

**David Korbin**

Chair, E-Comm Board of Directors

In the year 2003, E-Comm continued to deliver on its strategy of strengthening its operations by focusing on its long-term financial performance, service quality, technology implementation, and business development. The Board of Directors' role is to guide the organization to be a top performer in each of these areas, ultimately increasing shareholder value. I believe through the efforts of both the Board and staff, we have made significant advancement in this regard.



In the fall of 2003, the Board of Directors initiated a committee to oversee the development of a long-term Strategic Financial Plan for the Corporation, which maps out a clear path for eliminating the Corporation's deficit by 2007. The senior management team, with the support of the Board, also embarked on redefining its strategic operating plan, ensuring linkage to the Strategic Financial Plan and shareholder, customer and employee satisfaction. These initiatives will play a critical role in our continued achievements.

The success of E-Comm is attributable to

the contribution of many including our Board of Directors. On that note, I would like to take this opportunity to formally welcome those who joined the Board of Directors at our October 2003 AGM: Jon Kingsbury, Mayor of Coquitlam; Don Bell, Mayor of North Vancouver District; Murray Day (Inspector, VPD, Ret) and; Rick Dumala, Fire Commissioner, Provincial Government. I would also like to acknowledge the contribution of departing Board members John Lynn, Ross Montgomery and North Vancouver City Mayor Barbara Sharp for their support and assistance.

On behalf of the Board of Directors I would also like to officially welcome the Corporation of Delta who became a Class A Shareholder in 2003 and the Cities of Surrey and White Rock who added their fire services to our list of Class A shareholders as well.

I am enthusiastic about the direction E-Comm is moving in and believe we are on a sustainable path of strong financial performance and continued delivery of exceptional emergency communications.

**Ken Shymanski**

President & CEO

It has been another busy year for management and staff of E-Comm as we continued to turn our attention to operational excellence.

Our Wireless team transitioned the Delta police and fire departments to the E-Comm Wide-Area Radio System in the fall and I would like to acknowledge the leadership and assistance of both agencies during the transition process and to pledge our commitment to superior customer service. When the transitions were successfully completed in December, Delta became the fourth municipality within the Greater Vancouver Regional District (GVRD) to link all of its emergency services (police, fire, ambulance) to the E-Comm radio system, increasing its communications power significantly. The cities of Surrey and White Rock also purchased Class A shares for their fire services and work began on transitioning both to the radio system in early 2004, further increasing the communications power among first responders in the GVRD.



E-Comm also took a leadership role on several other operational fronts in 2003 including working with BC Ambulance Service on the development of Combined Events technology for the Altaris Computer-

Aided Dispatch platform. It is expected that this technology will assist both BCAS and the fire departments using Altaris when dealing with incidents requiring joint response. E-Comm also began the process of developing detailed plans for the transition of dispatch operations for both Richmond Fire-Rescue Services and Delta Fire & Emergency Services in 2004 and renewed its commitment to important public safety programs such as Bait Car and PRIME-BC (Police Records Management Environment).

E-Comm's financial results for this first full year of operations are better than anticipated due to increased efficiencies and earlier transition of agencies to radio. The current Strategic Financial Plan also reflects this trend as E-Comm anticipates achieving break-even by 2007. I would like to thank the Board of Directors and the management staff for their contribution to this positive news.

E-Comm is poised to make further advancements in 2004 in all three of its primary business areas: 9-1-1 service, emergency dispatch and the Wide-Area Radio System, which is certainly a credit to the hard work of our employees, our Board of Directors, partners and customers.

**2003 Board of Directors**

(as of December 2003)

**David Korbin**  
*Chair and Independent Director*

**Gary Briggs**  
*Representing RCMP*

**Don Bell**  
*District of North Vancouver, City of North Vancouver, City of West Vancouver*

**Dan Cunningham**  
*Emergency Health Services Commission (BC Ambulance Service)*

**Murray Day**  
*Vancouver Police Board*

**Rick Dumala**  
*Ministry of Community, Aboriginal and Women's Services*

**Don Evans**  
*Independent Director*

**Len Garis**  
*Representing Surrey, White Rock, Township of Langley*

**Jon Harris**  
*Maple Ridge, Pitt Meadows*

**Tony Heemskerck**  
*Ministry of Public Safety and Solicitor General*

**Lois Jackson**  
*Delta*

**Jon Kingsbury**  
*Coquitlam, Port Moody, Port Coquitlam, New Westminster, Belcarra*

**Kiichi Kumagai**  
*City of Richmond*

**Patti Marfleet**  
*City of Vancouver*

**Joe Trasolini**  
*Independent Police Boards in Port Moody, Delta, West Vancouver, New Westminster*

**E-Comm Leadership Team**

**Ken Shymanski**  
*President & CEO*

**Tracey Lee Lorenson, LLB**  
*Vice-President & Corporate Counsel*

**Anne Campbell, CHRP**  
*Director of Human Resources & Labour Relations*

**Deborah Cherry**  
*Director of Operations*

**Peter Gauthier**  
*Director of Wireless Services, Engineering, and Operations*

**Beatrix Henning, CGA**  
*Director of Finance & Administration*

**Glen Miller**  
*Director of Information Technology*

**Jody Robertson**  
*Director of Corporate Communications*

**Melanie Toneguzzo**  
*Executive Assistant*

**Note to Shareholders**

E-Comm has moved its Annual General Meeting from September to May to better align the AGM with the release of our audited financial statements. This annual report reflects operating highlights from August 2003-December 2003 only, as the annual report produced in September 2003 covered January-July. The financial results reported here represent the operating years 2003 and 2002. To review both reports visit

[www.ecomm.bc.ca](http://www.ecomm.bc.ca)

**Total 9-1-1 Calls Placed in 2003**

Jan	99,642
Feb	88,258
March	94,286
April	98,057

May	106,274
June	113,805
July	117,671
August	117,223
September	106,813
October	109,203
November	100,293
December	101,378

**Total 1,252, 903**

E-Comm is committed to the use of environmentally responsible papers. This annual report was printed using paper made from 100% post-consumer recycled fiber and vegetable-based inks.

**2003 ANNUAL REPORT**

■ **Emergency Communications for Southwest British Columbia Incorporated**

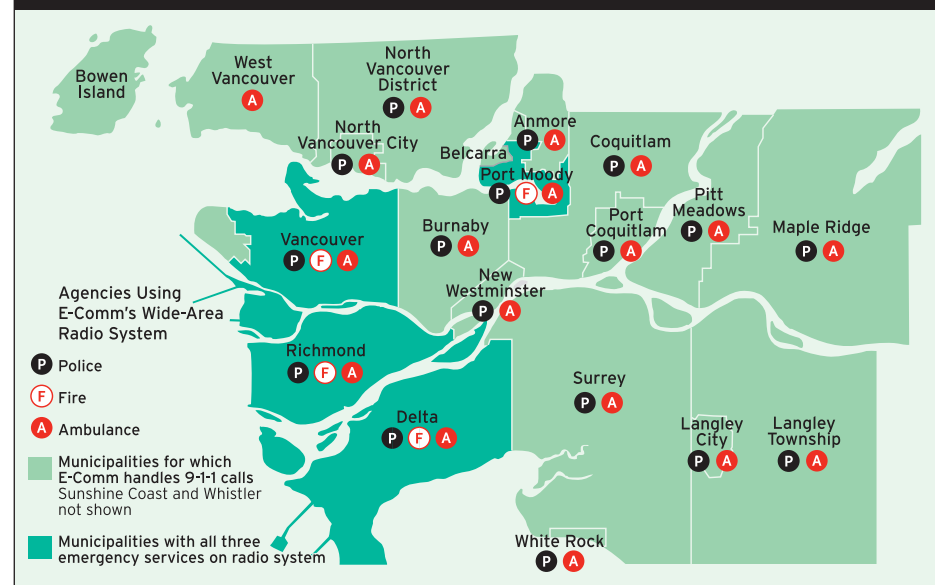
■ **Reporting Period August 1, 2003 - December 31, 2003**



## VISION STATEMENT

E-Comm is a global leader in integrated emergency communications. Together with our partners, E-Comm is a vital link in saving lives and protecting property through excellence in people and technology.

### E-Comm's Wide-Area Radio System December 2003



Surrey and White Rock Fire Departments to join in early 2004.

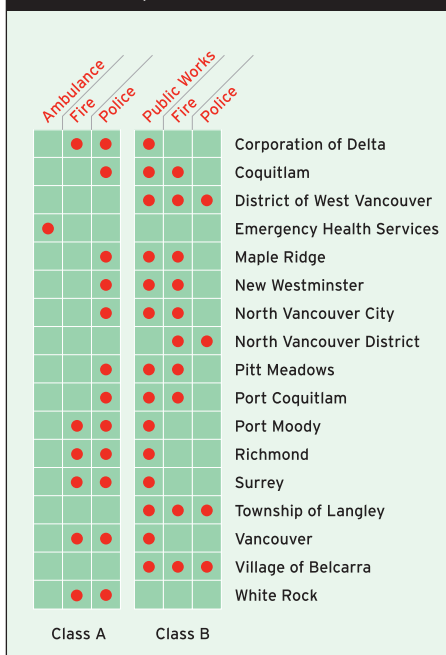
### Dispatch Customers

- |  |  |
|--|--|
| <b>Police</b>  | <b>Fire</b>                                      |
| • Bowen Island RCMP                                      | • Gibsons and District Volunteer Fire Department |
| • Lower Mainland RCMP Traffic Services (Freeway Patrols) | • Halfmoon Bay Fire Department                   |
| • Richmond RCMP  | • Pender Harbour Fire Department                 |
| • Ridge Meadows RCMP                                     | • Port Moody Fire-Rescue                         |
| • Sunshine Coast RCMP                                    | • Roberts Creek Volunteer Fire Department        |
| • RCMP at University of British Columbia                 | • Sechelt Volunteer Fire Department              |
| • Vancouver Police Department                            | • Vancouver Fire & Rescue Services               |
| • Whistler RCMP (including Pemberton and Tribal Police)  | • Whistler/Garibaldi Fire Department             |

### In May & June 2004

- |                                 |                                   |
|---------------------------------|-----------------------------------|
| • Richmond Fire-Rescue Services | • Delta Fire & Emergency Services |
|---------------------------------|-----------------------------------|

### Share Capital December 2003



## Auditors' Report to the Shareholders

We have audited the financial statements of E-Comm Emergency Communications for Southwest British Columbia Incorporated as at and for the year ended December 31, 2003 and reported thereon without reservation to the shareholders on March 16, 2004.

In our opinion, the accompanying condensed financial statements fairly summarize, in all material respects, the related information contained in the financial statements audited by us.

*KPMG LLP*

Chartered Accountants  
Vancouver, Canada  
March 16, 2004

### Balance Sheets

December 31, 2003 and 2002

	2003	2002
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,715,957	\$ 4,175,476
Accounts receivable - net of allowance for doubtful accounts of \$502,210 (2002 - \$262,203)	2,997,262	3,439,026
Accrued interest receivable	14,121	654
Prepaid expenses	710,949	328,677
	9,438,289	7,943,833
Investment in TCM Telecare Management Inc.	1	1
Investment in PRIME Corp	1	-
Debt reserve fund	1,862,754	1,713,381
Deferred financing costs	1,633,362	1,672,672
Deferred development costs	11,276,422	12,254,500
Long-term portion of prepaid land lease	2,348,485	2,373,737
Long-term portion of prepaid expenses	92,250	99,602
Property, plant and equipment	117,092,984	119,346,401
	\$ 143,744,548	\$ 145,404,127

### Liabilities and Shareholders' Deficiency

Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,301,655	\$ 5,043,485
Accrued interest payable	2,192,691	1,850,217
Current portion of long-term debt	12,740,459	18,629,881
	19,234,805	25,523,583
Deferred revenue and other	2,512,413	2,252,610
Long-term debt	133,414,660	123,009,119
Shareholders' deficiency:		
Share capital	470	470
Deficit	(11,417,800)	(5,381,655)
	(11,417,330)	(5,381,185)
	\$ 143,744,548	\$ 145,404,127

Approved on behalf of the Board:

*J. L. ...* Director  
*D. J. Evans* Director

For the complete set of financial statements and notes please visit [www.ecomm.bc.ca](http://www.ecomm.bc.ca) "annual report 2003"

### Statements of Operations and Deficit

Years ended December 31, 2003 and 2002

	2003	2002
<b>Revenue:</b>		
Radio levies	\$ 17,802,539	\$ 11,486,362
CAD levies	491,160	-
Consolidated dispatch levies	11,750,422	6,317,835
9-1-1 call taking levies	2,300,004	1,762,499
Alarm monitoring fees	-	51,063
Records management system	740,700	528,044
Tenant recoveries and rental	454,389	357,224
Miscellaneous revenue	1,764,593	862,679
	35,303,807	21,365,706
<b>Direct operating expenses:</b>		
Salaries and benefits	17,481,464	11,129,901
Maintenance and technology	2,779,780	2,192,794
Premises	1,106,596	725,558
Office supplies and communication	510,451	463,297
Employee related	423,341	376,420
Professional fees	306,087	256,234
Net GST	(810)	114,486
Other	421,117	219,215
	23,028,026	15,477,905
<b>Other expenses:</b>		
Amortization	11,006,555	6,299,770
Interest expense	7,305,371	4,969,686
<b>Total expenses</b>	<b>41,339,952</b>	<b>26,747,361</b>
Loss for the year	6,036,145	5,381,655
Deficit, beginning of the year	5,381,655	-
<b>Deficit, end of the year</b>	<b>\$ 11,417,800</b>	<b>\$ 5,381,655</b>

### Statements of Cash Flows

Years ended December 31, 2003 and 2002

	2003	2002
<b>Cash provided by (used in):</b>		
<b>Operations:</b>		
Loss for the year	\$ (6,036,145)	\$ (5,381,655)
Items not involving cash:		
Amortization	11,006,554	6,299,770
Amortization of deferred financing costs	96,940	94,731
Interest earned on debt reserve fund	(72,533)	(98,472)
Changes in non-cash operating working capital:		
Accounts receivable and accrued interest receivable	428,297	2,659,858
Prepaid expenses and land lease	(349,668)	(61,481)
Deferred development costs	-	(1,791,197)
Accounts payable and accrued liabilities	(399,356)	(3,397,366)
Deferred revenue and other	259,803	901,613
	4,933,892	(774,199)
<b>Investments:</b>		
Investment in PRIME Corp	(1)	-
Debt reserve fund contribution	(76,840)	(160,000)
Debt reserve fund repayment	-	124,585
Acquisition and construction of property, plant and equipment	(7,775,059)	(16,904,002)
	(7,851,900)	(16,939,417)
<b>Financing:</b>		
Issue of share capital	-	10
Financing costs	(57,630)	(120,005)
Proceeds from issuance of debt	5,000,000	23,684,000
Repayment of long-term debt	(483,881)	(9,941,000)
	4,458,489	13,623,005
Increase (decrease) in cash	1,540,481	(4,090,611)
Cash, beginning of year	4,175,476	8,266,087
<b>Cash, end of year</b>	<b>\$ 5,715,957</b>	<b>\$ 4,175,476</b>
<b>Supplementary cash flow information:</b>		
Interest paid	\$ 7,374,928	\$ 7,388,742

For more information on E-Comm visit [www.ecomm.bc.ca](http://www.ecomm.bc.ca)