

6

THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

FOR THE MONTH ENDING
APRIL 30, 2002



SUBMITTED BY:

RON TAYLOR
MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

SALES & MARKETING

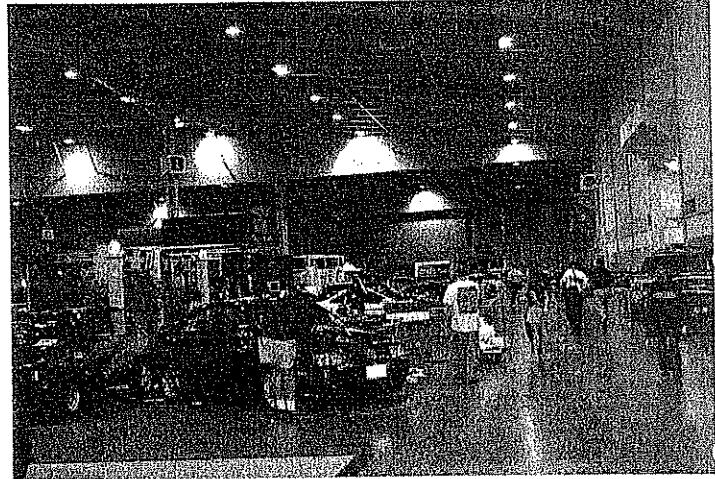
APRIL SALES ACTIVITY

Results of our April sales efforts are as follows:

- 11 new 2002 events were contracted this month thereby increasing our total to 40 new events for 2002.

The events are categorized as follows:

- 6 consumer shows
- 7 trade shows
- 11 special events/film/photo shoots
- 16 corporate bookings/meetings/misc.



Canadian Autotech

5 license agreements have been issued to clients for new 2002 events

PUBLICITY

In April, we issued a news release which focused on the record attendance reported at this year's National Home Show. The release was distributed to local, national and international industry media and as a result was posted on Expo24-7.com and Conworld.net.

Events held during the month of April received media coverage in the Toronto Star, and on local television and radio media including CITY TV, CP24, Global & HGTV, CHFI, Mix 99.9 and EZ Rock

EVENT SERVICES

- The National Home Show reported a very successful event in April with a 6% increase in attendance. The Toronto Postage & Stamp Show experienced an increase in attendance. This resulted in their best show to date.
- Attendance was less than expected at two events of April. (Canadian Autotech & Parvaaz Mela)

During the month of April of 2002, Event & Facility Co-ordinators at The National Trade Centre were involved in the following events:

NATIONAL TRADE CENTRE	EXHIBITION PLACE
CONSUMER	OTHER
<ul style="list-style-type: none"> • National Home Show • Canadian Fly Fishing Forum • Canadian Autotech • Toronto Postage & Stamp Show • National Franchise Business Show • Parvaaz Mela • Canadian National Marsville 	<ul style="list-style-type: none"> • Peace by Peace
OTHER	
<ul style="list-style-type: none"> • IBEW Annual Meeting • Bell Mobility Wireless Internet Conference 	

REQUIREMENTS FOR SAFETY:

- Updated rules, regulations and requirements for shows and exhibitors were completed in April, two months ahead of our target, and are being included in the NTC Event Guide.

EMERGENCY PREPAREDNESS

- O&Y SMG Canada and NTC Senior Management will review final revisions to the plan in May.
- Meeting with Exhibition Place is scheduled for next month to ensure cohesiveness.

TELECOMMUNICATIONS

Installations of services for the CNE have begun with administrative staff set-ups. An RFQ for additional telecommunications equipment was issued. This additional equipment will provide added capacity to the PBX as well as enhanced functionality due to a software and memory upgrade.

BUILDING OPERATIONS

- The Operations department has continued to ensure delivery of services to all shows during the month of April.
- Building power improvements continue to be added in Halls C, D, and the Automotive building, including stairwell locations on the south side of the facility, to improve power on the exterior of the Galleria.
- The Automotive air conditioning project is proceeding as planned and is on schedule.
- The Operations department continues to schedule building maintenance and repairs to the chillers have commenced.

FACILITY SERVICES

- The preventative maintenance program continued with the addition of (15) scheduled emission tests on equipment used in the National Trade Centre.

- The preparation of exterior grass, shrubs, plants and trees started in early April and will continue throughout the year.
- Necessary work was started on the irrigation system with a target date for completion set during May.

FINANCIALS

Net Operating Income for the four month ending April 30, 2002 was \$1,826,950 compared to a budget of \$1,739,223 a variance of \$87,717.

- Rental income at \$3,358,544 is unfavourable to budget by (118,175) due to the cancellation of the Toronto International Quarterhorse Show and timing of new business.
- Electrical services of \$242,885 have fallen below budget. The reason for this is a reduced demand from exhibitors at certain show for this service as well as higher costs to deliver the service for the Boat Show, Canadian Hardware and Building Materials Show and the Toronto Sportsmen's Show. Staff is addressing these issues and improvements are being anticipated for the next quarter.
- Direct and indirect expenses are favourable to budget by \$323,810 partly as a result of lower utilities cost and minimal snow cleaning.

Accounts receivables at April 30, 2002 were \$1,318,268 consisting mainly of:

- \$685,710 for services on completed events
- \$280,480 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month.
- \$139,152 owed as deposits for future events of which \$42,454 has been received by May 14, 2002.
- \$100,670 of inter-program settlements, \$19,670 for event support services to Exhibition Place, \$81,000 for sponsorship monies billed by Exhibition Place for the NTC.

SERVO-CANADA

RETAIL DEPARTMENT - FIRST QUARTER

- Retail shows were strong through the month, led by the National Home Show. This show coupled with Canadian Fly Fishing, Regional Gymnastic, Postage Stamp and Autotech helped us to a strong month in Food and Beverage sales.

CATERING DEPARTMENT

- MODE catering was one of four catering sponsors at the National ISES (International Society of Event Specialists) reception held April 3 at the Steamwhistle Brewery. Our food display was well received by over 350 guests, one of which chose to book us for an off-premise event in May.

APPENDIX "A"

THE NATIONAL TRADE CENTRE FINANCIAL STATEMENT HIGHLIGHTS APRIL 2002 and YEAR TO DATE

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	13	4	9	36	18	18
Direct Event Income	1,262,703.77	1,270,422.00	(7,718.23)	3,665,201.76	3,747,458.77	(82,257.01)
Ancillary Income	353,085.23	379,759.00	(26,673.77)	1,177,834.65	1,352,439.11	(174,604.46)
Advertising Income	28,593.80	26,464.00	2,129.80	109,386.31	88,618.00	20,768.31
CNE Recovery	-	-	-	-	-	-
Total Event Income	1,644,382.80	1,676,645.00	(32,262.20)	4,952,422.72	5,188,515.88	(236,093.16)
Direct Expenses	417,297.82	458,085.00	40,787.18	1,883,988.59	2,090,861.50	206,872.91
Indirect Expenses	332,713.61	343,770.00	11,056.39	1,241,484.23	1,358,421.00	116,936.77
Total Event Expenses	750,011.43	801,855.00	51,843.57	3,125,472.82	3,449,282.50	323,809.68
NET INCOME (LOSS)	894,371.37	874,790.00	19,581.37	1,826,949.90	1,739,233.38	87,716.52

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30, 2002 the markup paid to Exhibition Place was a total of \$ 172,573.43 (\$ 148,250.51 expensed against direct event income and the balance of \$ 24,322.92 in direct expense)

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT APRIL 30, 2002 with COMPARISON TO APRIL 2001**

	2001 YTD APRIL ACTUAL	2002 YTD ACTUAL	2002 YTD BUDGET	2002 VARIANCE	VARIANCE TO YTD APRIL 2001 ACTUAL	%
Number of Events	35	36			1	2.9%
Direct Event Income	3,611,105.81	3,665,201.76	3,747,458.77	(82,257.01)	54,095.95	1.5%
Ancillary Income	1,380,878.45	1,177,834.65	1,352,439.11	(174,604.46)	(203,043.80)	(14.7%)
Advertising Income	77,150.00	109,386.31	88,618.00	20,768.31	32,236.31	41.8%
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	5,069,134.26	4,952,422.72	5,188,515.88	(236,093.16)	(116,711.54)	(2.3%)
Direct Expenses	2,148,472.53	1,883,988.59	2,090,861.50	206,872.91	264,483.94	12.3%
Indirect Expenses	1,223,135.20	1,241,484.23	1,358,421.00	116,936.77	(18,349.03)	(1.5%)
Total Event Expenses	3,371,607.73	3,125,472.82	3,449,282.50	323,809.68	246,134.91	7.3%
NET INCOME (LOSS)	1,697,526.53	1,826,949.90	1,739,233.38	87,716.52	129,423.37	7.6%

Note: 1
Actuals include 12% markup paid to Exhibition Place on labour and materials. At April 30, 2002 the markup paid to Exhibition Place was a total of \$ 172,573.43 (\$ 148,250.51 expensed against direct event income and the balance of \$ 24,322.92 in direct expense)



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF APRIL 2002

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	230,450	818,620	779,153

<u>EVENT</u>	<u>ACTUAL # OF PERFORMANCES</u>		<u>(IN THOUSANDS)</u>		<u>REFRESHMENT PER CAP'S ACTUAL [Note: 2]</u>
	<u>2002</u>	<u>2001</u>	<u>ACTUAL</u>	<u>BUDGET</u>	
Consumers Show	17	19	3,549	3,595	3.46
Trade Show	2	4	-	598	3.51
Concert	1	0	17	-	5.88
Photo/Film Shoot	1	1	13	-	6.82
Meeting/Corporate	15	11	104	47	11.48
	<u>36</u>	<u>35</u>	<u>3,683</u>	<u>4,240</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.

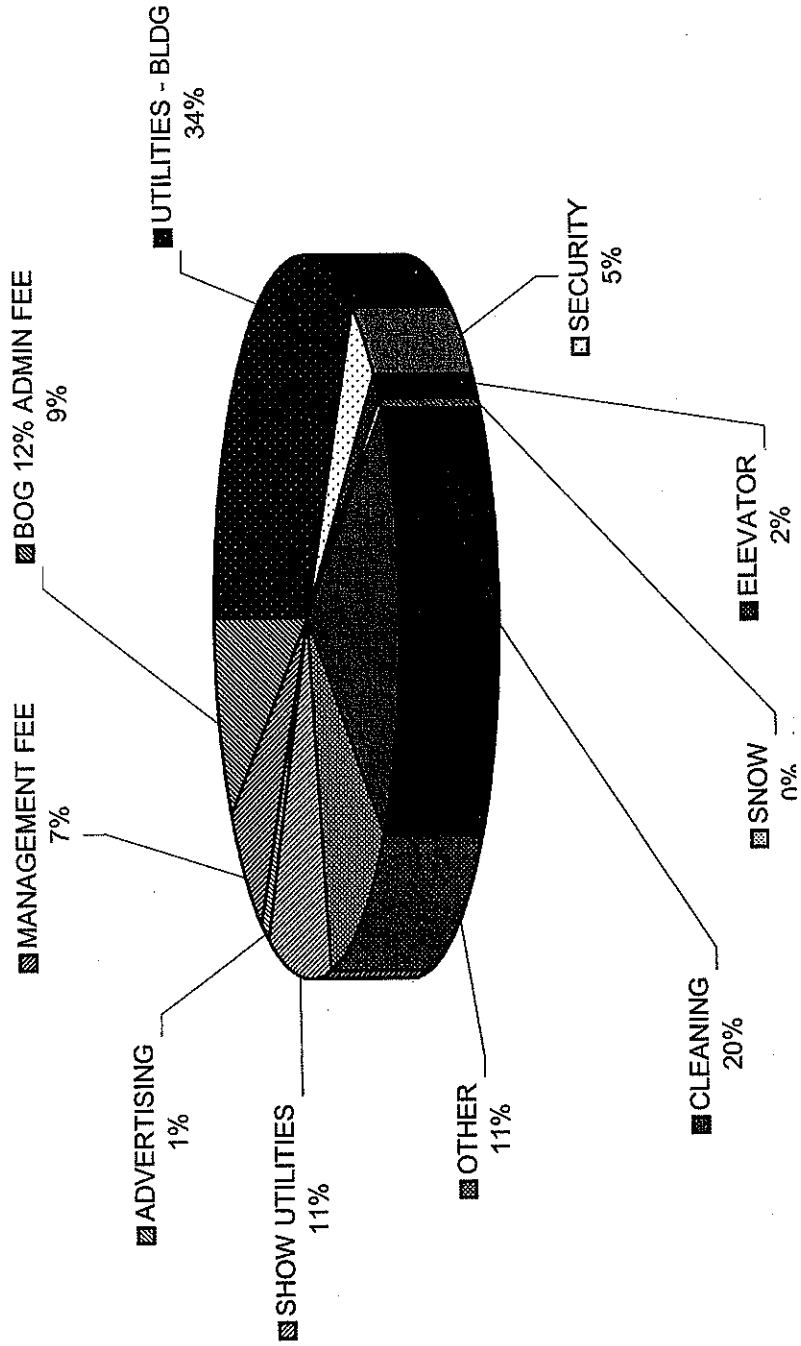
THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT APRIL 30, 2002

ASSETS	2002	2001
CURRENT ASSETS		
CASH	785,234.29	586,131.30
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,750,000.00	3,800,000.00
AMERICAN EXPRESS	2,463.52	4,270.99
TRADE ACCOUNTS RECEIVABLE	1,318,267.92	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(19,449.23)</u>	
NET ACCOUNTS RECEIVABLE	1,298,818.69	1,306,269.99
RECEIVABLE FROM EX PLACE	44,543.19	2,906.60
OTHER RECEIVABLE	123,541.00	119,198.86
PREPAID EXPENSES	<u>27,525.19</u>	<u>98,700.24</u>
TOTAL CURRENT ASSETS	5,282,125.88	6,167,477.98
FIXED ASSETS		
EQUIPMENT - NET	100,071.23	153,672.09
TOTAL ASSETS	<u><u>5,382,197.11</u></u>	<u><u>6,321,150.07</u></u>
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	2,009,994.16	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	82,131.35	
DEFERRED REVENUE	<u>1,672,882.96</u>	2,961,974.36
EQUITY		
NET INCOME (LOSS) CURRENT	1,826,949.90	1,697,526.53
PRIOR YEAR PSAB ADJUSTMENT	(209,761.26)	
PRIOR YEAR SURPLUS	1,811,909.44	
DISTRIBUTION TO EXHIBITION PLACE	-	1,661,649.18
	<u>5,382,197.11</u>	<u>6,321,150.07</u>

THE NATIONAL TRADE CENTRE
 FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED APRIL 30, 2002

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	894,371.37	1,826,949.90
ADD: EMPLOYEE BENEFITS - VACATION/SICK		
SOURCES (USES) OF CASH		
TERM INVESTMENTS	1,700,000.00	1,550,000.00
ACCOUNTS RECEIVABLE - TRADE	(139,655.26)	289,902.37
RECEIVABLE FROM EX PLACE B.O.G	(8,009.19)	(44,543.19)
ACCOUNTS RECEIVABLE - OTHER	25,445.78	19,502.34
PREPAID EXPENSES	22,636.66	28,186.32
DEPOSITS AND OTHER ASSETS	2,368.97	15,679.48
ACCOUNTS PAYABLE & ACCRUED EXPENSES	(310,565.68)	155,078.28
OTHER PAYABLES	25,815.59	(4,910.85)
DEFERRED INCOME	(908,849.56)	(2,069,130.06)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	1,303,558.68	1,766,714.59
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	(1,019,603.15)	(1,819,603.15)
NET CASH FROM OTHER SOURCES	(1,019,603.15)	(1,819,603.15)
NET INCREASE (DECREASE) IN CASH	283,955.53	(52,888.56)
BEGINNING CASH BALANCE	501,278.76	838,122.85
ENDING CASH BALANCE	785,234.29	785,234.29

**COMPONENTS OF DIRECT EXPENSE
YTD APRIL 2002**



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



**THE NATIONAL TRADE CENTRE
CHEQUE DISBURSEMENTS - APRIL 2002
GREATER THAN \$50,000**

Check No	Date	Amount	DESCRIPTION
12733	4/29/02	1,019,603.16	BAL. OF SURPLUS 2001
12732	4/29/02	153,453.31	MGMT INCENTIVES 2001
12673	4/25/02	84,084.17	MARCH HYDRO CONSUMPTION
12671	4/18/02	93,594.96	2001 BONUS & MAR.SALARIES
12670	4/18/02	130,726.35	APR.6 WEEKLY PAYROLL
12669	4/18/02	78,492.31	MAR.30 WEEKLY PAYROLL
12666	4/17/02	79,077.20	MAR.23 WEEKLY PAYROLL
12619	4/15/02	86,114.94	MARCH WORK ORDERS
12593	4/3/02	170,103.54	MAR.16 WEEKLY PAYROLL
12592	4/3/02	81,950.59	MAR.9 WEEKLY PAYROLL
DISBURSEMENTS OVER \$50,000			1,977,200.53
OTHER DISBURSEMENTS LESS THAN \$50,000			470,412.17
TOTAL DISBURSEMENTS FOR APR 2002			<u>2,447,612.70</u>



