



TRADE CENTRE LIMITED

2016-17 ANNUAL REPORT

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MANAGEMENT TEAM

Carrie Cussons
President & CEO

Suzanne Fougere
*Senior Director, Corporate Strategy,
Marketing & Communications*

Robert Logan
*Senior Director,
Scotiabank Centre*

Shelly Parsons
*Senior Director,
Finance & Technology*

Dawn Baldwin
*Director of Sales,
Halifax Convention Centre*

Peggy Dooley
*Senior Manager, Event Operations,
Scotiabank Centre & General Manager,
Ticket Atlantic*

Genaya Cameron
*Director, Event Operations,
Halifax Convention Centre*

Greg Smith
*Director, Food & Beverage,
Halifax Convention Centre*

Colin Kiley
Director, Property Services

Paula Brown
Corporate Secretary / Executive Assistant

PHOTO CREDITS:

Cover, Page 1, 6, 10, 11, 21 (top) - Nicole Lapierre
Page 15, 16, 21 - Mike Dernbeck
Page 9, 12 - Jive Photography
Page 20 (left) - Trauma Association of Canada
Page 20 (right) - Schizophrenia Society of Canada



MESSAGE FROM THE PRESIDENT & CEO

When I reflect on the past year for our organization, it seems fitting that it ended with us saying goodbye to Trade Centre Limited (TCL) and introducing our new name, Events East Group.

For 35 years, TCL has acted as a key economic and community driver for Nova Scotia through the events we host. Throughout our journey of change and transformation this past year, we have looked to that foundation of hosting excellence that spans over three decades to help shape our vision for the future and allow us to move forward with confidence.

As we prepare to transition operations to the new Halifax Convention Centre, we have been focused on how we can design and deliver the event experience our clients are looking for. Our journey to ensure we are delivering memorable experiences to our guests—and our community—has involved input from our staff, our stakeholders, our clients and our customers. Their feedback has helped to shape things like our new menu and our event planning process, and has also guided operational changes and technological improvements that will ensure efficient and effective event delivery.

We continued to bring the best and brightest events to our customers at Scotiabank Centre this year. And we were focused by keeping those customers satisfied once they were in our building by responding to their feedback through ongoing capital improvements and work to

continuously improve their event experience.

As we look forward to our new direction and our milestone year ahead as Events East, we will continue to build on TCL's reputation and continue to take pride in operating the region's premier event facilities. We are excited about what we will achieve and we are committed to ensuring everything we do creates memorable event experiences for our guests.

Yours truly,
Carrie Cussons
President & CEO

MESSAGE FROM THE BOARD

Over its 35 year history, through various changes and evolutions, TCL has always made its impact on Nova Scotia through hosting events. This past year was no different.

In 2016-17, we focused on strategic activities to help us prepare for the transition to our new corporate structure and the opening of the new Halifax Convention Centre. But we also continued to focus on positioning Nova Scotia as Canada's premier east coast events destination through our facilities and the events we host.

In the year ahead, Scotiabank Centre will continue to attract amazing sports and entertainment events, contributing to a vibrant Halifax. And our extensive planning and preparations will become a reality as we open the doors to our Halifax Convention Centre and begin to host many significant national and international clients. In addition to transitioning our operations to the new Halifax Convention Centre, a primary focus will be completing the governance transition of oversight of operations from TCL to Events East Group. Under our new joint governance structure, we will work closely with the

Province of Nova Scotia and Halifax Regional Municipality in an open and transparent manner to ensure success in the evolution of our organization.

Under the new structure, and guided by a new mission and vision, the board of directors looks forward to the opportunities that lie ahead, building on the foundation put in place over our rich history. We have every confidence in the management team and the new strategy in place to lead the organization forward.

TCL Board of Directors

TCL BOARD OF DIRECTORS

Justin McDonough

Partner, Matthews McDonough Financial Planning Inc.

Mike Savage

Mayor, Halifax Regional Municipality

Brad Anguish

Director, Parks & Recreation, Halifax Regional Municipality

Murray Coolican

Deputy Minister, Nova Scotia Department of Business

Wayne Crawley FCPA

Partner, Senior Advisor for portfolio Private Companies

Carrie Cussons

President & CEO

Jeff Forbes

President & Managing Partner, Knightsbridge Robertson Surette

Gordon D. Gillis

Past Chair, TCL Board of Directors

Mary Lee

President & CEO, Health Association Nova Scotia

Kenzie MacDonald

Director of Asset Management Commercial & Multi-residential, GWL Realty Advisors Inc.

Dr. Gloria McCluskey

Councillor, Halifax Regional Municipality

Russell Walker

Councillor, Halifax Regional Municipality

On June 24, 2016, the new board of directors for the Halifax Convention Centre Corporation (now known as Events East Group) was appointed. Board members are now jointly appointed by both the municipal and provincial government and include the following members:

EVENTS EAST BOARD OF DIRECTORS

Justin McDonough

Partner, Matthews McDonough Financial Planning Inc., Board Chair

Louise-Anne Comeau

VP Customer Development, Emera

Murray Coolican

Deputy Minister, Nova Scotia Department of Business

Wayne Crawley FCPA

Partner, Senior Advisor for portfolio Private Companies

Carrie Cussons

President & CEO

Jacques Dubé, CAO

Halifax Regional Municipality

Jeff Forbes

President & Managing Partner, Knightsbridge Robertson Surette

Gregory Keefe

Former CFO, Halifax Regional Municipality

Nancy MacCready-Williams

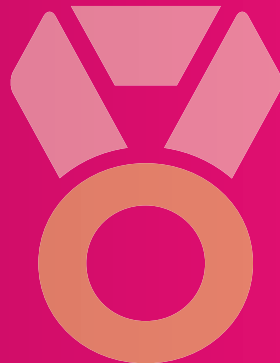
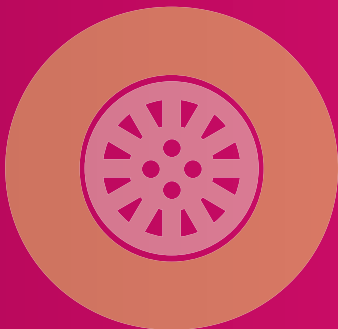
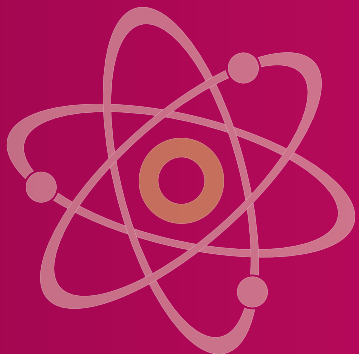
CEO, Doctors Nova Scotia

James MacNeil

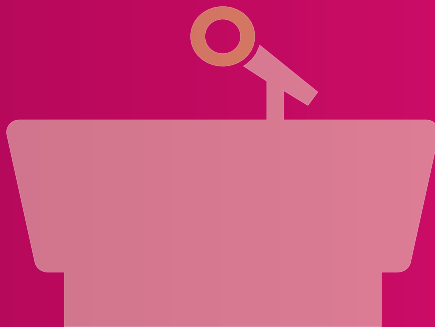
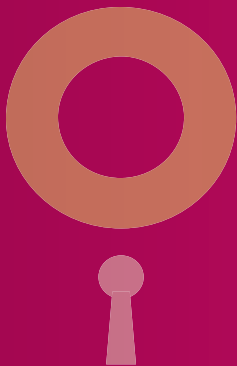
Managing Partner, BOYNECLARKE LLP

Barbara Manning

Past President & CEO of Genie Knows



LOOK WHO'S COMING



With our state-of-the-art facility set to open its doors next year, we're proud to say that clients are choosing Nova Scotia and our new Centre to host their events. In 2016-17, we reached a cumulative total of 67 major national and international events booked with over 50,000 attendees.

BOOKED BUSINESS



67
EVENTS



\$65+ MILLION
DIRECT EXPENDITURES



50,000+
ATTENDEES

Our ability to attract these significant events reinforces our reputation for creating memorable experiences and Halifax's reputation as a great destination and host city. Clients have told us again and again that while they look forward to their event taking place in our iconic space, what really stands out for guests is the warm, welcoming culture of Nova Scotia—it's something they feel the moment they step off the plane at our award-winning airport; the charm of our harbour-side city packed with shops, restaurants, history, music, and more; the unique tastes and treats we cook up from the ocean, our vineyards, and gardens; and the people of Nova Scotia, who are known world-wide for their friendliness. In fact in many ways, the "real" convention facility is the city and province itself!

One event that's looking forward to being hosted in the new Centre is the Canadian Sport Tourism Sport Events Congress 2018, which is coming to Halifax for the first time and will bring 400 delegates from across Canada.

"We know our new Halifax Convention Centre will deliver an unforgettable event experience for our guests and make our community proud."

Carrie Cussons, President & CEO

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THE WINNING STREAK CONTINUES!

The Halifax Convention Centre has once again been recognized for marketing excellence and has been selected by the International Association of Business Communicators (IABC) as Silver Leaf Award winner in two categories: Marketing, Advertising and Sales Vehicles and Marketing Communications.

We see this as proof that we are on target for our mission: we not only create memorable event experiences; our bold, simple and fun brand helps us connect with our clients in memorable ways, too!

This award is something we are especially proud of because the IABC considers results on business objectives, not just creativity. So not only are we catching attention creatively, the creativity is capturing business. ●

As Rick Traer, CEO of Canadian Sport Tourism, says, three factors influenced their decision to come to Halifax. The first is the new facility. “We love the space,” says Traer, describing his impression after a site tour. “It’s impeccable—the vistas, the sight lines to the harbour are outstanding. The location is so central to hotels. And the food and beverage options in the Centre and the city all came together.”

The second was the reputation of Nova Scotia. “There’s no question that the hospitality of the East Coast is second to none,” he continues. “The Atlantic Canadian flavour came through in the bid presentation.”

And the third was the opportunity to take in a major sporting event being held at our other facility, the Scotiabank Centre. “The link to the CIS Final 8 was a key factor,” says Traer. “Our delegates are thrilled that we’re incorporating a high-level basketball event into our congress.”



We’re looking forward to hosting this event, along with many others such as:

- Liberal Party of Canada 2018 Biennial Convention
- Royal College of Physicians and Surgeons of Canada 2018 International Conference
- 2018 Federation of Canadian Municipalities Annual Conference and Trade Show
- Conservative Party of Canada National Policy Convention 2018
- 2018 International Festival of Science, Technology, Engineering and Mathematics (STEM Fest) ●

THE STRENGTH OF OUR PEOPLE

Our people are at the centre of everything we do, and that has never been more apparent than it was this past year. We have been on a journey of change and transformation as we prepare to open and operate the Halifax Convention Centre and complete the transition to our new corporate structure. Throughout this journey, we’ve been engaging our people, and asking them to help define and shape our new culture.

Through our employee engagement survey, we heard loud and clear how much our employees care about the guest experience: survey results showed that 96 per cent of employees believe customer service is our top priority. And we learned that our employees are strongly committed to our organizational values and direction. Knowing this, their ideas have been crucial in guiding our way forward as we shape our approach to service excellence.

And we know that an empowered team is rooted in a focus on continuous improvement and open feedback. Thanks to employee input, we have developed an internal communication and engagement strategy that ensures our people at all levels of the organization regularly receive information about what’s happening and are provided opportunities to offer feedback on our priorities.

Our president & CEO, Carrie Cussons, is excited to be leading an organization with such an engaged and passionate team. Carrie knows that our business is based on the people who work for us, those whose events we host, those people who attend our events, and the people of our city and province who make our destination so authentic, unique and attractive. She knows the real strength of the organization is the way it connects people, and that idea is central to our new mission statement and vision. ●



EMPLOYEE ENGAGEMENT STUDY:



200

TOTAL
EMPLOYEES
PARTICIPATED



84%

OF STAFF ARE
HAPPY WITH
THEIR JOBS



83%

ARE PASSIONATE
ABOUT WORKING
AT EVENTS EAST



INTRODUCING EVENTS EAST GROUP

At the end of March, we became Events East Group (formerly TCL), reflecting the full scope of our business and operations. Our new name and brand reflects our new mission and vision and positions us as leaders in the events industry. This change reinforces our modern and forward-looking direction, fully encompasses all of our business areas, and is an important step in solidifying our new organization. The transition to our new name and governance structure does not change what we do or how we do it. We will continue to manage and operate the Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic, and create memorable event experiences for our community and our guests.

Mission:

We connect the world to Nova Scotia by creating memorable event experiences.

Vision:

Our people and our community make us the favoured event destination of our guests.

"We know our employees are passionate about creating memorable events and we think our mission and vision resonates with our clients and partners too," says Cussons. "It's all about the people, the culture, and the flavour; that's what makes Nova Scotia so memorable."

By empowering our employees and keeping our guests at the centre of all we do, clients can simply focus on the purpose of their event, and we take care of everything else. You only have to talk to our guests to see how well it's working. ●

SERVICE EXCELLENCE FOR THE TRAUMA ASSOCIATION

In 2016, the Trauma Association of Canada held their annual scientific meeting and conference, co-sponsored with Dalhousie University, with us. The event brought together over 300 delegates from eight different countries.

We were able to help our client pull off an action-packed event that included a multi-faceted conference agenda and exhibition. Part of the exhibit involved coordinating logistical requirements to bring in a 9.7-metre (32-foot) long Emergency Health Services (EHS) Mobile Simulation vehicle, something unique to the conference.

Our staff took great pride in working to deliver a smooth conference experience that left our client feeling supported and satisfied.

“If I looked like I might need something, your team was already offering. It was very attentive service.”

Kate Mahon, Executive Director, Trauma Association of Canada

The Trauma Association of Canada was so impressed with their event’s success in Halifax that they are already planning to come back for Trauma 2020! ●

SERVICE EXCELLENCE FOR THE SCHIZOPHRENIA SOCIETY OF CANADA

In May 2016, the Schizophrenia Society of Canada held their two-day national conference in Halifax for the first time since 1995. The event brought together 170 delegates representing clinicians and their communities.

The local chapter was eager to host the conference in Halifax because it gave them the opportunity to make a great impression and develop a stronger profile within the community.

We made sure there was a dedicated event manager onsite; that made it easy to alleviate some of the pressure of the small details related to event planning, and allowed the client to focus their efforts on what they wanted the conference to achieve.

With an internationally recognized expert speaking on the effects of nutrition on individuals affected by mental health issues, it was important to incorporate healthy meal options into the conference menu. Our convention centre team was proactive in putting together a fruit-focused dessert selection that was tasty, healthy, and in-line with the research being presented—something they were able to do because they understood the client’s objectives. ●



*“If I looked like
I might need
something, your
team was already
offering. It was very
attentive service.”*

*Kate Mahon, Executive Director, Trauma
Association of Canada*

IN THE BUSINESS OF WOW!

Delivering memorable experiences is right in our new mission. To us, every event has to be a “wow!” Nothing else will do.

We’ve kept that goal in mind as we make preparations for the opening of the new Halifax Convention Centre, and continue to make improvements to Scotiabank Centre.

By talking to our clients and customers, focusing on their experience and personally connecting with them, we make sure we’re creating moments and events that will be remembered.

PREPARING FOR THE NEW HALIFAX CONVENTION CENTRE

In our business, we’re often working with clients over the span of several years, which means we spend a lot of time together. We knew we needed to find a way to differentiate ourselves and to make sure we delivered a unique experience from start to finish—one that is tailored to our clients needs.

Two years ago we started on a journey with these event-planner clients to redefine their experience with us. While our new Centre was being built, we were working together to shape the experience they would have when we open our doors.

“We brought our clients together to imagine what might be possible, with one question in mind—what are the wow opportunities for us to create?” said Carrie Cussons. “We wanted to design an exceptional experience so everyone who visits us is impressed and inspired to come back again and again.”

We started by exploring the customer journey from end to end, aiming to move beyond the standard approach to event delivery and look at the full event experience.

Then, as a team, we sat back to reflect on what we heard and figured out where to go from there. The result was a restructuring of the way we worked with clients from the very early stages of the sales process all the way to after their event has come and gone. This new approach means we’ve become more collaborative and integrated with our own team and with the clients themselves so we can really influence the delegate experience.



Through our work with clients, our team also learned that they are looking for a venue that will partner on their event’s success and a host destination that is willing to create a unique experience for visitors.

Long after the final panel of glass is installed, the last coat of paint is applied and the doors of our new Centre open for the first time, we’ll be hosting visitors from around the world, helping to create memories each and every time. Our goal is to showcase the unique Nova Scotia experience throughout our events, and inspire our guests to get outside of our Centre, into the streets and spaces of our province and truly experience all that we have to offer. ●

TRADITIONAL EAST COAST WITH CLASSIC EUROPEAN SKILL AND FLAIR

We've been busy developing programs and services that will deliver a wow experience to planners and delegates alike in all areas of our business. With food continuing to be an area that is evolving in events, we've been listening to our clients while using our expertise in the development of our new menu. Our client feedback and research into industry trends shows that conferences are moving away from the formal, sit-down meals towards food experiences that are more grab-and-go. This makes it easier to network at meal breaks—to just grab a bite and mingle. For example, our breakfast menu now offers waffle pops, or a breakfast sandwich instead of an omelette.

How does Local Valley Squash and Apple Soup sound? Or Lobster and Shitake Mushrooms Mac and Cheese? Save room for dessert: House-made Acadian Beignets!

We also wanted to make sure to showcase the culture and flavour that would deliver a Nova Scotia experience—and what better way to do that than at a meal for hundreds of guests? Again, our research told us that visitors want to get an authentic taste of their destination—especially one as unique as ours—our chefs

have completely redesigned our menu to infuse Nova Scotia culture by adding local ingredients and flavours. Nova Scotia blueberries, Annapolis Valley apples, Fox Hill cheese, Meadowbrook Meat Market, and much more now influence the menu, as do our province's famous Tidal Bay wines and craft beers.

Our multinational chefs put a multicultural twist on the menu too, adding their own French, Irish, South Korean, and Sri Lankan influences. That's why we call it “traditional East Coast with classic European skill and flair.”

Healthful eating was also important to our clients, and is another trend we're happy to accommodate. Almost 100 per cent of our meals are made from scratch in our kitchen, giving us full control over the ingredients, and allowing us to prepare in a way that is mindful of any dietary restrictions and requirements of our guests.

And, of course, we're feeding the need to be eco-friendly while we're at it by buying local, using green/recyclable containers, and making full use of the food.

We put our new menu to the test when we hosted the 5th National Fair Trade Conference and AGM this year. We were pleased to be able to align with the conference's values of promoting fair trade and sustainability by providing guests with food that is locally grown and met fair trade requirements. We worked with the conference to offer a diverse and inspired menu, and guests were thrilled to see seasonal local foods incorporated into their meals, as well as vegetarian and vegan options. We were especially excited and proud to be able to work with our client to accommodate requests that reflected the organization's goals and contributed to the event's success. ●



PARTNERS IN SUCCESS

We don't deliver exceptional experiences alone. It takes a whole team of the right suppliers who share our vision to make it happen.

This year we started selecting those suppliers.

The first selected for the new Centre was FMAV as our official in-house audiovisual, digital sign software support, as well as exclusive rigging service supplier. "We're committed to delivering a strong customer experience, and we look forward to partnering with FMAV to share our vision of ensuring successful event delivery," said Carrie Cussons. "Together, we'll invest in better technical support for our clients and align our new facility with technology trends to provide innovative offerings."

"We're thrilled to strengthen our relationship with the Halifax Convention Centre team and prepare to operate in their brand-new Centre with state-of-the-art audiovisual support," said Bill Brown, president & CEO of FMAV. "Through this partnership, we look forward to delivering an incredible event experience for clients and their attendees."

Next was Global Convention Services for in-house tradeshow services, and Big Eric's for smallwares. Both suppliers demonstrate the same level of commitment to customer service that we do. ●



CONSTANTLY LISTENING, CONSTANTLY IMPROVING AT SCOTIABANK CENTRE

This year, we continued to enhance the experience at Scotiabank Centre by completing the switch over to LED lighting. The upgrade offers our events much more flexibility and creativity with their light shows—anyone who has been to a game this year will have seen the graphics and lighting effects we're capable of now when a goal is scored! But beyond the fun, the new lighting delivers something much more important—energy efficiency.

We also listened and responded to requests many of our customers made through our online Customer Advisory Panel to install grab bars on the stairs. Now, when going to and from their seats, customers will be able to hold a bar for extra comfort and safety.

And since sometimes they're going up and down the stairs to get food, we made sure customers can see the full range of choices they've got with a colourful, easy-to-read concessions map posted on the website and around the venue. It helps people know exactly where to go to get their favourite snack or beverage.



LED
LIGHTING



CONCESSIONS
MAP



STAIR
GRAB BARS

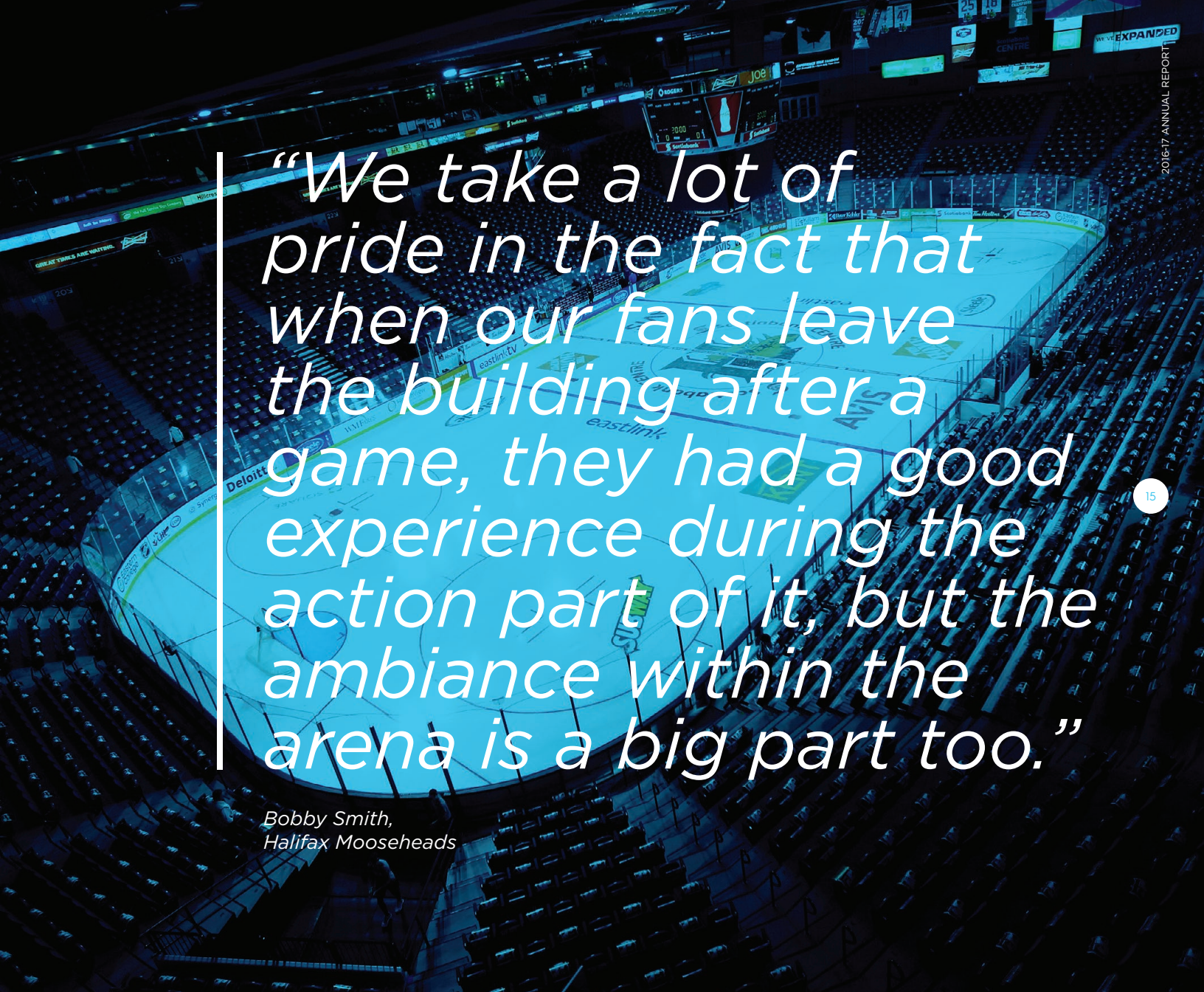


SOCIAL MEDIA
ENGAGEMENT

In the past year we have really upped our social presence and engagement, not only as a way to promote the great events we've got lined up, but also to listen to and talk with our fans during events. Online customer feedback is now an important way for us to ensure we are continuously working to provide the best event experience. And thanks to social media, fans who can't make it in person can still be part of the excitement through live-tweeting, Facebook, and Instagram updates, as well as contests and promotions that invite participation. It's a great way for everyone to share the fun, and give us feedback on how we can keep making the event experience better for everyone. ●

"We had a great experience with the Scotiabank Centre team. I spent a lot of time watching how our fans interacted with staff at the venue, and it seemed like it was the highest level of service and hospitality."

David Shaw,
UFC Vice President



"We take a lot of pride in the fact that when our fans leave the building after a game, they had a good experience during the action part of it, but the ambiance within the arena is a big part too."

Bobby Smith,
Halifax Mooseheads

THE FAVOURERED DESTINATION OF OUR GUESTS

We've long recognized that the people of Nova Scotia are one of the greatest assets in making Halifax a favoured destination for our guests. That's why we work hard to nurture and strengthen our connection with our community.

One way we do that is through partnerships with other organizations and events that are aligned with our business strategy.

CONNECTING WITH INDUSTRY

For example, in November 2016, we were a proud supporting partner of the Tourism Industry of Nova Scotia's (TIANS) Tourism Summit—Invest in Tourism. Tourism is a critical industry to our province; one that employs 40,000 Nova Scotians.

As a guest speaker at the event, our president & CEO, Carrie Cussons, shared the innovative ways we engage with our customers—event planners—to design their experience with the Halifax Convention Centre. This year we invited members of the industry to collaborate by sharing their insights on how we can ensure that experience is truly Nova Scotian.

Working closely with our partners at Discover Halifax, in February 2017, we were both a sponsor and exhibitor at Canadian Society of Association Executives (CSAE) Tête-à-Tête event in Ottawa. It was a great opportunity to test our new grab-and-go style menu and its unique Nova Scotian flavour with an audience of event professionals (and maybe tempt a few of them to come out this way for more of the real thing!) ●



CONNECTING WITH LOCAL EVENTS

Throughout the year we host many events that make a big impact on our local community. During WE Day, 8,000 kids from 340 schools across Nova Scotia come to the Scotiabank Centre; those children earn their way to the event by demonstrating community spirit. When A Different Stage of Mind hosts their fundraising gala event each year, business and community leaders from across the province perform for their peers, raising money for mental health programs in Nova Scotia. We're very proud to provide a platform for these organizations to come together to make a difference.

We've also been a proud sponsor of the Blue Nose Marathon since 2004. This wonderful community event, which attracts locals and visitors alike, is an example of

how we can use our facilities and event expertise to co-create vibrancy in the downtown core and celebrate our city.

And this year we collaborated with many community groups, like the Halifax Chamber of Commerce, to identify where we could form strong partnerships in order to work together to tell the story about why it's so great to do business in Halifax and Nova Scotia. ●

CONNECTING WITH OUR CLIENTS AND CUSTOMERS

The great thing about social media is that you can pick the channel that works for you to keep up with your world. Our clients and customers told us they want to find us on those channels, so now whether you tweet, Facebook, or Instagram, we are there. Can't make it to the game? Don't worry, we've got you covered. Want to know who's coming to town? You'll catch the inside scoop online. Love feeling like a winner? Get involved to win tickets, VIP packages, and more. Curious to see how the new building is coming along or what our award-winning culinary team is cooking up? We've got pictures (and recipes too)! ●

DO YOU WANT TO CONNECT WITH US? WE'D LOVE TO HEAR FROM YOU. CHECK US OUT AT:



BUSINESS OVERVIEW

Year Ended March 31, 2017

Trade Centre Limited Five Year Highlights	2016/17	2015/16	2014/15	2013/14	2012/13
Trade Centre Limited					
Revenues	\$12,041,332	\$12,033,782	\$13,970,735	\$12,729,077	\$13,731,000
Income (loss) Before Depreciation	\$(224,989)	\$(1,374,519)	\$(316,524)	\$(772,303)	\$120,060
Convention Centre ⁽¹⁾					
Revenues	\$8,746,418	\$8,229,899	\$10,140,723	\$8,939,372	\$9,155,646
Attendance	87,735	166,099	232,070	248,510	250,863
Events	555	593	708	755	807
Office Tower					
Rental Revenues	\$2,010,883	\$2,388,433	\$2,425,578	\$2,524,682	\$2,690,118
Average Occupancy	89.9%	91.7%	97.0%	90.0%	100.0%
Ticket Atlantic					
Revenues	\$1,254,967	\$1,390,573	\$1,380,537	\$1,243,991	\$1,262,867
Number of On-Sale Events	354	439	449	497	562
Scotiabank Centre ⁽²⁾ Five Year Highlights					
Revenues	\$7,120,485	\$7,375,418	\$8,043,549	\$7,475,237	\$7,565,458
Excess of Revenues Over Expenditures	\$102,032	\$19,611	\$258,840	\$(4,969)	\$680,149
Attendance	381,241	458,582	514,898	521,352	585,620
Events ⁽³⁾	109	119	126	110	117
Economic Impact ⁽⁴⁾ Five Year Highlights (\$ millions)					
Direct Visitor Expenditures	\$70.6	\$83.4	\$99.1	\$98.4	\$100.9
Incremental Visitor Expenditures	\$52.1	\$61.1	\$66.8	\$64.6	\$68.0
Employment (person years) ⁽⁵⁾	1,547	1,748	2,017	1,816	2,078
Additions to Household Incomes ⁽⁵⁾	\$54.2	\$61.3	\$71.8	\$55.8	\$68.8
Provincial Government Revenues (taxes) ⁽⁵⁾	\$5.7	\$6.4	\$7.5	\$5.9	\$7.3

Note (1): Operations of Exhibition Park discontinued in November 2015 and the building and land used in its operations were sold. A net gain of \$1,780,274 was recognized with these funds being deposited in the PNS General Revenue Fund and treated as an operating expense on TCL statements. On average, Exhibition Park accounted for an additional \$14.5 million in direct expenditures, 67 events and 131,000 in attendees annually.

Note (2): Audited financial statements for the Scotiabank Centre are not reflected in this report. Scotiabank Centre is a facility owned by HRM and operated under a management agreement. All operating income or losses generated accrue to the municipality, and all capital improvements are funded by the municipality. Audited financial statements can be viewed at: <http://www.tradecentrelimited.com/en/home/abouttcl/corporatepolicies/annualreports/default.aspx>

Note (3): Does not include consumer/trade shows or non-paid admission attendance and events. On average, there are ten days per year when the Scotiabank Centre is used in conjunction with WTCC events. Attendance and events are included within WTCC totals.

Note (4): Economic impact for 2016-17 reflect the operations of WTCC and Scotiabank Centre only. Previous years were inclusive of Exhibition Park.

Note (5): Of the total impacts listed, 27% of Scotiabank Centre attendee impacts are considered incremental. For more details, visit: <http://www.scotiabank-centre.com/en/home/about-us/Annual-Reports.aspx>

EVENT HIGHLIGHTS

WTCC EVENT HIGHLIGHTS *(555 events)*

In 2016-2017, WTCC hosted **555 events** and **85,000+ total delegates**, connecting professionals from around the world to form partnerships and explore new ideas.

- International Society for the Reform of Criminal Law 29th Annual Conference
- Canadian Underwater Conference & Exhibition
- 2017 Canadian Respiratory Conference
- Trauma Association of Canada Annual Conference
- Canadian Association of Nephrology Annual Conference & AGM
- 99th Canadian Chemistry Conference & Exhibition
- Schizophrenia Society of Canada National Conference
- Catholic Women's League of Canada Annual Convention
- Canadian Society for Bioengineering

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SCOTIABANK CENTRE EVENT HIGHLIGHTS (109 events)

Scotiabank Centre offered a diverse mix of sporting, entertainment and family shows this year, hosting **381,000+ people** at **109 events**.

- UFC Fight Night
- Toronto Maple Leafs vs. Ottawa Senators
- Davis Cup
- Rascal Flatts
- Our Lady Peace & I Mother Earth
- James Taylor
- Billy Talent
- Harlem Globetrotters
- Gerry Dee
- Gord Bamford
- Hedley
- Stars on Ice

TICKET ATLANTIC HIGHLIGHTS (130 events)

- Sold tickets for **13 venues**
- **218,000+ tickets** printed



UFC Fight Night



Davis Cup



Toronto Maple Leafs vs. Ottawa Senators

TCL MANAGEMENT DISCUSSION & ANALYSIS

This review of TCL's business activity for the period of April 1, 2016, to March 31, 2017, provides management's perspective on performance in key financial and operational outcome areas as outlined in the annual business plan. It is intended to provide a greater understanding of the organization's business strategy and serves as the annual public accountability statement.

While the annual business plan gives direction on yearly priorities, TCL's corporate mandate provided a long-term strategic view that guided the organization. As a provincial Crown corporation reporting to the Minister of Business, TCL played a vital role in supporting the goals and priorities of the Province of Nova Scotia by creating economic and community benefits by bringing people together in Halifax and Nova Scotia.

PLANNING & OPERATING CONTEXT

Our mandate focused on creating economic and community impact through attracting and hosting meetings, conferences, and conventions, along with entertainment, cultural, and sporting events. We fulfilled this mandate through the Halifax Convention Centre, World Trade and Convention Centre (WTCC), Scotiabank Centre (owned by Halifax Regional Municipality and managed by TCL), and Ticket Atlantic. Full reporting of Scotiabank Centre's business performance against plan can be found here: <http://www.scotiabank-centre.com/en/home/about-us/Annual-Reports.aspx>.

In 2016-17, TCL focused on attracting and hosting events that create economic and community benefits by bringing people together in Halifax and Nova Scotia. The long-term vision was to position Halifax and Nova Scotia as Canada's East Coast event destination on the global stage.

Effective April 1, 2017, we transitioned this mandate to Events East Group, which will continue to build on our reputation for event hosting excellence through managing the business operations of the World Trade and Convention Centre, Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic. Working together with our government partners, TCL's focus will be to ensure the responsible dissolution of the organization.

TCL's business strategy aligned with the Province of Nova Scotia's priorities around innovation and helped ensure Nova Scotia has a strong and globally competitive economy and a sustainable, modern government. Key performance and operational outcome areas in support of these priorities include:

1. Success of Halifax Convention Centre
2. Efficient Delivery of our Core Business
3. Effective Transition to New Governance Structure

PERFORMANCE ANALYSIS

TCL Financial Performance

The 2016-17 audited annual deficit before amortization of tangible capital assets for TCL was \$225,000 with an annual deficit after amortization of tangible capital assets of \$802,300. The 2016-17 annual deficit before amortization of tangible capital assets of \$225,000 as compared to the budgeted surplus of \$1,405,400 reflects the deferral of capital grants (net of \$1.1 million) to 2017-18 due to the delay in opening the Halifax Convention Centre facility and from lower-than-budgeted revenue from Office Tower operations (\$500,000) due to provincially-approved revised provincial tenant leases in preparation for the sale of the WTCC building.

Operating revenues, not including government transfers for the year, were \$8.2 million as compared to the plan of \$9.2 million, a \$1.0 million reduction against target and \$1.6 million lower than last year's operating revenues. WTCC revenue accounted for \$5.0 million of total revenues, down compared to the budget and the prior year (by \$500,000); this was due mainly to the longer lead times related to booking national and international event activity and the impact of the delay in opening the Halifax Convention Centre. The Office Tower delivered revenues of \$1.8 million, down \$470,000 compared to budget, resulting from revised lease rates for provincial tenants in advance of sale of the building. Ticket Atlantic revenue was \$1.3 million, slightly lower than budget and last year.

Under the direction of the Province of Nova Scotia and HRM, TCL continued to prepare to operate the Halifax Convention Centre and was provided with government transfers in the form of grants to fund these activities. The grants were recorded in revenue in 2016-17, along with their corresponding expenditures, and totalled \$3,065,900 as follows:

1. Joint funding of \$1,537,000 to support sales and marketing activities for the Halifax Convention Centre.
2. Joint funding to support expenditures for operational preparations for the Halifax Convention Centre of \$1,343,400.

Operational grants provided to support the existing operations totalled \$798,200 and included:

1. \$641,400 toward the operations of the existing WTCC; and,
2. \$156,800 toward the deficit of the office tower.

Operating expenses for the year were \$9.5 million, which was \$513,000 under budget and down \$2.4 million from the previous year. Event expenses of \$4.2 million were \$125,000 lower than the budget and \$953,000 lower than prior year reflecting lower event activity for WTCC. Non-event expenses which include salaries, administration, property taxes, and building operating expenses of \$5.3 million (2015-16 \$6.7 million) were \$390,000 under budget.

Amortization of tangible capital assets for the year was \$577,000, down from the budgeted \$1.1 million and \$925,000 below last year, reflecting the requirement under Public Sector Accounting Standards (PSAS) to discontinue amortization on the date the WTCC building was considered to be held for sale, which was September 2016.

Scotiabank Centre Financial Performance

TCL operated the Scotiabank Centre on behalf of HRM, which owns the facility and accrues all operating income generated. In 2016-17, Scotiabank Centre had income before transfers to HRM of \$102,032, above budget by \$92,000 and over the previous year by \$82,400. Revenues for the year of \$7.1 million were consistent with budget and below last year by \$255,000. Event, concession and merchandise revenues were \$3.6 million, down \$47,000 from budget and under the prior year by \$105,000. Sponsorship revenues and executive suite rentals delivered \$3.5 million, consistent with budget and \$165,000 below last year.

Operating expenditures for the year were \$7.0 million, under a budget of \$7.1 million and under last year by \$337,000. This was driven primarily by the deferral of discretionary spending into 2017-18.

Economic Impact

Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of events hosted at the facilities we operate. TCL measures economic impact on an annual basis, compiling delegate, attendee, exhibitor and event planner spending by event category and facility.

In 2016-17, TCL hosted a total of 664 events across its two facilities (WTCC and Scotiabank Centre) as compared to 712 events across three facilities (WTCC, Scotiabank Centre and Exhibition Park) in 2015-16. Total event attendance was 468,976, a decrease of 155,705 when compared to 624,681 attendees last year. Total direct expenditures resulting from events hosted in 2016-17 were \$70.6 million, which was consistent with the annual target, as compared to \$83.4 million the prior year.

These direct expenditures resulted in \$52.1 million in incremental expenditures, 1,547 person years of employment (887 direct, 660 spinoff), \$5.7 million in provincial government tax revenues (\$2.6 million direct, \$3.1 million spinoff) and \$54.2 million in additions to household income (\$25.3 million direct, \$28.9 million spinoff). These results do not include the impact of

direct spending by TCL. Please note that of the economic impacts listed, 27 per cent of the Scotiabank Centre portion of attendee impacts are considered incremental.

Economic impacts are driven by both the mix of events hosted at TCL facilities and the overall mix of attendees, with attendees from outside the region having higher spending profiles. During 2016-17, there was a decrease in the number of events hosted compared to previous years. The most significant factor affecting the number of events and attendees to TCL facilities was the sale of Exhibition Park to a private sector operator in November 2015. On average, Exhibition Park accounted for over 60 events and 131,000 attendees annually. In addition, there was a slight decline in the number of WTCC events and attendees; much of this can be attributed to a deferral in bookings as clients await the opening of the new facility. With a slight decrease in the number of events and based on the event mix, Scotiabank Centre saw a decline in overall attendance in 2016-17, which contributed to the overall decline in economic impacts of the facility.

National and International Conference Attraction & Hosting

National association conference hosting in 2016-17 for WTCC was stable with previous years with a total of 13 national association events. Highlights include Canadian Underwater Conference and Exhibition (160 delegates); Canadian Respiratory Conference (450 delegates); Trauma Association of Canada Annual Conference (322 delegates); Annual Canadian Network of Asset Managers Conference (279 delegates); Canadian Chemistry Conference and Exhibition (1,800 delegates); The Catholic Women's League of Canada Annual Convention (740 delegates); Schizophrenia Society of Canada National Conference (200 delegates); and Canadian Fair Trade Network Conference (200 delegates).

International conference hosting was on par with the previous year, with four international events in 2016-17. Highlights include International Restorative Justice Conference (415 delegates); International Association of Bomb Technicians & Investigators Training Conference (195 delegates); and International Society for the Reform of Criminal Law Annual Conference (120 delegates).

Halifax Convention Centre Sales & Marketing

Sales and marketing activity for the new Halifax Convention Centre continued to be a priority activity during the year. Efforts focused on generating brand awareness and instilling confidence within the national association and international markets to capitalize on meeting our sales projections for these categories.

In November 2016, Argyle Developments, the developer of the Nova Centre, provided a revised construction schedule. As a result, the Halifax Convention Centre opening date shifted to late 2017, impacting 22 national and international events booked for the new facility. As such, sales and marketing efforts were refocused on these displaced clients. At year-end, 21 of the impacted conferences had decided to host their event in the existing convention centre or look at a future year in the new Centre.

While addressing the impact of the change in opening date, we continued to secure business for the new Centre for 2017 and beyond. At year-end, a cumulative total of 67 national and international events, representing 52,350 delegates had been secured (53 national and 14 international events). Full implementation of our local and regional sales strategy was deferred to 2017-18 to coincide with the new opening date.

Community Partnerships & Engagement

As we market, sell and prepare to open Halifax Convention Centre, our approach to partnership remains an important factor to success. We continued to work closely with our partners in government and industry to attract events to the new Centre that bring new visitors to Nova Scotia and highlight our province's economic and research strengths.

This year, we developed a formalized community engagement strategy in advance of opening the new Centre; this strategy highlights the economic and community impact of our business and supports local businesses in leveraging opportunities around the influx of visitors from our events. Full implementation of the strategy has been deferred to 2017-18 to coincide with the new opening date.

We also continued to find ways to connect with our local community to highlight the impact of our business in Nova Scotia. In preparation for opening, we hosted over 200 stakeholders, community leaders, local clients and partners on site tours of Halifax Convention Centre. These tours have generated significant excitement around the facility and the events that we are bringing to Nova Scotia. And we have been working closely with our tourism partners, keeping them engaged and updated on the progress of our new Centre. In November, we facilitated a session at the TIANS Tourism Summit to gather industry feedback to ensure we are creating memorable Nova Scotia experiences for our guests.

Operational Preparations & Facility Design

Preparations for opening and operating the new Halifax Convention Centre were a key focus during the year. Several operational changes were rolled out to ensure efficient delivery of the events we host in the current facility and to support our relocated clients following the announcement of the revised opening date. These changes included a facility refresh on key customer-facing areas; the procurement, training of staff on, and testing of new event equipment (tables, chairs, dance floors, serving equipment); and the roll out of our new convention menu. We also conducted a full review of our service delivery process to identify key areas for improved efficiencies and overall event delivery, which led to the development and implementation of a new operational model to ensure a smooth event planning process for our clients.

In order to ensure the facility meets our operational requirements and customer expectations, we continued to work closely with our government partners and the developer to monitor the final facility design and construction. Our team was heavily involved in finalizing technical details including networking, lighting, digital signage, wayfinding and interior design. And, we began work with our newly secured audiovisual partner, FMAV, to invest in technology that will support our clients' needs and provide innovative offerings throughout their events.

Technology Driven Efficiencies

We continued to leverage technology to drive continuous improvements in how we plan, deliver and support the multiple, simultaneous large events that will be hosted in our new facility.

The organization-wide implementation of Ungerboeck, our new event management system, continued throughout the year. The system is now in place at the current convention centre and Scotiabank Centre and allows for improved coordination of sales and event operations. Initial testing of electronic purchase orders has been completed and the roll out of Ungerboeck's mobile functionality is underway.

As we prepare to open the new Centre we know that our workforce will continue to expand. To help maximize the use of resources and ensure our team is efficiently delivering our services, we began to explore options for a technology-based solution to manage scheduling, time and attendance. Following a competitive procurement process, a web-based software service provider was chosen. Full initiation of the project will begin in 2017-18.

Scotiabank Centre Operations

Following the completion of several key facility upgrades in 2015-16 made possible by the naming rights partnership, Scotiabank Centre identified other necessary infrastructure enhancements and capital priorities as part of its capital maintenance program for 2016-17. Upgrades completed during the year included installation of LED lighting to modernize the facility and provide clients with ability to broadcast in-event; installation of grab bars on stairways throughout the facility for improved accessibility; and the commencement of work to replace the roof, to be completed in 2017-18.

Scotiabank Centre continued to attract and host a strong lineup of event activity that included 2016 Davis Cup (September), NHL Exhibition Game (September), UFC Fight Night (February) and the return of the U Sport Final 8 Basketball Championships to Halifax (March). In addition, the facility hosted a total of 16 concerts, comedy shows and family events through the year.

Our People

Across all of our business areas, our people are a critical part of the experience we deliver. In order to ensure our people are prepared as we get ready to open and operate our new Centre, we focused on the following initiatives: the development of a formal customer experience vision and ongoing implementation of our internal engagement program.

To support the development of our customer experience vision, we completed client and internal service design workshops looking at areas like culinary offerings, technology, wayfinding and efficient service delivery. We also surveyed our Scotiabank Centre Customer Advisory Panel to better understand the key drivers of the attendee experience. The information gathered through this research has been used to inform preliminary work to define the customer experience vision; through our ongoing strategic planning process this work will continue in 2017-18.

An employee engagement survey completed in the fall of 2016 focused on how the organization can maintain and develop an effective, engaged and accountable workplace culture, encourage employees to use their talents effectively and gauge employee satisfaction. Since the last survey in 2013, TCL saw an improvement of over 20 percentage points in areas like employee job satisfaction levels and employee commitment to the organization and customer service excellence. The results of the survey also support activation of our internal engagement strategy. We implemented this strategy by bringing employees together from across the organization to discuss priority topics and projects and worked together to initiate staff-wide engagement opportunities. Through ongoing execution of our internal engagement strategy, we maintained our focus on responding to employee feedback and supporting our internal culture of service excellence.

Organizational Transition

In April 2016, the *Halifax Convention Centre Corporation Act* was proclaimed. The act led to the establishment of a new corporate structure (a 50/50 joint partnership between the Province and HRM) and the appointment of the first Board of Directors, announced in June 2016. As part of the transition to our new corporate structure, TCL worked closely with our government partners. This involved confirming an expanded mandate to include management of operations of WTCC, Scotiabank Centre and Ticket Atlantic under the purview of Events East Group. The process to transfer all TCL employees and operations to the new organization was confirmed and finalized in April 2017.

Significant research and consultation with stakeholders was undertaken in order to develop a five-year strategic plan for the new organization, including a new mission, vision and values. The plan was approved by the Board and submitted for approval by its shareholders post year-end. Implementation of the plan will begin in 2017-18. As such, the development of a multi-year operating agreement for Scotiabank Centre was deferred to the 2017-18 fiscal year in order to align with the strategic plan.

2016-17 Core Outcomes and Performance Measures

TCL Strategic Goal	Measure	2016/17 Target	2016/17 Actual	Notes
Growth/ Financial	Revenues of TCL and Scotiabank Centre	\$17.0 million (TCL); \$7.1 million (SBC)	\$12.0 million (TCL); \$7.1 million (SBC)	Due to the delayed opening date announced in November, \$3.9 million in grants were deferred to 2017-18. Office Tower revenues decreased due to Minister-approved revised Provincial Tenant leases, in preparation for the sale of WTCC building.
	Direct spending as the result of events hosted by TCL in its facilities	\$70.0 million	\$70.6 million	
Success of New Halifax Convention Centre	Cumulative total of national and international events secured for Halifax Convention Centre	70 events; 55,000 delegates	67 events; 52,530 delegates	Following the announcement of the new opening date, several national and international events deferred confirmation into 2017-18 pending further construction progress.
Ensure Effective Transition to New Structure	Finalize transition to new governance structure	Collaborate with government to confirm mandate and establish new entity	Mandate confirmed and transition to new structure finalized at year-end	Transition of operations and employees from TCL to Events East was complete effective April 1, 2017.
Efficient Delivery of Operations	Increased operational efficiency and effectiveness	Successful implementation of new approach to scheduling, time and attendance	Procurement process complete to support scheduling, time and attendance	Implementation of new solution will begin in 2017-18.
		Successful implementation of event management system organization-wide	Activity completed to plan	Roll out across departments complete, with continuous improvement planned for 2017-18.
		Successfully plan and begin recruitment, retention and training programs to support new customer experience vision	Customer experience vision defined and workforce strategy developed	Recruitment program implementation delayed to 2017-18 to coincide with new opening date.

FINANCIAL STATEMENTS

MANAGEMENT'S REPORT

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedule A, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors [the "Board"] is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements frequently and external audited financial statements annually.

The external auditors, Ernst & Young LLP, conduct an independent examination, in accordance with Canadian

auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to management of Trade Centre Limited and meet when required.

On behalf of Trade Centre Limited:



Carrie Cussons
Acting President & CEO, CFO

June 23, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trade Centre Limited

We have audited the accompanying financial statements of **Trade Centre Limited**, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and accumulated deficit, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Trade Centre Limited** as at March 31, 2017, and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
Licensed Public Accountants

Halifax, Canada
June 23, 2017

STATEMENT OF FINANCIAL POSITION

As at March 31

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	3,574,290	1,925,759
Restricted cash	2,493,548	2,456,431
Accounts receivable	516,818	469,254
Due from Scotiabank Centre <i>[note 10]</i>	389,862	98,624
Due from Halifax Regional Municipality <i>[note 10]</i>	—	1,139,500
Inventory held for resale	77,394	83,231
	<u>7,051,912</u>	<u>6,172,799</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	970,915	1,075,650
Deferred revenue	1,095,888	197,227
Event deposits	414,550	335,928
Due to the Province of Nova Scotia <i>[note 10]</i>	6,356,522	5,748,578
Advance ticket sales	2,536,067	2,495,878
Long-term service awards <i>[note 7]</i>	662,600	751,000
Other liabilities <i>[note 7]</i>	802,800	827,600
	<u>12,839,342</u>	<u>11,431,861</u>
Net debt	<u>(5,787,430)</u>	<u>(5,259,062)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, net <i>[note 3 and 5]</i>	672,339	2,542,620
Assets held for sale, net <i>[note 4]</i>	1,551,551	—
Prepaid expenses	542,034	497,247
	<u>2,765,924</u>	<u>3,039,867</u>
Accumulated deficit <i>[note 8]</i>	<u>(3,021,506)</u>	<u>(2,219,195)</u>

See accompanying notes

On behalf of the Board:

 Director

 Director

STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

Year ended March 31

	2017 \$	2017 \$	2016 \$
	[budget]	[actual]	[actual]
REVENUE			
Convention Centre	5,509,800	5,039,089	5,510,637
Office Tower	2,325,000	1,854,083	2,388,433
Exhibition Park <i>[note 5]</i>	—	—	447,771
Ticket Atlantic	1,336,900	1,254,967	1,390,573
Government transfers <i>[note 9]</i>	800,000	798,239	633,833
Investment income	25,000	29,064	24,877
	9,996,700	8,975,442	10,396,124
EXPENSES			
Event expenses	4,349,100	4,225,598	5,179,471
Salaries and benefits <i>[note 7]</i>	2,707,700	2,409,772	3,216,356
Maintenance	914,000	981,850	1,217,394
Taxes and insurance	890,000	839,350	875,639
Energy	710,000	631,673	836,168
Administration	333,400	335,363	436,261
Advertising and marketing	92,500	60,279	94,052
	9,996,700	9,483,885	11,855,341
	—	(508,443)	(1,459,217)
HALIFAX CONVENTION CENTRE			
Government Transfers <i>[note 9]</i>	6,962,000	3,065,890	1,637,658
Expenses	5,556,600	2,782,436	1,552,959
	1,405,400	283,454	84,699
	1,405,400	(224,989)	(1,374,519)
EXHIBITION PARK			
Gain on Sale <i>[note 5]</i>	—	—	1,780,274
Transfer of proceeds to Province <i>[note 5]</i>	—	—	1,780,274
	—	—	—
Depreciation of tangible capital assets <i>[note 4]</i>	1,100,000	577,322	1,501,910
Annual surplus (deficit)	305,400	(802,311)	(2,876,429)
Accumulated (deficit) surplus, beginning of year		(2,219,195)	657,234
Accumulated deficit, end of year		(3,021,506)	(2,219,195)

See accompanying notes

STATEMENT OF CHANGES IN NET DEBT

Year ended March 31

	2017 \$	2017 \$	2016 \$
	[budget]	[actual]	[actual]
ANNUAL DEFICIT	(1,530,000)	(802,311)	(2,876,429)
Acquisition of tangible capital assets <i>[note 3]</i>	—	(258,592)	(255,195)
Disposal of tangible capital assets <i>[note 3]</i>	—	—	500,816
Depreciation of tangible capital assets <i>[note 3]</i>	1,100,000	577,322	1,501,910
(Increase) decrease in prepaid expenses	—	(44,787)	14,676
Increase in net debt	(430,000)	(528,368)	(1,114,222)
Net debt, beginning of year		(5,259,062)	(4,144,840)
Net debt, end of year		(5,787,430)	(5,259,062)

See accompanying notes

STATEMENT OF CASH FLOWS

Year ended March 31

	2017 \$	2016 \$
OPERATING ACTIVITIES		
Annual deficit	(802,311)	(2,876,429)
Add items not affecting cash		
Depreciation of tangible capital assets	577,322	1,501,910
Long-term service awards	(88,400)	(28,600)
Net changes in working capital:		
Accounts receivable	(47,564)	524,668
Inventory held for resale	5,837	58,230
Due from Scotiabank Centre	(291,237)	70,182
Due from Halifax Regional Municipality	1,139,500	(508,820)
Accounts payable and accrued liabilities	(104,735)	(203,552)
Deferred revenue	898,661	99,510
Event deposits	78,622	(129,736)
Due to the Province of Nova Scotia	607,944	1,535,615
Advance ticket sales	40,188	(43,954)
Other liabilities	(24,800)	13,400
Prepaid expenses	(44,787)	14,675
Cash provided by operating activities	1,944,240	27,099
CAPITAL ACTIVITIES		
Cash paid on acquisition of tangible capital assets	(258,592)	(255,194)
Net proceeds from sale of tangible assets <i>[note 5]</i>	—	2,281,089
Cash paid to Province of Nova Scotia <i>[note 5]</i>	—	(1,780,273)
Cash (used in)/provided by capital activities	(258,592)	245,622
Net increase in cash during the year	1,685,648	272,721
Cash, beginning of year	4,382,190	4,109,469
Cash, end of year	6,067,838	4,382,190
Cash is comprised of:		
Cash	3,574,290	1,925,759
Restricted cash	2,493,548	2,456,431
	6,067,838	4,382,190

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1. NATURE OF OPERATIONS

Trade Centre Limited's [the "Company"] mandate is to create economic and community benefits by bringing people together in Halifax and Nova Scotia. The Company's principal business operations comprise of a trade and convention centre, the provision of marketing and promotion services, the leasing of office and commercial space, and the management and operation of Ticket Atlantic. The Company also manages and operates Scotiabank Centre on behalf of Halifax Regional Municipality ["HRM"].

The Company is incorporated under the laws of the Province of Nova Scotia ["the Province" or the "PNS"]. The Company is a governmental unit as set out in the consolidated financial statements of the Province and reports to the Legislative Assembly through the Department of Business. As an agency of the Province, the Company is not subject to income taxes pursuant to the *Income Tax Act 149(1)(d)*. However, since the Company is a corporation, it is still required to file a corporate T2 income tax return annually.

The Company provides marketing and business development activities for, and is actively preparing to operate, the Halifax Convention Centre [the "HCC"] pursuant to the *Halifax Convention Centre Act* [the "Act"] dated May 2014. The Act establishes the Halifax Convention Centre Corporation ["HCCC"], enacts the corporation's by-laws and defines the objective of the new entity. Effective April 1, 2017 HCCC will operate under the name "Events East Group" [refer to note 14 - Subsequent Events - for additional details].

Transportation and Infrastructure Renewal, a provincial department, initiated a process to sell the World Trade and Convention Centre building in June 2016. An unsolicited offer was received and the purchase and sale agreement is in negotiation, and expected to result in a

sale of the building late in the Fall of 2017. The building is now classed as an asset held for sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by the Company's management in accordance with the Chartered Professional Accountants of Canada (CPA Canada) Public Sector Accounting Standards (PSAS) for other government organizations as defined by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting principles for government organizations.

Basis of presentation

The Company consists of three divisions: the Convention Centre, the Office Tower, and Ticket Atlantic. These financial statements also include the marketing, business development, governance, operational readiness, and equipment procurement activities for the HCC. Scotiabank Centre's operations are not reflected in these financial statements as the facility is owned by HRM and operated by the Company through a management agreement.

Cash

Cash is comprised of cash on hand and balances held at financial institutions.

Restricted cash

Restricted cash represents cash received for advance ticket sales.

Inventory held for resale

Inventory held for resale consists of food and beverage supplies and is recorded at the lower of cost or net realizable value.

Advance ticket sales

Advance ticket sales are recorded as a liability on the statement of financial position until the event is held and amounts settled with third parties. Amounts received are segregated as restricted cash and are not available to fund the Company's operations.

Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives using the following terms:

Building	Held for sale
Furniture and equipment	3-5 years
Leasehold improvements	Lease term

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Company's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated deficit.

Contributed capital assets are recorded into revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Prepaid expenses

Prepaid expenses include costs incurred prior to the periods expected to benefit from them, including maintenance and software agreements, property taxes, and insurance.

Employee future benefits

Employee future benefits include the Company's participation in the Public Service Superannuation Fund [the "Plan"], long-term service awards and a supplemental pension arrangement with a former executive. A liability for employee future benefits has been included in the financial statements for the long-term service awards and the supplemental pension arrangement. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in the Plan and, accordingly, no liability associated with this plan has been recognized in the financial statements.

Revenue

Revenue is recognized when the item has an appropriate basis of measurement, a reasonable estimate can be made of the amount involved, and for an item that involves obtaining or giving up future economic benefits, it is expected that such benefits will be obtained or given up. Event deposits are recorded as a liability until the event occurs and the revenue recognition criteria are met. Funds received when these criteria have not been met are recorded as unearned revenue.

Transfers (revenue from non-exchange transactions) are recognized as revenue when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received, but not all stipulations have been met.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Grants and transfers are recorded as expenses when the transfer is authorized, eligibility criteria have been met by the recipient and a reasonable estimate of the amount can be made.

Measurement uncertainty

The preparation of the Company's financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include the useful life of tangible capital assets and employee future benefits.

Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed periodically to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

3. TANGIBLE CAPITAL ASSETS

	Land \$	Building \$	Furniture and equipment \$	Leasehold improvements \$	Total \$
Cost, beginning of year	1	44,477,178	5,416,007	1,536,606	51,429,792
Additions	—	—	258,592	—	258,592
Reclassified to assets held for sale	—	(44,477,178)	—	(1,536,606)	(46,013,784)
Cost, end of year	1	—	5,674,599	—	5,674,600
Accumulated depreciation, beginning of year	—	42,523,915	4,829,107	1,534,150	48,887,172
Depreciation expense	—	401,712	173,154	2,456	577,322
Reclassified to assets held for sale	—	(42,925,627)	—	(1,536,606)	(44,462,233)
Accumulated depreciation, end of year	—	—	5,002,261	—	5,002,261
Net book value, end of year	1	—	672,338	—	672,339

4. ASSETS HELD FOR SALE

A purchase and sale agreement has been undertaken with an external purchaser to sell the World Trade & Convention Centre building; the sale will take effect two months after the substantial completion of the Halifax Convention Centre, expected to be in the Fall of 2017. All criteria have been met to recognize the building as held for sale.

The net proceeds of the sale are estimated to be \$12.0 million which will be recognized as a gain for the Company. In accordance with Section 16 of the Finance Act, funds resulting from the sale of real property by a Government Reporting Entity must be deposited into the province's General Revenue Fund. This transfer of funds will be recorded as an operating expense, and therefore the transaction will have no net impact on the statement of operations and accumulated deficit of the Company.

5. SALE OF EXHIBITION PARK

On July 23, 2015, the Province of Nova Scotia announced it would discontinue operations of Exhibition Park (an operation of the Company which had delivered public trade shows) during fiscal 2016 and sell the building and land used in its operations. Transportation and Infrastructure Renewal (TIR), a department of the Province of Nova Scotia, was directed to manage negotiations on behalf of the Company. The final Purchase and Sale Agreement was executed in fiscal 2016 and as such, the cost of all assets related to Exhibition Park were removed from the Company's tangible capital assets along with the associated accumulated depreciation.

In accordance with Section 16 of the Finance Act, funds resulting from the sale of real property by a Government Reporting Entity must be deposited into the Province's General Revenue Fund. This transfer of funds has been recorded as an operating expense in the statement of operations and accumulated (deficit) surplus. The proceeds of \$2,500,000 were adjusted for the net book value of the assets of \$500,816 and expenses related to the Purchase and Sale Agreement of \$218,910 resulting in total funds transferred to the Province's General Revenue Fund of \$1,780,273.

6. CONTRACTUAL OBLIGATIONS

The Company has entered into a number of multiple-year contracts for the delivery of services. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

2017	\$157,900
2018	\$157,900
2019	\$46,500

7. EMPLOYEE FUTURE BENEFITS

Pension costs

Employees of the Company participate in the Public Service Superannuation Fund [the “Plan”], a contributory defined benefit pension plan administrated by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total employer contributions for fiscal 2017 amounted to \$358,816 [2016 – \$369,577] and are recognized as an expense during the year. Total employee contributions for fiscal 2017 amounted to \$359,269 [2016 – \$370,710]. The Company is not responsible for any underfunded liability, nor does the Company have any access to any surplus that may arise in this Plan.

Long-term service awards

Upon retirement, employees are eligible for a public service award equal to one week’s salary per year of service to a maximum of 26 weeks’ salary. Effective April 1, 2015, the Treasury and Policy Board of the Province of Nova Scotia issued an administrative directive, permanently curtailing accumulation of service award years for non-bargaining unit employees. In addition, as of March 31, 2016, the calculation of the public service award is determined by using the member’s total serviceable years (instead of using the member’s total credited service for pension purposes as was previously the case).

The accrued benefit liability also represents employees of Scotiabank Centre and a part of their pension costs are allocated to Scotiabank Centre.

The most recent full valuation of the public service award was performed as at March 31, 2016; the 2017 figures shown below were extrapolated from the March 31, 2016 valuation. The following outlines details of the accrued benefit obligation:

	2017 \$	2016 \$
Accrued benefit obligation, beginning of year	882,700	830,100
Less: plan amendment	—	(2,500)
Add: interest on accrued benefit obligation	33,500	31,700
Less: benefit payments	(135,100)	(108,300)
Actuarial loss	—	131,700
Accrued benefit obligation, end of year	781,100	882,700
Unamortized net actuarial loss, end of year	(118,500)	(131,700)
Net liability, end of year	662,600	751,000

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation are as follows: discount rate – 4.1% [2016 – 4.1%]; rate of compensation increase – scale ranging from 4.5% [2016 – 4.5%] at age 25 to 2.0% [2016 – 2.0%] at age 50; rate of inflation – 2.0% [2016 – 2.0%]. Actuarial gains and losses are amortized over the expected average remaining service lifetime of 10 years. Amortization of actuarial gains and losses reflected in the current year expense related to the public service award is a loss of \$13,200 [2016 – loss of \$50,500].

Other liabilities

The Company has a supplemental pension arrangement with a former President and Chief Executive Officer to provide post-employment benefits. The cost of the post-retirement pension obligation has been accrued over the estimated remaining service life of the individual who retired on April 1, 2009.

As the individual has retired, there is no benefit expense. A full valuation of the arrangement which was performed as at March 31, 2016, has been used to extrapolate the 2017 figures below. The following outlines details of the accrued benefit obligation:

	2017 \$	2016 \$
Accrued benefit obligation, beginning of year	827,600	814,200
Add: interest on accrued benefit obligation	32,700	33,500
Add: Plan amendment	—	31,800
Less: benefit payments	(57,500)	(56,300)
Actuarial loss	—	4,400
Accrued benefit obligation, end of year	802,800	827,600

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligation are as follows: discount rate – 4.1% [2016 – 4.1%]; rate of inflation – 2.0% [2016 – 2.0%].

Actuarial gains and losses related to the supplemental pension arrangement are recognized immediately in the current year expense as the only plan member is inactive. The actuarial loss for the year ended March 31, 2017 is nil [2016 – loss of \$4,400].

8. ACCUMULATED DEFICIT

The accumulated deficit consists of the following:

	2017 \$	2016 \$
Accumulated deficit	(3,021,606)	(2,219,295)
Share capital		
Authorized: 1,000,000 common shares without par value	100	100
Issued and outstanding: 100 common shares	(3,021,506)	(2,219,195)

9. GOVERNMENT TRANSFERS

Government transfers consist of the following:

	2017 \$	2016 \$
Transfers from Halifax Regional Municipality – WTCC ^[1]	641,439	633,833
Transfers from NS Department of Business – Office Tower ^[2]	156,800	—
Transfers from Halifax Regional Municipality – HCC ^[3]	890,500	1,139,500
Transfers from NS Department of Business – HCC ^[3]	3,078,500	586,000
Transfers to PNS General Revenue Fund ^[4]	—	(1,780,274)
	4,767,239	579,059

^[1] Pursuant to the Financing Agreement dated May 14, 1982, HRM makes an annual contribution to the operating deficit of the Company.

^[2] The Company received an operating grant from the Nova Scotia Department of Business during fiscal 2017 to mitigate lost revenue of the World Trade Office Tower.

^[3] During fiscal 2017, the Company continued marketing and business development activities for the HCC on behalf of its shareholders. Marketing and business development expenditures related to HCC of \$1,578,000 [2016 – \$1,060,517] were funded by transfers received from HRM and PNS and are included in the Company's statement of operations. Additional funding of \$1,291,000 [2016 – \$430,700] was transferred from HRM and PNS to prepare to operate the HCC and \$1,100,000 was received from PNS [2016 – nil] to procure event related equipment for HCC.

^[4] Net proceeds from the sale of Exhibition Park [2016 – \$1,780,274] were transferred to PNS General Revenue fund in accordance with Section 16 of the Finance Act.

10. RELATED PARTY TRANSACTIONS

The Company had the following transactions with the government and other government controlled organizations:

	2017 \$	2016 \$
Energy recoveries paid to Scotiabank Centre ^[1]	448,886	500,207
Payroll recoveries received from Scotiabank Centre ^[2]	3,158,783	3,324,225
Commissions paid to Scotiabank Centre ^[3]	74,387	85,915
Transfers from HRM ^[4]	641,439	633,833
Transfers from HRM - HCC ^[5]	890,500	1,139,500
Payments to Halifax Regional Municipality ^[6]	741,550	760,935
Rent revenue received from departments of PNS ^[7]	1,410,167	2,004,638
Transfers from Nova Scotia Department of Business ^[8]	3,235,300	586,000
Transfers to PNS General Revenue Fund ^[9]	—	1,780,274

^[1] Electricity expenses of the shared facility.

^[2] Payroll and related costs of Scotiabank Centre is paid by the Company on behalf of Scotiabank Centre.

^[3] Commissions earned on ticket sales purchased through Ticket Atlantic.

^[4] Pursuant to the Financing Agreement dated May 14, 1982, HRM makes an annual contribution to the operating deficit of the Company.

^[5] HRM grants for HCC: sales and marketing of \$633,000 [2016 – \$528,400]; operational readiness of \$257,500 [2016 – \$279,100]; event management system of nil [2016 – \$332,000].

^[6] Property taxes paid to HRM.

^[7] The Company rents significant office tower space to departments and agencies of the Province. The amount represents rental revenue and tenant recoveries.

^[8] Department of Business grant for sales and marketing of the new convention centre: \$945,000 [2016 – \$434,400]; grants to support operational readiness: \$1,033,500 [2016 – \$151,600]; smallwares equipment capital grant \$1,100,000 [2016 – nil]. In addition, a grant of \$156,800 was received to mitigate reduced Office Tower revenues.

^[9] Net proceeds of nil [2016 – \$1,780,274] from the sale of Exhibition Park were transferred to PNS General Revenue fund in accordance with Section 16 of the Finance Act.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are without payment terms and are non-interest bearing.

11. FINANCIAL INSTRUMENTS

Measurement of financial instruments

The Company's financial instruments are recorded at cost or amortized cost. Financial assets consist of assets that could be used to settle existing liabilities or fund future activities, and include cash and restricted cash, due from Halifax Regional Municipality, due from Scotiabank Centre and accounts receivable. Financial liabilities consist of the Company's accounts payable and accrued liabilities, due to the Province of Nova Scotia, long-term service awards, and other liabilities. The carrying value of the Company's financial instruments approximates its fair value. Transaction costs are expensed as incurred.

Risks and uncertainties

The Company's management recognizes the importance of managing significant risks including policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks currently managed by the Company include liquidity risk, credit risk, and capital risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its contractual obligations and financial liabilities. The Company manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its obligations and liabilities.

Credit risk

The Company's assets are primarily exposed to credit risk, which is the risk that a debtor may be unable or unwilling to pay amounts owing, thus resulting in a loss. To mitigate this risk, the Company requires deposits for events where collectability is uncertain.

Capital risk

The Company carries out its programs in conjunction with contributions from two levels of government that have provided to programs over the years. In addition, it receives an operating subsidy from HRM on a yearly basis. The day-to-day operations are funded by the revenue received and amounts due to the Province of Nova Scotia.

12. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Province of Nova Scotia.

13. COMPENSATION DISCLOSURE

This Schedule of Payments [Schedule A] is published in compliance with the provisions of The Public Sector Compensation Disclosure Act.

The Public Sector Compensation Disclosure Act requires the publication of the names of every person who receives the amount of compensation of \$100,000 or more in the fiscal year and the amount paid to each.

Compensation amount includes total base income before income taxes for fiscal 2017 as well as all overtime payments, retirement or severance payments, lump-sum payments and vacation payouts, payments made for exceptional benefits not provided to the majority of employees, and the value of the benefit derived from vehicles or allowances with respect to vehicles.

14. SUBSEQUENT EVENT

Halifax Convention Centre Corporation Governance

On April 4, 2016, the Province of Nova Scotia proclaimed the Halifax Convention Centre Act which resulted in the formal creation of the Halifax Convention Centre Corporation and full Board, and allowed for the Trade Centre Limited employees to be designated to the new entity.

Effective April 1, 2017, the Halifax Convention Centre Corporation will manage the World Trade and Convention Centre ["WTCC"], Ticket Atlantic and Scotiabank Centre, which is managed on behalf of the HRM. Once construction of the new facility is complete, which is anticipated to occur in fiscal 2018, the operations of the WTCC will cease and convention centre operations will transfer to the new Halifax Convention Centre facility. An estimate of the financial effect of this transaction cannot be made at this time.

In conjunction with the change in governance, and in compliance with the Halifax Convention Centre Act,

employees of Trade Centre Limited were designated as employees of the new Halifax Convention Centre Corporation on April 1, 2017. There will be no change to employees' salary or benefits stemming from this designation process. The Halifax Convention Centre Corporation will be operated under the name "Events East Group".

The Company's Board was reduced to a limited board effective April 1, 2017. The limited board will continue to oversee the Office Tower operation and its pending sale, along with the wind-up of the Company.

SCHEDULE OF PAYMENTS - SCHEDULE A

Year ended March 31, 2017

NAME	COMPENSATION
Baldwin, Dawn	104,149
Cussons, Carrie	167,594
Dooley, Peggy	104,149
Fougere, Suzanne	118,264
Logan, Robert	125,910
Parsons, Shelly	104,149
Smith, Greg	102,403



HALIFAX CONVENTION CENTRE / SCOTIABANK CENTRE
TICKET ATLANTIC / HALIFAX WORLD TRADE & CONVENTION CENTRE

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