

## Memo

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**Date:** February 29, 2016

**To:** Corporate Services Committee, City of London

**From:** Board of Directors, London Convention Centre

**Subject:** 2015 London Convention Centre Operational Results

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### **London Convention Centre 2015 Results:**

2015 was an exciting year for the London Convention Centre with the October 2015 launch of the 1<sup>st</sup> Floor Renovation Program. Of the total 314 events hosted at the LCC in 2015, 22 were conferences generating over 10,000 room nights for the London hotel industry. **Total direct economic impact from the 314 LCC hosted events is estimated at \$16.4 million.**

Based on unaudited financial statements, total LCC revenue declined 9.2% from the record revenue year in 2014. A positive \$61,724 surplus was realized and the guest experience as measured improved 2.4%.

The 1<sup>st</sup> floor renovation launched in 2015, includes the conversion of the original theatre space, boardrooms and offices to new flexible event space. All current salons and foyers will receive a complete update of finishes with the installation of hearing assistance technology. The \$5 million renovation is scheduled to be completed in July 2016.

### **LCC Capital Reserve and Special Projects Reserve Background:**

Annually, the LCC Board of Directors is to advise Council of the Centre's year-end financial results and to request approval to transfer operational surplus funds to reserves. The Auditors, KPMG require written direction of fund transfers from Council to release final audited statements. The London Convention Centre has, for the past 9 years, generated an operational surplus with City funding directed to the LCC capital reserve held by the City of London. This reserve is used for LCC life cycle maintenance and renovations ensuring the facility is well maintained and remains competitive.

In 2008, Council approved the establishment of a Special Projects Reserve held by the London Convention Centre. This reserve is used for special projects to enhance the LCC experience. Depending on the amount of the annual surplus, funds are directed to one or both of the reserves.

### **London Convention Centre Board of Directors Recommendation:**

Based on receiving 2015 Draft Audited Financial statements from KPMG, the LCC Board of Directors recommends City of London Council approve the transfer of 100% of the 2015 LCC operational surplus, \$61,724 (based on unaudited financial statements) to the LCC Capital Reserve held by the City of London.