



PPPC

ANNUAL REPORT 2014



PPPC

Promotional Product
Professionals of Canada

A MESSAGE FROM THE CHAIR



It has been an honour and pleasure to serve as your Chairman of the Board this past year. 2014 was filled with growth, excitement, challenges, accomplishments and rewards. Our industry, like the world today, continues to face an ever changing business and social environment. I believe the future of the industry is very bright; challenges equate to opportunities and opportunities translate into growth.

Your Board of Directors continues to focus on assisting PPPC members in managing and adjusting to the evolving industry demands. Our Association and industry has been shifting to online solutions to assist both suppliers and distributors spread the message of the value of promotional products. Blending the historic sales cycle with this new go to market strategy has at times been a challenge for many of our members as well as for the Association. Great efforts and resources have and will continue to be allocated towards the Promocan search engine and I am pleased to report that our online unique end-user search has increased by 44%. We continue to enhance this tool as new technologies emerge and it must be said that the value of the tremendous feedback we receive from our members cannot be overstated.

Trade shows continue to be a hot topic amongst our members. How many, when, where, are all questions we address during each and every Board conference call or meeting. It's clear that face to face sharing of our offerings, ideas and friendships will always be a cornerstone of our Association. I anticipate that we will continually be fine tuning and adjusting our future tradeshows to optimize results for our members.

I, like many of you, have spent most of my adult life in this industry. We have raised families, built and rebuilt businesses and relationships and perhaps most importantly, we have established lifelong friendships with our fellow Association members. Being part of PPPC has allowed me to get to know and develop great relationships with people that I would have never crossed paths with and I am certain it has enhanced my entire family's life.

Our Association affords each and every member the opportunity to stand up and have a voice. Each voice helps the Board of Directors adjust and improve the overall promotional products industry in Canada. I encourage you to stand up and have a voice.

I personally want to thank our head office staff, every board member and every member at large that I have had the opportunity to serve, for making my time on the PPPC Board of Directors a rewarding and fulfilling experience. I wish to also extend a special thanks to the Chairs that I served under: Mark Wingrove, MAS, Carol de Ville, MAS, Rob Spector and Bill Yelland. Each of you helped prepare me for my turn. We all wish Don Fahie and all future chairs the best in the years ahead. We are all still here ready to help our Association meet the challenges ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'DL', written over a light blue background.

David Lewenberg,
Chair of the Board

MEMBERSHIP



BUSINESS DEVELOPMENT

The Association experienced impressive new-member growth in the past year. In fact, 2014 ranked among the highest in terms of the number of new members welcomed into the Association. Cross-country recruitment efforts were successful at not only recruiting new members but also at solidifying relationships with existing members. Promotional vouchers for a free show entry were sent to potential members across the country as a way to incentivize show attendance. Membership processing fees were also waived on-site for those interested in joining the association. In addition, current PPPC members have succeeded and continue to succeed at recruiting new members through their own efforts and word-of-mouth. A recent survey revealed that approximately 65% of new members first heard about the Association through existing PPPC Members.

CATEGORY	NEW MEMBERS
Distributors	79
Suppliers	29
P & I Suppliers	2
MLA	2
Associates	5
Franchiser	1
TOTAL	118

Strengthening relationships with existing members was also at the forefront in 2014 with the Membership Outreach Initiative. As of November 1st, 2014, 65% of Distributors and 45% of Suppliers had been contacted through the initiative. Membership and customer service personnel offered assistance, provided guidance, and discussed the Promocan search engine during these calls.

CATEGORY	TOTAL MEMBERS
Distributors	885
Suppliers	301
P & I Suppliers	9
MLRs	69
Associates	32
Other	4
TOTAL	1,300

In 2014, three new Advantage Partners were made available to members, offering preferred member-only rates on mobile solutions, auto leasing and quality assurance. Members have been able to recuperate hundreds of dollars from their membership dues as a result of PPPC's new and existing Advantage Partners.

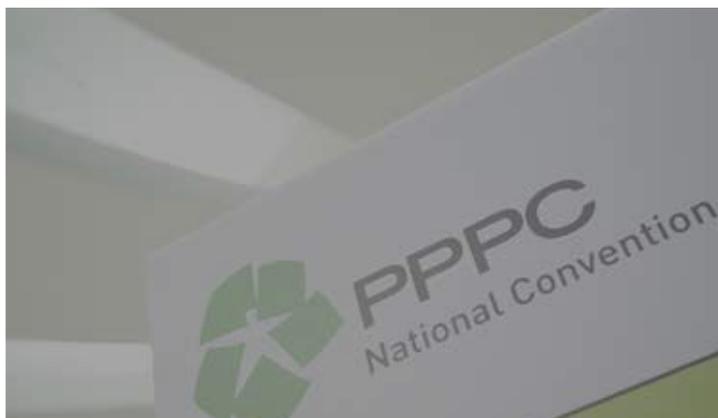
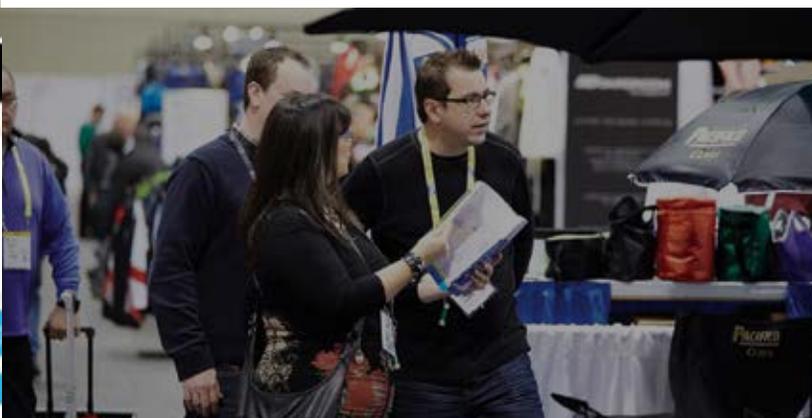


In July of 2014, an improved search engine for both the Member Lounge as well as all Distributor standard sourcing sites (companyname.promocan.com) was launched. In October of 2014, this new search engine was refined, resulting in faster loading of the search results. Several new features were added, inspired by the world's leading search engine, Google. Say good bye to results pagination! Search results are now displayed as users scroll down the page, resulting in a continuous flow of products. The New Promocan has also gotten a lot smarter since last year, too. As users type in the Product Search Box, a Google-like dropdown suggestion list appears. As of October 15, 2014 there were over 150,000 unique products on the Promocan search engine. Traffic to the site has also increased significantly since last year. The new Promocan search engine received 44% more unique visits in September 2014 than it did in September 2013.

In January of 2014, the Distributor Dashboard was rolled out and made available to all PPPC Distributors. This was a first for Promocan users and to date, hundreds of Distributors have taken advantage of this amazing, cutting-edge feature. With the Distributor Dashboard, Distributors are able to customize their product sourcing websites so that they are aligned with their brand's identity. A few of the key features available to Distributors are the ability to prioritize their preferred Suppliers, create custom product categories, manage the e-catalogues they wish to show on their site and insert a "live-chat" function into their Promocan site.

Also in 2014, PPPC introduced several online advertising opportunities within the new Promocan search engine. Participating Suppliers were able to reach, on average, over 55,000 individuals per month through either a Banner Ad, Keyword Banner Ad or a Promocan Featured Product.

INFORMATION TECHNOLOGY



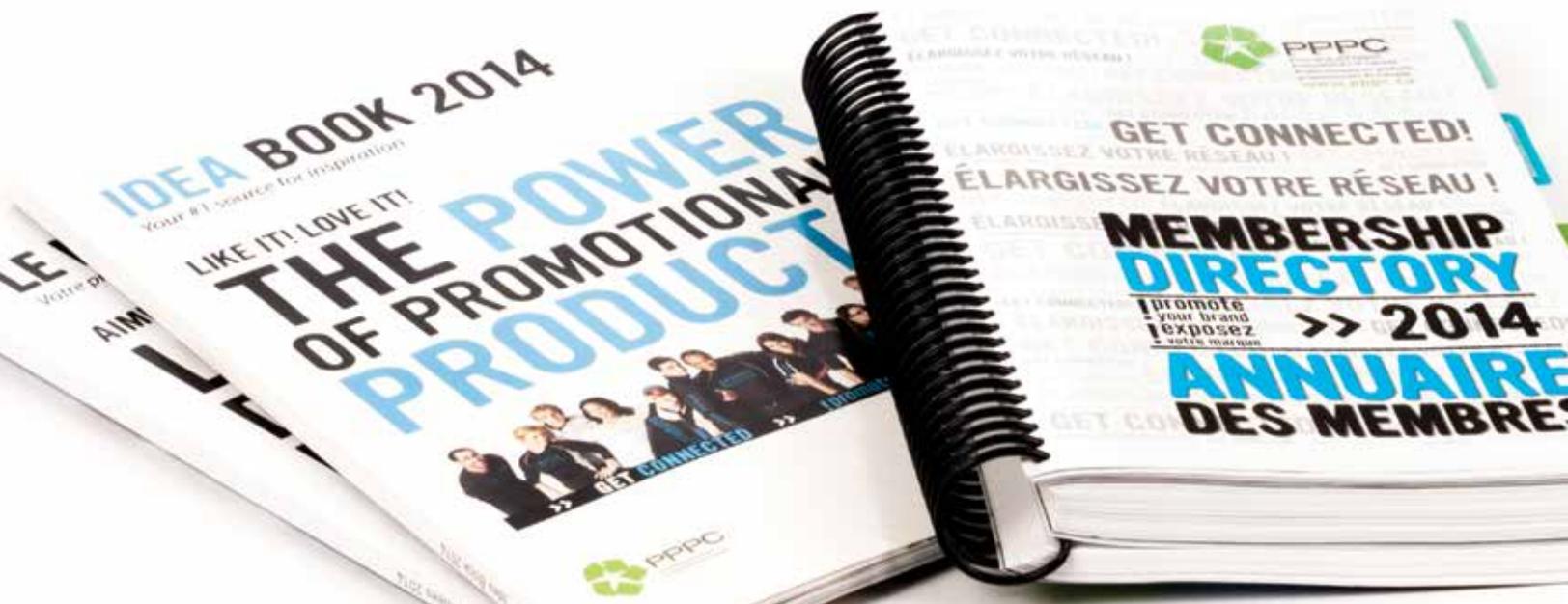
EVENTS

The award-winning trade show, referred to as the best in the Canadian Industry, welcomed more than 232 exhibiting companies in over 500 booths. An impressive 3,153 attendees walked the show floor of the 2014 PPC National Convention, of which 1,717 were Distributor members. Over 1,400 clients, many of which were from Fortune 500 companies, were amazed at the vast amount of products available on the show floor. By day, it was all business; however, by night, numerous events were held including the annual networking party and Image Awards Ceremony and Dinner. There were also several parties hosted by various member companies throughout the action-packed week. Needless to say, there were countless opportunities during the National Convention to network and build relationships with fellow PPC members.

The 2014 TOPS+ travelling tour visited cities from coast to coast in the fall. Vancouver, Calgary, Toronto, Montreal and Halifax welcomed a total of 123 Suppliers in over 300 booths. Known for its personalized feel, the TOPS+ tour has brought Suppliers and Distributors together, across the country, for over 20 years.

The TOPS Spring regional show visited Edmonton, Regina, Winnipeg and Quebec City in late March/ early April of 2014. Although an overall positive experience for all, participation was low, with an average of 22 Supplier companies and 154 attendees per city. PPC is in the process of developing an even better spring show with a new format that will address the needs of Supplier and Distributor members alike.





PPPC publications continue to be leading sources of ideas and industry news for the Canadian Promotional Products Industry. A countless number of Supplier Members have benefited from increased visibility as a direct result of PPPC's affordable advertising rates. Distributor members and their clients also benefited from 115 pages of industry-leading product ideas in the 2014 Idea Book. A total of 22,500 copies of the Idea Book were printed and distributed to Distributors and their clients in 2014.

The 2014 Membership Directory, referred to as the "Bible" of the industry, was distributed to all member companies. Over 90% indicated using the directory to search for members and products on a regular basis.

PPPC's four e-publications, including the PPPC Weekly, PPPC Echo, E-Show Daily and Supplier E-Specials were sent to over 15,000 industry professionals. The average open rate of all four e-publications was 34.5%, which is 65% greater than the Canadian average open rate. In the past year, all four e-publications were optimized for mobile and tablet devices to ensure that all members, regardless of their whereabouts, were able to access these publications.

PUBLICATIONS



AWARDS & RECOGNITION



Image Award Host, Marc Giroux



2014 PPPC Hall of Famer, Steve Levschuk, MAS

The PPPC Image Awards Program was established to provide a significant and meaningful vehicle with which to recognize the high quality work of members. For over 30 years, this has been the program's mission. This past year, 94 well-earned trophies were awarded to the very best of the best. There were 22 unique categories, judged by a panel of highly qualified judges. In the 10 "Of the Year" categories, Distributor and Supplier companies were honoured at various levels including the coveted "Gold Supplier of the Year" award and the "National Distributor of the Year" award. Every year, Distributor and Supplier hopefuls rally their troops with the intentions of being crowned as an "Of the Year" company.



2014 Image Award winners



2014 Humanitarian Award winner, Ian Collicutt

The PPPC Momentum Award recognized 7 individuals this past year. These individuals are driven and creative. They have and continue to pave the way for the future of the industry. PPPC also honored Humanitarian Award recipient, Ian Collicutt of Image Group Inc., for giving his self and his time to help others in his community build up their self-esteem.

For his invaluable contributions in furthering the Industry and the Association without any thought of personal gain, the highest honour of the industry, induction into the PPPC Hall of Fame, was bestowed on Steve Levschuk, MAS of Talbot Marketing. Steve was recognized with a standing ovation from his peers.

All awards were presented with glamour during the Image Awards Gala & Dinner. Inspired by world-renowned awards galas, this event represented yet another opportunity for members to network. Second to trade shows, this event brought together the greatest number of members under a single roof. Approximately 800 individuals cheered on fellow award recipients.

PPPC's Professional Development Program, powered by PPAI, strives to offer an educational experience unlike any other.

Since 2001, thousands of members have benefited from industry-leading keynote speakers, exclusive retreats, and day-long, jam-packed seminars.



The Art of Sales Executive Panel Discussion



The Art of Sales speaker, Jim Fannin



The Art of Sales 2014

During the 2014 National Convention, members were invited to two full days of Professional Development Seminars, which included The Art of Sales. This highly-anticipated event brought forth six world-class speakers, each being a recognized expert in their respective fields. A dozen other sessions were offered to members during these two days.



WEE 2014



WEE 2014

For 5 solid years, the industry's most inspirational women have gathered for a weekend-long professional development event. This year, 24 women, at various stages in their careers, gathered at the Northern Edge Algonquin, a 5-star all-inclusive resort nestled in the heart of the Ontario National Park. With canoeing, yoga, drumming and different brainstorming sessions all on the agenda, the 2014 WEE was the perfect mix of recreation and education.

In addition to the seminars and events above, PPPC's enhanced online programme, PPPC eLearning has enabled members to earn points towards their TAS, CAS, MAS or MAS+ certifications from the comfort of their homes. To date, 133 PPPC members hold one of these professional designations.

PROFESSIONAL DEVELOPMENT & CERTIFICATION

MARKETING



PUBLIC RELATIONS

PPPC members were rewarded more than ever this past year. PPC's Reward Program, *PPPC Rewards*, gave back approximately \$30,000 to members. Over 600,000 points were redeemed, an increase of 28% compared to last year. Trade Show Booths were by far the most popular, with 30 of them being awarded to members. Moreover, PPC's co-branded Visa Gift Card initiative awarded over \$4,500 to the membership, through various contests, surveys and promotions held within the association. Member feedback was highly valued in 2014 with approximately 35 surveys conducted, each targeted towards specific PPC members.

In 2014, PPC continued to connect, share and engage with members via Social Media. Close to 3,500 individuals, including non-members and end-users connected with PPC in one way or another through its five social media networks. The way businesses and people connect has changed and PPC has taken an active approach at remaining relevant in this ever-changing environment. PPC's two main social media networks (Facebook & Twitter) saw an increase in engagement of approximately 25% in the past year.



COMMUNITY OUTREACH

As a not-for-profit, PPC prides itself on its ability to help others not only in their business endeavours, but also in their communities.

The inaugural National Promotional Products Hockey League tournament raised over \$9,000 during the 2014 National Convention for the Op Santa Initiative. Since 1991, Operation Santa Claus has sent thousands of care packages to Canadian Forces troops deployed overseas while away from family and friends during the holiday season. Throughout the event, 91 players flaunted their skills in front of hundreds of spectators.

In support of youth and our industry's future, the PPC Scholarship Program awarded \$22,500 in scholarships to 15 deserving students in 2014. PPC also donated \$5,000 and 1,800 promotional products to Canada's Next Top Ad Executive (CNTAE), a yearly competition between 42 Canadian Universities. PPC and its generous members believe in empowering the leaders of tomorrow and in doing so, have allowed students across the country to take one step closer to their career goals.



(Left) PPC President & CEO, Ed Ahad;
(Middle) Members of the Canadian Armed Forces;
(Right) Office Beacon President & CEO, Pranav Dalal



NPPHL Game

Promotional Product Professionals of Canada (PPPC) is fully accountable for the integrity and objectivity of the financial information contained in the Annual Report. The accompanying financial information has been prepared on an accrual basis of accounting as required by Canadian accounting standards for private enterprises ("ASPE"), applying informed judgements and estimates where applicable.

PPPC maintains a system of internal accounting controls providing reasonable assurance the assets are safeguarded and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with Canadian ASPE.

The Finance Committee of the Board of Directors is responsible for recommending to the Board of Directors the independent accounting firm to be retained for 2015 and approved by the membership. The President & CEO meets annually with the independent accountants to review accounting, internal accounting controls and financial reporting matters. All Board members have free access to communicate with the accountants.

An independent accounting firm has performed a Review Engagement of PPPC's financial statements for the year-ended October 31, 2014, and issued an unqualified report thereon. Management has made available to the independent accounting firm all of the Association's financial records and related data, as well as the minutes from the Board of Directors' meetings.



Ed Ahad,
President & CEO
Promotional Product Professionals of Canada
Montreal, Quebec
January 2015.

2014 PPPC NATIONAL BOARD OF DIRECTORS



Back row: Alex Jovetic, Bill Yelland-Immediate Past Chair, Alain Gravel, Don Fahie-Chair Elect, Josée Boivin, CAS, Iain Walker.
Middle row: Heidi Reimer-Epp, Jamie Brougham, Rosalind Plummer, MAS, David Lewenberg-Chair of the Board, Laura Hansen, Sylvain Beauchamp, Ed Ahad-President & CEO.
Front row: Luigi Vendittelli, Ralph Dei Tigli, Réjean Grenier, Rohan Vilimek.

STATEMENT OF ACTIVITIES

	Notes	2014	2013
Revenue			
Membership		\$1,047,029	\$1,125,055
National convention		\$956,335	\$975,723
TOPS		\$580,567	\$658,813
Idea Book		\$141,909	\$122,515
Education		\$34,854	\$63,825
Information Technology		\$29,326	\$22,479
Image news		\$28,864	\$20,560
Membership directory		\$26,464	\$34,991
Interest income on disposal of investments		\$12,333	\$38,286
Change in unrealized fair value of investments		\$1,539	\$(8,958)
Exchange gain		\$15,503	\$268
Other income	9	—	\$22,268
		\$2,874,723	\$3,075,825
Expenses			
Membership		\$79,444	\$95,530
National convention		\$623,767	\$608,331
TOPS		\$483,671	\$469,268
Idea Book		\$65,942	\$88,981
Education		\$80,586	\$90,871
Information Technology - product sourcing		\$152,975	\$291,652
Information Technology - transition costs		\$97,725	\$106,530
Information Technology - information and training		\$22,135	\$35,142
Image news		\$18,842	\$28,766
Image		\$890	\$15,579
Membership directory		\$39,559	\$39,058
Other expenses	9	\$9,839	—
		\$1,675,375	\$1,869,708
		\$1,199,348	\$1,206,117
Other expenses (Schedule)			
Operating expenses		\$715,861	\$879,604
Administrative expenses		\$528,899	\$611,692
		\$1,244,760	\$1,491,296
Deficiency of revenue over expenses			
		\$(45,412)	\$(285,179)

STATEMENT OF FINANCIAL POSITION

	Notes	2014	2013
Assets			
Current assets			
Cash		\$741,498	\$630,779
Cash – Chapters		\$4,608	\$5,868
Accounts receivable	3	\$553,898	\$619,913
Prepaid expenses		\$269,120	\$314,474
Investments	4	\$826,889	\$1,021,196
		\$2,396,013	\$2,592,230
Capital assets	5	\$29,062	\$44,312
		\$2,425,075	\$2,636,542
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	\$106,926	\$245,784
Deferred revenue	7	\$1,360,833	\$1,388,030
		\$1,467,759	\$1,633,814
Commitments	8		
Surplus			
Invested in capital assets		\$29,062	\$44,312
Internally restricted		\$526,938	\$526,938
Unrestricted		\$401,316	\$431,478
		\$957,316	\$1,002,728
		\$2,425,075	\$2,636,542

Approved by the Board

 David Lewenberg, Chair of the Board

 Don Fahie, Chair Elect, Secretary and Treasurer

For the accompanying notes and the detailed financial report, visit www.promocan.com/annualreport

