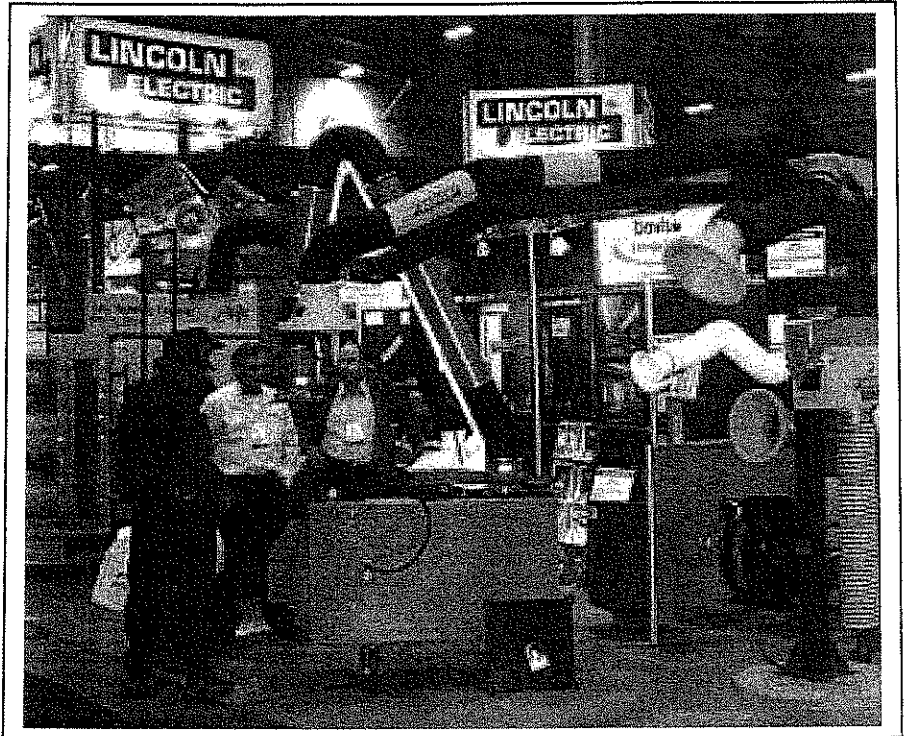


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THE NATIONAL TRADE CENTRE  
MANAGEMENT REPORT

FOR THE MONTH ENDING  
OCTOBER 31, 2002



WELD EXPO

**SUBMITTED BY:**

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

**ERNEST VINCENT**  
**GENERAL MANAGER/NTC**

# SALES & MARKETING

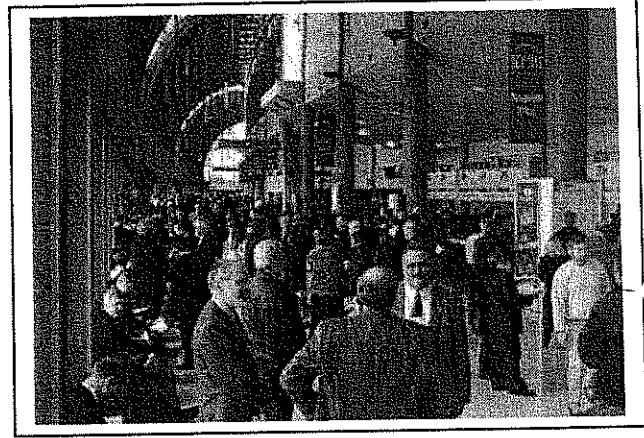
## OCTOBER SALES ACTIVITY

Results of our October sales efforts are as follows:

- 10 new 2002 events were contracted this month thereby increasing our total to 66 new events for 2002.

The events are categorized as follows:

- 10 consumer shows
- 9 trade shows
- 23 special events/film/photo shoots
- 24 corporate bookings/meetings/misc.
- 8 additional license agreements have been issued to clients for new 2002 events
- 3 license agreements have been issued to clients for new 2003 events.



ISH

- The debut of ISH North America took place at the NTC from Thursday October 31 through to Saturday November 2. Messe Frankfurt, the German trade fair organizer was very pleased with the results of show, having cloned the event from the immensely successful ISH show in Frankfurt. This was a trade only event and exhibitors were pleased with the quality of attendees who visited the show from across North America.

## PUBLICITY

- Events held in October received significant media attention including coverage in the Toronto Star, Globe & Mail, National Post and on CITYTV, CP24, CBC, CTV and Global.
- On October 15, 2002, our Sales team issued a news release to industry trade media on the "Festival of Ontario" event on October 9<sup>th</sup>. Media coverage on this event was posted on Conworld.net, Expo24-7.com and in m+a's Newslines.
- On October 29, 2002, we issued a news release announcing the success of Weld Expo. Media coverage is pending

## EVENT SERVICES

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

<b>OCTOBER</b>	
<b>National Trade Centre Events</b>	<b>Exhibition Place Events</b>
<b>Trade</b>	<b>Other</b>
<ul style="list-style-type: none"> <li>• RotoPlas 2002</li> <li>• CSFM/WELD EXPO</li> <li>• ISH North America</li> </ul>	<ul style="list-style-type: none"> <li>• Screemers Haunted House</li> </ul>
<b>Consumer</b>	
<ul style="list-style-type: none"> <li>• Toronto Ski Snowboard &amp; Travel Show</li> <li>• Canadian Pet Expo</li> <li>• Bicycle Blow-out Sale</li> <li>• Hadassah WIZO Bazaar</li> <li>• Canadian Home &amp; Country Show</li> <li>• Everything to do with Sex Show</li> <li>• Fall Home Show</li> <li>• Toronto Postage &amp; Stamp Show</li> </ul>	
<b>Other</b>	
<ul style="list-style-type: none"> <li>• LSAT Examinations</li> <li>• The Royal Jubilee Tour</li> <li>• Navaratri Samuh Garba Raas</li> <li>• Diwali Mela</li> </ul>	

- ISH North America – a first time event at the National Trade Centre, preceded very well despite late placed orders and a few union concerns. Show management expressed satisfaction with services and an attendance very close to their revised projection given that this was a first time show.
- The Ski Show once again had a static helicopter display which required extensive co-operation between NTC and city staff to implement. Show management for this and the other consumer events were generally pleased with our provision of services to their events.
- The Royal Jubilee Tour presented a challenge as orders were received very late otherwise the event itself was a success.

### **EMERGENCY PREPAREDNESS**

- The National Trade Centre conducted a full-scale fire drill on Oct. 15, 2002. This safety exercise involved a full evacuation of the building. The volunteer fire marshals for each area reported back to the Facility Manager after the drill to assess any concerns of which there were few.

### **TELECOMMUNICATIONS**

- Telecommunications provided a variety of services for a number of events. Internet access demand has increased significantly over the last few events as clients are relying more on virtual private networks as well as remote office connectivity.

- A new air-conditioning unit is being installed in the main computer server room. This unit should provide a more stable and controlled environment for the Network Operations Centre ensuring system integrity and longevity.
- Telecommunications is currently in discussions with Bell Canada for potentially providing access and connectivity for a micro cell in build within the National Trade Centre. This equipment will provide for a higher density of cell coverage as well as a revenue base from space rental and antenna installation.

## **BUILDING OPERATIONS**

- Ongoing repairs and upgrades are being completed to the CCTV System located in the National Trade Centre underground garage, and security office
- Switch Gear repairs is ongoing in The National Trade Centre due to equipment failure.
- Lighting in the Coliseum Complex and North Extension has undergone extensive maintenance and repair in preparation for the Royal Agricultural Winter Fair.
- The H.V.A.C. department has completed the Automotive Building Sub-Station ventilation and exhaust improvements.
- The Filter replacement Program is proceeding, to accommodate the upcoming R.A.W.F. Regular scheduled maintenance provided by the H.V.A.C., Electrical, and Plumbing departments is continuous.

## **FACILITY SERVICES**

Building and equipment maintenance was ongoing throughout October. Numerous repairs were completed due to damages caused by various shows. The following work is either on going or completed.

- Exit doors continued to be repaired throughout complex. Door hardware was ordered and will be installed during November. Mechanical doors underwent repairs due to show damages
- Washroom stalls and dispensers were replaced/repared where necessary
- Roof drains were cleared above Halls A to D and Automotive building
- All NTC managed fleet underwent scheduled maintenance and necessary repairs
- All Halls including Salons underwent minor paint touch ups
- Inventory warehouse in the North Extension was re-located to Better Living Center to accommodate RAWF occupancy.
- Discussions on 2002-2003 Capital projects continued throughout October
- The Angus Maintenance Program was updated with more scheduled maintenance items. This project is ongoing
- Carpet for salons 101,102,105 and the Marketing hallway was approved and will be installed in December.

## SERVICE STARS

Peter Jeffery received a letter from the Power Within coordinator Joanna Parris and she said, "You are the best!!!! Without your co-operation and assistance the event –Power Within- would not have run as smoothly as it did, you were absolutely amazing!"

## FINANCIALS

Net Operating Income for the ten months ending October 31, 2002 was \$1,009,496 compared to a budget of \$863,910 a favourable variance of \$145,585.

- Rental income at \$5,207,560 is unfavourable to budget by (\$177,795) mainly due to the shrinkage of corporate business.
- Electrical services of \$540,016 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, Toronto Sportsmen's Show and IIDEX/Neocon. Staff are addressing these issues.
- Direct and indirect expenses are favourable to budget by \$374,804 partly as a result of lower utilities cost and minimal snow cleaning.
- Food & Beverage concessions of \$956,088 are unfavourable to budget by (\$113,357) due to the reduced corporate events that are not allowing new business targets to be achieved.

Accounts receivables October 31, 2002 were \$2,247,020 consisting mainly of:

- \$914,379 owed as deposits for future events of which \$309,033 has been received by November 11, 2002.
- \$718,063 for services on completed events of which \$338,732 has been received by November 11, 2002.
- \$391,812 for the CNE operational costs, which are now finalized.
- \$182,118 of Food & Beverage Concessions is owed by Servo Canada contractually due on the 25<sup>th</sup> of the following month.

## SERVO-CANADA

### RETAIL DEPARTMENT

- October shows included some very exciting new shows and some previous shows that have been with us throughout the years. Two new shows were ISH North America and The Canadian Home and Country Show were both very successful in driving sales.

### CATERING DEPARTMENT

- Catering this month was show catering only. Shows that were strong in catering include The Power Within and ISH North America.

# APPENDIX "A"

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

	MONTH ACTUAL	MONTH BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
Number of Events	14	10	4	82	41	41
Direct Event Income	766,602.80	663,559.00	103,043.80	5,767,902.84	5,838,831.30	(70,928.46)
Ancillary Income	289,419.06	268,340.00	21,079.06	1,929,678.24	2,212,732.11	(283,053.87)
Advertising Income	22,893.48	30,213.00	(7,319.52)	259,917.90	230,292.00	29,625.90
Utility Recovery - WYD	11,938.25	-	11,938.25	86,938.25	-	86,938.25
CNE Recovery	8,199.00	-	8,199.00	391,812.00	383,613.00	8,199.00
<b>Total Event Income</b>	<b>1,099,052.59</b>	<b>962,112.00</b>	<b>136,940.59</b>	<b>8,436,249.23</b>	<b>8,665,468.41</b>	<b>(229,219.18)</b>
Direct Expenses	457,445.45	503,348.00	45,902.55	4,074,607.05	4,394,865.00	320,257.95
Indirect Expenses	471,856.67	357,557.00	(114,299.67)	3,352,146.67	3,406,693.00	54,546.33
<b>Total Event Expenses</b>	<b>929,302.12</b>	<b>860,905.00</b>	<b>(68,397.12)</b>	<b>7,426,753.72</b>	<b>7,801,558.00</b>	<b>374,804.28</b>
<b>NET INCOME (LOSS)</b>	<b>169,750.47</b>	<b>101,207.00</b>	<b>68,543.47</b>	<b>1,009,495.51</b>	<b>863,910.41</b>	<b>145,585.10</b>

NOTE: 1 Actuals include 12% markup paid to Exhibition Place on labour and materials. At October 31, 2002 the markup paid to Exhibition Place is \$ 332,561.71 ( \$ 273,537.96 expensed against direct event income & balance of \$ 59,023.75 in direct expense)

NOTE: 2 Rental income for three events booked by the NTC for Ride & Drive events in the amount of \$32,564 remitted to Exhibition Place is



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

	2001 YTD OCT ACTUAL	2002 YTD ACTUAL	2002 YTD BUDGET	2002 VARIANCE	VARIANCE TO YTD SEPT 2001 ACTUAL	%
Number of Events	86	82	41	41	(4)	(4.7%)
Direct Event Income	5,322,232.85	5,767,902.84	5,838,831.30	(70,928.46)	445,669.99	8.4%
Ancillary Income	2,131,799.04	1,929,678.24	2,212,732.11	(283,053.87)	(202,120.80)	(9.5%)
Advertising Income	191,366.05	259,917.90	230,292.00	29,625.90	68,551.85	35.8%
WYD Utility Recovery	-	86,938.25	-	86,938.25	86,938.25	N/A
CNE Recovery	393,948.00	391,812.00	383,613.00	8,199.00	(2,136.00)	0.0%
<b>Total Event Income</b>	<b>8,039,345.94</b>	<b>8,436,249.23</b>	<b>8,665,468.41</b>	<b>(229,219.18)</b>	<b>396,903.29</b>	<b>4.9%</b>
Direct Expenses	3,827,764.66	4,074,607.05	4,394,865.00	320,257.95	(246,842.39)	(6.4%)
Indirect Expenses	3,046,681.76	3,352,146.67	3,406,693.00	54,546.33	(305,464.91)	(10.0%)
<b>Total Event Expenses</b>	<b>6,874,446.42</b>	<b>7,426,753.72</b>	<b>7,801,558.00</b>	<b>374,804.28</b>	<b>(552,307.30)</b>	<b>(8.0%)</b>
<b>NET INCOME (LOSS)</b>	<b>1,164,899.52</b>	<b>1,009,495.51</b>	<b>863,910.41</b>	<b>145,585.10</b>	<b>(155,404.01)</b>	<b>(13.3%)</b>

NOTE: 1

Actuals include 12% markup paid to Exhibition Place on labour and materials. At October 31, 2002 the markup paid to Exhibition Place is \$ 332,561.71 ( \$ 273,537.96 expensed against direct event income & balance of \$ 59,023.75 in direct expense)

NOTE: 2

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



**THE NATIONAL TRADE CENTRE  
EVENT STATISTICS**

FOR THE MONTH OF OCTOBER 2002

	<u>MONTH ACTUAL</u>	<u>YTD ACTUAL</u>	<u>PRIOR YEAR ACTUAL</u>
Attendance [Note: 1]	138,980	1,079,894	1,021,143

<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	40	34	4,168	4,258	3.01
Trade Show	14	10	1,607	2,048	4.39
Concert	1	2	24	7	5.88
Photo/Film Shoot	2	5	52	-	5.65
Meeting/Corporate	25	35	553	318	5.91
	<u>82</u>	<u>86</u>	<u>6,404</u>	<u>6,632</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.





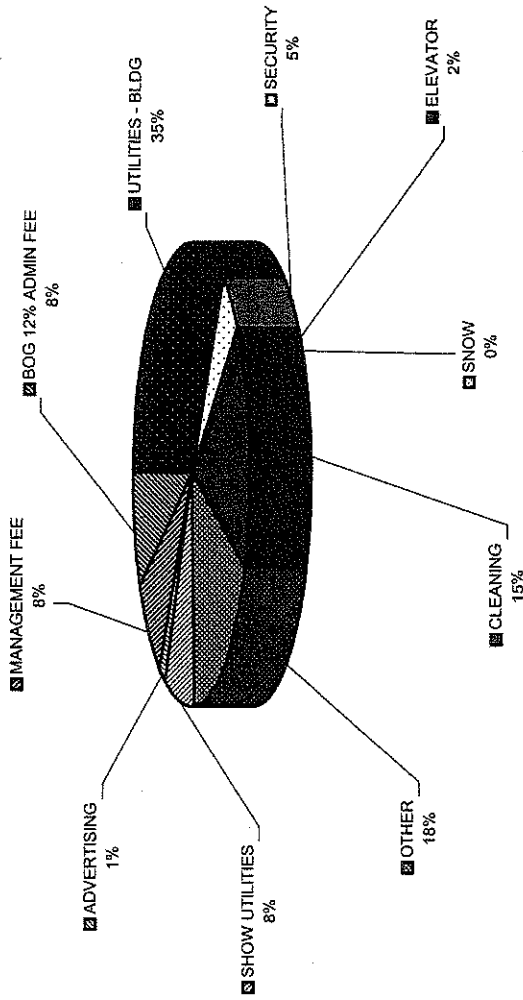
**THE NATIONAL TRADE CENTRE  
BALANCE SHEET  
AS AT OCTOBER 31, 2002**

<b>ASSETS</b>	<b>2002</b>	<b>2001</b>
<b>CURRENT ASSETS</b>		
CASH	1,070,877.83	874,653.34
ADVANCE TO EX PLACE	250,000.00	250,000.00
TERM INVESTMENTS	4,500,000.00	3,800,000.00
AMERICAN EXPRESS	20,645.00	3,608.36
TRADE ACCOUNTS RECEIVABLE	2,247,019.73	
ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(49,621.23)</u>	
NET ACCOUNTS RECEIVABLE	2,197,398.50	1,295,235.73
RECEIVABLE FROM EX PLACE	48,225.38	65.18
OTHER RECEIVABLE	143,289.26	90,200.37
PREPAID EXPENSES	<u>97,806.98</u>	<u>122,234.96</u>
<b>TOTAL CURRENT ASSETS</b>	<b>8,328,242.95</b>	<b>6,435,997.94</b>
<b>FIXED ASSETS</b>		
EQUIPMENT - NET	88,053.01	132,511.11
<b>TOTAL ASSETS</b>	<b><u>8,416,295.96</u></b>	<b><u>6,568,509.05</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCRUED LIABILITIES	2,769,335.52	
PROVINCIAL & FEDERAL SALES TAX PAYABLE	191,313.90	
DEFERRED REVENUE	<u>4,655,912.30</u>	<u>5,347,903.59</u>
<b>EQUITY</b>		
NET INCOME (LOSS) CURRENT	1,009,495.51	1,164,899.52
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)	
	<u>8,416,295.96</u>	<u>6,568,509.05</u>

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

	MONTH	YTD
<b>CASH FLOW FROM OPERATIONS</b>		
NET INCOME (LOSS)	169,750.47	1,009,495.51
ADD: EMPLOYEE BENEFITS - VACATION/SICK	-	-
<b>SOURCES (USES) OF CASH</b>		
TERM INVESTMENTS	(1,500,000.00)	(200,000.00)
ACCOUNTS RECEIVABLE - TRADE	(341,656.77)	(608,677.44)
RECEIVABLE FROM EX PLACE B.O.G	81,827.87	(48,225.38)
ACCOUNTS RECEIVABLE - OTHER	(94,315.07)	(245.92)
PREPAID EXPENSES	(23,563.84)	(42,095.47)
DEPOSITS AND OTHER ASSETS	85,950.77	9,516.22
ACCOUNTS PAYABLE & ACCRUED EXPENSES	149,995.86	914,419.64
OTHER PAYABLES	93,693.84	104,271.70
DEFERRED INCOME	1,298,921.58	913,899.28
ADVANCE DEPOSITS - Exhibition Place B.O.G	-	-
<b>NET CASH FROM OPERATIONS</b>	<b>(79,395.29)</b>	<b>2,052,358.14</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>(79,395.29)</b>	<b>232,754.99</b>
<b>BEGINNING CASH BALANCE</b>	<b>1,150,273.13</b>	<b>838,122.85</b>
<b>ENDING CASH BALANCE</b>	<b>1,070,877.84</b>	<b>1,070,877.84</b>

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



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



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

Check No	Date	Amount	DESCRIPTION
13559	10/29/02	65,942.73	SEP. O&Y SALARIES
13540	10/24/02	1,015,683.49	BALANCE WYD EVENT SERVICES
13538	10/24/02	400,000.00	TERM INVESTMENT
13536	10/23/02	127,842.91	OCT.5 HOURLY PAYROLL
13507	10/17/02	117,390.26	SEP.28 HOURLY PAYROLL
13502	10/17/02	250,000.00	TERM INVESTMENT
13480	10/16/02	71,639.73	SEP.GST REMITTANCE
13480	10/16/02	64,342.69	SEP.21 SALARIES PAYROLL
13462	10/10/02	600,000.00	TERM INVESTMENT
13461	10/10/02	250,000.00	TERM INVESTMENT
13458	10/10/02	54,656.15	SEP.WORK ORDER
13419	10/3/02	129,998.30	AUG.24 & SEP.7 SALARIES PAYROLL
13418	10/3/02	131,892.21	JUL.27 & AUG.10 SALARIES PAYROLL
13416	10/3/02	53,491.97	AUG.3-31 HOURLY PAYROLL
13411	10/3/02	138,653.83	SEP.21 HOURLY PAYROLL
			3,471,534.27
<b>DISBURSEMENTS OVER \$50,000</b>			
<b>OTHER DISBURSEMENTS LESS THAN \$50,000</b>			359,076.13
<b>TOTAL DISBURSEMENTS FOR OCT. 2002</b>			<b>3,830,610.40</b>

