

THE NATIONAL TRADE CENTRE
MANAGEMENT REPORT

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FOR THE MONTH ENDING
JULY 31, 2002



World Youth Days 2002

SUBMITTED BY:

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MANAGING DIRECTOR/O&Y/SMG CANADA

ERNEST VINCENT
GENERAL MANAGER/NTC

SALES & MARKETING

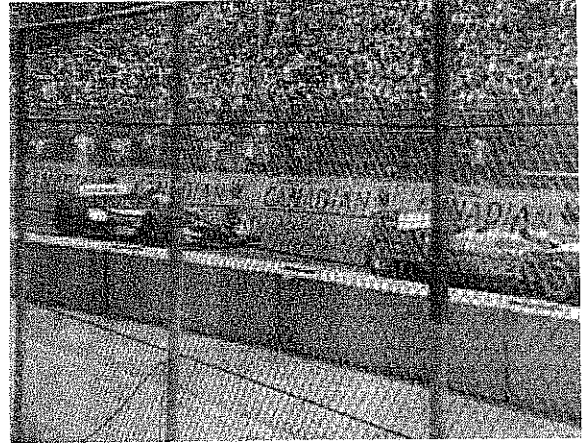
JULY SALES ACTIVITY

Results of O&Y/SMG Canada's July sales efforts are as follows:

- 3 new 2002 events were contracted this month thereby increasing our total to 47 new events for 2002.

The events are categorized as follows:

- 8 consumer shows
- 8 trade shows
- 13 special events/film/photo shoots
- 18 corporate bookings/meetings/misc.



Molson Indy 2002

- 6 license agreements have been issued to clients for new 2002 events and 2 license agreements have been issued to clients for new 2003 events

BUSINESS TRAVEL

- In July, Barbara Outschoorn and Ellen de Boer attended the C.A.E.M. and C.S.A.E. annual conferences. Over 100 industry professionals attended the C.A.E.M. conference.
- The NTC hosted the C.A.E.M. Welcome Reception for the conference and staffed an information booth at the Supplier Summit. Our staff members made contact with 12 potential sales leads and worked to increase relations with existing clients.
- Over 550 association members attended this year's C.S.A.E. conference. Our Staff focused on securing relationships with representatives from several Canadian venues in order to facilitate future references to potential clients interested in expanding their business to Toronto. Our Sales Staff is following up on sales leads as a result of attending this conference.
- In August, Laura Purdy will attend the Society of Independent Show Organizers (S.I.S.O.) CEO Summit in Florida. S.I.S.O. is an international organization based in the US dedicated to meeting the needs of for-profit show and event producers. A follow-up report will be included in our August summary.

PUBLICITY

- Events held during the month of July received extensive print and television media coverage including the Toronto Star, Toronto Sun, Globe & Mail, National Post, CITY TV, CP 24, CBC, CTV and Global.
- On July 16, 2002, we issued a media release to various international e-publication contacts to announce the World Youth Days event. This media release was posted on the conworld.net website on July 18, 2002.

EVENT SERVICES

During the month of July 2002, Event and Facility Co-ordinators were involved in the following events:

JULY	
National Trade Centre Events	Exhibition Place Events
Trade	Other
<ul style="list-style-type: none">• Canada Ceylon Tamils Chamber of Commerce	<ul style="list-style-type: none">• Molson Indy• World Youth Days

- Molson Indy coordination was particularly challenging this year with the quick turnover to the set up of World Youth Days. However this was aided by Indy using multiple contractors to build their structures.
- World Youth Days – NTC Event Coordinators and Facility Coordinators provided extensive on site management to the planning and delivery of services to this event.
- The Canada Ceylon Tamils Chamber of Commerce show changed its venue to the NTC Hall A this year. Show management was very pleased and wishes to return to this location in 2003

TELECOMMUNICATIONS

- The Molson Indy increased the telecommunications needs substantially from last year taking advantage of services such as virtual private networks working through the National Trade Centres high-speed infrastructure.
- The Telecommunications Department provided World Youth Days with significant connectivity including:
 - planning and deploying a fibre optic and computer network that spanned the grounds as well as with the Downsview location.
 - significant number of standard and digital telephone and fax connections in a variety of buildings across the grounds.
 - radio broadcast circuits via our internal ISDN services for a number of radio stations including "Vatican Radio"
 - Antenna distribution circuits linking wireless communications
 - coordination with BELL Canada for massive service deployment within the Hall D media centre

BUILDING OPERATIONS

- The Automotive HVAC System has been running for test purposes and was available for the World Youth Days event, only the balance of the commissioning process remains.
- Electrical and Plumbing departments have delivered all required services to summer events with no major breakdowns in the building systems.
- Personal Distress System in The National Trade Centre parking garage was repaired and reactivated prior to the World Youth Days event.

FACILITY SERVICES

- The Angus Preventative Maintenance Program was a priority throughout July as staff prepared for the Molson Indy & World Youth Days. The rolling steel doors underwent a thorough inspection including repairs. The huffcore wall partitions were inspected and repaired. Plant hangers were installed throughout the Galleria. All equipment underwent various inspections/repairs. Concrete repairs were completed around the building exterior. The building was in excellent condition throughout the month in preparation for the two extremely large events.

SERVICE STARS

- Many praises came in from the organizers of the 2002 World Youth Days to all NTC staff for making it such a success. Special thanks went out to Jamie Needler for his help in coordinating the event.
- Joon Hwang, Supervisor for Information and Systems Technology from the City of Toronto wrote in to John Koperwas "I would like to thank you and your staff for the excellent service you have provided during the World Youth Day celebrations. With all the short/last minute notices, you guys still accommodated our requests. I especially want to thank Bob for his prompt and professional service. Hats off to you and your team!"
- Andra Takacs – Director of Provincial World Youth Day Secretariat wrote "Dear Robert Gee, I wish to take this opportunity to express my gratitude for your work helping us to set up our computers during the week of WYD. Your patience during setup and your repeated checkups to see that everything was still running properly in the TradeLink office were very much appreciated. It was, I'm sure, a very hectic week for you. Sincerely ~ Andra Takacs

FINANCIALS

Net Operating Income for the seven month ending July 31, 2002 was \$769,445 compared to a budget of \$660,048 a favourable variance of \$109,396.

- Rental income at \$3,842,440 is unfavourable to budget by (\$123,845) due to the cancellation of the Toronto International Quarterhorse Show and timing of new business.
- Electrical services of \$311,878 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 and the Toronto Sportsmen's Show. Staff is addressing these issues and improvements are being anticipated.
- Direct and indirect expenses are favourable to budget by \$326,561 partly as a result of lower utilities cost and minimal snow cleaning.
- Food & Beverage concessions of \$792,534 are unfavourable to budget by (\$92,074) due to reduced corporate events which are not allowing new business targets to be achieved

Accounts receivables at July 31, 2002 were \$1,140,107 consisting mainly of:

- \$512,619 owed as deposits for future events of which \$190,044 has been received by August 14, 2002.
- \$246,497 of inter-program settlements, \$165,497 for event support services and World Youth Days Costs to Exhibition Place, \$81,000 for sponsorship monies billed by Exhibition Place for the NTC.
- \$183,533 for services on completed events of which \$7,966 has been received by August 14, 2002.
- \$85,292 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25th of the following month.
- \$16,050 for sponsorship deals approved in January.

SERVO-CANADA

RETAIL DEPARTMENT

Retail sales for the month were concentrated on two shows:

- The Molson Indy included some new locations for our Retail Operations this year as we moved some of our locations South from Heritage Court to get closer to the core of business.
- World Youth Days 2002 was unlike any other show that we have done at this location. Although our operations inside The National Trade Centre were very similar to those of other shows our outside operations were very different in that we subcontracted 25 locations both here and at Downsview Park. The subcontracted operations were successful at both locations.

CATERING DEPARTMENT

- Catering during the month was limited and was mostly show business related. We did some small in-house meetings and lunches.

APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	1	1	-	57	24	33
Direct Event Income	(2,401.41)	26,988.00	(29,389.41)	4,230,341.01	4,340,851.30	(110,510.29)
Ancillary Income	36,234.05	28,991.00	7,243.05	1,397,383.31	1,612,857.11	(215,473.80)
Advertising Income	32,905.83	30,213.00	2,692.83	189,519.72	155,706.00	33,813.72
Utility Recovery - WYD	75,000.00	-	75,000.00	75,000.00	-	75,000.00
CNE Recovery	-	-	-	-	-	-
Total Event Income	141,738.47	86,192.00	55,546.47	5,892,244.04	6,109,414.41	(217,170.37)
Direct Expenses	336,701.25	322,169.00	(14,532.25)	2,892,115.85	3,070,054.00	177,938.15
Indirect Expenses	316,203.70	335,967.00	19,763.30	2,230,683.28	2,379,312.00	148,628.72
Total Event Expenses	652,904.95	658,136.00	5,231.05	5,122,799.13	5,449,366.00	326,566.87
NET INCOME (LOSS)	(511,166.48)	(571,944.00)	60,777.52	769,444.91	660,048.41	109,396.50

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At July 31, 2002 the markup paid to Exhibition Place \$ 229,385.87 (\$ 184,223.65 expensed against direct event income & balance of \$ 45,162.22 in direct expense)

NOTE: 2 WYD recovery includes an accrual of \$75,000.00 for energy consumption within the NTC

NOTE: 3 Rental income for the three events booked by the NTC for Ride & Drive events in the amount of \$32,564 remitted to Exhibition Pla



**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
AS AT JULY 31, 2002 with COMPARISON TO JULY 2001**

	2001 YTD JULY ACTUAL	2002 YTD ACTUAL	2002 YTD BUDGET	2002 VARIANCE	VARIANCE TO YTD JULY 2001 ACTUAL	%
Number of Events	60	57	24	33	(3)	(5.0%)
Direct Event Income	4,091,089.63	4,230,341.01	4,340,851.30	(110,510.29)	139,251.38	3.4%
Ancillary Income	1,593,116.23	1,397,383.31	1,612,857.11	(215,473.80)	(195,732.92)	(12.3%)
Advertising Income	140,135.05	189,519.72	155,706.00	33,813.72	49,384.67	35.2%
WYD Utility Recovery	-	75,000.00	-	75,000.00	75,000.00	#DIV/0!
CNE Recovery	-	-	-	-	-	0.0%
Total Event Income	5,824,340.91	5,892,244.04	6,109,414.41	(217,170.37)	67,903.13	1.2%
Direct Expenses	2,822,612.53	2,892,115.85	3,070,054.00	177,938.15	(69,503.32)	(2.5%)
Indirect Expenses	2,170,629.46	2,230,683.28	2,379,312.00	148,628.72	(60,053.82)	(2.8%)
Total Event Expenses	4,993,241.99	5,122,799.13	5,449,366.00	326,566.87	(129,557.14)	(2.6%)
NET INCOME (LOSS)	831,098.92	769,444.91	660,048.41	109,396.50	(61,654.01)	(7.4%)

Note: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At July 31, 2002 the markup paid to Exhibition Place \$ 229,385.87 (\$ 184,223.65 expensed against direct event income & balance of \$ 45,162.22 in direct expense)

NOTE: 2 WYD recovery includes an accrual of \$22,000.00 for energy consumption within the NTC



**THE NATIONAL TRADE CENTRE
EVENT STATISTICS**

FOR THE MONTH OF JULY 2002

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	24,900	893,714	841,123

<u>EVENT</u>	<u>ACTUAL # OF PERFORMANCES</u>		<u>NET EVENT INCOME [Note: 3]</u>		<u>REFRESHMENT</u>
	<u>2001</u>	<u>2000</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>PER CAP'S ACTUAL [Note: 2]</u>
Consumers Show	27	29	3,702	3,917	3.38
Trade Show	6	9	536	784	3.88
Concert	1	2	14	-	5.88
Photo/Film Shoot	2	5	56	-	6.83
Meeting/Corporate	21	18	386	243	5.91
	<u>57</u>	<u>63</u>	<u>4,694</u>	<u>4,944</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.



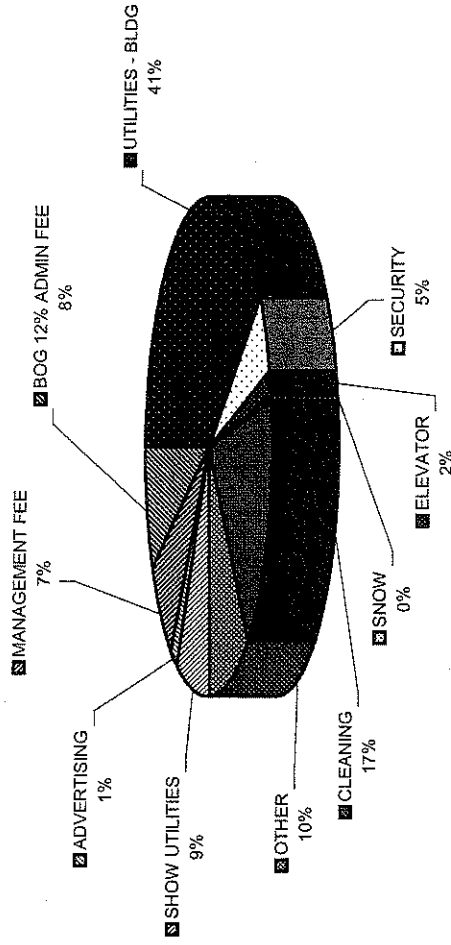
THE NATIONAL TRADE CENTRE
BALANCE SHEET
AS AT JULY 31, 2002

	2002	2001
ASSETS		
CURRENT ASSETS		
CASH	386,267.12	733,781.57
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,700,000.00	2,100,000.00
AMERICAN EXPRESS	15,162.53	172.20
TRADE ACCOUNTS RECEIVABLE		1,140,106.78
ALLOWANCE FOR DOUBTFUL ACCOUNTS		<u>(19,449.23)</u>
NET ACCOUNTS RECEIVABLE	1,120,657.55	645,545.91
RECEIVABLE FROM EX PLACE	80,602.07	49,474.00
OTHER RECEIVABLE	137,204.62	108,942.63
PREPAID EXPENSES	117,708.84	124,191.52
TOTAL CURRENT ASSETS	4,807,602.73	4,012,107.83
FIXED ASSETS		
EQUIPMENT - NET	101,595.31	158,302.31
TOTAL ASSETS	4,909,198.04	4,170,410.14
LIABILITIES & EQUITY		
CURRENT LIABILITIES		
ACCRUED LIABILITIES	1,774,873.22	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	32,497.24	
DEFERRED REVENUE	<u>2,542,143.94</u>	3,283,605.28
EQUITY		
NET INCOME (LOSS) CURRENT	769,444.91	831,098.92
PRIOR YEAR PSAB ADJUSTMENT	(209,761.27)	55,705.94
PRIOR YEAR SURPLUS	1,811,909.44	
DISTRIBUTION TO EXHIBITION PLACE	(1,811,909.44)	
	4,909,198.04	4,170,410.14

**THE NATIONAL TRADE CENTRE
FINANCIAL STATEMENT HIGHLIGHTS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JULY 31, 2002**

	MONTH	YTD
CASH FLOW FROM OPERATIONS		
NET INCOME (LOSS)	(511,166.48)	769,444.91
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
SOURCES (USES) OF CASH		
TERM INVESTMENTS	(550,000.00)	1,600,000.00
ACCOUNTS RECEIVABLE - TRADE	217,393.06	468,063.51
RECEIVABLE FROM EX PLACE B.O.G	(7,882.13)	(80,602.07)
ACCOUNTS RECEIVABLE - OTHER	27,350.90	5,838.72
PREPAID EXPENSES	(86,588.11)	(61,997.33)
DEPOSITS AND OTHER ASSETS	2,026.22	1,456.39
ACCOUNTS PAYABLE & ACCRUED EXPENSES	345,868.97	(80,042.66)
OTHER PAYABLES	(19,802.46)	(54,544.96)
DEFERRED INCOME	597,241.21	(1,199,869.08)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
NET CASH FROM OPERATIONS	14,441.18	1,367,747.43
OTHER SOURCES (USES) OF CASH		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(1,819,603.15)
NET CASH FROM OTHER SOURCES	-	(1,819,603.15)
NET INCREASE (DECREASE) IN CASH	14,441.18	(451,855.72)
BEGINNING CASH BALANCE	371,825.95	838,122.85
ENDING CASH BALANCE	386,267.13	386,267.13

**COMPONENTS OF DIRECT EXPENSE
YTD JULY 31, 2002**



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



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

Check No	Date	Amount	DESCRIPTION
13197	7/31/02	250,000.00	CITY OF TORONTO TERM INVESTMENT
13196	7/31/02	67,232.72	O&Y SMG CANADA JUNE SALARIES
13169	7/25/02	92,452.18	THE BOARD OF GOVERNORS OF EXHIBITION JUNE WORK ORDERS
13113	7/15/02	62,841.80	RECEIVER GENERAL FOR CANADA JUNE GST REMITTANCE
13112	7/15/02	300,000.00	CITY OF TORONTO TERM INVESTMENT
13087	7/10/02	67,174.85	THE BOARD OF GOVERNORS OF EXHIBITION SALARIES ENDING JUN.15
13079	7/9/02	221,464.10	THE BOARD OF GOVERNORS OF EXHIBITION PMT RECEIVED FROM WYD FOR EXPL
DISBURSEMENTS OVER \$50,000			1,061,165.65
OTHER DISBURSEMENTS LESS THAN \$50,000			265,354.76
TOTAL DISBURSEMENTS FOR JULY 2001			<u>1,326,520.41</u>