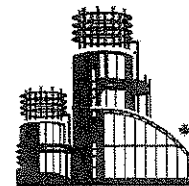


THE NATIONAL TRADE CENTRE  
MANAGEMENT REPORT

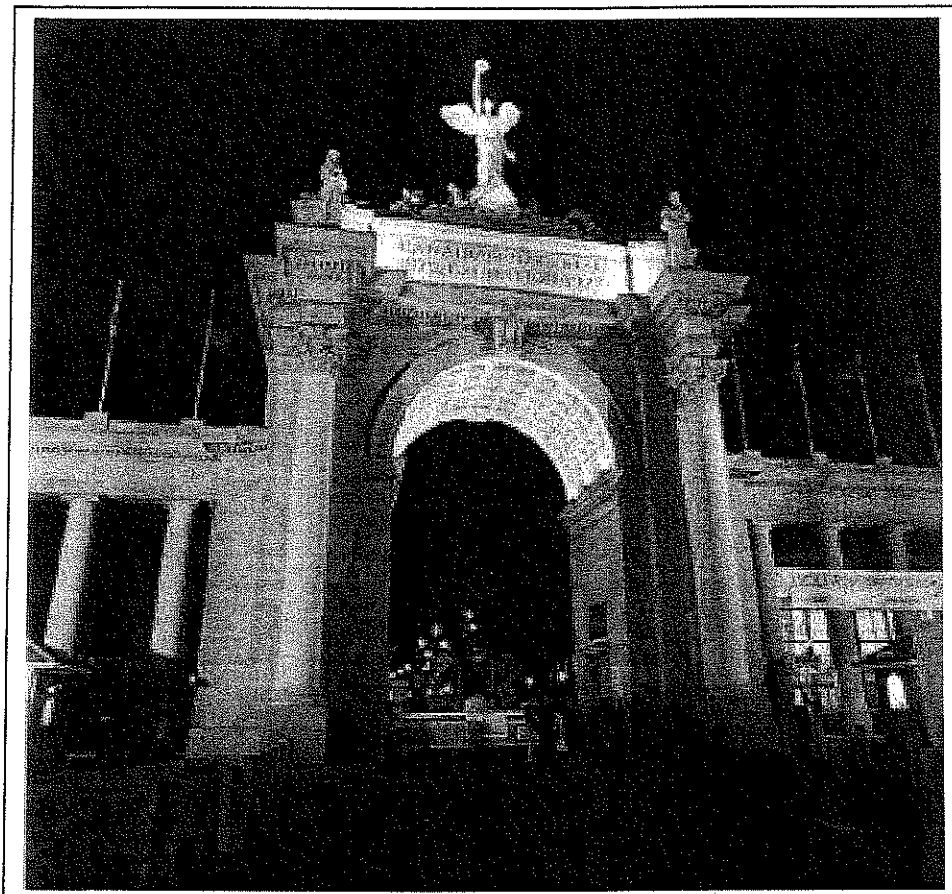
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THE NATIONAL  
TRADE CENTRE

at  
EXHIBITION  
PLACE

FOR THE MONTH ENDING  
AUGUST 31, 2002



SUBMITTED BY:

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

*ERNEST VINCENT*  
GENERAL MANAGER/NTC

# SALES & MARKETING

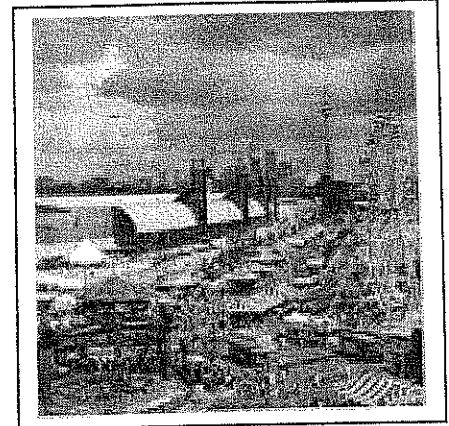
## AUGUST SALES RESULTS:

Results of our August Sales efforts are as follows:

- 3 new 2002 events were contracted this month thereby increasing our total to 50 new events for 2002

The events are categorized as follows:

- 9 Consumer shows
- 8 trade shows
- 15 special events/film/photo shoots
- 18 corporate booking/meetings/misc.



- 8 license agreements have been issued to clients for new 2002 events and 5 license agreements have been issued to clients for new 2003 events.
- This month, our sales team confirmed a license agreement with the Office of International Relations & Protocol for the Royal Visit by Her Majesty Queen Elizabeth II as part of her jubilee tour of Canada. This is a private, by invitation-only event that will take place on October 9, 2002 in The National Trade Centre.
- We have also contracted the "Days of Chinese Culture" event organized by Peacock Circus International Inc. This event, which is scheduled to run from November 20 to December 19, 2002, brings an acrobatic act directly from China to Toronto for an exclusive engagement at the Queen Elizabeth Theatre.
- Our sales team is in the process of confirming repeat business for annual Children's Holiday parties as well as organizing an email blitz to key corporate contacts in an effort to promote our Children's Holiday Party package.

## BUSINESS TRAVEL

- In August, Laura Purdy attended the Society of Independent Show Organizers (S.I.S.O.) CEO Summit in Florida that was attended by over 100 key independent show organizers from across North America and Europe. Laura is currently following up on potential business leads as a result of attending this meeting.

## EVENT SERVICES

### EVENT SERVICES

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

AUGUST	
National Trade Centre Events	Exhibition Place Events
Trade	Other
<ul style="list-style-type: none"> <li>• World Jewellery Expo</li> </ul>	<ul style="list-style-type: none"> <li>• Toronto International Carnival</li> <li>• Canadian National Exhibition</li> </ul>

- The Toronto International Carnival proceeded fairly smoothly despite a number of delays in the parade itself.

## **TELECOMMUNICATIONS**

Telecommunications installed services for both the CNE and Jewellery Expo. Services were provided across the grounds including the casino and cash office that utilized high-speed virtual private network connectivity.

## **BUILDING OPERATIONS**

During the month of August, Electrical and Plumbing continued to deliver services for the Jewellery Show, and the Canadian National Exhibition.

HVAC department performed various repairs to the cooling systems due to the extended demand, and with limited down time.

The Automotive building air conditioning was functioning well throughout the month, with no major concerns. CCTV system functioned satisfactorily, and quotation for the system improvements is being addressed, as well as, the possibility of a proposal for a system maintenance agreement.

## **FACILITY SERVICES**

The Angus Preventative Maintenance Program was a priority throughout August as staff prepared for the Caribana & CNE. Staff co-ordinated the services to these events and prepared various quotes for upcoming show/events. The huffcore wall partitions was inspected and repaired. Repaired to washrooms dispenser during CNE.

## **SERVICE STARS**

Anthony from the Jewellery World Expo commended Jim Lee's Staff on a job well done: "On behalf of our exhibitors, we wish to thank you for the excellent service you and your staff provided, for the Jewellery World Expo. We understand that success is a result of a team effort however, "Blaine Knutson" was particularly helpful." Best Regards ~ Anthony ~

## **FINANCIALS**

Net Operating Income for the eight months ending August 21, 2002 was \$601,583 compared to a budget of \$473,173 a favourable variance of \$128,445.

- Rental income at \$3,879,965 is unfavourable to budget by (\$150,085) due to the cancellation of the Toronto International QuarterHorse Show and timing of new business.
- Electrical service of \$331,459 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 \$382,815 partly as a result of lower utilities cost and minimal snow cleaning.
- Food & Beverage concessions of \$801,292 are unfavourable to budget by (\$91,066) due to the reduced corporate events that are not allowing new business targets to be achieved.

Accounts receivables at August 31, 2002 were \$1,826,208 consisting mainly of:

- \$780,556 owed as deposits for future events of which \$17,702 has been received by September 10, 2002.
- \$383,613 estimated for the CNE operational costs. Meeting with the CNE staff to finalize by the end of September 2002.
- \$224,758 for services on completed events of which \$154,120 has been received by September 10, 2002.
- \$203,392 of inter-program settlements, of which \$152,120 has been received by September 10, 2002.
- \$113,696 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25<sup>th</sup> of the following month.
- Arlene Campbell, Director of Finance/Associate GM was asked to join as a member of the CAEM Industry Training and Development Committee in continued support of the industry.

## SERVO-CANADA

### **RETAIL DEPARTMENT**

Retail sales for the month were again concentrated on just a few shows. The World Jewellery Expo, The Toronto International Carnival and the CNE headlined our list of events this month. All shows were successful and included their usual challenges.

### **CATERING DEPARTMENT**

Catering this month was limited to events related to the shows that were in-house which included dinners for the CNE as well as miscellaneous events for World Jewellery Expo.

# APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	2	1	1	59	25	34
Direct Event Income	40,781.96	61,706.00	(20,924.04)	4,271,122.97	4,402,557.30	(131,434.33)
Ancillary Income	39,116.04	54,140.00	(15,023.96)	1,436,499.35	1,666,997.11	(230,497.76)
Advertising Income	23,611.23	30,213.00	(6,601.77)	213,130.95	180,568.00	32,562.95
Utility Recovery - WYD	-	-	-	75,000.00	-	75,000.00
CNE Recovery	383,613.00	383,613.00	-	383,613.00	383,613.00	-
<b>Total Event Income</b>	<b>487,122.23</b>	<b>529,672.00</b>	<b>(42,549.77)</b>	<b>6,379,366.27</b>	<b>6,633,735.41</b>	<b>(254,369.14)</b>
Direct Expenses	315,444.95	387,516.00	72,071.05	3,207,560.80	3,452,219.00	244,658.20
Indirect Expenses	339,539.37	329,067.00	(10,472.37)	2,570,222.65	2,708,379.00	138,156.35
<b>Total Event Expenses</b>	<b>654,984.32</b>	<b>716,583.00</b>	<b>61,598.68</b>	<b>5,777,783.45</b>	<b>6,160,598.00</b>	<b>382,814.55</b>
<b>NET INCOME (LOSS)</b>	<b>(167,862.09)</b>	<b>(186,911.00)</b>	<b>19,048.91</b>	<b>601,582.82</b>	<b>473,137.41</b>	<b>128,445.41</b>

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At August 31, 2002 the markup paid to Exhibition Place is \$ 236,331.30 ( \$ 188,120.16 expensed against direct event income & balance of \$ 48,211.14 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 three events booked by the NTC for Ride & Drive events in the amount of \$32,564 remitted to Exhibition Place is

NOTE: 4 CNE operation costs estimated. Meeting with CNE staff to finalize by the end of September



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

	2001 YTD AUGUST ACTUAL	2002 YTD ACTUAL	2002 YTD BUDGET	2002 VARIANCE	VARIANCE TO YTD JULY 2001 ACTUAL	%
Number of Events	63	59	25	34	(4)	(6.3%)
Direct Event Income	4,141,789.99	4,271,122.97	4,402,557.30	(131,434.33)	129,332.98	3.1%
Ancillary Income	1,646,477.30	1,436,499.35	1,666,997.11	(230,497.76)	(209,977.95)	(12.8%)
Advertising Income	157,645.05	213,130.95	180,568.00	32,562.95	55,485.90	35.2%
WYD Utility Recovery		75,000.00	-	75,000.00	75,000.00	N/A
CNE Recovery	410,000.00	383,613.00	383,613.00	-	(26,387.00)	0.0%
<b>Total Event Income</b>	<b>6,355,912.34</b>	<b>6,379,366.27</b>	<b>6,633,735.41</b>	<b>(254,369.14)</b>	<b>23,453.93</b>	<b>0.4%</b>
Direct Expenses	3,212,726.35	3,207,560.80	3,452,219.00	244,658.20	5,165.55	0.2%
Indirect Expenses	2,438,046.81	2,570,222.65	2,708,379.00	138,156.35	(132,175.84)	(5.4%)
<b>Total Event Expenses</b>	<b>5,650,773.16</b>	<b>5,777,783.45</b>	<b>6,160,598.00</b>	<b>382,814.55</b>	<b>(127,010.29)</b>	<b>(2.2%)</b>
<b>NET INCOME (LOSS)</b>	<b>705,139.18</b>	<b>601,582.82</b>	<b>473,137.41</b>	<b>128,445.41</b>	<b>(103,556.36)</b>	<b>(14.7%)</b>

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At August 31, 2002 the markup paid to Exhibition Place is \$ 236,331.30 ( \$ 188,120.16 expensed against direct event income & balance of \$ 48,211.14 in direct expense)

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

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

NOTE: 4 CNE operation costs estimated. Meeting with CNE staff to finalize by the end of September



**THE NATIONAL TRADE CENTRE  
EVENT STATISTICS**

FOR THE MONTH OF AUGUST 2002

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	2,550	896,264	844,423

<u>EVENT</u>	ACTUAL # OF PERFORMANCES		(IN THOUSANDS)				
	2002	2001	2000	BUDGET	NET EVENT INCOME [Note: 3] ACTUAL	BUDGET	REFRESHMENT PER CAP'S ACTUAL [Note: 2]
Consumers Show	27	23	29	3,916	3,702	3,916	3.38
Trade Show	7	8	10	855	584	855	4.08
Concert	1	2	2	-	14	-	5.88
Photo/Film Shoot	2	3	5	-	56	-	7.15
Meeting/Corporate	22	27	18	243	387	243	5.91
	<b>59</b>	<b>63</b>	<b>64</b>	<b>5,014</b>	<b>4,743</b>	<b>5,014</b>	

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 AUGUST 31, 2002

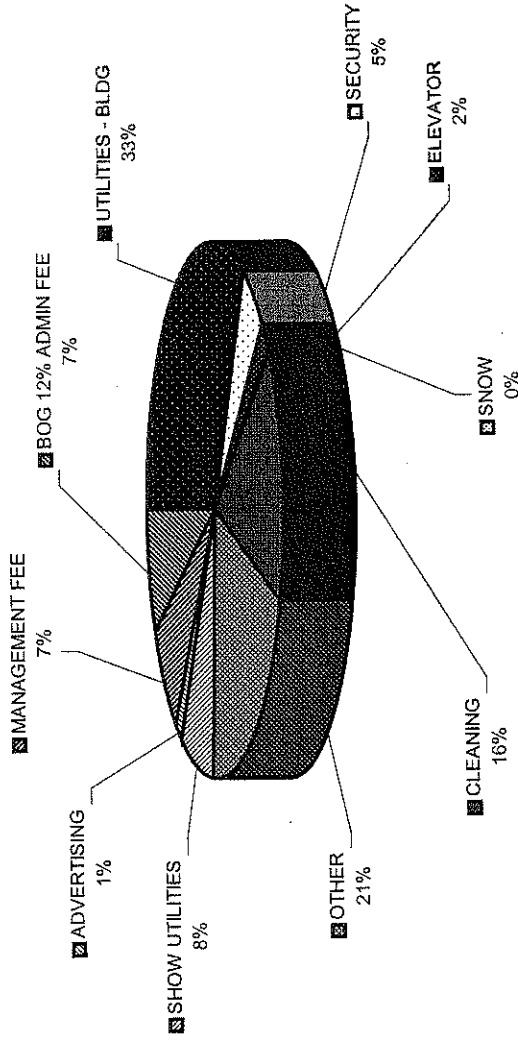
ASSETS	2002	2001
<b>CURRENT ASSETS</b>		
CASH	501,214.76	624,364.28
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	2,700,000.00	2,400,000.00
AMERICAN EXPRESS	3,602.30	16,003.01
TRADE ACCOUNTS RECEIVABLE	1,826,207.78	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(34,449.23)	
NET ACCOUNTS RECEIVABLE	1,791,758.55	1,398,705.71
RECEIVABLE FROM EX PLACE	170,906.95	278.64
OTHER RECEIVABLE	143,422.72	122,131.42
PREPAID EXPENSES	108,243.39	221,385.95
<b>TOTAL CURRENT ASSETS</b>	<b>5,669,148.67</b>	<b>5,032,869.01</b>
<b>FIXED ASSETS</b>		
EQUIPMENT - NET	96,666.23	156,389.12
<b>TOTAL ASSETS</b>	<b>5,765,814.90</b>	<b>5,189,258.13</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCRUED LIABILITIES	1,816,749.87	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	142,391.61	
DEFERRED REVENUE	3,414,851.87	4,428,413.01
<b>EQUITY</b>		
NET INCOME (LOSS) CURRENT	601,582.82	705,139.18
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)	
	<b>5,765,814.90</b>	<b>5,189,258.13</b>



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

	MONTH	YTD
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME (LOSS)	(167,862.09)	601,582.82
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
<b>SOURCES (USES) OF CASH</b>		
TERM INVESTMENTS	-	1,600,000.00
ACCOUNTS RECEIVABLE - TRADE	(671,101.00)	(203,037.49)
RECEIVABLE FROM EX PLACE B.O.G	(90,304.88)	(170,906.95)
ACCOUNTS RECEIVABLE - OTHER	(6,218.10)	(379.38)
PREPAID EXPENSES	9,465.45	(52,531.88)
DEPOSITS AND OTHER ASSETS	16,489.31	17,945.70
ACCOUNTS PAYABLE & ACCRUED EXPENSES	41,876.65	(38,166.01)
OTHER PAYABLES	109,894.37	55,349.41
DEFERRED INCOME	872,707.93	(327,161.15)
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
<b>NET CASH FROM OPERATIONS</b>	<b>114,947.64</b>	<b>1,482,695.07</b>
<b>OTHER SOURCES (USES) OF CASH</b>		
CAPITAL EXPENDITURES	-	-
PAYMENTS OF DEBT	-	-
DISTRIBUTION TO OWNERSHIP - Exhibition Place B.O.G.	-	(1,819,603.15)
<b>NET CASH FROM OTHER SOURCES</b>	<b>-</b>	<b>(1,819,603.15)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>114,947.64</b>	<b>(336,908.08)</b>
<b>BEGINNING CASH BALANCE</b>	<b>386,267.13</b>	<b>838,122.85</b>
<b>ENDING CASH BALANCE</b>	<b>501,214.77</b>	<b>501,214.77</b>

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



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

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

Check No	Date	Description	Amount
13288	8/23/02	O&Y SMG CANADA	71,363.94
13237	8/15/02	THE BOARD OF GOVERNORS OF EXHIBI	111,126.13
13230	8/15/02	THE BOARD OF GOVERNORS OF EXHIBI	53,400.00
13216	8/9/02	THE BOARD OF GOVERNORS OF EXHIBI	57,303.20
13201	8/1/02	THE BOARD OF GOVERNORS OF EXHIBI	133,230.78
		O&Y SALARIES FOR JULY	
		HOURLY PAYROLL - JULY 6, 20	
		PROPERTY INSURANCE 2002	
		JULY WORK ORDER	
		BI-WEEKLY SALARIES-JUN.29&JUL.13	
		<b>DISBURSEMENTS OVER \$50,000</b>	<b>426,424.05</b>
		<b>OTHER DISBURSEMENTS LESS THAN \$50,000</b>	<b>312,105.50</b>
		<b>TOTAL DISBURSEMENTS FOR AUG 2002</b>	<b>738,529.55</b>



