

Memo

Date: March 11, 2019

To: Corporate Services Committee, City of London

From: Board of Directors, London Convention Centre

Subject: London Convention Centre 2018 Operational Results

Recommendation:

Based on the 2018 unaudited LCC financial statements, the LCC Board of Directors voted in favour of recommending City of London Council approve the transfer of 100% of the 2018 LCC operational surplus estimated at \$193,000 to the LCC Capital Reserve held by the City of London.

2018 in Review:

In 2018, the LCC hosted 300 events generating 12,135 hotel room nights with a **total direct spending impact of \$21.3 million**. Total building utilization grew to 74% with 126,995 delegate days.

Based on the unaudited 2018 financial statements, total LCC revenue grew 12.8% to a new record of over \$6.7 million. Positive growth was also realized as measured through event experience surveys and annual associate experience survey.

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 any operational surplus 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 and remains 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 and aid in the attraction of conventions and conference through incentives. Depending on the annual surplus, funds are directed to one or both of the reserves. As the LCC is planning a full roof replacement and an interior upgrade to the 2nd floor in 2019, the LCC Capital Reserve, held by the City of London may be in a negative balance at year end. The 2018 LCC operational surplus is a positive contribution to help rebuild the reserve.