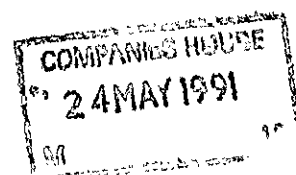


OLYMPIA & YORK CONTRACTORS LIMITED

ACCOUNTS

For the year ended 31st October 1990

COMPANY NO: 2352250



## OLYMPIA & YORK CONTRACTORS LIMITED

### Report of the Directors for the year ended 31st October 1990

The Directors present herewith the audited accounts for the year ended 31st October 1990.

#### Ultimate holding company

The ultimate holding company is Olympia & York Developments Limited of Ontario, Canada. The immediate holding company is O & Y Canary Wharf Holdings, a company incorporated in England.

#### Principal activity and review of business

The principal activity of the company is building construction. The company is currently engaged in the design and development of the phases subsequent to phase 1 of the Canary Wharf project in London's Docklands. On 31st March 1989 the company received £1,000 million as an advance payment on account of this work.

During the year the company was also appointed as the management contractor in respect of one of the buildings in phase 1 of the project on behalf of a fellow subsidiary company.

#### Share capital

Details of the company's share capital are shown in note 11 to the accounts.

#### Dividends and reserves

The profit and loss account for the year is set out on page 4. The Directors do not recommend the payment of a dividend.

#### Directors

The Directors of the company at 31st October 1990 and 31st October 1989 were:

M.M. Dennis  
R.L. John  
G. Rothman  
R. Speirs  
C.B. Young

#### Directors' interests

No Director had any beneficial interest in the shares of the company or any United Kingdom subsidiary of Olympia & York Developments Limited at 31st October 1990 or at anytime during the year.

OLYMPIA & YORK CONTRACTORS LIMITED

Report of the Directors for the year ended 31st October 1990 (continued)

Auditors

The auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution confirming their reappointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD

*R. D. Hughes*

Secretary  
26th March 1991

Report of the auditors to the members of

OLYMPIA & YORK CONTRACTORS LIMITED

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st October 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
London

26th March 1991

OLYMPIA & YORK CONTRACTORS LIMITED

Profit and loss account for the year ended 31st October 1990

	<u>Notes</u>	<u>Year ended</u> <u>31st October</u> <u>1990</u> <u>£</u>	<u>Two months</u> <u>ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
Turnover		117,625,757	3,421,724
Cost of sales		116,461,147	3,387,846
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,164,610	33,878
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	12	<u>1,164,610</u>	<u>33,878</u>

The notes on pages 7 to 10 form part of these accounts. Movements on reserves are shown in note 12 to the accounts.

OLYMPIA & YORK CONTRACTORS LIMITED

Balance sheet at 31st October 1990

	Notes	<u>31st October 1990</u> £	<u>31st October 1989</u> £
CURRENT ASSETS			
Debtors	6	239,930,749	81,893,783
Cash at bank and in hand	7	892,706,878	1,000,459,881
		<u>1,132,637,627</u>	<u>1,082,353,664</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	(327,242,437)	(107,908,354)
NET CURRENT ASSETS		<u>805,395,190</u>	<u>974,445,310</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		805,395,190	974,445,310
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	(804,176,803)	(974,391,533)
		<u>1,218,387</u>	<u>53,777</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	1,218,385	53,775
		<u>1,218,387</u>	<u>53,777</u>

Approved by the board on 26th March 1991 and signed on its behalf by:

G. Rothman )

) Directors

R. Speirs )

The notes on pages 7 to 10 form part of these accounts.

OLYMPIA & YORK CONTRACTORS LIMITED

Statement of source and application of  
funds for the year ended 31st October 1990

	<u>Year ended</u> <u>31st October</u> <u>1990</u> <u>£</u>	<u>Two months</u> <u>ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	1,164,610	33,878
Funds from other sources:		
Payments on account net of group relief	21,978,270	20,728,753
	<u>23,142,880</u>	<u>20,762,631</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	158,036,966	24,224,508
Creditors net of group relief	(27,141,083)	(3,795,164)
	<u>130,895,883</u>	<u>20,429,344</u>
Cash at bank and in hand	(107,753,003)	333,287
	<u>23,142,880</u>	<u>20,762,631</u>

The notes on pages 7 to 10 form part of these accounts.

OLYMPIA & YORK CONTRACTORS LIMITED

Notes to the accounts - 31st October 1990

1. Principal accounting policies

A summary of the more important accounting policies of the company is set out below.

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents amounts charged to a fellow subsidiary for design and construction work performed in accordance with agreements with that company.

(c) Deferred taxation

Taxation deferred or accelerated by the effect of timing differences is accounted for to the extent that it is probable that a liability or asset will crystallise.

(d) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences arising on development transactions are included in cost of sales.

2. Expenses

The company incurred the following expenses:

	<u>Year ended</u> <u>31st October</u> <u>1990</u> <u>£</u>	<u>Two months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
Bank and other interest payable	1,129	183
Auditors' remuneration	2,000	1,000

3. Tax on profit on ordinary activities

No charge for taxation has been made since the profit for the year will be covered by group relief surrendered by other companies within the group.



OLYMPIA & YORK CONTRACTORS LIMITED

Notes to the accounts - 31st October 1990 (continued).

4. Directors' emoluments

None of the Directors received any emolument in respect of his services to the company during the period.

5. Employee information

- (a) The average number of persons employed by the company during the period was:

<u>Year ended</u> <u>31st October</u> <u>1990</u>	<u>Two months ended</u> <u>31st October</u> <u>1989</u>
54	44

- (b) Staff costs of all employees excluding Directors were:

	<u>Year ended</u> <u>31st October</u> <u>1990</u> <u>£</u>	<u>Two months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>
Wages and salaries	1,715,567	210,816
Social Security costs	163,983	20,100
Other pension costs	130,835	13,284
	<u>2,011,385</u>	<u>244,200</u>

6. Debtors

	<u>31st October</u> <u>1990</u> <u>£</u>	<u>31st October</u> <u>1989</u> <u>£</u>
Amounts owed by group companies	201,231,899	57,589,043
Other debtors	17,470,871	167,754
Prepayments and accrued income	21,227,979	24,136,986
	<u>239,930,749</u>	<u>81,893,783</u>

All of the above amounts are due within one year of the balance sheet date.

OLYMPIA & YORK CONTRACTORS LIMITED

Notes to the accounts - 31st October 1990 (continued).

7. Borrowings by the immediate holding company

Borrowings by the immediate holding company are secured on a bank deposit of the company and by a floating charge over the company's assets.

8. <u>Creditors: amounts falling due within one year</u>	<u>31st October</u> <u>1990</u> £	<u>31st October</u> <u>1989</u> £
Trade creditors	10,220,311	853,541
Amounts owed to group companies	149,570,120	60,236,716
Social security costs	-	43,690
Other creditors	240	8,990
Accruals	11,339,766	2,846,417
Payments on account (note 10)	156,112,000	43,919,000
	<u>327,242,437</u>	<u>107,908,354</u>

9. Creditors: amounts falling due after more than one year

	<u>31st October</u> <u>1990</u> £	<u>31st October</u> <u>1989</u> £
Payments on account (note 10)	<u>304,176,803</u>	<u>974,391,533</u>

10. <u>Payments on account</u>	<u>Initial</u> <u>payment</u> £	<u>Interest</u> £	<u>Total</u> £
Initial payment at 1/11/89	994,908,652	23,401,881	1,018,310,533
Interest receivable	-	3,482,157	3,482,157
thereon net of group relief	(54,982,080)	(6,521,807)	(61,503,887)
Allocated to turnover			
	<u>939,926,572</u>	<u>20,362,231</u>	<u>960,288,803</u>

OLYMPIA & YORK CONTRACTORS LIMITED

Notes to the accounts - 31st October 1990 (continued)

10. Payments on account (continued)

The company has entered into an agreement with a fellow subsidiary whereby it will design and construct the phases subsequent to Phase 1 of the Canary Wharf project on behalf of that company in return for a fee which will accrue monthly over the life of the project. The company received an initial payment of £1,000,000,000 on account, equal to estimated sums due including fees, discounted at an annual rate of 9% in accordance with the agreement. The fee is allocated against the initial payment as it becomes due.

Of the above amount, £156,112,000 has been included in creditors falling due within one year of the balance sheet date.

11. Called up share capital

	<u>31st October</u> <u>1990</u> <u>£</u>	<u>31st October</u> <u>1989</u> <u>£</u>
Ordinary shares of £1 each Authorised	100 <u>      </u>	100 <u>      </u>
Allotted, called up and fully paid	2 <u>      </u>	2 <u>      </u>

12. Profit and loss account

	<u>31st October</u> <u>1990</u> <u>£</u>
At 31st October 1989	53,775
Profit for the financial year	1,164,610
	<u>          </u>
At 31st October 1990	1,218,385 <u>          </u>

13. Company pension scheme

Certain employees of the company are members of the Canary Wharf Retirement Benefits Scheme which is a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £130,835 (1989 - £13,284) in the year. Contributions totalling £Nil (1989 - £8,977) were payable to the fund at the year end and are included in other creditors (note 8).

14. Ultimate holding company

The ultimate holding company is Olympia & York Developments Limited, a company registered in Ontario, Canada.