

OLYMPIA & YORK CANARY WHARF LIMITED

ACCOUNTS

For the fourteen months ended
31st October 1989

REGISTERED No. 1971312

OLYMPIA & YORK CANARY WHARF LIMITED

Report of the Directors for the fourteen months ended 31st October 1989

The Directors present herewith the audited accounts for the fourteen months ended 31st October 1989.

Accounting reference date

The company changed its accounting reference date during the period to coincide with that of its holding company.

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 continues to be property construction and development. At the present this is concentrated on the Canary Wharf project in London's Docklands.

On 17th July 1987, the company signed the Master Building Agreement with the London Docklands Development Corporation for construction of the Canary Wharf development, including infrastructure and a minimum of 5.4 million square feet of offices and has entered into an agreement with London Regional Transport for upgrading and extending the Docklands Light Railway, and for other building works. Subsequent to the year end, agreement was reached, in principle, with London Regional Transport partially to finance the construction of an extension to the Jubilee Line and a formal agreement is currently under negotiation. It is expected that the entire project comprising over 10 million square feet of office space and up to 300,000 square feet of retail and leisure space, will take about 8 years to complete and will cost in excess of £3,000 million.

It is expected that the first premises will be available for occupation in 1991 and that the company will report profits in the foreseeable future.

Share capital

Details of the company's share capital are shown in note 12 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.

Fixed assets

The movements in fixed assets during the year are set out in note 7 to the accounts.

OLYMPIA & YORK CANARY WHARF LIMITED

Report of the Directors
for the fourteen months ended 31st October 1989 (continued)

Directors

The Directors of the company at 31st October 1989 and as at 31st August 1988 or at later date of appointment were:

Sir Alex Alexander (appointed 21st March 1989)
P. Dale (appointed 19th April 1989)
M.M. Dennis
S.H. Honeyman
D.J. Hughes
R.L. John
I.M. Laing
A. Reichmann
P. Reichmann
G. Rothman
R. Speirs
C.B. Young

Directors' interests

No Director held any shares in the company or any United Kingdom subsidiary of Olympia & York Developments Limited at 31st October 1989 or at any time throughout the period. A. Reichmann and P. Reichmann are Directors and shareholders of Olympia & York Developments Limited, all the shares of which are held directly or indirectly by them or members of their families.

Charitable Donations

The company made charitable donations of £385,625 during the period. There were no political donations in the period.

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
9th February 1990

Report of the auditors to the members of

OLYMPIA & YORK CANARY WHARF LIMITED

We have audited the accounts on pages 4 to 15 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 1989 and of its loss and source and application of funds for the fourteen months then ended and have been properly prepared in accordance with the Companies Act 1985.

[Signature]

Price Waterhouse
Chartered Accountants
London

9th February 1990

OLYMPIA & YORK CANARY WHARF LIMITED

Profit and loss account
for the fourteen months ended 31st October 1989

	<u>Notes</u>	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
Turnover	2	-	-
Administrative expenses	3	17,873,637	2,604,990
Operating loss		(17,873,637)	(2,604,990)
Bank interest receivable		10,399,997	791,937
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,473,640)	(1,813,053)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL PERIOD	13	<u>(7,473,640)</u>	<u>(1,813,053)</u>

Movement in reserves are shown in note 13 to these accounts.

The notes on pages 7 to 15 form part of these accounts.

OLYMPIA & YORK CANARY WHARF LIMITED

Balance sheet at 31st October 1989

	Notes	31st October 1989 £	31st August 1988 £
FIXED ASSETS			
Tangible assets	7	6,322,369	4,484,707
Investments	8	7	4
		<hr/> 6,322,376	<hr/> 4,484,711
CURRENT ASSETS			
Work in progress		499,380,860	179,279,776
Debtors	9	1,006,126,375	7,384,645
Cash at bank and in hand		107,263,478	5,445,034
		<hr/> 1,612,770,713	<hr/> 192,109,455
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,537,382,344)	(68,353,826)
NET CURRENT ASSETS		<hr/> 75,388,369	<hr/> 123,755,629
TOTAL ASSETS LESS CURRENT LIABILITIES		81,710,745	128,240,340
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(61,158,048)	(100,214,003)
		<hr/> 20,552,697	<hr/> 28,026,337
CAPITAL AND RESERVES			
Called up share capital	12	35,000,000	35,000,000
Profit and loss account	13	(14,447,303)	(6,973,663)
		<hr/> 20,552,697	<hr/> 28,026,337

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 15 form part of these accounts.

OLIMPIA & YORK CANARY WHARF LIMITED

Statement of source and application of funds
for the fourteen months ended 31st October 1989

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
SOURCE OF FUNDS		
Loss on ordinary activities before taxation	(7,473,640)	(1,813,053)
Adjustments for items not involving the movement of funds:		
Loss/(profit) on sale of fixed assets	72,399	(1,886)
Provision for diminution in value of investments	1,312,948	-
	<u>(6,088,293)</u>	<u>(1,814,939)</u>
Funds from other sources:		
Share capital	-	34,999,900
Loan from holding company	1,387,821,954	37,385,265
Bank loan	18,942,588	19,224,096
Sale of fixed assets	756,606	8,796
	<u>1,401,432,855</u>	<u>89,803,118</u>
APPLICATION OF FUNDS		
Purchase of fixed assets	(3,969,831)	(4,598,572)
Purchase of investments	(1,312,951)	-
Reimbursement of advance payments	(13,182,325)	-
Additions to work in progress	(318,797,920)	(103,056,411)
	<u>1,064,169,828</u>	<u>(17,851,865)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Debtors	998,741,730	966,649
Creditors	(36,390,346)	(17,794,386)
	<u>962,351,384</u>	<u>(16,827,737)</u>
Cash at bank and in hand	101,818,444	(1,024,128)
	<u>1,064,169,828</u>	<u>(17,851,865)</u>

The notes on pages 7 to 15 form part of these accounts.

Notes to the accounts - 31st October 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) Profit and loss account

Marketing and administrative costs which are not development expenses (note 1e) are charged to the profit and loss account when incurred.

Turnover and the associated profit attributable to development activities is recognised only when the outcome of the development is reasonably foreseeable.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is calculated so as to write off the cost in equal annual instalments over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

	%
Computer equipment	33 1/3
Plant and office equipment	25
Short leasehold premises	Life of the lease

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

(d) Associated companies

Investments in associated companies are stated at cost less any provision for diminution in value.

(e) Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost includes construction costs and development expenses, including employee and related overhead costs, professional fees and depreciation of tangible fixed assets.

(f) 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.

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

(g) 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 these transactions are included in work in progress.

2. Turnover

No sales were made in the period.

3. Administrative expenses

The company incurred the following expenses during the period:

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
Bank and other interest payable	8,325,159	1,436,378
Auditors' remuneration	45,000	40,000
Depreciation	1,303,164	277,482
Directors' emoluments (note 5)	1,278,747	298,242
Profit/(loss) on exchange	58,535	(81,249)
Operating lease rentals:		
plant and machinery	58,129	-
other	649,769	-

4. Tax on profit on ordinary activities

No charge for taxation has been made in view of the availability of tax losses.

OLYMPIA & YORK CANARY WHARF LIMITED

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

5. Directors' emoluments

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
Fees	41,475	64,500
Salaries	871,687	223,950
Pension contributions	365,585	9,792
	<u>1,278,747</u>	<u>298,242</u>

The highest paid Director's emoluments were £224,493 (1988 - £90,742).
The company has no chairman.

The emoluments of other Directors fell into the following bands.

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
£ 0 - £ 5,000	3	3
£ 5,001 - £ 10,000	1	1
£ 10,001 - £ 15,000	1	-
£ 15,001 - £ 20,000	-	1
£ 20,001 - £ 25,000	1	-
£ 25,001 - £ 30,000	-	2
£ 30,001 - £ 35,000	-	2
£ 35,001 - £ 40,000	1	-
£ 40,001 - £ 45,000	1	-
£ 45,001 - £ 50,000	2	-
£ 50,001 - £ 55,000	1	-
£ 55,001 - £ 60,000	1	-
£ 60,001 - £ 65,000	2	-
£ 65,001 - £ 70,000	1	-
£ 70,001 - £ 75,000	-	-
£ 75,001 - £ 80,000	-	-
£ 80,001 - £ 85,000	-	-
£ 85,001 - £ 90,000	-	-
£ 90,001 - £ 95,000	-	-
£ 95,001 - £ 100,000	-	-
£ 100,001 - £ 105,000	-	-
£ 105,001 - £ 110,000	-	-
£ 110,001 - £ 115,000	-	-
£ 115,001 - £ 120,000	-	-
£ 120,001 - £ 125,000	-	-
£ 125,001 - £ 130,000	-	-
£ 130,001 - £ 135,000	-	-
£ 135,001 - £ 140,000	-	-
£ 140,001 - £ 145,000	-	-
£ 145,001 - £ 150,000	-	-
£ 150,001 - £ 155,000	-	-
£ 155,001 - £ 160,000	-	-
£ 160,001 - £ 165,000	-	-
£ 165,001 - £ 170,000	-	-
£ 170,001 - £ 175,000	-	-
£ 175,001 - £ 180,000	-	-
£ 180,001 - £ 185,000	-	-
£ 185,001 - £ 190,000	-	-
£ 190,001 - £ 195,000	-	-
£ 195,001 - £ 200,000	-	-
£ 200,001 - £ 205,000	-	-
£ 205,001 - £ 210,000	-	-
£ 210,001 - £ 215,000	-	-
£ 215,001 - £ 220,000	-	-
£ 220,001 - £ 225,000	-	-
£ 225,001 - £ 230,000	-	-
£ 230,001 - £ 235,000	-	-
£ 235,001 - £ 240,000	-	-
£ 240,001 - £ 245,000	-	-
£ 245,001 - £ 250,000	-	-
£ 250,001 - £ 255,000	-	-
£ 255,001 - £ 260,000	-	-
£ 260,001 - £ 265,000	-	-
£ 265,001 - £ 270,000	-	-
£ 270,001 - £ 275,000	-	-
£ 275,001 - £ 280,000	-	-
£ 280,001 - £ 285,000	-	-
£ 285,001 - £ 290,000	-	-
£ 290,001 - £ 295,000	-	-
£ 295,001 - £ 300,000	-	-
£ 300,001 - £ 305,000	-	-
£ 305,001 - £ 310,000	-	-
£ 310,001 - £ 315,000	-	-
£ 315,001 - £ 320,000	-	-
£ 320,001 - £ 325,000	-	-
£ 325,001 - £ 330,000	-	-
£ 330,001 - £ 335,000	-	-
£ 335,001 - £ 340,000	-	-
£ 340,001 - £ 345,000	-	-
£ 345,001 - £ 350,000	-	-
£ 350,001 - £ 355,000	-	-
£ 355,001 - £ 360,000	-	-
£ 360,001 - £ 365,000	-	-
£ 365,001 - £ 370,000	-	-
£ 370,001 - £ 375,000	-	-
£ 375,001 - £ 380,000	-	-
£ 380,001 - £ 385,000	-	-
£ 385,001 - £ 390,000	-	-
£ 390,001 - £ 395,000	-	-
£ 395,001 - £ 400,000	-	-
£ 400,001 - £ 405,000	-	-
£ 405,001 - £ 410,000	-	-
£ 410,001 - £ 415,000	-	-
£ 415,001 - £ 420,000	-	-
£ 420,001 - £ 425,000	-	-
£ 425,001 - £ 430,000	-	-
£ 430,001 - £ 435,000	-	-
£ 435,001 - £ 440,000	-	-
£ 440,001 - £ 445,000	-	-
£ 445,001 - £ 450,000	-	-
£ 450,001 - £ 455,000	-	-
£ 455,001 - £ 460,000	-	-
£ 460,001 - £ 465,000	-	-
£ 465,001 - £ 470,000	-	-
£ 470,001 - £ 475,000	-	-
£ 475,001 - £ 480,000	-	-
£ 480,001 - £ 485,000	-	-
£ 485,001 - £ 490,000	-	-
£ 490,001 - £ 495,000	-	-
£ 495,001 - £ 500,000	-	-
£ 500,001 - £ 505,000	-	-
£ 505,001 - £ 510,000	-	-
£ 510,001 - £ 515,000	-	-
£ 515,001 - £ 520,000	-	-
£ 520,001 - £ 525,000	-	-
£ 525,001 - £ 530,000	-	-
£ 530,001 - £ 535,000	-	-
£ 535,001 - £ 540,000	-	-
£ 540,001 - £ 545,000	-	-
£ 545,001 - £ 550,000	-	-
£ 550,001 - £ 555,000	-	-
£ 555,001 - £ 560,000	-	-
£ 560,001 - £ 565,000	-	-
£ 565,001 - £ 570,000	-	-
£ 570,001 - £ 575,000	-	-
£ 575,001 - £ 580,000	-	-
£ 580,001 - £ 585,000	-	-
£ 585,001 - £ 590,000	-	-
£ 590,001 - £ 595,000	-	-
£ 595,001 - £ 600,000	-	-
£ 600,001 - £ 605,000	-	-
£ 605,001 - £ 610,000	-	-
£ 610,001 - £ 615,000	-	-
£ 615,001 - £ 620,000	-	-
£ 620,001 - £ 625,000	-	-
£ 625,001 - £ 630,000	-	-
£ 630,001 - £ 635,000	-	-
£ 635,001 - £ 640,000	-	-
£ 640,001 - £ 645,000	-	-
£ 645,001 - £ 650,000	-	-
£ 650,001 - £ 655,000	-	-
£ 655,001 - £ 660,000	-	-
£ 660,001 - £ 665,000	-	-
£ 665,001 - £ 670,000	-	-
£ 670,001 - £ 675,000	-	-
£ 675,001 - £ 680,000	-	-
£ 680,001 - £ 685,000	-	-
£ 685,001 - £ 690,000	-	-
£ 690,001 - £ 695,000	-	-
£ 695,001 - £ 700,000	-	-
£ 700,001 - £ 705,000	-	-
£ 705,001 - £ 710,000	-	-
£ 710,001 - £ 715,000	-	-
£ 715,001 - £ 720,000	-	-
£ 720,001 - £ 725,000	-	-
£ 725,001 - £ 730,000	-	-
£ 730,001 - £ 735,000	-	-
£ 735,001 - £ 740,000	-	-
£ 740,001 - £ 745,000	-	-
£ 745,001 - £ 750,000	-	-
£ 750,001 - £ 755,000	-	-
£ 755,001 - £ 760,000	-	-
£ 760,001 - £ 765,000	-	-
£ 765,001 - £ 770,000	-	-
£ 770,001 - £ 775,000	-	-
£ 775,001 - £ 780,000	-	-
£ 780,001 - £ 785,000	-	-
£ 785,001 - £ 790,000	-	-
£ 790,001 - £ 795,000	-	-
£ 795,001 - £ 800,000	-	-
£ 800,001 - £ 805,000	-	-
£ 805,001 - £ 810,000	-	-
£ 810,001 - £ 815,000	-	-
£ 815,001 - £ 820,000	-	-
£ 820,001 - £ 825,000	-	-
£ 825,001 - £ 830,000	-	-
£ 830,001 - £ 835,000	-	-
£ 835,001 - £ 840,000	-	-
£ 840,001 - £ 845,000	-	-
£ 845,001 - £ 850,000	-	-
£ 850,001 - £ 855,000	-	-
£ 855,001 - £ 860,000	-	-
£ 860,001 - £ 865,000	-	-
£ 865,001 - £ 870,000	-	-
£ 870,001 - £ 875,000	-	-
£ 875,001 - £ 880,000	-	-
£ 880,001 - £ 885,000	-	-
£ 885,001 - £ 890,000	-	-
£ 890,001 - £ 895,000	-	-
£ 895,001 - £ 900,000	-	-
£ 900,001 - £ 905,000	-	-
£ 905,001 - £ 910,000	-	-
£ 910,001 - £ 915,000	-	-
£ 915,001 - £ 920,000	-	-
£ 920,001 - £ 925,000	-	-
£ 925,001 - £ 930,000	-	-
£ 930,001 - £ 935,000	-	-
£ 935,001 - £ 940,000	-	-
£ 940,001 - £ 945,000	-	-
£ 945,001 - £ 950,000	-	-
£ 950,001 - £ 955,000	-	-
£ 955,001 - £ 960,000	-	-
£ 960,001 - £ 965,000	-	-
£ 965,001 - £ 970,000	-	-
£ 970,001 - £ 975,000	-	-
£ 975,001 - £ 980,000	-	-
£ 980,001 - £ 985,000	-	-
£ 985,001 - £ 990,000	-	-
£ 990,001 - £ 995,000	-	-
£ 995,001 - £ 1,000,000	-	-

OLYMPIA & YORK CANARY WHARF LIMITED

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

6. Employee information

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

<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u>
126	42

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

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u> <u>£</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u> <u>£</u>
Wages and salaries	3,303,565	1,172,917
Social security costs	315,168	106,725
Other pension costs	208,250	15,291
	<u>3,826,983</u>	<u>1,294,933</u>

- (c) The number of employees of the company excluding Directors whose emoluments were within the following ranges was:

	<u>Fourteen</u> <u>months ended</u> <u>31st October</u> <u>1989</u>	<u>Year ended</u> <u>31st August</u> <u>1988</u>
£ 30,001 - £ 35,000	5	2
£ 35,001 - £ 40,000	5	1
£ 40,001 - £ 45,000	4	1
£ 45,001 - £ 50,000	1	1
£ 50,001 - £ 55,000	3	2
£ 55,001 - £ 60,000	2	-
£ 60,001 - £ 65,000	1	-
£ 65,001 - £ 70,000	1	-
£ 70,001 - £ 75,000	1	-
£ 75,001 - £ 80,000	1	-
£ 80,001 - £ 85,000	1	-
£ 85,001 - £ 90,000	1	-
£100,001 - £105,000	1	-
£125,001 - £130,000	1	-
	<u>5</u>	<u>7</u>

OLYMPIA & YORK CANARY WHARF LIMITED

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

7. Tangible fixed assets

	<u>Short leasehold premises £</u>	<u>Plant & equipment £</u>	<u>Computer equipment £</u>	<u>Total £</u>
<u>Cost</u>				
At 1st September 1988	3,169,331	1,265,445	392,533	4,827,309
Additions	2,435,875	902,673	631,283	3,969,831
Disposals	(529,624)	(415,584)	(2,795)	(948,003)
At 31st October 1989	<u>5,075,582</u>	<u>1,752,534</u>	<u>1,021,021</u>	<u>7,849,137</u>
<u>Depreciation</u>				
At 1st September 1988	(68,567)	(134,270)	(139,765)	(342,602)
Charge for year	(486,255)	(510,930)	(305,979)	(1,303,164)
Disposals	18,220	99,536	1,242	118,998
At 31st October 1989	<u>(536,602)</u>	<u>(545,664)</u>	<u>(444,502)</u>	<u>(1,526,768)</u>
<u>Net book amount</u>				
At 31st October 1989	<u>4,538,980</u>	<u>1,206,870</u>	<u>576,519</u>	<u>6,322,369</u>
At 31st August 1988	<u>3,100,764</u>	<u>1,131,175</u>	<u>252,768</u>	<u>4,484,707</u>

OLYMPIA & YORK CANARY WHARF LIMITED

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

8. <u>Investments</u>	<u>31st October</u> <u>1989</u> <u>£</u>	<u>31st August</u> <u>1988</u> <u>£</u>
Shares in subsidiaries	6	4
Shares in associated company	1	-
	<u>7</u>	<u>4</u>

Shares in subsidiaries

The company's investments are at cost in the following wholly - owned subsidiaries:

<u>Name and country</u> <u>of incorporation</u>	<u>Description of</u> <u>shares held</u>	<u>31st October</u> <u>1989</u> <u>£</u>	<u>31st August</u> <u>1988</u> <u>£</u>
Canary Cannon Limited - England	Ordinary £1 shares	2	2
Canary Wharf Management Limited - England	Ordinary £1 shares	2	2
Ellesbrook Ltd - England	Ordinary £1 shares	2	-
		<u>6</u>	<u>4</u>

The principal business activities of these subsidiaries are:

Canary Cannon Limited - property trading
Canary Wharf Management Limited - dormant
Ellesbrook Limited - property trading

No group accounts have been prepared as the company is itself a wholly-owned subsidiary of a United Kingdom company.

<u>Shares in associated company</u>	<u>31st October</u> <u>1989</u> <u>£</u>	<u>31st August</u> <u>1988</u> <u>£</u>
Shares at cost	1,312,949	-
Less provision for diminution in value	(1,312,948)	-
Net book value at 31st October 1989	<u>1</u>	<u>-</u>

The company holds shares in the following associated company:

<u>Name and country</u> <u>of incorporation</u>	<u>Issued</u> <u>share capital</u>	<u>Proportion</u> <u>owned by company</u>
Riverbus Limited	1,998 Ordinary £1 shares	37.5%
- England	349,999 'A' Preference £10 shares	37.5%

The principal business activity of the associated company is the operation of a passenger boat service.

OLYMPIA & YORK CANARY WHARF LIMITED

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

9. Debtors	<u>31st October</u> <u>1989</u> £	<u>31st August</u> <u>1988</u> £
Amounts owed by group companies	4,791,775	2,232,537
Amounts owed by associated company	45,625	-
Other debtors	3,451,617	5,152,108
Prepayments and accrued income	997,837,358	-
	<u>1,006,126,375</u>	<u>7,384,645</u>

Prepayments include £994,908,652 representing payments in advance for the design and construction of the second phase of Canary Wharf. Of this amount it is estimated that £950,990,000 will be due more than one year from the balance sheet date. All of the other amounts above are due within one year of the balance sheet date.

10. Creditors: amounts falling due within one year

	<u>31st October</u> <u>1989</u> £	<u>31st August</u> <u>1988</u> £
Bank loan (note a)	44,566,218	-
Trade creditors	24,824,137	3,425,901
Amounts owed to group companies	1,433,849,556	43,572,208
Social security costs	125,596	111,179
Other creditors	10,595,580	215,260
Accruals	23,421,257	21,029,278
	<u>1,537,382,344</u>	<u>68,353,826</u>

- (a) The bank loan is unsecured but guaranteed by the ultimate holding company and is repayable in July 1990. Interest is charged at variable rates linked to LIBOR.

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

	<u>31st October</u> <u>1989</u> £	<u>31st August</u> <u>1988</u> £
Bank loan (note a)	-	25,623,630
Advance payments (note b)	59,658,048	72,840,373
Other creditors	1,500,000	1,750,000
	<u>61,158,048</u>	<u>100,214,003</u>

- (a) The bank loan is unsecured but guaranteed by the ultimate holding company and is repayable in July 1990. Interest is charged at variable rates linked to LIBOR.

OLYMPIA & YORK CANARY WHARF LIMITED

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

- (b) Advance payments represent monies received by the company under the terms of certain purchase and development agreements. The relevant proportion of the advance payments will be credited to work in progress in future years.

12. Called up share capital

	<u>Number</u>	<u>Ordinary Shares</u> <u>£</u>
Authorised	<u>500,000,000</u>	<u>500,000,000</u>
Allotted and fully paid 31st August 1988 and 31st October 1989	<u>35,000,000</u>	<u>35,000,000</u>

13. Profit and loss account

	<u>31st October</u> <u>1989</u> <u>£</u>
At 31st August 1988	(6,973,663)
Loss for the financial period	<u>(7,473,640)</u>
At 31st October 1989	<u>(14,447,303)</u>

14. Company pension scheme

The company operates 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 £573,835 in the period (1988 - £25,083). Contributions totalling £54,910 (1988 - £14,757) were payable to the fund at the period end and are included in other creditors (note 10).

Notes to the accounts - 31st October 1989 continued

15. Contingent liabilities and financial commitments

The company has entered into commitments with London Regional Transport for upgrading and extending the Docklands Light Railway, and for other building works, and with London Docklands Development Corporation for construction of the Canary Wharf development including infrastructure and a minimum of 5.4 million square feet of offices. Subsequent to the year end, agreement was reached, in principle, with London Regional Transport partially to finance the construction of an extension to the Jubilee Line and a formal agreement is currently under negotiation. It is expected that the entire project comprising over 10 million square feet of office space, and up to 500,000 square feet of retail and leisure space, will take about 8 years to complete and will cost in excess of £3,000 million.

The company has also entered into an agreement with the London Borough of Tower Hamlets that commits it to pay a sum up to £15 million if, which is not expected to be the case, certain local employment targets are not met.

16. Operating lease commitments

Commitments for the next financial year in respect of operating leases are analysed as follows:

Leases for which the commitment expires:

	<u>Land & buildings</u> £	<u>Other leases</u> £
Within the year ending 31st October 1990	-	7,903
In the years ending 31st October 1991 to 1994	1,011,367	249,768
	<u>1,011,367</u>	<u>257,671</u>

17. Ultimate holding company

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