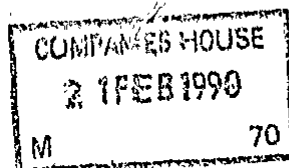


OLYMPIA & YORK CONTRACTORS LIMITED

ACCOUNTS

For the period from
incorporation on 24th February 1989
to 31st August 1989

REGISTERED NO: 2352250



OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Report of the Directors for the period from
incorporation on 24th February 1989 to 31st August 1989

The Directors present herewith the audited accounts for the period from
incorporation on 24th February 1989 to 31st August 1989.

Incorporation and change of name

The company was incorporated as Brackendown Limited. On 18th July 1989 the
company changed its name to Olympia & York Contractors Limited.

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 the design and development of the
second phase 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.

Share capital

Details of the company's share capital are shown in note 10 to the accounts.

Dividends and reserves

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

Directors

The Directors of the company at 31st August 1989 were:

M.M. Dennis	(appointed 29th March 1989)
R.L. John	(appointed 29th March 1989)
G. Rothman	(appointed 29th March 1989)
R. Speirs	(appointed 29th March 1989)
C.B. Young	(appointed 29th March 1989)

D.H. Tate and M.E. Richards were appointed on incorporation of the company and
resigned on 29th March 1989.

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Report of the Directors for the period from incorporation
on 24th February 1989 to 31st August 1989 (continued)

Directors' interests

No Director held any shares in the company or any United Kingdom subsidiary of Olympia & York Developments Limited at 31st August 1989 or at anytime during the period since incorporation of the company.

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 Hines

Secretary
9th February 1990

Report of the auditors to the members of

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN 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 August 1989 and of its profit and source and application of funds for the period from the company's incorporation on 24th February 1989 to 31st August 1989 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
London

9th February 1990

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Profit and loss account for the period from
24th February 1989 to 31st August 1989

	<u>Notes</u>	<u>Period from</u> <u>24th February</u> <u>1989 to</u> <u>31st August 1989</u> <u>£</u>
Turnover		2,009,562
Cost of sales		1,989,665
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>19,897</u>
Tax on profit on ordinary activities	2	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>19,897</u></u>

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

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Balance sheet at 31st August 1989

	Notes	31st August 1989 £
CURRENT ASSETS		
Debtors	6	57,669,275
Cash at bank in hand	12	1,000,126,594
		<u>1,057,795,869</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(22,662,190)
NET CURRENT ASSETS		<u>1,035,133,679</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,035,133,679
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8	(1,035,113,780)
		<u>19,899</u>
CAPITAL AND RESERVES		
Called up share capital	10	2
Profit and loss account		19,897
		<u>19,899</u>

Approved by the board on 9th February 1990 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
FORMERLY BRACKENDOWN LIMITED

Statement of source and application of funds for the
period from 24th February 1989 to 31st August 1989

Period from
24th February
1989 to
31st August 1989
£

SOURCE OF FUNDS

Profit on ordinary activities
before taxation

19,897

Funds from other sources:

Issue of share capital

2

Payments on account

1,055,581,780

1,055,601,679

INCREASE/(DECREASE) IN WORKING CAPITAL

Debtors

57,669,275

Creditors

(2,194,190)

55,475,085

Cash at bank and in hand

1,000,126,594

1,055,601,679

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

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Notes to the accounts - 31st August 1989

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 the agreement 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. Tax on profit on ordinary activities

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

3. Expenses

The company incurred the following expenses:

	<u>Period to</u> <u>31st August</u> <u>1989</u> <u>£</u>
Auditors' remuneration	2,000 <u> </u>

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Notes to the accounts - 31st August 1989 (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:

Period to
31st August
1989

42

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

Period to
31st August
1989
£

Wages and salaries	102,903
Social Security costs	9,819
Other pension costs	6,522
	<u>119,244</u>

- (c) None of the employees received remuneration in excess of £30,000 during the period.

6. Debtors

31st August
1989
£

Amounts owed by group companies	2
Other debtors	80,232
Prepayments and accrued income	57,589,041
	<u>57,669,275</u>

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

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Notes to the accounts - 31st August 1989 (continued)

7.	<u>Creditors: amounts falling due within one year</u>	<u>31st August</u> <u>1989</u> £		
	Trade creditors	235,036		
	Amounts owed to group companies	597,610		
	Social security costs	42,874		
	Other creditors	10,170		
	Accruals	1,308,500		
	Payments on account (note 9)	20,468,000		
		<u>22,662,190</u>		
8.	<u>Creditors: amounts falling due after more than one year</u>	<u>31st August</u> <u>1989</u> £		
	Payments on account (note 9)	1,035,113,780		
9.	<u>Payments on account</u>			
	<u>Initial</u> <u>payment</u> £	<u>Interest</u> £	<u>Total</u> £	
	Initial payment	1,000,000,000	-	1,000,000,000
	Interest receivable thereon	-	57,591,342	57,591,342
	Allocated to turnover	(1,924,811)	(84,751)	(2,009,562)
		<u>998,075,189</u>	<u>57,506,591</u>	<u>1,055,581,780</u>

The company has entered into an agreement with a fellow subsidiary whereby it will design and construct the second phase 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 has received an initial payment of £1,000,000,000 on account, equal to estimated sums due, discounted at an annual rate of 9% in accordance with the agreement. The fee will be allocated against the initial payment as it becomes due.

Of the above amount, £20,468,000 has been included in creditors falling due within one year of the balance sheet date.

OLYMPIA & YORK CONTRACTORS LIMITED
FORMERLY BRACKENDOWN LIMITED

Notes to the accounts - 31st August 1989 (continued)

10. Called up share capital

The company was incorporated on 24th February 1989 with an authorised share capital of 100 ordinary shares of £1 each. On incorporation two ordinary shares were issued for cash, fully paid.

11. 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 £6,522 in the period. Contributions totalling £9,464 were payable to the fund at the period end and are included in other creditors (note 7).

12. 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.

13. Ultimate holding company

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