes and reconciliation.

BUILDING OPERATIONS

ELECTRICAL/HVAC

- Replaced Carma host computer and recovered data lost due to system problems with insufficient hard drive and faulty cooling fan
- Received variable speed drive replacement for Exhaust Fan #17, project ongoing
- Schedule for Angus system being reviewed for improved coordination of seasonal maintenance items
- Purge mode was initiated to assist with odor management during the RAWF
- In preparation for the One of a Kind all HVAC filter were changes, drains were cleaned in livestock areas and all catch basins pumped and cleaned, post RAWF.
- Re-lamp TradeLink and Theatre and repaired floor ports in TradeLink.
- Pressure flushed all traps for plumbing in Halls A,B, & C
- Install/Setup/tear down cattle wash areas in Industry Building
- Check completed to hose bits in Industry Building
- Ongoing maintenance for all electronic flush equipment in the facility washrooms
- Upgrade power for Coke machines in various locations
- Christmas tree lighting installed for two large pines, one in the Auto Building and one located at the west end of the Galleria
- Tested emergency generator and emergency lighting system throughout the Automotive building.
- Ongoing development of the Automotive Building air conditioning project, including switch gear upgrades which will be required to accommodate new HVAC equipment.

FINANCIALS

Net Operating Income for the ten months ending November 30, 2001 was \$1,568,553 compared to a budget of \$1,927,168 a variance of (\$358,615).

- Rental income is unfavourable to budget by (\$1,233,301) at \$5,527,145 due to show shrinkage and softness in new corporate events.



- Catering and concession commissions at \$998,749 fell short by (\$338,244), due to reduced new catered events and scheduling of new business.
- Electrical service at \$707,145 is unfavourable to budget by (\$232,160) 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 \$1,256,322 partly as a result of positive efforts to further control expenditures.

Accounts receivables at November 30, 2001 were \$1,541,716 consisting mainly of:

- \$611,229 for services on completed events of which \$357,242 has been received in December.
- \$516,143 owed as deposits for future events of which \$91,253 has been received in November.
- \$283,063 of inter-program settlements, \$121,063 for event support services to Exhibition Place, \$162,000 for sponsorship monies billed by Exhibition Place for the NTC
- \$49,746 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month.

SERVO-CANADA

RETAIL DEPARTMENT

- Retail sales for the month were good for the RAWF and extremely strong on the One of a Kind Show. Improvement over previous year was seen at the One of a Kind Show. The RAWF, while not improving sales over last year did come within a thousand dollars in total revenues on fewer outlets, allowing us to improve on profitability.

CATERING DEPARTMENT

- This month catered events were limited to events for the Royal and a very special event for the clients of the National Trade Centre. The client reception was hosted in Trade Link and included guests from most of our shows as well as some of our higher profile catering clients. The event went extremely smooth and again allowed us to show off our talents.
- Catering overall versus last year was substantially down, due to of Holiday events discussed in previous reports.
- Café Soleil was very busy with the One of a Kind Show. Revenues for the café on this show surpassed last year's revenues by 20%.

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	8	2	6	94	94	
Direct Event Income	933,595.06	1,087,396.00	(153,800.94)	6,255,827.91	7,230,676.00	(974,848.09)
Ancillary Income	178,363.18	193,813.00	(15,449.82)	2,310,162.22	2,886,144.00	(575,981.78)
Advertising Income	15,733.00	30,213.00	(14,480.00)	207,099.05	255,154.00	(48,054.95)
CNE Recovery	-	-	-	393,948.00	410,000.00	(16,052.00)
Total Event Income	1,127,691.24	1,311,422.00	(183,730.76)	9,167,037.18	10,781,974.00	(1,614,936.82)
Direct Expenses	429,753.23	520,646.00	90,892.77	4,257,517.89	5,082,632.00	825,114.11
Indirect Expenses	306,284.41	345,205.00	38,920.59	3,352,966.17	3,772,174.00	419,207.83
Total Event Expenses	736,037.64	865,851.00	129,813.36	7,610,484.06	8,854,806.00	1,244,321.94
NET INCOME (LOSS)	391,653.60	445,571.00	(53,917.40)	1,556,553.12	1,927,168.00	(370,614.88)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	280,650.04	426,460.00	(145,809.96)	2,220,017.13	2,827,838.59	(607,821.46)
PARKING EXPENSE	58,936.51	89,556.60	30,620.09	466,203.60	593,846.10	127,642.51
NET PARKING	221,713.53	336,903.40	(115,189.87)	1,753,813.53	2,233,992.49	(480,178.96)

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At November 30, 2001 the markup paid to Exhibition Place was a total of \$ 322,305.08 (\$ 269,749.04 expensed against direct event income and the balance of \$ 52,556.04 in direct expense).



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT NOVEMBER 30, 2001 with COMPARISON TO NOVEMBER 2000**

	2000 YTD NOVEMBER ACTUAL	2001 YTD ACTUAL	2001 YTD BUDGET	2001 VARIANCE	VARIANCE TO YTD NOV. 2000 ACTUAL	%
Number of Events	91	94			3	3.3%
Direct Event Income	7,308,728.96	6,255,827.91	7,230,676.00	(974,848.09)	(1,052,901.05)	(14.4%)
Ancillary Income	2,794,732.63	2,310,162.22	2,886,144.00	(575,981.78)	(484,570.41)	(17.3%)
Advertising Income	228,454.39	207,099.05	255,154.00	(48,054.95)	(21,355.34)	(9.3%)
CNE Recovery	385,000.00	393,948.00	410,000.00	(16,052.00)	8,948.00	0.0%
Total Event Income	10,716,915.98	9,167,037.18	10,781,974.00	(1,614,936.82)	(1,549,878.80)	(14.5%)
Direct Expenses (Note 2)	4,959,780.95	4,257,517.89	5,082,632.00	825,114.11	702,263.06	14.2%
Indirect Expenses	3,675,921.60	3,352,966.17	3,772,174.00	419,207.83	322,955.43	8.8%
Total Event Expenses	8,635,702.55	7,610,484.06	8,854,806.00	1,244,321.94	1,025,218.49	11.9%
NET INCOME (LOSS)	2,081,213.43	1,556,553.12	1,927,166.00	(370,614.86)	(524,660.31)	(25.2%)
EX PLACE PARKING ESTIMATE						
PARKING INCOME	2,692,640.78	2,220,017.13	2,827,838.59	(607,821.46)	(472,623.65)	(17.6%)
PARKING EXPENSE	565,454.56	466,203.60	593,846.10	127,642.51	99,250.96	17.6%
NET PARKING	2,127,186.22	1,753,813.53	2,233,992.49	(480,178.96)	(373,372.69)	(17.6%)

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At November 30, 2001 the markup paid to Exhibition Place was a total of \$ 322,305.08 (\$ 269,749.04 expensed against direct event income and the balance of \$ 52,556.04 in direct expense)



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF NOVEMBER 2001

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	350,812	1,371,955	1,568,223

<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>1999</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
Consumers Show	36	41	34	4,571	5,584	2.12
Trade Show	10	14	17	1,861	2,654	15.34
Concert	2	3	5	78	6	1.05
Photo/Film Shoot	5	6	3	74	-	40.55
Meeting/Corporate	41	27	21	490	96	15.88
	<u>94</u>	<u>91</u>	<u>80</u>	<u>7,074</u>	<u>8,340</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 NOVEMBER 30, 2001**

	2001	2000
ASSETS		
CURRENT ASSETS		
CASH	353,146.04	850,156.55
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	4,500,000.00	4,000,000.00
AMERICAN EXPRESS	2,239.32	1,461.98
TRADE ACCOUNTS RECEIVABLE		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	1,541,715.63	
	<u>(32,093.14)</u>	
NET ACCOUNTS RECEIVABLE	1,509,622.49	2,127,877.68
RECEIVABLE FROM EX PLACE	65.18	630.00
OTHER RECEIVABLE	95,641.31	199,627.15
PREPAID EXPENSES	174,929.79	428,891.47
TOTAL CURRENT ASSETS	6,885,644.13	7,858,644.83
FIXED ASSETS		
EQUIPMENT - NET	128,478.23	39,619.58
TOTAL ASSETS	7,014,122.36	7,898,264.41
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,648,364.70	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	89,562.09	
DEFERRED REVENUE	3,663,936.51	5,817,050.98
EQUITY		
NET INCOME (LOSS) CURRENT	1,556,553.12	2,081,213.43
PRIOR YEAR PSAB ADJUSTMENT	55,705.94	
PRIOR YEAR SURPLUS	2,209,850.24	
DISTRIBUTION TO EXHIBITION PLACE	<u>(2,209,850.24)</u>	
	7,014,122.36	7,898,264.41



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED NOVEMBER 30, 2001**

	<u>MONTH</u>	<u>YTD</u>
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	391,653.60	1,556,553.12
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	257,773.49
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(700,000.00)	(100,000.00)
ACCOUNTS RECEIVABLE - TRADE	(214,386.76)	763,644.30
RECEIVABLE FROM EX PLACE B.O.G	(0.00)	(65.18)
ACCOUNTS RECEIVABLE - OTHER	(5,440.94)	122,867.19
PREPAID EXPENSES	(52,694.83)	(42,115.73)
DEPOSITS AND OTHER ASSETS	5,401.92	43,060.90
ACCOUNTS PAYABLE & ACCRUED EXPENSES	290,191.12	(654,192.31)
OTHER PAYABLES	(59,482.06)	(61,720.64)
DEFERRED INCOME	(176,749.35)	297,636.27
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	<u>(521,507.30)</u>	<u>2,183,441.41</u>
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	<u>-</u>	<u>(2,209,850.24)</u>
NET INCREASE (DECREASE) IN CASH	(521,507.30)	(26,408.83)
BEGINNING CASH BALANCE	874,653.34	379,554.87
ENDING CASH BALANCE	<u>353,146.04</u>	<u>353,146.04</u>



THE NATIONAL TRADE CENTRE
ACCOUNTS RECEIVABLE AGING
AS AT NOVEMBER 30, 2001

CUSTOMER NAME	AMOUNT OUTSTANDING	CURRENT	30 - 60 DAYS	61 - 90 DAYS	OVER 90 DAYS	COMMENTS
COMPLETED EVENTS						
ROYAL AGRICULTURAL WINTER FAIR	319,489.00	312,574.88	6,914.14			BALANCE OF EVENT SERVICES + TELEPHONE, UTILITIES & LONG DISTANCE REC'D \$267,500.00 ON DEC 13/01
PARALLEL PRODUCTIONS	76,098.07	1,978.48	74,119.59			LABOR SERVICES - SEPT - NOV 2001 EVENTS REC'D \$75,000.00 DEC 14/01
REED EXHIBITION COMPANIES	67,000.45	2,804.20	64,196.25			EVENT SERVICES - MACHINE TOOL / NFAS SHOW - OCT. 2001
TORONTO INT'L QUARTERHORSE SHOW	24,282.69				24,282.69	EVENT SERVICES PROVIDED DURING QUARTERHORSE SHOW - MAR. 21-26 PAYMENT OF \$7,200.00 RECEIVED IN NOVEMBER AND POST-DATED CHEQUES OF \$14,282 & \$10,000.00 FOR DECEMBER 7/01
CANADIAN NATIONAL SPORTSMEN'S SHOWS	15,895.32		15,895.32			EVENT SERVICES - TORONTO SKI & SNOWBOARD SHOW - OCT. 2001
MERCHANDISE MART ENTERPRISES	14,621.59		13,016.59	1,605.00		EVENT SERVICES - INDEX / NEOCON CANADA - SEPT. 2001
GES CANADA EXPOSITIONS	14,593.75	1,946.55		12,647.20		VARIOUS SERVICES - OCT/NOV. 2001 EVENTS
TORONTO HADASSAH-WIZO	14,242.16	14,242.16				PAID IN FULL
TRADELINK c/o ECONOMIC DEVELOPMENT	10,110.06	10,110.06				LCD PROJECTOR, TELEPHONE & COMPUTER SERVICES, LONG DISTANCE CHARGES
CUSTOMER ACCOUNTS - LESS THAN \$10,000	54,896.06	5,522.87	16,501.11		32,872.08	
SUB-TOTAL	611,229.15	346,374.98	129,250.95	78,448.45	57,154.77	
FUTURE EVENTS						
DWG WORLD MEDIA	263,903.86	263,903.86				BUILDING RENT - NATIONAL HOME SHOW - APR. 2002
KELLY ALEXANDER COMMUNICATIONS	61,379.37	23,213.97		38,165.40		BUILDING RENT - SPEEDORAMA - JAN. 2002 REC'D \$19,082.70 ON DEC. 14/01
UMBRA LIMITED	37,973.35	37,973.35				EVENT SERVICES - UMBRA FACTORY SALE
WORLD WRESTLING FEDERATION	37,484.78	37,484.78				BUILDING RENT - TORONTO INT'L BICYCLE SHOW - MAR. 2002
CANADIAN SHOWS & SPECIAL EVENTS	35,324.78	35,324.78				PAID IN FULL
ONTARIO GM GOODWRENCH DEALER	34,684.52	34,684.52				BUILDING RENT - SPRING CRAFT SHOW - MAR. 2002
CANADIAN CRAFT SHOWS LTD.	34,131.08	34,131.08				BUILDING RENT - SPRING FEVER SEX SHOW - JUNE 2002
147724 ONTARIO LIMITED	11,262.08	11,262.08				
SUB-TOTAL	516,143.82	477,978.42	-	38,165.40	-	
SERVICEMATION						
SERVO CANADA	49,745.55	34,988.30	14,817.25			CATERING COMMISSIONS FOR NOV. CONTRACTUALLY DUE DEC. 26/2001 CLEANING & UTILITIES FOR THE MONTH OF NOVEMBER REC'D \$13,354.76 ON DEC-14
BOARD OF GOVERNORS						
EXHIBITION PLACE	283,063.11	31,929.65	185,909.82	85,223.64		COCA COLA SPONSORSHIP, EVENT & FACILITY SUPPORT FOR EX PL EVENTS
SUB-TOTAL	283,063.11	31,929.65	165,909.82	85,223.64	-	
SPONSORSHIP						
LABATT BREWERIES ONTARIO	26,750.00	26,750.00				SPONSORSHIP - FIRST YEAR
AOR MEDIA	54,784.00	54,784.00				SPONSORSHIP - FIRST YEAR AS OFFICIAL SAMPLING PARTNER
LITIGATION / RECEIVERSHIP						
SUB-TOTAL	81,534.00	81,534.00	-	-	-	
	1,541,715.63	972,745.35	309,978.02	201,837.49	57,154.77	
	100%	62%	20%	13%	4%	

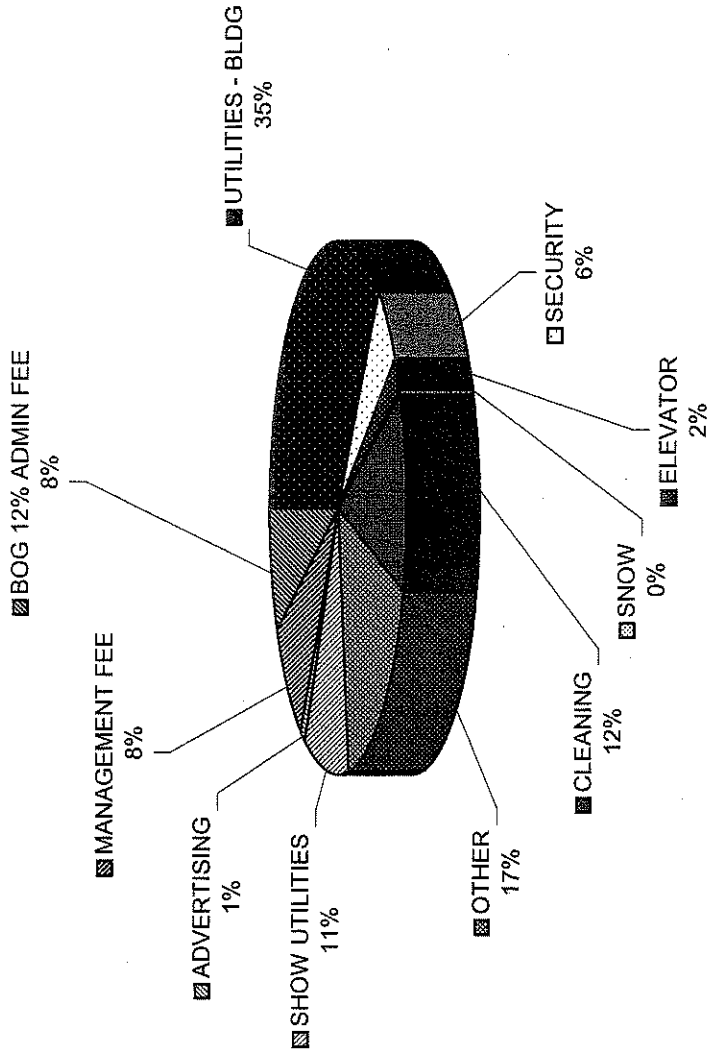


**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - NOVEMBER 2001
GREATER THAN \$50,000**

Check No	Date	Amount	DESCRIPTION
11975	11/19/01	400,000.00	TERM INVESTMENT
11985	11/22/01	313,294.88	PAYROLL DISBURSEMENT
11908	11/1/01	300,000.00	TERM INVESTMENT
11993	11/28/01	275,886.14	PAYROLL DISBURSEMENT
11989	11/26/01	177,701.92	PAYROLL DISBURSEMENT
11964	11/16/01	143,608.38	G.S.T. REMITTANCE
11988	11/23/01	95,582.17	PAYROLL DISBURSEMENT
11996	11/29/01	91,096.67	PAYROLL DISBURSEMENT
11991	11/27/01	63,138.69	PAYROLL DISBURSEMENT
			CITY OF TORONTO
			THE BOARD OF GOVERNORS OF EXHIBI
			CITY OF TORONTO
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			RECEIVER GENERAL FOR CANADA
			THE BOARD OF GOVERNORS OF EXHIBI
			THE BOARD OF GOVERNORS OF EXHIBI
			O&Y SMG CANADA
		1,860,308.85	DISBURSEMENTS OVER \$50,000
		283,831.89	OTHER DISBURSEMENTS LESS THAN \$50,000
		<u>2,144,140.74</u>	TOTAL DISBURSEMENTS FOR NOV. 2001



COMPONENTS OF DIRECT EXPENSE



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

