

Memo

Date: March 16, 2018

To: Corporate Services Committee, City of London

From: Board of Directors, London Convention Centre

Subject: 2017 London Convention Centre Operational Results

London Convention Centre Board of Directors Recommendation:

Based on the 2017 Draft Audit LCC Financial statements, the LCC Board of Directors recommends City of London Council approve the transfer of 100% of the 2017 LCC operational surplus of \$81,422 to the LCC Capital Reserve held by the City of London.

Background:

In 2017, the LCC hosted 306 total events of which 31 were conferences/multi-day events generating over 10,000 room nights for London's hotel industry. **Total LCC hosted event economic impact in 2017 is estimated at \$17.8 million based on direct spend.** Total building utilization grew to 72% from 59.2% in the prior year.

Based on the audited 2017 financial statements, total LCC revenue declined slightly by 1.2% in 2017 from 2016. The LCC was still able to drive a positive operational surplus of \$81,422. The guest experience, as measured through event surveys, improved 2.5%.

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 Capital Reserve, held by the City of London is used for LCC life cycle maintenance and renovations ensuring the facility is well maintained remaining competitive.

The LCC also has 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.