June 1, 2005

Honourable Jim Watson
Minister of Consumer and Business Services
250 Yonge Street, 35th. Floor
Toronto Ontario
M5B 2N5

Dear Minister Watson:

I am pleased to submit the eighth Annual Report of the Travel Industry Council of Ontario, which covers the period April 1, 2004 to March 31, 2005. This report also incorporates the activities of the Ontario Travel Industry Compensation Fund, for which TICO assumed direct responsibility in June 1998.

During fiscal 2004/2005, TICO's Board focused on the main objectives set out in last year's Business Plan, with the following key results:

■ A series of town hall meetings were conducted across the province to consult on draft regulations released by the Ministry of Consumer and Business Services. Following these meetings, TICO made further submissions to the Ministry on the proposed changes. End supplier failure and advertising were key issues discussed. Final regulations were released by the government in March. Ontario Regulation 26/05 will come into force on July 1, 2005.

■ TICO took a lead role in ascertaining stakeholder opinions with respect to travel advertising practices by commissioning an independent study by Pollara, a public opinion and market research firm. The conclusions from this report were used in making submissions to the government regarding changes to the advertising regulations.

■ TICO's successful Consumer Awareness Campaign was again made a priority with the continuation of the television advertising, which brands the TICO name and with the distribution of collateral materials to registrants explaining the benefits of using a registered travel agency. TICO also sponsored the month of February in the Ministry of Consumer and Business Services’ 2005 Fraud Free Calendar, which is distributed to over 200,000 consumers across Ontario.

■ In preparation for the introduction of Travel Industry Act, 2002 Minimum Education Standards, TICO has commenced working on a curriculum for travel counsellors and travel agency supervisor/managers. These curricula will be introduced into schools and colleges in 2006 in preparation for the date when the standards come into force in 2008.

■ In respect of Board Governance, TICO communicated the results of a Board Evaluation to stakeholders and has enhanced the Board Code of Conduct. It is in the final stages of completing a Board Chair Role Review and a Communications Audit.

■ The failure of another federally regulated air carrier has elevated the issue of the lack of consumer protection at the federal level. TICO has been very vocal in raising its concerns with the Minister of Transport and strongly encouraging the federal government to make changes to protect consumer advance payments, to ensure more financial monitoring of airlines and increased price disclosure in advertising.

The financial results in this report confirm that the majority of TICO registrants are fiscally responsible and have risen to the challenges facing this industry over the past several years. Claims paid in respect of registrant failures are at an all-time low. By working closely with stakeholders, we will continue to improve consumer awareness, communications and education standards, which will help to ensure that consumers are protected when they purchase their travel from an agency registered with TICO.

Yours truly,
Travel Industry Council of Ontario

Jill Wykes
Chair of the Board of Directors
Mission

To promote a fair and informed marketplace where consumers can be confident in their travel purchases.

Vision

Enhance confidence in the travel industry by becoming:

■ A leader in developing an improved system of consumer protection

■ A model for a progressive, fair and firm administrator of industry regulations

■ A developer, promoter and advocate of good business ethics and harmonized standards in the travel industry.

Values

TICO will be:

■ Fair, but firm in our conduct with registrants and consumers

■ Responsive and open in communicating with consumers and registrants, while respecting the business confidentiality of our registrants

■ Visionary in our approach to improving the industry and industry practices, while remaining accountable to all stakeholders for the cost-effectiveness and practicality of solutions and initiatives

Above all, TICO will be ethical in everything TICO does.
Chief Executive Officer’s Report

Executive Summary

This has been a year of ups and downs in the travel industry. This year started out well with increased sales and a recovery from the effects of the many challenges that the industry has experienced in recent years. Consumers regained confidence and travel was on the increase. Then, at the height of the 2005 March Break, the industry was shocked by the sudden failure of low cost air carrier, Jetsgo. The fiscal year ended on a down note as thousands of consumers were left stranded and saw their travel plans ruined. TICO staff has been busy sending out claim forms to consumers who dealt with Ontario registered travel agents and to registrants who assisted their consumers by providing refunds or alternate travel services.

On the positive side, the balance in the industry financed Compensation Fund continues to grow and now exceeds $27 million. TICO paid out gross claims of $113,618 for registrant failures this fiscal year. TICO made recoveries of $70,507, which reduced the gross claim amount. TICO’s financial and compliance inspection programmes are key factors in achieving these results. All 2,884 registrants were subject to a financial bench review this year and 533 site inspections were conducted. On the negative side, gross claims paid for failures of end supplier air carriers and cruise lines, entities who are not registered with TICO and who do not contribute to the Fund, exceeded registrant failure claims by a ratio of more than two to one. The provincial Compensation Fund continues to have to finance this burden because of the lack of consumer protection that exists at the federal level for these types of failures.

TICO continued to make consumer and registrant awareness a top priority this year. TICO spokespersons made themselves available for media interviews during the Jetsgo crisis advising the public about TICO’s role and advocating for the need for more consumer protection at the federal level. The province wide television ad campaign continued and has been very well received. An Omnibus survey conducted for TICO showed a 10% increase in consumer awareness of TICO over the past year. TICO also commenced a Communications Audit this year to find out registrants’ views regarding TICO communications. TICO would like to thank the registrants who took time out of their busy schedules to participate. The results of the Audit will be released in the next fiscal year.

During 2004, town hall meetings were conducted across the province to consult on the release of draft regulations under the Travel Industry Act, 2002. Following these meetings, further submissions were made to the government on the proposed changes. End supplier failure and advertising were key issues discussed. The release of Ontario Regulation 26/05 in March 2005 was the result of a lot of hard work by a number of people over many years. TICO is happy to report that the new legislation will come into force on July 1, 2005.

As well, TICO has made progress on a number of other projects during this fiscal year. TICO is in the final stages of completion of a review of the Board Chair position. TICO has been working on an E-Commerce Code for Registrants. TICO made enhancements to its Board Code of Conduct. More details on these and other accomplishments are set out in the body of this report. Overall, TICO has had a successful year and remains committed to its goal of promoting a fair and informed marketplace where consumers can be confident in their travel purchases.

Yours truly,
Travel Industry Council of Ontario

Michael Pepper
President & C.E.O.
Organization

The Travel Industry Council of Ontario (TICO) is a not-for-profit corporation financed through fees from its approximately 2,900 Ontario travel retail and wholesale Registrants. In order to effect self-management in the travel industry, the Ministry of Consumer and Business Services delegated responsibility for the administration of the Ontario Travel Industry Act (the Act) and regulations to TICO in June 1997. The Act governs Ontario retailers and wholesalers and provides for the operation of a Travel Industry Compensation Fund.

Following a regulation change in June 1998, TICO assumed direct responsibility for the Ontario Travel Industry Compensation Fund (the Fund) from the Ontario Travel Industry Compensation Fund Corporation (OTICF). The OTICF Corporation was subsequently dissolved on August 28, 1998.

Governance

The TICO Board of Directors consists of fifteen members. There are three individuals appointed by the Association of Canadian Travel Agents (ACTA-Ontario), three from the Canadian Association of Tour Operators (CATO), one from the Ontario Motor Coach Association (OMCA), one from the Canadian Institute of Travel Counsellors (CITC) and four appointed by the Minister of Consumer and Business Services. There are also three members that are elected by the Industry at large. (See Appendix II)

Remuneration of Board and Committee Members (Per Diems)

TICO’s by-laws provide for the remuneration of Directors. TICO’s Remuneration Policy provides for the following per diem levels:

Board Meetings:
- Chair $350
- Vice-Chair $275
- Member $225

The Remuneration Policy for committee meetings for board members and non-board members is as follows:

Committee Meetings:
- Committee Chair $225
- Committee Member $175
- Director under the TIA $5,000/annum (where Director is not an employee)

The per diem is the amount payable for work periods in excess of three hours. If the work period is less than three hours, one-half of the established per diem is paid. Preparation time may be included in the calculation of hours. In addition, board and committee members may claim for travelling expenses such as mileage or accommodation for which set rates have been approved.
Background on the Ontario Travel Compensation Fund

In 1975, the Government of Ontario passed the Travel Industry Act. This legislation provides the legal basis for the Compensation Fund and ensures that every registered travel business in Ontario participates in the Fund. Section 44 of Part III of the current Regulation (O. Reg. 806/93) enacted pursuant to the Act states: “Every Registrant shall participate in the Compensation Fund and shall comply with the terms of the Fund set out in this Part.”

A Registrant is defined as a person who is registered as a travel agent or travel wholesaler under the Travel Industry Act. A travel agent is defined as a person who sells to consumers, travel services provided by another person. A travel wholesaler is defined as a person who acquires rights to a travel service for the purpose of resale to a travel agent or who carries on the business of dealing with travel agents or travel wholesalers for the sale of travel services provided by another person.

Management of the Compensation Fund

The Regulation relating to the Compensation Fund sets forth in detail the operation and management of the Fund.

Section 44.1 of the current Regulation (O. Reg. 806/93) provides that the affairs of the Compensation Fund shall be administered and managed by the Travel Industry Council of Ontario, a corporation without share capital incorporated under Part III of the Corporations Act.

Section 45(5) of Regulation 806/93 requires that all money in the Compensation Fund and any income on such money shall be held by TICO in trust for the benefit of claimants whose claims for compensation are approved by TICO in accordance with this Regulation.

Fund Financing

The Compensation Fund is totally financed by Ontario Registrants. During the fiscal year, registered travel agents paid to TICO the greater of $25 or 25¢ per $1,000 of sales and registered travel wholesalers paid the greater of $25 or 50¢ per $1,000 of sales, both on a semi-annual self-assessment basis. These payments are to be made within forty-five days after the end of the Registrant’s fiscal and fiscal half-year.

The Regulation permits TICO to borrow money to supplement the Fund and to require that Registrants make additional payments to TICO if necessary to reduce such borrowing.

Surplus Funds

The Corporation may invest any funds of the Compensation Fund, which are surplus to the immediate requirements of TICO in securities provided for under sections 26 and 27 of the Trustee Act.

Claims

The Compensation Fund reimburses customers of registered travel agents for eligible claims arising from the bankruptcy or insolvency of an Ontario registrant or arising from the failure of an end supplier airline or cruise line. The Board of Directors determines whether a claim or a part of one meets the requirements of the Regulation and determines the eligible amount of the claim. Claims must be submitted in writing to the Board within six months after the event that gave rise to the claim. The maximum payout for claims arising out of an event is $5 million in total. The maximum payout per person is $5,000.

The Director under the Travel Industry Act, may direct payment out of the Fund of up to an additional $2 million where immediate funds and facilities are necessary for the repatriation and accommodation of customers of Registrants who are outside of Ontario. When customers of Registrants are preparing for immediate departure and have been placed in circumstances where funds are required to alleviate suffering or to protect the interests of the Fund, the Board, with the approval of the Director, may pay out of the Fund an amount sufficient to enable such departure, up to a maximum of $5,000 per person.
Appeal of Decisions

Claimants are entitled to appeal a decision of the Board of Directors to the Licence Appeal Tribunal. Decisions of the Tribunal may be further appealed to the Divisional Court of Ontario.

Financial Inspections

TICO operates a risk management programme, which includes financial inspections of Registrants carried out under the direction and control of the Registrar, Travel Industry Act. The objective of the programme is to identify as early as possible any risk Registrants and to work with these Registrants to ensure compliance with the Act and Regulation. By early identification of risk Registrants, TICO attempts to minimize potential claims against the Fund and disruption to consumer travel. The programme consists of an annual review of the financial statements of all Registrants, a more frequent review of the financial statements of larger Registrants and site inspections. The programme is proactive as TICO has undertaken to visit all new Registrants to ensure understanding and compliance with the Act and Regulation.
TICO has established nine committees to oversee various responsibilities and undertake a variety of tasks. These committees and mandates include the following:

**Executive Committee (Chair: Jill Wykes)**
- Manage emergency issues on an ad hoc basis.
- Interim support for CEO between board meetings.
- Review of large closures.
- Make recommendations regarding composition of board committees.
- Conduct an annual review of the TICO Employee Code of Ethics.

**Audit Committee (Chair: Bruce Fraser)**
- Review internal controls operating throughout TICO.
- Review accounting and investment policies on an annual basis.
- Review quarterly investment report and financial statements.
- Review audited financial statements and recommend their approval to the Board.
- To act in an objective, independent capacity as a liaison between the auditors, management and the board of directors, to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.
- Review insurance coverage annually.
- Review TICO’s annual budget.

**Business Strategy Committee (Chair: Jill Wykes)**
- Produce TICO’s Business Plan and monitor performance measures.
- Refer issues for legislative and regulatory review.
- Planning of TICO’s Consumer Awareness Campaign.
- Review and keep current TICO’s policies with respect to privacy issues.
- Develop a plan to assess TICO’s operational effectiveness and report findings.

**Complaints Committee (Chair: Michael Janigan)**
- Review and resolve, as appropriate, complaints against TICO.
- Provide fair, transparent and accountable procedures for handling Registrant and consumer complaints against TICO.
- Develop standards for handling complaints.
- Make recommendations with respect to TICO’s complaint handling procedures.

**Compensation Fund Committee (Chair: Bruce Fraser)**
- Review and recommend to the Board the payment of claims in accordance with Regulation 806/93.
- Review and monitor the status of appeals to the Licence Appeal Tribunal of denied claims.
- Develop and recommend administrative policies to the Board regarding the administration of the Fund.
- Review and recommend recovery procedures to offset the cost of claims.

**E-Commerce Committee (Chair: Richard Vanderlubbe)**
- Review TICO’s programs, services and initiatives to determine any area which could be improved through the use of the Internet.
- Identify areas where consumers may not be protected when they purchase travel services online and provide options as to how TICO may address these issues.
- Consider privacy issues in respect of e-commerce.
- Identify any challenges posed by regulating the sale of travel services in an e-commerce environment and provide any potential solutions.
- Recommend legislative and regulatory changes in relation to e-commerce.
- Liaise with provincial counterparts and federal authorities on emerging e-commerce issues and the development of a standard.
- Play a role in educating the Board and TICO stakeholders about e-commerce issues including the development of informational literature.

**Travel Industry Act, 2002 Minimum Education Standards Committee (Chair: Mike Foster)**
- Determine what the Travel Industry Act, 2002 Minimum Education Standards should be for travel counsellors and supervisor/managers and identify the type of information that should be covered in the minimum standards curriculum at each level.
- Oversee the development of the Travel Industry Act, 2002 Minimum Education Standards Curricula including reviewing, testing and approving the curricula.
- Determine how the Travel Industry Act, 2002 Minimum Education Standards should be implemented, the timeline for implementation and the costs.
Oversee the printing and distributing of the educational courses and the development of on-line versions of the courses.

- Consider equivalency options.
- Develop a communications plan for minimum standards.
- Devise a plan to enforce the standards.
- Ensure the Travel Industry Act, 2002 Minimum Education Standards are updated on a regular basis.
- Explore the feasibility of other educational initiatives.

**Legislative & Regulatory Review Committee**  
*(Chair: Trish McTavish)*

- Recommend regulatory and legislative reform necessary to achieve TICO’s business objectives, as established by the Business Strategy Committee in TICO’s Business Plan by:
  - Consulting with MCBS on policy and legal issues.
  - Securing and managing stakeholder input.
  - Working with MCBS to move the recommendations forward through the legislative process.
- Consider revision of the voluntary Registrant Code of Ethics in the event that TICO wishes to set up a Discipline Committee and implement a system of administrative penalties.
- Develop policies in relation to administrative penalties.
- Make recommendations to the Board with respect to requirements for individuals who conduct business outside the office of a registrant. Any requirements recommended should:
  - ensure there is a level of professionalism even if the business is being conducted outside the registrant’s office;
  - raise industry standards;
  - ensure that consumer monies are protected;
  - ensure that consumers receive quality service; and
  - ensure that consumers are fully informed.
- Develop a Recommended Best Practices document to assist registrants and outside sales representatives.

**Governance Committee**  
*(Chair: Michael Merrithew)*

- Determine and articulate TICO’s governance model.
- Clarify the Board’s role, purpose, core values and responsibilities.
- Review current board member recruitment process and the election process.
- Set criteria for board member recruitment and selection.
- Communicate board member criteria to groups eligible to make appointments to the Board.
- Conduct an annual review of the Board of Directors Code of Conduct.
- Develop a Board and Committee Attendance Policy including a process to deal with attendance problems.
- Examine the issue of board member retention and review of remuneration.
- Review TICO’s Board and Committee Structure.
- Develop a system for evaluating the Board’s performance.
- Devise a set of basic performance benchmarks to measure board effectiveness.
- Develop a work plan to enhance Board performance.
- Communicate results of board evaluation.
- Review TICO’s Board Orientation Process.
- Be responsible for policies in relation to corporate governance.
- Recommend any changes required to TICO’s By-law in relation to governance issues.

**Alternate Finance Committee**  
*(Chair: Bruce Fraser)*

- Assess at what level the Fund should be maintained to ensure adequate protection for consumers.
- Review who should be contributing to the Fund.
- Determine a fair and workable method to assess contributions to the Fund.
- Explore whether there should be higher financial requirements for entry to the industry.
- Identify potential models for compensation by examining different models from other jurisdictions.
- Conduct a comparative analysis of potential models against Ontario’s current system.
- Identify best practices from the various models analyzed.
- Identify key areas of risk in registrant business practices.
- Consider steps that could be taken to reduce those risks.
- Explore whether fee reductions could be used as an incentive to encourage registrants to meet higher standards and reward financially stable registrants.
- Consider whether registrants should be required to pay into the Fund on sales where no commission is earned.
- Consider whether registrants should be required to pay into the Fund if the transaction is not covered by the Fund.
- Consider whether registrants should be required to pay for end supplier failures.
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<td>Implement the New Act and Regulation if Proclaimed/Approved by the Government and continue the Legislative and Regulatory Review Process</td>
<td>Conduct town hall meetings regarding the draft Regulation that was released by the MCBS in various locations across the province so that stakeholders have an opportunity to ask questions and comment on the changes being proposed.</td>
<td>Conducted eight town hall meetings throughout the Province of Ontario to consult with stakeholders on the draft Regulation.</td>
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<td>Consider all feedback received regarding the draft Regulation and make a submission to MCBS regarding the draft.</td>
<td>Following consultation with stakeholders, TICO made a submission to the Government with respect to the draft Regulation.</td>
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<td>Work with the Ministry on specific proposals for reform that require further input from TICO.</td>
<td>Consulted with the Ministry on specific legislative proposals for reform that required further input from TICO.</td>
<td>Liaised with the government and met with the Minister, due to concerns about registrant liability under section 13 of the Travel Industry Act. That meeting resulted in a commitment from the Minister to review the issue in detail. The Minister followed through with changes to the Travel Industry Act, 2002. Communications with the Provincial Government resulted in the Consumer Measures Committee committing to look at consumer protection issues, specifically end supplier failure coverage.</td>
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<td>Revise TICO forms, documents, informational literature, internal policies and procedures as necessary in response to any legislative and regulatory changes.</td>
<td>Commenced planning and work on revising all TICO forms, documents, informational literature, internal policies and procedures as necessary in response to legislative and regulatory changes.</td>
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<td>Conduct a consumer consultation regarding advertising practices and prices in the travel industry.</td>
<td>Retained Pollara, a public opinion and market research firm, to ascertain consumer opinions with respect to advertising practices in the travel industry. Utilized the data in the Pollara Report to advocate a need for changes to advertising standards at the provincial and federal level. Changes to advertising standards have been included by the provincial government in Ontario Regulation 26/05.</td>
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<td>Implement TICO's communications plan to advise all stakeholders as to any changes to the Travel Industry Act and Regulation.</td>
<td>Begin implementation of TICO's Communications Plan to communicate to all stakeholders and promote understanding of the legislative and regulatory changes in the Travel Industry Act, 2002 and Ontario Regulation 26/05.</td>
<td>Commenced planning and organizing town hall meetings for the purpose of educating stakeholders on the Travel Industry Act, 2002 and Ontario Regulation 26/05.</td>
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<td>Increase Consumer and Registrant Education and Awareness</td>
<td>Continue radio and television campaign promoting the benefits of purchasing travel services from Ontario registrants.</td>
<td>Continued television and radio ad campaign promoting consumer awareness of TICO and the benefits of dealing with Ontario Registrants with the use of the tag line: “Always look for the TICO sign when you book your travel time.”</td>
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<td>Encourage registrants to display collateral materials, for example, posters to support TICO’s radio and television campaign.</td>
<td>Distributed collateral materials to registrants such as posters, window decals and information leaflets and encouraged them to display and support TICO’s Consumer Awareness Campaign.</td>
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<td>Participate at travel related consumer shows providing educational literature.</td>
<td>Participated at 7 consumer and industry trade shows during the last 12 months.</td>
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<td>TICO’s CEO to conduct radio and television interviews to promote knowledge of TICO.</td>
<td>Conducted more than 20 speaking engagements and media interviews promoting consumer and industry awareness with consumer groups, travel schools, television, radio and newspaper media and industry associations. Media interviews included such television programs as Legal Briefs (CP24), City Pulse, Michael Coren Show and Goldhawk Live.</td>
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<td>Obtain editorial coverage and take out ads in the press aimed at promoting consumer awareness.</td>
<td>Produced weekly Travel Registrar Q&amp;A column in the National Post newspaper. Receieved editorial coverage in various daily and community newspapers with respect to TICO and the protection available to consumers from the Travel Compensation Fund. Sponsored the month of February in the Ministry of Consumer and Business Services’ 2005 Fraud Free Calendar. The calendar contains valuable consumer protection information and tips on how to avoid fraud in the marketplace. The Fraud Free Calendar is distributed to over 200,000 consumers across Ontario.</td>
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<td>Develop Travel Industry Act, 2002 Minimum Education Standards</td>
<td>Complete an Omnibus Survey to measure the awareness of TICO and the Compensation Fund.</td>
<td>An Omnibus survey completed in March 2005 resulted in a 10% increase in consumer awareness of TICO and the existence of the Ontario Travel Industry Compensation Fund compared to Omnibus survey results in previous years.</td>
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<td>Finalize curricula for Minimum Education Standards for travel counselors and for supervisor managers.</td>
<td>The Travel Industry Act, 2002 and Ontario Regulation 26/05 was released late in the fiscal year and development of the curricula is underway.</td>
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<td>Develop a plan for implementation of Minimum Education Standards.</td>
<td>Worked with the government to ensure that the introduction of the Travel Industry Act, 2002 Minimum Education Standards allowed enough time for registrants to become compliant with the new requirements.</td>
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<td>Establish a plan to enforce Minimum Education Standards.</td>
<td>An enforcement plan will be developed by the implementation date of July 1, 2008.</td>
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<td>Devise a communications plan for Minimum Education Standards.</td>
<td>Liaised with the CITC to develop a Q&amp;A document to educate stakeholders about the Travel Industry Act, 2002 Minimum Education Standards. Planned to include information in Explanatory Paper and in town hall meeting presentation.</td>
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<td>Review and Enhance Board Governance</td>
<td>Communicate results of Board evaluation to stakeholders.</td>
<td>Communicated results of Board evaluation to stakeholders.</td>
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<td>Develop a plan for Board member recruitment, selection and retention.</td>
<td>Preliminary discussions regarding the development of a plan for Board member recruitment, selection and retention. Reviewed and enhanced TICO’s Board of Directors Code of Conduct</td>
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<td>Develop new Board Member Orientation.</td>
<td>Commenced work on enhancing Board Member Orientation.</td>
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<td>Review Board communication systems.</td>
<td>Commenced review of Board communication systems and retained Sandown Communications Consulting to perform a Communications Audit to obtain feedback from registrants on the effectiveness of TICO’s communication with stakeholders.</td>
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<td>Review role, criteria and expectations of the Board Chair.</td>
<td>Started the analysis of the TICO Board and Committees by reviewing the Board Chair position and retaining a consultant from Renaud Foster to research and provide a report on the Role of the Board Chair.</td>
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<td>Review size and composition of the TICO Board and Committees.</td>
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<td>Explore Alternate Financing of the Compensation Fund</td>
<td>Assess at what level the Fund should be maintained to ensure adequate protection for consumers.</td>
<td>Internal assessment has been completed. A formal assessment will be required prior to stakeholder consultation.</td>
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<td>Identify potential ways of financing the Compensation Fund by examining models from other jurisdictions, including user pay models.</td>
<td>Identified potential ways of financing the Compensation Fund by examining models from other jurisdictions, including user pay models.</td>
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<td>Compare potential models against Ontario's current system.</td>
<td>Compared potential models against Ontario's current system.</td>
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<td>Identify best practices from the various models analyzed.</td>
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<td>Identify key areas of risk in registrant business practices.</td>
<td>Identified key areas of risk in registrant business practices and considered steps to reduce those risks.</td>
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<td>Consider steps that could be taken to reduce those risks.</td>
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<td>Explore whether fee reductions could be used as an incentive to encourage registrants to meet higher standards and to reward financially stable registrants.</td>
<td>Considered whether fee reductions could be used as an incentive to encourage registrants to meet higher standards. Such incentives will be incorporated where possible in the final plan as it is developed.</td>
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<td>Develop and Implement Discipline Process</td>
<td>Develop and implement discipline process for non-compliance. This process will involve the assessment of monetary penalties for infractions.</td>
<td>Reviewed and compared the Discipline Processes of other organizations and prepared a framework for a discipline process for TICO.</td>
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## Business Accomplishments 2004/2005

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<td>Draft new mandatory Code of Ethics.</td>
<td>The Travel Industry Act, 2002 and Ontario Regulation 26/05 was released late in the fiscal year and the Code will be developed based on the new legislation.</td>
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<td>Liaise with Other Jurisdictions to Eliminate Gaps in Consumer Protection</td>
<td>Contact provincial counterparts to garner support for a consumer protection plan with respect to airline failures.</td>
<td>Continued a dialogue with provincial counterparts about the importance of advocating for harmonized standards nationally. Utilized the failure of Jetsgo to highlight the need for consumer protection measures for airlines at the federal level. Continued to contact and liaise with provincial counterparts, federal and provincial governments to continue the ongoing dialogue to garner support for a consumer protection plan with respect to airline failures at the federal level.</td>
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<td>Liaise with the federal and provincial governments to find a solution to the end supplier failure problem and with respect to advertising guidelines.</td>
<td>Liaised with the federal and provincial governments to find a solution to the end supplier failure problem and with respect to advertising guidelines. Retained The Strategic Counsel to assist TICO’s efforts to advocate for changes at the federal level, specifically with respect to regulations governing airlines. Created an Alliance of industry and consumer groups to pursue this goal.</td>
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<td>Keep abreast of proposed changes to travel legislation in other provinces.</td>
<td>Kept abreast of proposed changes to travel legislation in other provinces.</td>
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<td>Promote the benefits of having harmonized standards in the travel industry across Canada.</td>
<td>Promoted the benefits of having harmonized standards in the travel industry across Canada. Maintained an ongoing dialogue with Regulators in other jurisdictions and self-managed Industries to share best practices.</td>
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</tbody>
</table>
### BUSINESS PLAN OBJECTIVES

<table>
<thead>
<tr>
<th>PERFORMANCE MEASURES 2004/2005</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop Policy and Guidelines for the establishment of Business Relationships for carrying out non-delegated activities (Schedule J “to Administrative Agreement). This would enable TICO to explore business opportunities to export the TICO model beyond the scope of Ontario.</td>
<td>Continued discussions with MCBS regarding TICO pursuing other business ventures and to develop Guidelines for the establishment of Business Relationships for carrying out non-delegated activities (Schedule J “to Administrative Agreement). This would enable TICO to explore business opportunities to export the TICO model beyond the scope of Ontario.</td>
</tr>
</tbody>
</table>

### DEVELOP E-COMMERCE CODE FOR TICO AND SPECIFIC COMPLIANCE PROGRAM FOR E-BUSINESS

<table>
<thead>
<tr>
<th>DEVELOP E-COMMERCE CODE FOR TICO AND SPECIFIC COMPLIANCE PROGRAM FOR E-BUSINESS</th>
<th>ACCOMPLISHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributed informational literature to educate stakeholders on e-business.</td>
<td>Developed and distributed literature to educate stakeholders on e-commerce</td>
</tr>
<tr>
<td>Drafted an E-Commerce Code for registrants operating on the Internet in preparation for release with the new Ontario Regulation 26/05.</td>
<td>Continued to update and maintain TICO’s website with timely information.</td>
</tr>
</tbody>
</table>

### CONTINUING BUSINESS PLAN OBJECTIVES

<table>
<thead>
<tr>
<th>CONTINUING PERFORMANCE MEASURES 2004/2005</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribute stakeholder survey to assess TICO’s operational effectiveness in the area of claims processing and complaint handling.</td>
<td>Distributed stakeholder surveys to assess TICO’s operational effectiveness in the area of claims processing and complaint handling.</td>
</tr>
<tr>
<td>Insufficient data has been received to date to warrant a formal report. However, all feedback received to date has been positive.</td>
<td></td>
</tr>
<tr>
<td>In light of the positive feedback received as a result of the surveys, no procedural changes have been deemed necessary.</td>
<td></td>
</tr>
<tr>
<td>Enhance TICO’s Information Management System.</td>
<td>Continued enhancements on TICO’s database to house all Registrant information including, financial information, compensation fund contributions, claims on the Compensation Fund, complaints, inspections, investigations, prosecutions and recoveries.</td>
</tr>
</tbody>
</table>
## Business Accomplishments 2004/2005

<table>
<thead>
<tr>
<th>CONTINUING BUSINESS PLAN OBJECTIVES</th>
<th>CONTINUING PERFORMANCE MEASURES 2004/2005</th>
<th>OUTCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyze stakeholder survey results to assess opportunities to improve TICO’s operational effectiveness in the area of claims processing and complaint handling.</td>
<td>Based on feedback received, no changes to operational procedures have been warranted.</td>
<td></td>
</tr>
<tr>
<td>Review TICO’s internal procedures and make amendments to policies to keep up to date.</td>
<td>Continued to review internal procedures and made amendments as appropriate.</td>
<td></td>
</tr>
<tr>
<td>Review TICO’s Privacy Policy and TICO’s internal processes to determine where enhancements could be made to better ensure privacy is protected.</td>
<td>No changes were made to the Privacy Policy during this fiscal year.</td>
<td></td>
</tr>
<tr>
<td>Complete TICO’s internal Disaster Recovery Plan which will set out policies and procedures for TICO in the event of a disaster (i.e. force majeure).</td>
<td>Disaster Plan yet to be completed.</td>
<td></td>
</tr>
<tr>
<td>Publish and distribute TICO Talk quarterly newsletter to Registrants, develop and distribute informational literature on various topics and distribute Industry Advisories and Registrar Bulletins to all stakeholders on significant and timely issues.</td>
<td>Continued distribution of a quarterly newsletter (TICO Talk) to all Registrants as well as Industry Advisories and informational materials on various topics relevant to the Industry.</td>
<td></td>
</tr>
<tr>
<td>Distributed informational literature and Industry Advisories to all stakeholders on significant timely issues such as the failure of Jetsgo and claiming against the Fund, advising registrants of their responsibilities under the Act and Regulation for consumers in destination or travelling to areas affected by hurricanes, malaria and the tsunami.</td>
<td>Continued distribution of a quarterly newsletter (TICO Talk) to all Registrants as well as Industry Advisories and informational materials on various topics relevant to the Industry.</td>
<td></td>
</tr>
<tr>
<td>Retained Sandown Communications Consulting to perform a Communications Audit to obtain feedback from stakeholders on the effectiveness of TICO’s communication with stakeholders.</td>
<td>Continued distribution of a quarterly newsletter (TICO Talk) to all Registrants as well as Industry Advisories and informational materials on various topics relevant to the Industry.</td>
<td></td>
</tr>
<tr>
<td>CONTINUING BUSINESS PLAN OBJECTIVES</td>
<td>CONTINUING PERFORMANCE MEASURES 2004/2005</td>
<td>OUTCOME</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Update and keep current TICO's website with information to benefit stakeholders such as Industry Advisories, Business Plan, Annual Report and the TICO Talk Newsletter.</td>
<td>Maintained a Communications Plan for TICO stakeholders including internal communications to the Board of Directors and staff through orientation, meetings and policy manuals and participated in regular liaison meetings with the Ministry. Together with the Office of the Registrar General, TICO was awarded the bronze award from the 2004 Public Sector Quality Fair for providing up to date information, on a weekly basis to stakeholders, as to the time one should allow for the processing of birth certificate application information. Award received from Canada NewsWire for TICO news release “Ontario Travel Regulator Says Federal Government Must Act to Protect Consumers and Restore Confidence” being ranked in the top ten of accessed files in March 2005.</td>
<td></td>
</tr>
<tr>
<td>Continue to liaise with MCBS on issues that require TICO’s input.</td>
<td>TICO participated in regular liaison meetings with the Ministry to maintain communications and address timely issues.</td>
<td></td>
</tr>
<tr>
<td>Continue to communicate and restate TICO’s Code of Ethics to all registrants.</td>
<td>Continued to communicate and restate TICO Registrant Code of Ethics.</td>
<td></td>
</tr>
<tr>
<td>Work with the Ministry to finalize outstanding items on the Administrative Agreement.</td>
<td>Worked with the Ministry towards finalizing schedules to the Administrative Agreement including the Board Code of Conduct and Termination Plan.</td>
<td></td>
</tr>
</tbody>
</table>
Operational Performance Review

Registration

On March 31, 2005, there were a total of 2,884 registrations with TICO (Fig. 1). This total is comprised of 2,421 retail travel outlets, who sell travel services directly to consumers and 463 travel wholesalers, who sell travel product through travel retailers (Fig. 2).

A total of 1,314 registrations were processed under the Travel Industry Act in 2004/05, which included 225 new registrations (Fig. 3) and 1,089 renewals (Fig. 4). As registrations are renewed bi-annually on the anniversary date of the Registrant’s original approval date, there is a fluctuation in the number of renewals each year.

Complaints

TICO handled 220 written consumer complaints in 2004/05 compared to 227 in the previous year (Fig. 5). In processing these complaints, TICO successfully assisted consumers in obtaining $30,391 in restitution compared to $31,800 the previous year. In addition, TICO handled 2,638 telephone complaint inquiries and 159 email complaint inquiries.

The top 10 types of written complaints received at TICO in 2004/05 are:

1. Consumer dissatisfaction with services or accommodation in destination (quality of service issues).
2. Misrepresentation of travel services by registrant in an advertisement or brochure.
3. Accommodation purchased by the consumer changed and not provided in destination.
4. Outstanding refunds.
5. Incomplete or incorrect information provided to the consumer by the registrant. (i.e. information regarding the travel product or services being sold.)
7. Changes to the standard of accommodation that was purchased by the consumer. (services/amenities advertised not available)
8. Incorrect ticketing/ticketing errors.
9. Dissatisfaction with food and beverage in destination.
10. Dissatisfaction with customer service provided by tour operator Destination Representatives.
Financial Inspections

Under the direction of the Registrar, the Travel Industry Council of Ontario is responsible for conducting a financial inspection programme. All Registrant financial statements are subject to a bench review to ensure compliance with the financial standards required by regulation. The bench review process produces information, which may determine those Registrants that should be targeted for site inspections (Fig. 6). During the fiscal period 2004/05, TICO completed 533 site inspections compared to 639 in the prior year. (Fig. 7)

Non-Financial Inspections

TICO performed 25 compliance site inspections during the 2004/05 fiscal year to address various issues such as advertising guidelines, invoicing and operating without registration. In 2004/05, a total of 137 warnings for operating without registration (Fig. 8) and 148 advertising warnings (Fig. 9) were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the Travel Industry Act and Regulation. Advertising warnings decreased by 33% compared to the prior year.

Figure 5: Written Complaints Handled

Figure 6: Total Financial Bench Reviews

Figure 7: Financial Site Inspections

Figure 8: Total Warnings Issued for Operating without Registration

Figure 9: Total Warnings Issued for Advertising

Figure 10: Total Warnings Issued for Invoicing
Claims and Repatriation

Claims paid during the fiscal year ended March 31, 2005 compared to the previous year ended March 31, 2004 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2004/05</th>
<th>2003/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of claims paid</td>
<td>234</td>
<td>921</td>
</tr>
<tr>
<td>Number of consumers assisted</td>
<td>1,112</td>
<td>2,457</td>
</tr>
<tr>
<td>Claims paid - Registrant failure</td>
<td>$113,618</td>
<td>$347,348</td>
</tr>
<tr>
<td>Claims paid - End supplier failure</td>
<td>$271,039</td>
<td>$692,607</td>
</tr>
<tr>
<td>Total Claims paid</td>
<td>$384,657</td>
<td>$1,039,955</td>
</tr>
<tr>
<td>Repatriation</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Less recoveries</td>
<td>$(70,507)</td>
<td>$(131,984)</td>
</tr>
<tr>
<td>Net claims paid</td>
<td>$314,150</td>
<td>$907,971</td>
</tr>
</tbody>
</table>

Repatriation

There were no consumers repatriated during the 2004/05 fiscal year.

Most Significant Closures 2004/05

Festival Cruises

On May 26, 2004, Festival Cruises of Genoa, Italy, a non-registrant end supplier cruise line ceased operations. Consumers who purchased their travel services from Ontario registrants and who did not receive the cruise they purchased due to this failure were eligible to claim on the Fund. As of March 31, 2005, a total of $39,731 was paid out of the Compensation Fund, assisting 50 consumers.

Ella’s Travel Inc.

On December 23, 2004, Ella’s Travel voluntarily terminated its registration to operate as a travel retailer under the Ontario Travel Industry Act. Ella’s Travel sold mainly air only to various destinations. As of March 31, 2005, a total of $21,585 was paid out of the Compensation Fund, assisting 28 consumers.

Jetsgo Corporation

Jetsgo, a non-registrant end supplier airline, ceased operations on March 11, 2005 leaving thousands of consumers stranded and without travel services over the March Break period. On May 13, 2005, Jetsgo officially declared bankruptcy. TICO has released several claim forms, however the total exposure to the Compensation Fund is not known. Any claims that have been received at TICO are being processed in the order in which they were received. TICO will however, defer payment out of the Fund until it can be established whether or not the claims will reach or exceed the legislated maximum payout of $5 million per event.

Other Closures Resulting in Significant Claims

The following entities ceased operations during the 2003/04 and 2001/02 fiscal year, however, claims were paid during the 2004/05 fiscal year.

Anza Travel Ltd.

On March 26, 2004, Anza Travel Ltd. voluntarily terminated its registration to operate as a travel retailer under the Ontario Travel Industry Act. Anza Travel sold primarily air and packages to Australia and New Zealand. As at March 31, 2005, a total of $68,272 was paid out of the Compensation Fund, assisting 80 consumers.

Canada 3000 Airlines

Canada 3000 Airlines, a non-registrant end supplier airline ceased operations on November 09, 2001. The amendment to Regulation 806/93 in January 2002 allowed end supplier claims against the Compensation Fund. On March 17, 2003, the Trustee in Bankruptcy for Canada 3000 Airlines declared that there would be no payments from the estate of Canada 3000 Airlines. This allowed TICO to commence its claims process and claims were distributed to Canada 3000 Airlines claimants with a claim filing deadline of September 18, 2003. During the year ended March 31, 2005, TICO paid a total of $231,309 out of the Fund, assisting 566 consumers. There are still additional Canada 3000 Airlines claims pending, which will be processed.

Canada 3000 Holidays

Although the failure of Canada 3000 Holidays in December 2001 has, to date, not resulted in the payment of claims from the Compensation Fund, TICO did commence its claims process on July 25, 2003 for information gathering purposes only. The deadline to file a claim against the Compensation Fund in respect of Canada 3000 Holidays was January 26, 2004. Any claims that have been received at TICO are being processed in the order in which they were received. TICO will not pay any Canada 3000 Holidays claims until after the Judicial Trustee, PricewaterhouseCoopers has completed its process and distributed any further funds that it has available. A final distribution payment from the Judicial Trustee is expected, however, there is currently no information available on the timing of any future payment by PricewaterhouseCoopers. There are still additional Canada 3000 Holiday claims pending, which will be processed.
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazonas Travel (R)/(W)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amrals Travel (R)</td>
<td>3,300</td>
<td>5,144</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anza Travel (R)</td>
<td>68,272</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviaction Corporation (R)/(W)</td>
<td></td>
<td>968</td>
<td></td>
<td>1,304</td>
</tr>
<tr>
<td>Canada 3000 Airlines <em>(</em>)</td>
<td></td>
<td>231,309</td>
<td></td>
<td>668,687</td>
</tr>
<tr>
<td>Canada 3000 Sales (R)/(W)</td>
<td>2,065</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C3 Tickets (R)</td>
<td>7,143</td>
<td>7,143</td>
<td>765</td>
<td>765</td>
</tr>
<tr>
<td>Centro Tours &amp; Travel (R)</td>
<td></td>
<td>321</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don Armstrong Tours (R)</td>
<td></td>
<td></td>
<td></td>
<td>225,569</td>
</tr>
<tr>
<td>Ella’s Travel (R)</td>
<td>21,585</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eurosun Inc. (R) / (W)</td>
<td></td>
<td></td>
<td></td>
<td>40,000</td>
</tr>
<tr>
<td>Farah Travel (R)</td>
<td></td>
<td>4,698</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Festival Cruises <em>(</em>)</td>
<td>39,731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Globe Travel (R)</td>
<td>1,796</td>
<td></td>
<td></td>
<td>2,743</td>
</tr>
<tr>
<td>Maxsaver International (R)/(W)</td>
<td>9,911</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perfect Travellers (R)</td>
<td></td>
<td>2,530</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PC Holidays (R)/(W)</td>
<td></td>
<td>856</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premier Holidays, Mississauga (R)/(W)</td>
<td></td>
<td>20,000</td>
<td></td>
<td>80,000</td>
</tr>
<tr>
<td>Planit Travel (R)</td>
<td></td>
<td></td>
<td>80,400</td>
<td></td>
</tr>
<tr>
<td>Renaissance Cruises <em>(</em>)</td>
<td></td>
<td></td>
<td>23,920</td>
<td></td>
</tr>
<tr>
<td>Rosa Franzini Travel (R)</td>
<td>4,595</td>
<td></td>
<td></td>
<td>759</td>
</tr>
<tr>
<td>Samson Holidays (R)/(W)</td>
<td>700</td>
<td></td>
<td></td>
<td>334</td>
</tr>
<tr>
<td>Scanditours (R)/(W)</td>
<td></td>
<td>1,500</td>
<td></td>
<td>334</td>
</tr>
<tr>
<td>Travel Max (R)</td>
<td></td>
<td></td>
<td>4,575</td>
<td></td>
</tr>
<tr>
<td>Travel Search Inc., Toronto (R)/(W)</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Travel Way Services (R)</td>
<td></td>
<td></td>
<td>1,536</td>
<td></td>
</tr>
<tr>
<td>Travel Pack, Toronto (R)/(W)</td>
<td>21,301</td>
<td>3,200</td>
<td>3,850</td>
<td></td>
</tr>
<tr>
<td>Value Vacations, Toronto (R)</td>
<td></td>
<td></td>
<td>1,276</td>
<td>1,276</td>
</tr>
<tr>
<td>Yorkland Travel (R)/(W)</td>
<td>12,108</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Claims Paid (Gross)</strong></td>
<td><strong>$384,657</strong></td>
<td><strong>$70,507</strong></td>
<td><strong>$1,039,955</strong></td>
<td><strong>$131,984</strong></td>
</tr>
</tbody>
</table>

(R) = Retailer    (W) = Wholesaler
(*) = Non-Registrant End Supplier (Airline or Cruise line)

Note: Recoveries listed may relate to claims paid out in previous years.
In addition, 155 invoicing warnings (Fig. 10) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the provision in the Regulation. Invoice warnings decreased by 18% compared to the prior year.

Figure 11 illustrates that, in 2004/05, total claims paid by the Fund decreased by 63% from the previous year. However, more claims have been paid out of the Fund as a result of end supplier failures compared to TICO registrant failures over the past three fiscal years, since Regulation 806/93 was amended January 1, 2002 to allow end supplier failure claims against the Compensation Fund (Fig 12). Recoveries received by TICO in 2004/05 were $70,507 compared to $131,984 recovered in 2003/04.

Contributions to the Fund from Registrants (Fig. 13 & Fig. 14) have increased by $267,199 over 2003/04.
Legal Matters

Claims
The Licence Appeal Tribunal (LAT) hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2005, LAT held hearings regarding 4 appeals. LAT upheld the decisions of the Board and directed the Council to disallow the claims in respect of all 4 matters.

Investigations and Prosecutions
TICO will initiate and will perform investigations when it becomes apparent that there may have been a breach of the Travel Industry Act, which can result in charges being laid under the Travel Industry Act. Investigations conducted in 2004/05 have resulted in the following prosecutions:

Jason Konstantos was convicted of one count of operating without registration contrary to Section 3(1) of the Travel Industry Act. Mr. Konstantos received a suspended sentence and was placed on probation for two years. He is to make restitution in the amount of $62,175.94 to consumers according to an 18 month repayment schedule. Mr. Konstantos is also to serve 200 hours of community service and report to a probation officer.

Andrew Carleton Smith carrying on business as Carleton Productions was convicted of three counts of acting without registration contrary to Section 3(1) of the Travel Industry Act. Mr. Smith was fined $3,000 per count for a total fine of $9,000 payable in thirty days.

Brian David Huston and Planit Travel Ltd. were convicted of one count each of failing to maintain trust accounting contrary to Section 36(6) of Ontario Regulation 806/93, Travel Industry Act. Mr. Huston received a suspended sentence and was placed on probation for two years during which he is to serve 150 hours of community service and report to a probation officer.

Hugo Maggi and Aviation Corporation were convicted of one count each of failing to maintain trust accounting contrary to Section 36(1) of Ontario Regulation 806/93, Travel Industry Act. Mr. Maggi was fined $3,000 payable within 6 months and was placed on probation for one year during which he is to make complete restitution to three of his victims for a total amount of $6,162.

Cynthia Stren, who was carrying on business through Cynthia Stren Travel Consultants Inc., was convicted of 2 counts of operating without registration contrary to section 3(1) of the Travel Industry Act. Ms. Stren was fined $1,500 per count for a total fine of $3,000 payable within 1 year.

Maria De Lourdes Santos who was carrying on business through 1042164 Ontario Inc./o/a Bon Voyage Holidays, was convicted of 1 count of operating with out registration contrary to section 3(1) of the Travel Industry Act. Ms. Santos was fined $1,500 payable within 180 days.

Amral’s Travel Canada Ltd. was convicted of 1 count of failing to maintain trust accounting contrary to section 36(3) of Ontario Regulation 806/93, Travel Industry Act. Amral’s Travel Canada Ltd. was fined $25,000 and placed on probation for two years and ordered to pay restitution to TICO in the amount of $44,957.58.

Proposals to Revoke Registration
A total of 48 proposals to revoke registration were issued during 2004/05. The proposals were issued for the following reasons:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to File Form 1 Contributions</td>
<td>9</td>
</tr>
<tr>
<td>Failure to File Financial Statements</td>
<td>30</td>
</tr>
<tr>
<td>Failure to maintain Working Capital</td>
<td>3</td>
</tr>
<tr>
<td>Other Breaches of the Act and Regulation</td>
<td>6</td>
</tr>
</tbody>
</table>

During the year, 12 registrations were revoked as a result of proposals issued. TICO was required to attend 12 prehearings and 3 hearings before LAT in response to the proposals issued to the Registrants. Some proposals were settled prior to their scheduled hearing date. During the year, 28 proposals were withdrawn and 3 were settled by consent order. At the beginning of 2004/05, there were 3 outstanding proposals and as at the end of March 2005, there were 8 outstanding proposals.
Complaint Handling Process

TICO staff receive numerous telephone enquiries on a daily basis including those from consumers, Registrants, applicants, government and Industry stakeholders. TICO staff provide callers with information with respect to consumer and business complaints, registration processes and acceptable business practice.

TICO provides complaint handling for consumer-to-Registrant disputes. After encouraging consumers to pursue all avenues with the Registrant, TICO staff will assist with the goal of reaching a mutually acceptable solution. When a complaint involves allegations of non-compliance with the Act, the Registrar will undertake the necessary compliance and enforcement activities. When a mutual solution is not reached, complainants are provided with information regarding options to further pursue matters. TICO undertakes to provide a response to a complainant within 45 days.

Registrant-to-Registrant disputes have not been handled traditionally by the Registrar, unless financial issues or other allegations of non-compliance with the Act are involved.

Complaints Committee

Consumers and Registrants with complaints about TICO’s activities are invited to contact the Complaints Committee of the Board of Directors.

The Complaints Committee's mandate is to review and resolve, as appropriate, complaints against TICO, which are based on dissatisfaction with the quality and fairness of its services to Registrants and consumers. The Committee also makes any recommendations with respect to TICO's complaint handling procedures that may arise from reviews of particular complaints. The Committee is composed of representatives of various stakeholders. During the 2004/05 fiscal period, there were no complaints received against TICO.

Appeals against the Registrar's administrative decisions may proceed, as appropriate, to the Licence Appeal Tribunal. Complaints may be submitted to TICO by telephone, fax, mail or e-mail.

Consumer Awareness Campaign

In 1999, TICO launched a Consumer Awareness Campaign with a goal to educate consumers and promote awareness in Ontario about TICO, the Travel Compensation Fund and the protection available to consumers when they purchase their travel services from an Ontario registered retail travel agency. Since then, TICO has promoted awareness by using strategies that incorporated different forms of media such as television, radio and newspaper ad campaigns.

The campaigns promoted the benefits of dealing with Ontario registrants and have used the tag line: “Always look for the TICO sign when you book your travel time.” TICO attended consumer trade shows and distributed informational literature. Collateral materials such as posters and window decals were also distributed to promote its messages to Ontario registrants in support of the Campaign. TICO has measured its success each year by having an Omnibus Survey completed. Over the years, the survey has shown modest increases in consumer awareness. However, this year (2004/05), the Omnibus Survey showed a 10% increase in consumer awareness of TICO and the Travel Compensation Fund over the previous year. TICO is very pleased with these results and intends to continue to focus on increasing consumer awareness in Ontario and to promote the benefits and the protection available to consumers purchasing travel services through TICO registrants.

French Language Services

TICO receives minimal inquiries in the French language. When it does, it strives to respond to all inquiries received, whether oral or written. A comparable level of service will be provided in either language whenever and wherever demand and customer service warrant. TICO staff are able to communicate in several languages and provide both Registrants and consumers with a timely, courteous and quality response to all French language enquiries. Correspondence received in French is responded to in French.
FINANCIAL REVIEW

The financial review is based on the audited financial statements for the year ended March 31, 2005 with comparative figures for March 31, 2004.

Overview

As at March 31, 2005, the Net Assets of TICO were $28,394,881 compared to $26,461,858 for the year ended March 31, 2004. This increase in Net Assets was a result of revenue exceeding expenses by $1,933,023 for the year. Excess revenue for the year ended March 31, 2004 was $1,285,717. Although revenues have decreased in 2004/05, so have expenses for the same period, largely relating to claims paid. This has resulted in a greater excess of revenues over expenses for the year ended March 31, 2005 compared to the same period ending March 31, 2004.

TICO is required to hold all Compensation Fund monies in trust. As of March 31, 2005 the assets held for the Fund were $27,383,343 compared to $25,222,450 as of March 31, 2004.

Revenue

Total Revenue for the year ended March 31, 2005 was $4,888,679 and derived from semi-annual assessments based on gross sales of Registrants ($2,956,287), applications for renewal of registrations ($432,068) and from new applications for registration ($469,162). A total of $1,031,162 in investment income was earned during the year.
Semi-Annual Assessments

All registrants are required to pay into the Compensation Fund based on their gross travel sales. The rate for wholesale sales is $0.50 per $1,000 and the rate for the retail sales is $0.25 per $1,000. Revenue from Semi Annual assessments increased for 2004/05 to $2,956,287 from $2,689,088 for 2003/04. The following is the breakdown of revenue between wholesale and retail sales:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>$1,219,971</td>
<td>$1,016,275</td>
</tr>
<tr>
<td>Retail</td>
<td>1,736,316</td>
<td>1,672,813</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,956,287</td>
<td>$2,689,088</td>
</tr>
</tbody>
</table>

Registration Fees

Revenue from registration fees is derived from two sources: new registration fees and renewal fees. New registration fees are $2,375 and cover a two year period of registration while renewals are $375. In 2004/05, there was an increase in new applications for registrations and new registration fees increased by $55,998. Renewals decreased by $140,807 as there were fewer renewals in this year as part of the two year renewal cycle. The second year typically generates higher renewals than the first year in the cycle.

Expenses

Total expenses for TICO decreased to $2,955,656 for 2004/05 from $3,646,607 in 2003/04. The significant variances are as follows:

Total claims for the year ended March 31, 2005 are $384,657 which consists of claims from registrant failures of $113,618 and $271,039 from failures of non-registrant end supplier airlines and cruise lines. Included in the net claims expense are professional fees incurred in relation to closures and recoveries and also an amount for closure expenses which included the cost of printing and courier charges. In 2003/04, the closure expenses also included temporary staff that was hired to assist with the claims process. Recoveries from security deposits and repayments from Registrants totaled $70,507 for the year which reduces the total claim expense. This resulted in a net claim expense for 2004/05 of $336,704, which is substantially less than the net claim expense for 2003/04 of $999,449. It is also noted that TICO continues to pay out more for claims in relation to non-registrant end suppliers than for registrant failures.

Consumer and Registrant Awareness expense has increased by $4,956 in 2004/05 from the prior year.

Expenses in this category include TICO’s province wide Consumer Awareness Campaign. In 2003/04, TICO introduced a new series of television and radio advertisements and these advertisements were continued in 2004/05. This category also includes the cost of the continuation of TICO’s quarterly newsletter and TICO’s participation in consumer trade shows.

General and Office expense has increased in 2004/05 by approximately $7,365 from 2003/04. This is due mainly to an increase in LAT (Licence Appeal Tribunal) hearings and pre-hearings that TICO conducted during the year.

Ontario Government Oversight Fees expense total $111,662 for 2004/05 compared to $133,223 for 2003/04. These fees are paid to the Ministry of Consumer and Business Services under the terms of TICO’s Administrative Agreement. The current Administrative Agreement was signed on September 9, 2003.

Regulatory reform and minimum standards expense includes expenses related to the legislative review. In the fall of 2002, the Government made amendments to the Travel Industry Act. In March 2004, the Government released draft regulations to correspond with the amended Act. In April 2004, TICO held a series of Town Hall meetings to explain the draft regulations to the Industry and the cost of these meetings is in included in this expense. In February 2005 the government released the final Travel Industry Act, 2002 and its Regulation which will come into force on July 1, 2005. In February and March 2005, TICO began preparations to conduct Town Hall meetings in April and May 2005 to explain the new legislation to stakeholders, including an explanatory paper. In addition, TICO has been working on establishing a disciplinary process in accordance with the amendments to the Travel Industry Act and these costs including some consulting costs has been included in this expense. Finally, included in this expense category, is the cost of a report from a public opinion and market research firm that TICO retained to ascertain consumer opinions with respect to advertising practices in the travel industry.

Governance Committee expense has increased by $12,666 in 2004/05. Included in this expense is the cost of a consultant to prepare a report on the Role of the Board Chair. Also included is the cost of a consultant to perform a Communications Audit to obtain feedback on the effectiveness of TICO’s communication with stakeholders.
FINANCIAL STATEMENTS
MARCH 31, 2005

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STATEMENT OF FINANCIAL POSITION ....2
STATEMENT OF CHANGES IN NET ASSETS ....3
STATEMENT OF OPERATIONS ............. 4
NOTES TO THE FINANCIAL STATEMENTS ....5-6
AUDITORS’ REPORT

To the Board of Directors of the
Travel Industry Council of Ontario

We have audited the statement of financial position of the Travel Industry Council of Ontario ("TICO") as at March 31, 2005 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of TICO’s management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of TICO as at March 31, 2005 and the results of its operations and the changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

McGOVERN, HURLEY, CUNNINGHAM, LLP

Chartered Accountants

TORONTO, Canada
April 27, 2005
## Statement of Financial Position

**As at March 31, 2005**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CURRENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments (Note 3)</td>
<td>29,107,802</td>
<td>27,135,862</td>
</tr>
<tr>
<td>Prepaid expenses and deposits</td>
<td>46,267</td>
<td>63,707</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,154,069</td>
<td>27,199,569</td>
</tr>
<tr>
<td><strong>EQUIPMENT</strong> (Note 4)</td>
<td>98,563</td>
<td>156,279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,252,632</td>
<td>27,355,848</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>270,360</td>
<td>451,832</td>
</tr>
<tr>
<td>Deposits from registrants</td>
<td>587,391</td>
<td>442,158</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>857,751</td>
<td>893,990</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets per statement</td>
<td>28,394,881</td>
<td>26,461,858</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29,252,632</td>
<td>27,355,848</td>
</tr>
</tbody>
</table>

APPROVED ON BEHALF OF THE BOARD:

"JILL WYKES", Chair
"BRUCE FRASER", Director

See accompanying notes to the financial statements.
### Statement of Changes in Net Assets

**FOR THE YEAR ENDED MARCH 31, 2005**

<table>
<thead>
<tr>
<th></th>
<th>Invested In Equipment $</th>
<th>Restricted For Travelling Industry Compensation Fund $</th>
<th>Unrestricted $</th>
<th>2005 Total $</th>
<th>2004 Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>156,279</td>
<td>25,222,450</td>
<td>1,083,129</td>
<td>26,461,858</td>
<td>25,176,141</td>
</tr>
<tr>
<td>Excess of revenues over expenses (expenses over revenues)</td>
<td>—</td>
<td>2,129,148</td>
<td>(196,125)</td>
<td>1,933,023</td>
<td>1,285,717</td>
</tr>
<tr>
<td>Purchase of equipment</td>
<td>8,167</td>
<td>(4,491)</td>
<td>(3,676)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of equipment</td>
<td>(65,883)</td>
<td>36,236</td>
<td>29,647</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>98,563</td>
<td>27,383,343</td>
<td>912,975</td>
<td>28,394,881</td>
<td>26,461,858</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
## STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2005

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-annual payments from registrants</td>
<td>2,956,287</td>
<td>2,689,088</td>
</tr>
<tr>
<td>Renewals</td>
<td>432,068</td>
<td>572,875</td>
</tr>
<tr>
<td>New registrants</td>
<td>469,162</td>
<td>413,164</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,031,162</td>
<td>1,257,197</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>4,888,679</td>
<td>4,932,324</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims</td>
<td>384,657</td>
<td>1,039,955</td>
</tr>
<tr>
<td>Professional fees and services</td>
<td>15,427</td>
<td>53,704</td>
</tr>
<tr>
<td>Closure expenses</td>
<td>7,127</td>
<td>37,774</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>407,211</td>
<td>1,131,433</td>
</tr>
<tr>
<td>Less: Recoveries</td>
<td>(70,507)</td>
<td>(131,984)</td>
</tr>
<tr>
<td><strong>Net Expenses</strong></td>
<td>336,704</td>
<td>999,449</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>1,090,371</td>
<td>1,101,266</td>
</tr>
<tr>
<td>Inspections, compliance and prosecutions</td>
<td>345,481</td>
<td>355,858</td>
</tr>
<tr>
<td>Consumer and registrant awareness</td>
<td>250,563</td>
<td>245,607</td>
</tr>
<tr>
<td>General and office</td>
<td>189,675</td>
<td>182,310</td>
</tr>
<tr>
<td>Rent</td>
<td>170,282</td>
<td>163,223</td>
</tr>
<tr>
<td>Regulatory reform and minimum standards</td>
<td>130,942</td>
<td>103,228</td>
</tr>
<tr>
<td>Ontario Government oversight fees</td>
<td>111,662</td>
<td>133,223</td>
</tr>
<tr>
<td>Board meeting expense</td>
<td>86,205</td>
<td>110,493</td>
</tr>
<tr>
<td>Computer</td>
<td>50,954</td>
<td>41,182</td>
</tr>
<tr>
<td>Insurance</td>
<td>40,383</td>
<td>34,521</td>
</tr>
<tr>
<td>Governance committee</td>
<td>34,413</td>
<td>21,747</td>
</tr>
<tr>
<td>Travel</td>
<td>20,069</td>
<td>15,819</td>
</tr>
<tr>
<td>Credit checks</td>
<td>17,600</td>
<td>19,508</td>
</tr>
<tr>
<td>Professional fees</td>
<td>14,469</td>
<td>22,969</td>
</tr>
<tr>
<td>Amortization</td>
<td>65,883</td>
<td>96,204</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>2,955,656</td>
<td>3,646,607</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses</strong></td>
<td>1,933,023</td>
<td>1,285,717</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
1. **NATURE OF OPERATIONS**

The Travel Industry Council of Ontario ("TICO") was incorporated on April 7, 1997 as a not-for-profit corporation without share capital, under the laws of Ontario. TICO is designated by the Lieutenant Governor in Council, as the Administrative Authority responsible for administration of the Ontario Travel Industry Act ("The Act"). TICO's responsibilities are to carry out delegation of The Act in accordance with the Administrative Agreement and to achieve the Minister of Consumer and Business Services' goal of maintaining a fair, safe and informed marketplace.

The Ontario Travel Industry Compensation Fund (the "Fund") is a fund established under the Ontario Travel Industry Act and Regulation to reimburse consumers for travel services when they have been paid to an Ontario registrant, the travel services have not been provided and the registrant is unable to refund their money by reason of bankruptcy or insolvency. Under certain conditions, the Fund also pays claims resulting from the failure of cruiselines and airlines (end suppliers) to provide travel services.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of TICO are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant.

**Investments:**
Short-term investments are recorded at cost. Discounts and premiums are amortized to income over the term of the investment on a straight-line basis.

**Equipment and Amortization:**
Equipment is stated at acquisition cost. Amortization is provided as follows:
- Furniture and equipment: 20% diminishing balance
- Computer hardware: 3 years straight-line
- Computer software: 2 years straight-line
- Database: 5 years straight-line

Leasehold improvements are amortized on a straight line basis over the remaining term of the lease, which expires November 30, 2008.

3. **CASH AND SHORT-TERM INVESTMENTS**

<table>
<thead>
<tr>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash on hand and in bank</td>
<td>4,411,144</td>
</tr>
<tr>
<td>Government of Canada bonds, Provincial bonds and other investments, at cost, plus amortized discounts and premiums (market value $24,766,170; 2004 - $24,420,364)</td>
<td>24,696,658</td>
</tr>
<tr>
<td></td>
<td>29,107,802</td>
</tr>
</tbody>
</table>
4. EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Cost $</th>
<th>Accumulated Amortization $</th>
<th>2005 $</th>
<th>2004 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>170,668</td>
<td>115,740</td>
<td>54,928</td>
<td>68,660</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>224,817</td>
<td>211,842</td>
<td>12,975</td>
<td>20,365</td>
</tr>
<tr>
<td>Computer software</td>
<td>39,544</td>
<td>39,544</td>
<td>-</td>
<td>547</td>
</tr>
<tr>
<td>Database</td>
<td>244,416</td>
<td>223,969</td>
<td>20,447</td>
<td>52,408</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>39,771</td>
<td>29,558</td>
<td>10,213</td>
<td>14,299</td>
</tr>
<tr>
<td></td>
<td>719,216</td>
<td>620,653</td>
<td>98,563</td>
<td>156,279</td>
</tr>
</tbody>
</table>

5. RESTRICTED NET ASSETS

Article 2.01 of By-law one of TICO requires that all monies held shall be used in promoting its objects. Section 45(5) of Regulation 806/93 enacted under The Act requires that all money in the Fund and any income on such money shall be held by TICO in trust for the benefit of claimants whose claims for compensation are approved by TICO in accordance with the Regulation. Regulation 806/93 made under The Act restricts the maximum amount that may be reimbursed for a failure to provide travel services with respect to all claims arising out of an event or major event to $5,000,000, plus an additional $2,000,000 for repatriation costs. The Fund pays a maximum claim of $5,000 per person.

6. INCOME TAXES

As a non-profit corporation, TICO is not subject to income taxes, in accordance with section 149(1)(l) of the Income Tax Act.

7. COMMITMENTS

(a) Under terms of an Administrative Agreement signed September 9, 2003 between TICO and the Ministry of Consumer and Business Services (the "MCBS"), TICO is obligated to pay a maximum annual fee, based on cost recovery, of $130,000 per year to the Province of Ontario. The MCBS may increase this annual payment above the maximum amount in any given year in accordance with the terms of the Administrative Agreement.

(b) TICO is committed to minimum rental amounts under a long-term lease for its premises which will expire November 30, 2008. Minimum rental commitments remaining under this lease approximate $342,000. Minimum rental commitments or successive years approximate the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>93,300</td>
</tr>
<tr>
<td>2007</td>
<td>93,300</td>
</tr>
<tr>
<td>2008</td>
<td>93,300</td>
</tr>
<tr>
<td>2009</td>
<td>62,100</td>
</tr>
<tr>
<td></td>
<td>342,000</td>
</tr>
</tbody>
</table>

8. CONTINGENT LIABILITIES

i) TICO is committed to paying eligible claims resulting from the failure of Jetsgo Corporation, an airline end supplier, in March of 2005. The total liability is not as of yet known, as claimants have six months from the date of the failure to file claims with TICO. As all claims have not yet been received, TICO is unable to determine its exposure. No claims have been paid as of March 31, 2005, and no provision has been recorded in these financial statements for unpaid claims relating to this event.

ii) TICO is committed to paying eligible claims resulting from the failure of the Canada 3000 group of companies in November 2001. Approximately $910,000 of claims have been paid as of March 31, 2005. No provision has been recorded in these financial statements for unpaid claims relating to this event.

9. FINANCIAL INSTRUMENTS

Fair Value:

Canadian generally accepted accounting principles require that TICO disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash and short-term investments, accounts receivable, accounts payable and accrued liabilities on the balance sheet approximate fair value because of the limited term of these instruments.

10. STATEMENT OF CASH FLOWS

A statement of cash flows has not been included in these financial statements as management has determined that it would not provide additional useful information.
Industry Representatives

Jill Wykes – Chair
Vice President, Corporate Communications
Sunquest, Alba Tours, The Holiday Network
Toronto

Mike Foster – Vice Chair
President
Uniglobe Instant Travel
London

Denise Heffron
Vice President Commercial
Transat Holidays
Etobicoke

John Kennedy
Vice President
TravelPlus
Toronto

Steve McCullough
President
Globus & Cosmos
Toronto

Trish McTavish
Vice President
McTavish Travel
Oakville

Michael Merrithew
President
Merit Travel Group
Toronto

Scott Stewart
President
G. Stewart Travel Services Ltd.
Peterborough

Richard Vanderlubbe
President
Travel Superstore Inc.
Hamilton

Brett Walker
Operations Manager
Collette Tours
Toronto

Kathleen Warren, CTM
Senior Travel Consultant
Allison’s Travel Agency Ltd.
Windsor

Ministerial Appointments

W.H. Bruce Fraser, C.A.
Management Consultant
Toronto

Donna Holmes, LL.B.
Director of Communications
Ministry Consumer & Business Services
Toronto

Michael Janigan, LL.B.
Executive Director & General Counsel
Public Interest Advocacy Centre
Ottawa

Patricia Jensen
Board Member & Treasurer
Consumers Council of Canada
Toronto

Board of Directors Biographies

Bruce Fraser, C.A.

Mr. Fraser is a former partner of KPMG LLP. During his career with KPMG he has served as National Director of the firm's airline practice, on a number of committees such as the Professional Standards Committee, Regional Management Committees and as a Member of the Partnership Board. He has spent five years on a Committee of the Canadian Institute of Chartered Accountants. The Canadian Institute of Chartered Accountants is responsible for setting accounting standards in Canada. He is a former Director of the Air Transport Security Corporation, Rampart Resources Ltd. and the National Cancer Institute of Canada. Presently he sits on the Board of Magnotta Winery Corporation and has been an active member of the Board of Directors for TICO since its incorporation in 1997.

Denise Heffron

In 2005, Denise Heffron, Vice-President Commercial, Transat Holidays, marks her 12th year at Canada's largest tour operator. Denise graduated from the University of Western Ontario with a Bachelor of Arts degree and began her career in the travel industry shortly thereafter. Denise is an active participant in the industry at large and serves on the TICO board as a representative of the Canadian Association of Tour Operators. She has been a member of the CATO executive for three years and brings with her a thorough knowledge of the commercial activities of outbound tour operation in Ontario. In addition, Denise is a member of the TICO e-commerce and Business Strategy committees.

Donna Holmes, LL.B.

Donna joined the Ministry of Consumer and Business Services as the Director of Communications in March 2003. She has a diverse portfolio of public relations and issues management, and is often creating consumer education campaigns on topics as diverse as fraud, identity theft and bereavement services. She is also responsible for promoting the Ontario wine and microbrewery strategies. This year, she is heading up an ambitious strategy to launch Service Ontario, the new government brand that will provide government services and information over the phone, at counters across Ontario and through the Internet. This year, Donna's branch won the Canadian Public Relations Society Silver award for best public education campaign of the year for the launch of the Fraud Free Calendar. In addition, her staff's consumer education work has also received the North American Consumer Affairs Association (NACAA) award.
Donna entered government communications in 1999. After two years in Communications, she was promoted in 2002 as Director of Communications at Management Board Secretariat. While at MBS she was responsible for strategic and internal communications to over 65,000 public servants across Ontario. Donna is also an expert in labour relations communications. In 2002, she lead the government’s internal and external campaign during the eight-week OPSEU, the longest civil service strike on Canada. Donna’s strategy included the government’s first ever public call centre, an external web site to advise the public on service impacts, media buys, daily web updates for 5500 managers across the province and regular media briefings. Donna’s strategy was independently assessed as overwhelmingly successful and remains a blueprint for communications during labour disruptions.

Prior to her work in communications, Donna was called to the Bar in 1989, and spent ten years as a litigator with the Attorney General’s office, specializing in labour and employment law.

**Mike Foster**

Mike Foster is President and owner of UNIGLOBE Instant Travel Inc. with two locations in London and a number of home-based travel professionals. Mike started UNIGLOBE in 1982 and has over the years added a number of high-profile agencies through acquisition, building one the area’s largest travel agency companies.

Mike has served a variety of roles in both ACTA Ontario and TICO for the past several years. He has also been a member of the College Advisory Committee for the Tourism and Hospitality Division of Fanshawe College in London, as well as a board member and fund-raiser for a number of charitable organizations in London, including the Sunshine Foundation, Junior Achievement, the Small Business Centre, and the London Health Sciences Centre.

Mike has also been involved in the submissions of proposed changes by both ACTA and TICO, and is focused on bringing real, substantial, and positive change to the travel industry.

**Michael Janigan, LL.B.**

Michael Janigan is the Executive Director and General Counsel of the Public Interest Advocacy Centre located in Ottawa, Canada. The Centre provides legal services and research on behalf of Canadian consumers and the organizations that represent them. The Centre has been in existence since 1976 and has a small staff of lawyers, researchers and administrative personnel.

The Centre is a founding member of the Canadian Association of Airline Passengers (CAAP) responsible for the proposed Air Passenger Bill of Rights available for viewing on the PIAC website www.piac.ca. PIAC has made presentations before House and Senate Committees on the subject of consumer protection in a deregulated airline industry.

Mr. Janigan has been the Executive Director of the Centre since 1992. Prior to assuming his current position, Mr. Janigan was a city and regional councillor representing a downtown ward in the City of Ottawa. He was elected to that position in the community where he carried on a busy litigation practice. Mr. Janigan was born in Ottawa and attended the University of Western Ontario, in London, Ontario where he obtained both his undergraduate degree in science and his LLB degree. He was called to the Bar of the Law Society of Upper Canada in 1980. He is also a member of the State Bar of California and is counsel to the Washington D.C. law firm, Hempling and Associates that provides legal advice to regulatory commissions across the United States.

**Patricia Jensen**

Patricia joined the TICO Board in January 2005 as a ministerial appointee. She is a member of the Board of Directors of the Consumers Council of Canada where she serves as Treasurer and member of the Executive Committee. She serves on the Consumer Advisory Council of the Technical Standards and Safety Authority, TICO’s Board of Directors, and reports to the Consumers Council on food safety and travel industry issues. She served as one of three consumer representatives on the Bearing Point Travel Study group examining consumer protection gaps in Ontario’s Travel Industry Act, and has represented the consumer perspective when preparing responses to proposed changes to Ontario’s travel industry regulations and to the federal government’s Consumer Measures Committee regarding all-in pricing in the airline industry.

Patricia is a graduate of U.B.C. (B.H.Ec), U. of Guelph (M.Sc. Consumer Studies) and U. of Toronto (M.B.A.). Prior to retirement, she taught Consumer Behaviour and Communications at Ryerson University’s School of Nutrition, and served as Director of the school from 1993 to 1998. While at Ryerson, she served on numerous university committees as well as consumer advisory boards including the National Institute of Nutrition and the Royal Bank of Canada.

**John Kennedy**

John Kennedy has been Vice President of the TravelPlus network of Consultour since January 2004. He is responsible for the development and growth of the TravelPlus network. He has been in the travel industry since 1976. He spent 15 years in the retail sector as a travel agency owner and the last 12 years in the travel agency network management business.

Prior to joining TravelPlus he was Vice President, Canada for the GIANTS consortium. He was associated with GIANTS from 1993 until the end of 2003.

John Kennedy has always been a strong advocate of the travel agent distribution system as well as an active participant in travel trade associations including CITC and ACTA where he was president of ACTA Ontario from 1988 until 1991. He has been a board member of the Travel Industry Council of Ontario (TICO) since 2003.

**Steve McCullough**

Steve McCullough is the President of Lontours Canada Limited o/a Globus & Cosmos in Toronto, Ontario.
Scott Stewart
Scott Stewart is co-owner and President of G. Stewart Travel Services Ltd. with full service Carlson Wagonlit Travel offices in Peterborough, Belleville and Toronto (The Beach). Their family owned and operated agencies, since 1974, hold both retail and wholesale licenses. For 19 years Scott has been very involved in the travel industry. Currently serving his first full term on TICO representing O.M.C.A as their elected representative. He sits actively on the O.M.C.A board as well as on the Canadian Advisory Council for Carlson Canada.

Trish McTavish
Trish McTavish is co-owner of McTavish Travel in Oakville along with her husband Ross McTavish. This year, McTavish Travel celebrates its 33rd year in the travel business. Over the past 10 years, Trish has been very active in the travel industry in Ontario serving terms as Vice President, President and Past President of ACTA Ontario and has also served on the GTAA Consultative Committee, ACTA Canada Board, CITC Ontario Board, Carlson Wagonlit Advisory Board and is currently on the Sheridan College Travel and Tourism Advisory Board. Trish has served on the TICO Board for two elected terms and most recently has chaired the Legislative and Regulatory Review Committee. Trish has been a member of the TICO Legislative and Regulatory Review Committee from inception and was very involved in both the TICO and ACTA submissions of proposed changes to the Travel Industry Act.

Brett Walker
Brett Walker began with Collette Vacations in 1988 as a District Sales Manager. He worked his way up to Director of Sales for Canada. Then, in 1999, he became Operations Manager. He is involved in strategic planning, partnership marketing, preferred agency sales, budgets, and hiring. As well, he is responsible for all departments housed within the corporate offices in Toronto and Vancouver, including Inside Sales, Group Sales, the Air Department, the Document Department, and a small but growing Marketing team. He is also responsible for the co-ordination of the corporate offices in Canada and the world-wide H.O. in Pawtucket RI. Brett works closely with the Finance, Product, Inventory, Internet Development and Marketing teams.

Michael Merrithew
Michael Merrithew is the Owner, President & CEO of Merit Holdings Inc. Merit, specializing in Corporate Travel Management, Specialty Leisure Travel, Loyalty & Affinity travel programs and also a growing network of Merit retail offices across Canada, employs over 260 travel professionals. Merit-owned brands & programs include Fifty-Plus Adventures, Exclusive Tours, Merit Golf & Ski Vacations, Rocky Mountain Ski Tours, Uniquely Merit Vacations, Big Day Out, Golf-Tours.com & AlumniTravel.ca. Merit also operates and/or manages numerous private-branded programs for CIBC Visa, the Canadian Association for the Fifty-Plus and Air Canada Vacations.

Michael also serves as Chair of the Association of Canadian Travel Agents (ACTA), as Chair of ACTA Ontario and is a Director of the Canadian Corporate Travel Association (CCTA).

Prior to work experience with Xerox Canada, Nortel Networks, deHavilland Aircraft and Coopers & Lybrand, Michael completed his BBA at the University of New Brunswick and later his MBA at IMD (the International Institute for Management Development) in Geneva, Switzerland.

Richard Vanderlubbe
President and co-founder of Tripcentral.ca, a hybrid bricks and clicks travel agency with 10 locations and an aggressive expansion plan. Richard started in the retail travel business in 1989 with a small agency in Hamilton. Richard has held numerous positions with industry associations including Chair of the Association of Canadian Travel Agencies and Chair of the Board of Directors for the Travel Industry Council of Ontario. Richard has also participated on TICO's Legislative and Regulatory Review Committee and is Chair of TICO's E-Commerce Committee.

Kathleen Warren, CTM
Kathleen Warren has been in the travel industry for over 31 years. She graduated from St Clair College in the Travel and Tourism programme and was employed by Meconi Travel Agency Ltd in Windsor Ontario upon graduation. Kathleen is now employed by Allison’s Travel in Windsor.

Kathleen has been involved in CITC since 1979 as an area director, Ontario Executive Board member, V-P Education/Publications and is currently a member of the Ontario Regional Council. She sits as the CITC representative on the TICO board and is the Windsor region liaison with ACTA.

Kathleen has also worked on a part time basis at St Clair College and the Toronto School of Business in Windsor. She has coordinated the Educator's Update for CITC since 1991 and has edited and revised several of the current publications which CITC sells to the schools. Kathleen has a keen interest in the education mandate of CITC - and hopes to continue working in this portfolio.

Jill Wykes
Jill Wykes is Vice President, Customer Service, Resort Management, Quality Control and Corporate Communications and has been with the MyTravel Canada group since joining Sunquest Vacations for 12 years in a variety of positions, initially as VP Communications and Government Affairs. Jill has managed Airport Services, Destination Services, Customer Service for Sunquest and most recently National Sales for all of the MyTravel Canada tour operator and wholesale companies. She was recently promoted to her newest position, heading up the Customer area for the group.

Jill has been keenly interested in the regulatory area, and has been active in the industry working with governments to shape legislation for many years. She is currently chairman of the Travel Industry Council of Ontario (TICO) and the immediate past chairman of CATO, the Canadian Tour Operators' Association.
Statutory Appointments

W.H. Bruce Fraser, C.A.
Statutory Director,
Travel Industry Act

Michael Pepper
Statutory Registrar,
Travel Industry Act

TICO Staff

President & Chief Executive Officer
Michael Pepper

Director of Operations/ Chief
Financial Officer & Treasurer
Mary-Ann Harrison, C.A.

Manager, Administration & Claims
Dorian Werda

Legal Counsel & Corporate Secretary
Tracey McKieman, LL.B.

Registration Co-ordinator
Cora Reyes

Registration Officer
Anabel Linhares

Form 1 and Claims Co-ordinator
Lori Furlan

Complaints Officer
Josie Pereira

Compliance Officer
Rachel Palozzi

Client Services Representative
Tina Shewchuk

Legal Counsel
María Abate, LL.B.

Inspection Co-ordinator / Financial
Analyst
Wendy Wu, C.G.A.

Inspector,
Designated by the Registrar
Fred Angus, C.G.A.

Maria Descours, C.M.A.
Jack Foster, C.M.A.
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Appendix III