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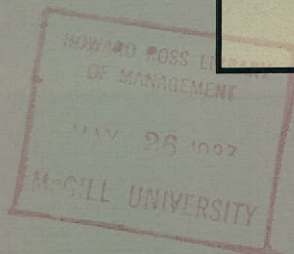
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revenue properties company limited
annual report 1982



revenue properties company limited

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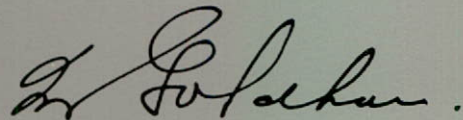
Toronto, Canada
May 1983

Chairman's Report

1982 proved to be one of the most challenging years of my involvement with Revenue Properties. We are part of an industry that has gone through great economic hardships in the past few years. Many companies were not fortunate enough to survive these hardships and I feel very confident that our survival shows the basic fundamental strength of the Company.

The recent Federal Budget indicates an atmosphere of realism in the Federal Government which has not existed for a number of years, and I am delighted to see it. The expected upswing of the economy and especially the lowering of interest rates will have a very positive effect on general conditions. Increased activity in the housing and leasing markets is already having an effect on our performance and I hope this trend continues.

The appointment of a new President and significant management changes throughout the whole Company has resulted in a much leaner and more effective management team. I have every confidence that we can look forward to growth in the next few years.



Maxwell Goldhar
Chairman of the
Board.

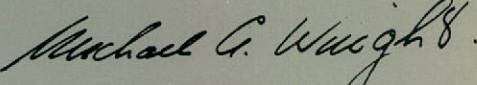
Toronto, Canada
May 1983

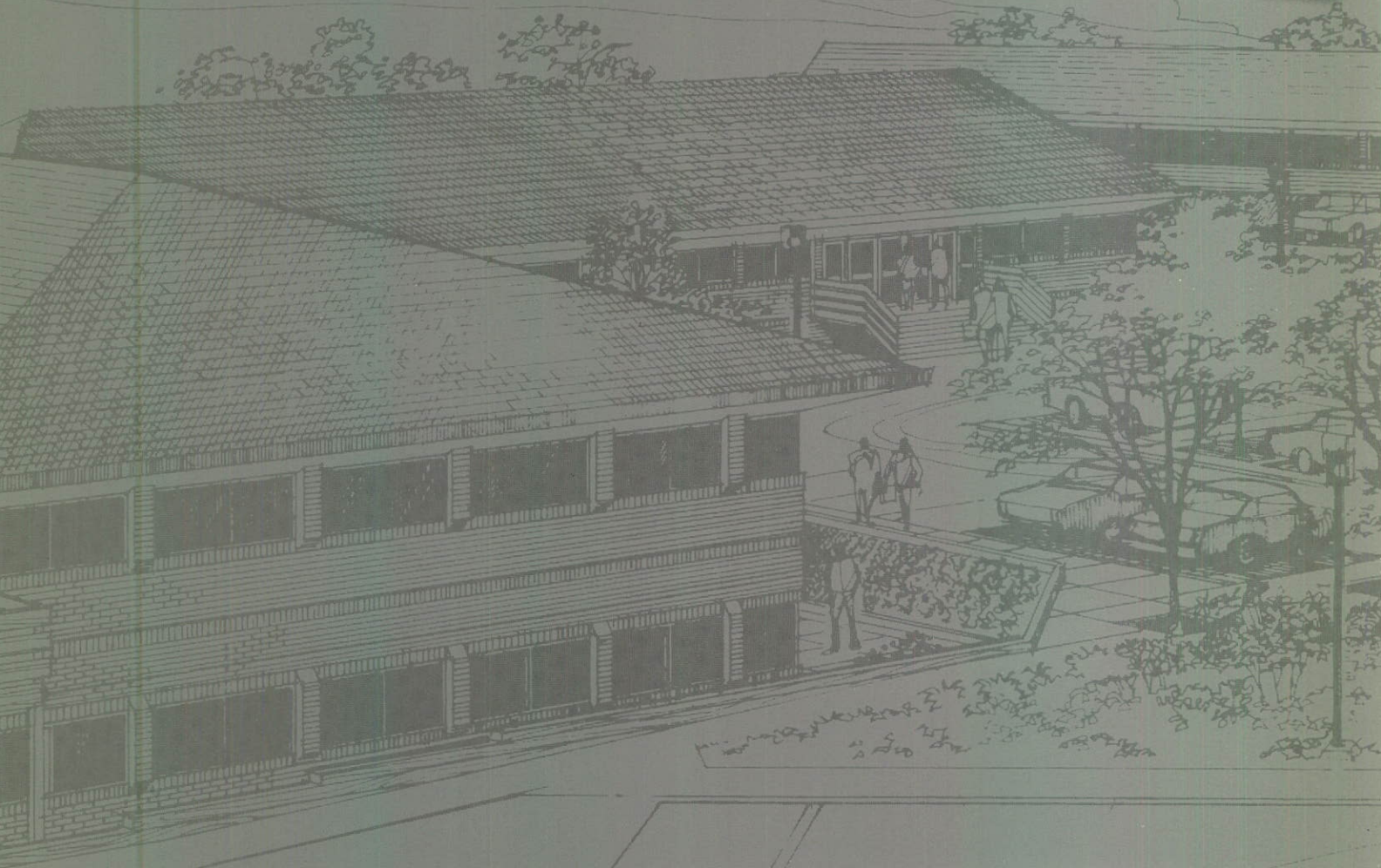
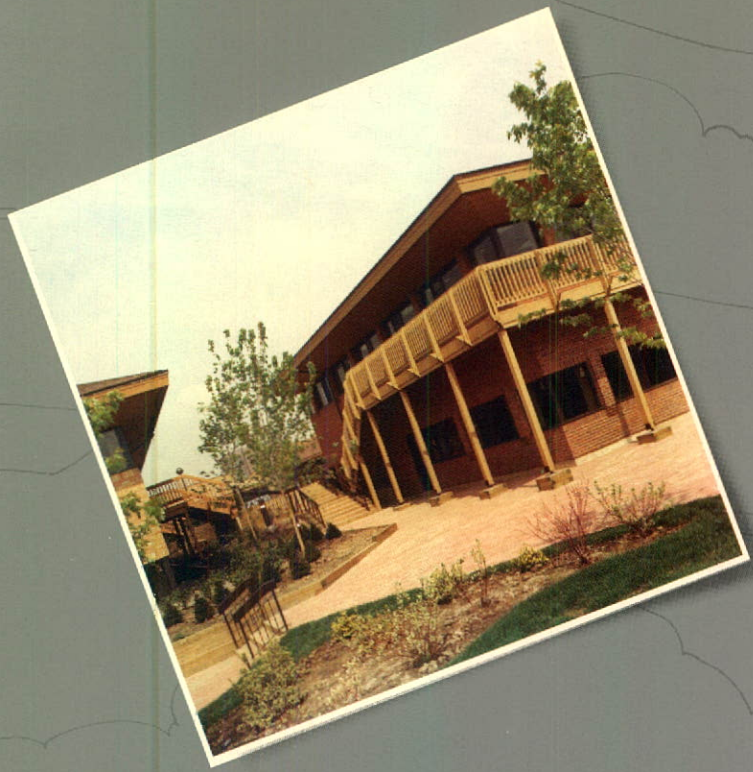
President's Report

I am pleased to give you my first report as President at the end of a difficult yet stimulating year.

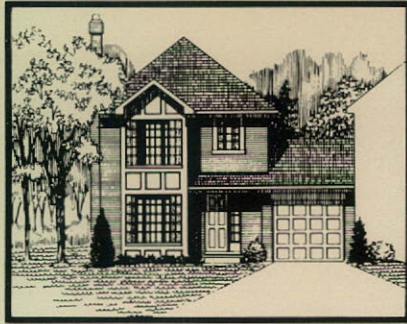
During 1982 we have reorganized and reduced our staff, enabling us to substantially reduce our operating and overhead costs. We set new objectives for the Company in order to improve our current assets and maximize our major strengths. While we experienced an after tax loss of \$1,075,000, or 7.6¢ per share, this was largely the result of the \$1,540,000 provision for loss we established in line with the conservative accounting policies of the Company. Our staff re-organization has resulted in a strong management team which I feel will be most beneficial to the Company in our future endeavours.

We are presently planning major re-developments of The Colonnade to a hotel and also Phase 2 of our Queen Street project. We will also continue to concentrate our efforts on strengthening and developing our present holdings. With our new management team and clearer definition of corporate objectives, the operating results in future years should show considerable improvement.


Michael G. Wright
President.



*“Meadowvale Court Phase II
Mississauga, Ontario.”*



Property Management

As part of the Company's internal restructuring programme we have made major changes in the administration of our Property Management Department. New people have been brought in to handle the specific areas of Operations and Administration and we expect this to have a very positive effect on one of the major facets of this Company.

Although we did not achieve the rates of rental increase we expected, and despite a decline in our net rental income in 1982, we experienced a high rate of occupancy in our Toronto and Montreal area buildings. In an effort to control operating expenses we have undertaken an extensive evaluation of the condition of our buildings; looking at ways to establish improved preventative maintenance programmes and energy conserving methods.

The Company has an interest in the 320 room Hotel Nova Scotian in Halifax. Despite a depressed market, operating results for the



hotel have been most satisfactory. Profits from hotel operations are being put back into the renovation programme that is continuing on the hotel and its facilities.

Meadowvale Court Phase II in Mississauga was completed in 1982 and despite a difficult environment for leasing we were successful in leasing 65% of the project and expect to lease the balance by the end of the year. Both phases of this development have been very successful for the Company. They are an unique concept in suburban office design and the Company hopes to develop more projects like this in the future.



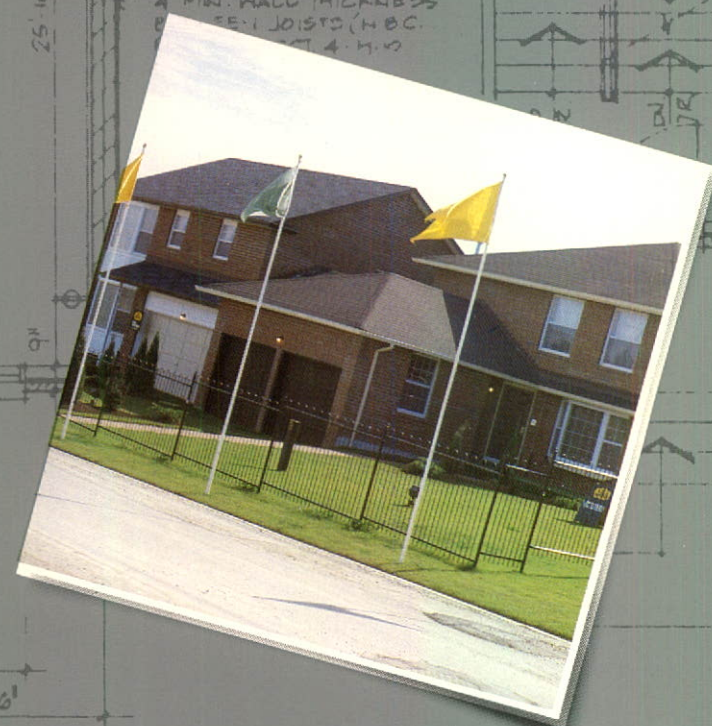
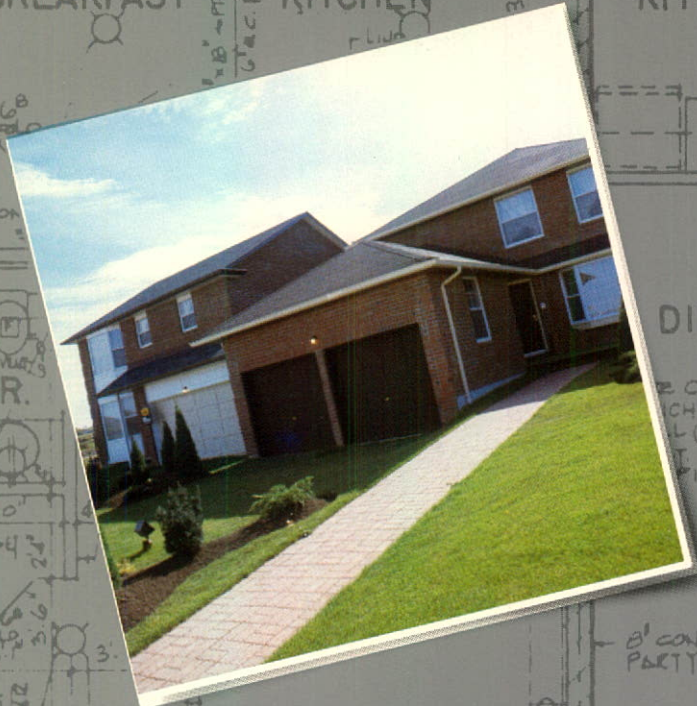
Residential Development

The latter half of 1982 showed a definite improvement in the housing market in the Toronto area. There are more positive signs in 1983 as interest rates drop.

Sales of homes in our Picov Estates Development have been satisfactory. We have sold approximately 85% of Phase I and expect to complete sales in this phase by mid 1983. Servicing and pre-sale of the 116 lots in Phase 2 is scheduled to begin in early August and should be substantially completed by the end of 1983.

House sales in the Boucherville, Quebec area continue to be very disappointing.





"Picov Estates, Ajax, Ontario"

revenue properties company limited

Commercial Development

As part of the new philosophy of management to concentrate on developing the full potential of the assets we already hold, the Company has announced plans to turn The Colonnade on Bloor Street, in downtown Toronto, into a hotel. For many years a landmark residential and commercial building, The Colonnade is situated in one of the busiest commercial areas of the city and the Company feels it is an exceptionally good location for this type of development. We anticipate that this project will be a major advancement for the Company and although still in the planning stages we hope to commence construction by the early part of 1984.

Construction is due to commence shortly on the second phase of the renovation of the century-old Dominion Brewery Building on Queen Street East, in the heart of the Trefann Court neighbourhood of Toronto. Consisting of 95,600 sq. ft., this second phase will house three floors of offices and will be suitable for one major tenant or various smaller operations. Renovation of the building is in three stages and when completed, the project will contain approximately 168,000 sq. ft.

U.S. Development

Development is continuing on both coasts of Florida. Our Seacove & 1616 South Ocean Drive condominium development in Vero Beach on the Atlantic side has been completed and although initial sales have been slow we are hopeful for increased activity by year end. Another development we were planning for Vero Beach has been delayed until there is an improvement in the condominium market.

In Naples, on the Gulf coast, we are developing a golf and country club facility known as Quail Creek Country Club. Development of this 640 acre property is a joint venture with Westok Holdings Limited. A 36 hole golf course has been completed and construction on the main clubhouse should be completed in early 1984. To date, approximately 433 golf and social memberships have been sold. There are also plans for 296 residential lots abutting the course, the first phase has been serviced and approximately 48 lots have been sold.





“Seacove & 1616 South Ocean Drive Condominiums, Vero Beach, Florida”

FLORIDA

VERO BEACH

Ajax,
Ontario

Development Projects:

Commercial Site:

Original plans for a shopping centre on this site are currently being re-evaluated.

Housing:

Sales of houses in Phase I of our Picov Estates development have been very successful. To date, 85% of the houses are sold. We also sold out Phase 5 of the development which consisted of 7 estate lots.

Land Development:

Servicing of Phase 2 of Picov Estates will commence in the near future. Servicing of Phases 3 and 4 is possible for 1984, however, the Company is evaluating the possibility of selling the land unserviced.

Residential:

Poor market conditions have adversely affected our plans to continue servicing of this development. When market conditions improve we will be in an excellent position to sell a substantial number of houses.

Industrial:

The decision of Deutsche Diesel to proceed with their 600,000 sq. ft. plant adjacent to our industrial development will have a positive impact on the industrial development and economy of the area. The Company has 45 acres of land available for industrial development.

Burloak Industrial Park:

The Company has a management contract involving 300 acres of industrial land in Burlington, Ontario. The first phase of this project, an area that comprises approximately 50 acres, has been approved. A pre-sale programme is underway but it is unlikely that servicing of these lands will be undertaken in 1983.

Residential Land Development:

A large, low-density residential development and golf course was planned on lands owned by the Company. Further market research will be required before plans are finalized.

Office Complex:

Construction on the second phase of Meadowvale Court is now completed. This \$7 million office complex contains 86,024 sq. ft. of which we have leased approximately 65% to date.

Condominiums — Old Montreal:

Due to the poor market for condominiums in Montreal we have decided not to proceed with this project and expect to sell the property without development during 1983.

Golf and Country Club:

In a joint venture with Westok Holdings Limited, a golf and country club facility known as Quail Creek Country Club has been developed in Naples, Florida. A 36-hole golf course is completed and construction of the main clubhouse is underway with completion scheduled for early in 1984. To date, approximately 433 memberships and 48 lots have been sold.

Boucherville,
Quebec

Burlington,
Ontario

Guelph,
Ontario

Mississauga,
Ontario

Montreal,
Quebec

Naples,
Florida



Pointe Claire,
Quebec

Toronto,
Ontario

Uxbridge,
Pickering

Vero Beach,
Florida

Land Development:

The Company is holding two pieces of land in Pointe Claire, on Montreal's West Island. Development opportunities are being evaluated for a shopping plaza and/or commercial office space.

Office and Commercial:

Restoration of the Dominion Brewery Building, at 496 Queen Street East commenced in 1981. The first phase has been completed and leased and construction of the second phase of 96,000 sq. ft. is scheduled to begin in 1983. The project will ultimately result in 168,000 sq. ft. of prime office and commercial space in a unique renovation of contemporary and 19th century design.

Residential Land Development:

Our Torlease project is located between Bathurst and Yonge Streets, north of Steeles Avenue in the northern boundary of Metro Toronto. All single family lots in the first three phases have been sold. In 1983, we plan to commence servicing of the final phase of the project, which will consist of approximately 200 single family lots. The Company sold a 2 acre commercial site in 1983, but we are continuing to hold two high-density residential sites which are fully serviced.

Residential:

We have assembled a small project of 1.5 acres in the Dufferin Street and Davenport Road area of Toronto and anticipate building 26 units on this site, with construction planned to begin in 1983.

The Colonnade Hotel:

The Company has announced plans to renovate one of its major downtown Toronto assets into a hotel. Market surveys and designs are being evaluated. This project holds tremendous potential and should have a most favourable effect on the Company's performance.

Residential:

The Company is attempting to register plans of subdivision for estate lots on the remaining lands owned by the Company in this area.

Condominiums:

Seacove, a 42 unit condominium building and 1616 South Ocean Drive, a 52 unit condominium building are now completed. Certificates of Occupancy were obtained early in 1983 and although sales have been disappointing, we hope to see an improvement in local market conditions.

Land Development:

The Company owns an additional site at Vero Beach for a proposed development that would contain approximately 50 units. The Company does not plan to proceed with the development of this property in 1983. Due to the very poor condominium market in this part of Florida, the project has been deferred.



revenue properties company limited

1982

FINANCIAL

STATEMENTS

revenue properties company limited

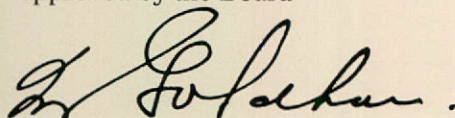
Consolidated Balance Sheet

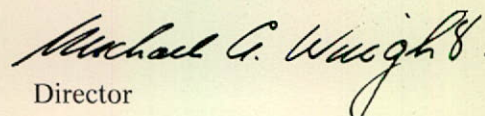
December 31

Expressed in Canadian dollars
(U.S. dollar equivalent
December 31, 1982, \$0.81 U.S.;
December 31, 1981, \$0.84 U.S.)

ASSETS	Note	1982 (\$000's)	1981 (\$000's)
Revenue producing real estate	2	50,444	50,558
Construction in progress	3	21,864	15,759
Land held for and under development	4	39,706	36,524
Accounts and mortgages receivable	5	9,844	19,278
Petroleum and natural gas interests		1,997	1,957
Other assets	6	4,182	3,844
Cash		654	726
		<u>128,691</u>	<u>128,646</u>
LIABILITIES			
Mortgages and loans payable on revenue producing real estate	7	41,303	40,753
Other loans and mortgages payable	8	15,106	13,687
Sinking fund debentures	9	921	921
Bank indebtedness	10	32,102	32,287
Accounts payable and accrued liabilities		11,058	9,541
		<u>100,490</u>	<u>97,189</u>
Deferred income	11	1,714	1,938
Deferred income taxes	17	2,028	3,797
		<u>104,232</u>	<u>102,924</u>
Minority interest in subsidiary company		<u>365</u>	<u>553</u>
SHAREHOLDERS' EQUITY			
Capital stock	12		
Authorized			
100 million First preference shares			
100 million Second preference shares			
4,918,278 Class A shares – Voting, Fully Participating			
100 million Class B shares – Non-voting, Fully Participating			
100 Common shares			
Issued			
4,718,278 Class A shares – Voting, Fully Participating (1981; 4,718,319 shares)		7,718	7,718
9,447,869 Class B shares – Non-voting, Fully Participating (1981; 9,447,828 shares)		15,455	15,455
		<u>23,173</u>	<u>23,173</u>
Retained earnings	13	921	1,996
		<u>24,094</u>	<u>25,169</u>
		<u>128,691</u>	<u>128,646</u>

Approved by the Board


Director


Director



revenue properties company limited

*Consolidated
Statement of Income
Year ended December 31*

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Rental operations			
Income from revenue			
producing real estate	21,183	20,051	16,262
Property operating expenses . . .	15,128	13,958	11,943
Depreciation	813	651	489
	15,941	14,609	12,432
Gross profit	5,242	5,442	3,830
Sales of revenue producing			
real estate	2,213	7,582	4,040
Cost of sales	925	5,121	2,368
	1,288	2,461	1,672
Gross profit	1,288	2,461	1,672
Sales of construction, land held			
for development and			
surplus land	13,776	29,218	15,826
Cost of sales	12,996	24,874	12,678
	780	4,344	3,148
Gross profit	780	4,344	3,148
Income (loss) from petroleum			
and natural gas interests	(339)	280	—
Interest and other income	1,890	1,985	1,433
	8,861	14,512	10,083
Gross profit from operations	8,861	14,512	10,083
Deduct: Interest expense less			
amounts capitalized			
(Note 16 (a))	6,929	7,889	5,644
Administration and			
general expenses	2,902	2,590	2,366
Discount on sale of			
mortgages receivable . .	401	—	—
Provision for loss on real			
estate	1,540	1,315	—
	11,772	11,794	8,010
Income (loss) before income			
taxes and minority interest	(2,911)	2,718	2,073
Deferred income taxes (Note 17) .	(1,769)	669	474
	(1,142)	2,049	1,599
Income (loss) before			
minority interest	(1,142)	2,049	1,599
Minority interest in net			
income (loss)	(67)	53	—
	(1,075)	1,996	1,599
Net income (loss)	(1,075)	1,996	1,599
Earnings (loss) per share			
(Note 16 (b))	(7.6¢)	14.1¢	11.3¢



revenue properties company limited

*Consolidated
Statement of Retained
Earnings (Deficit)
Year ended December 31*

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Retained earnings (deficit) at beginning of year.....	1,996	(4,163)	(5,762)
Elimination of deficit as at January 1, 1981 by reducing share capital (note 13).....	—	4,163	—
	<u>1,996</u>	<u>—</u>	<u>(5,762)</u>
Net income (loss).....	<u>(1,075)</u>	1,996	1,599
Retained earnings (deficit) at end of year.....	<u><u>921</u></u>	<u><u>1,996</u></u>	<u><u>(4,163)</u></u>

*Auditors' Report
to the Shareholders
of Revenue Properties
Company Limited*

We have examined the consolidated balance sheet of Revenue Properties Company Limited and subsidiaries, joint ventures and partnership as at December 31, 1982 and 1981, and the consolidated statements of income, retained earnings (deficit) and changes in financial position for each of the years in the three year period ended December 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the companies, joint ventures and partnership as at December 31, 1982 and 1981 and the results of their operations and the changes in their financial position for each of the years in the three year period ended December 31, 1982, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada
March 25, 1983
(May 13, 1983 as to Notes 15(b) and 19)

Thorne Riddell
Chartered Accountants



revenue properties company limited

*Consolidated
Statement of Changes
in Financial Position
Year ended December 31*

	1982 <u>(\$000's)</u>	1981 <u>(\$000's)</u>	1980 <u>(\$000's)</u>
SOURCE OF CASH			
Net income (loss)	(1,075)	1,996	1,599
Items not requiring current cash outlay			
Depreciation	813	651	489
Deferred income taxes	(1,769)	669	474
Deferred income	(191)	(714)	(575)
Minority interest in net income	(67)	53	—
Provision for loss on real estate	1,540	1,315	238
Cash flow (deficiency) from operations	<u>(749)</u>	<u>3,970</u>	<u>2,225</u>
Decrease (increase) in mortgages, notes and balances receivable for land sold under agreements of purchase and sale	7,144	(1,375)	(4,402)
Net increase in bank loans	787	6,472	5,550
Net increase in loans and mortgages payable	1,969	(46)	5,001
Issue of shares by subsidiary	—	500	—
Net changes in other assets and liabilities	3,334	541	1,412
	<u>12,485</u>	<u>10,062</u>	<u>9,786</u>
USE OF CASH			
Increase in land held for and under development	5,110	8,057	3,182
Increase in revenue producing real estate and revenue producing real estate under construction	2,904	4,881	911
Increase (decrease) in other projects under construction .	3,410	(5,172)	4,564
Increase in investment in petroleum and natural gas interests	40	1,957	—
Repayment of sinking fund debentures	—	877	1,885
Decrease in minority interest in subsidiary company	121	—	—
Increase (decrease) in cash	900	(538)	(756)
	<u>12,485</u>	<u>10,062</u>	<u>9,786</u>
Cash is defined as:			
Cash	654	726	656
Bank overdraft	910	1,882	1,274
	<u>(256)</u>	<u>(1,156)</u>	<u>(618)</u>



Throughout these notes “the Company” refers to Revenue Properties Company Limited, its consolidated subsidiaries, joint ventures and partnership unless the context indicates otherwise. The Company is engaged in the operation of rental properties and real estate development primarily in Canada and in the exploration, development and production of petroleum and natural gas primarily in the United States.

1. Summary of Significant Accounting Policies

(a) *General*

The financial statements are prepared in accordance with accounting principles generally accepted in Canada. The accounting policies and financial statement disclosures are substantially in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies of which the Company is a member.

(b) *Principles of Consolidation*

The consolidated financial statements include:

- the accounts of the Company and all subsidiary companies. All significant inter-company transactions have been eliminated. The principal active subsidiaries are:

	Ownership %
Metropolitan Estates Corporation	100
Revenue Properties Central Developments Limited.	100
Revenue Resources (Canada) Inc.	72

- the proportionate share of the assets, liabilities, revenues and expenses of unincorporated joint ventures and partnership.

(c) *Capitalization of Costs*

- (i) The Company follows the policy of capitalizing direct carrying costs such as interest, realty taxes and other related costs to land held for and under development and construction in progress. With respect to construction of revenue producing real estate, the construction period is generally considered to have ended when a rental occupancy of approximately 70% has been achieved and the project has attained a breakeven position subject to not capitalizing costs beyond fair market value of the property.
- (ii) The Company also capitalizes that portion of interest on general borrowings considered applicable to land held for and under development and construction in progress, provided the carrying value does not exceed the net realizable value at the time of expected sale.

(d) *Income Recognition*

(i) *Sales of Housing and Land*

Income from these transactions is recognized as follows:

- House sales – at the date when title passes, at least 5% of the purchase price has been received, and all material conditions have been fulfilled or provided for.
- Condominium sales – when the amount due on closing is received, the purchaser is entitled to occupancy and undertakes to assume a mortgage for the balance of the purchase price.
- Land sales – when all material conditions have been fulfilled, at least 15% of the purchase price has been received, and interest has commenced to accrue at a reasonable rate on the balance.



(ii) Construction Income

Income from construction contracts is recorded on a percentage of completion basis.

(iii) Rental Income

Rental income does not include expenses recovered from tenants.

(e) *Depreciation and Amortization*

Depreciation on buildings is provided under the sinking fund method. Under this method depreciation is charged to income in amounts which increase annually consisting of fixed annual sums together with interest compounded at the rate of 5% per annum so as to fully depreciate the buildings over their estimated useful lives of 50 years.

Depreciation on furniture and equipment is provided on a straight-line basis over a 10 year period.

Cost incurred in obtaining leases subsequent to initial leases for commercial and industrial buildings, are amortized on a straight-line basis over the term of the leases.

(f) *Deferred Income*

(i) The Company follows the policy of deferring its profit on sale and leaseback and similar transactions as sales occur from time to time. This profit is taken back into income on a straight-line basis over the minimum term of the leaseback and is included in income from revenue producing real estate.

(ii) Where the Company sells buildings and provides cash flow guarantees, the portion of the sales price which is determined to be applicable to such guarantees is recorded as deferred income. Similarly, where the Company constructs buildings under a construction agreement and leases same, the portion of the contracting profits which is determined to be applicable to operating losses anticipated to occur during the minimum period of the lease, is recorded as deferred income. These amounts are transferred to income in amounts which are determined at the time of providing the guarantee or the commencement of the lease.

(g) *Petroleum and Natural Gas*

The Company follows the full cost method of accounting for petroleum and natural gas whereby all costs related to the exploration for and development of petroleum and natural gas reserves are capitalized. Such costs include acquisition costs, geological and geophysical expenses, carrying charges on non-producing property, costs of drilling both productive and unproductive wells and related production equipment. Proceeds received on disposal of properties are normally credited against such costs except for lease trading transactions for which gains and losses are recognized currently in income.

Depletion is provided on the net costs using the composite unit of production method based on total estimated reserves.

(h) *Foreign Exchange*

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the rates of exchange in effect at the balance sheet dates. Land held for and under development and construction in progress are translated at rates in effect at dates of acquisition. Revenues and expenses are translated at the weighted average rate during the year.



revenue properties company limited

Notes to
Consolidated
Financial
Statements

2. Revenue Producing Real Estate

	1982	1981
	(\$000's)	(\$000's)
Land, buildings and equipment at January 1, less accumulated depreciation of \$3,842,000 (1981; \$3,340,000)	50,558	51,398
Additions during year	2,755	5,009
	53,313	56,407
Less: Disposal at net book value	821	4,903
Transfer of property to construction in progress	1,235	295
Depreciation expense for the year	813	651
	50,444	50,558

The cost of freehold land included at December 31 in the above is \$3,415,000 (1981; \$4,607,000).

3. Construction In Progress

	1982	1981
	(\$000's)	(\$000's)
Revenue producing real estate		
Commercial	7,881	5,676
Projects under construction and for sale		
Housing	4,011	3,422
Multiple unit residential buildings	9,867	6,620
Commercial	105	41
	21,864	15,759

4. Land Held For and Under Development

	1982	1981
	(\$000's)	(\$000's)
Balance, January 1	36,524	32,351
Additions during the year		
Acquisitions	2,901	4,109
Development costs	1,757	4,998
Interest	3,538	4,046
Other carrying charges	485	354
	45,205	45,858
Less:		
Transfers to or from revenue producing real estate and construction in progress	489	2,622
Cost of land sold	3,572	5,037
Provision for loss	1,438	1,675
	39,706	36,524



revenue properties company limited

Notes to
Consolidated
Financial
Statements

5. Accounts and Mortgages Receivable

	1982 (\$000's)	1981 (\$000's)
Mortgages and notes receivable	6,346	8,637
Balances receivable for land sold under agreements of purchase and sale	728	5,581
	<u>7,074</u>	<u>14,218</u>
Rents and other receivables	2,770	3,390
Amount due from partner [note 19(e)]	—	1,670
	<u>9,844</u>	<u>19,278</u>

Mortgages and balances receivable, including \$2,630,000 on certain properties leased back, bear interest at rates which vary from 6% to prime interest rate plus 2% (weighted average 10.1%), and mature at various dates to 1999 as follows:

	(\$000's)
1983	1,554
1984	526
1985	561
1986	401
1987	245
1988 and subsequent	3,399
	<u>6,686</u>
Second mortgages taken back on housing units sold mature at various dates to 1995 (interest rates vary from 6% to 18%)	388
	<u>7,074</u>

6. Other Assets

	1982 (\$000's)	1981 (\$000's)
Prepaid expenses and sundry assets	3,031	2,665
Costs recoverable from tenants	873	702
Investments at equity	65	57
Surplus land	213	420
	<u>4,182</u>	<u>3,844</u>



revenue properties company limited

Notes to
Consolidated
Financial
Statements

7. Mortgages and Loans Payable on Revenue Producing Real Estate

	1982 (\$000's)	1981 (\$000's)
Fixed interest loans (\$000's)	30,715	31,448
Range of interest rates	7.5 – 18%	6.2 – 20.7%
Weighted average interest rate	10.6%	10.0%
Variable interest loans (\$000's)	10,588	9,305
Weighted average interest rates	14.2%	19.3%

Interest rates on the variable interest loans are 1 – 2.5% (1981; 2%) above the prime interest rate charged by Canadian chartered banks. Principal payments are due as follows:

	(\$000's)
1983	10,736
1984	4,195
1985	3,916
1986	321
1987	2,153
1988 and subsequent	19,982
	<u>41,303</u>

8. Other Loans and Mortgages Payable

	Secured by	
	Real Estate (\$000's)	Mortgages Receivable (\$000's)
<u>1982</u>		
Fixed interest loans (\$000's)	2,410	1,100
Range of interest rates	6.5 – 16%	14.7 – 15.7%
Weighted average interest rate	13.2%	15.3%
Variable interest loans (\$000's)	1,453	1,240
Weighted average interest rate	14.7%	14.4%
<u>1981</u>		
Fixed interest loans (\$000's)	3,403	600
Range of interest rates	6.5 – 15.0%	14.5%
Weighted average interest rate	10.9%	14.5%
Variable interest loans (\$000's)	933	2,232
Weighted average interest rate	20.0%	19.6%

Interest rates on the variable interest loans in both years vary from 1% to 3.5% above the prime interest rate charged by Canadian chartered banks.



	(\$000's)	(\$000's)	Total (\$000's)
Principal payments are due as follows:			
1983.....	2,167	421	2,588
1984.....	961	65	1,026
1985.....	—	829	829
1986.....	—	33	33
1987.....	—	561	561
1988 and 1989.....	735	431	1,166
	<u>3,863</u>	<u>2,340</u>	<u>6,203</u>
Interim financing secured by certain properties under construction.....			<u>8,903</u>
			<u>15,106</u>

9. Sinking Fund Debentures

7½% convertible subordinated sinking fund debentures – Series A, due June 30, 1988. Outstanding December 31, 1982 and 1981 \$921,000.

(a) *Convertible Features*

The debentures are convertible on or before June 30, 1983 at \$8.93 per unit and before June 30, 1988 at \$10.59 per unit. A unit is one-third of a voting class A share and two-thirds of a class B share.

The above conversion price is subject to anti-dilution provisions.

(b) *Sinking Fund Requirements*

Sinking fund payments will not be required until at least 1987.

(c) *Redemption*

The debentures are redeemable at par (i) to meet sinking fund requirements, and (ii) at any time if throughout the 180 days prior to the date on which notice of redemption is given the market price of the common shares has not been less than 125% of the conversion price then in effect.

(d) *Dividend Restrictions*

The payment of dividends is restricted by the terms of the trust indenture.



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10. Bank Indebtedness

	1982 (\$000's)	1981 (\$000's)
Bank indebtedness secured by:		
Construction in progress	7,889	3,370
Land held for and under development	17,789	14,118
Mortgages and notes receivable	1,770	8,447
Revenue producing real estate	1,847	2,766
Unsecured	<u>2,807</u>	<u>3,586</u>
	<u>32,102</u>	<u>32,287</u>
Maximum debt outstanding at any quarter end	35,094	33,782
Average debt outstanding at quarter ends	33,635	31,704
Weighted average interest rate at year end	13.5%	18.4%
Weighted average interest rate during the year	17.0%	19.8%

At December 31, 1982, the Company has fully utilized its available lines of credit for general corporate purposes with various banks. At December 31, 1981 such unused lines of credit amounted to \$4,427,000.

11. Deferred Income

	1982 (\$000's)	1981 (\$000's)
Balance, January 1	1,938	2,851
Portion of the selling price of residential buildings attributed to cash flow guarantees	84	28
Less: Amounts included in income	<u>(308)</u>	<u>(941)</u>
Balance, December 31	<u>1,714</u>	<u>1,938</u>

12. Capital Stock

The Company has reserved 34,467 Class A and 68,933 Class B shares for possible issue or conversion of the 7½% Convertible subordinated sinking fund debentures. The conversion of these debentures are at \$8.93 per unit (1/3 of a voting Class A and 2/3 of a non-voting Class B share) on or before June 30, 1983 (see note 9 (a)).

Additional shares would be reserved if the conversion price were to decline as the result of future share issues at prices below \$8.93 per unit.

13. Retained Earnings (Deficit)

A Certificate of Amendment dated June 30, 1981 decreased the issued capital of the Company from \$27,336,000 to \$23,173,000, thereby eliminating the Company's deficit as at January 1, 1981 of \$4,163,000.



14. Lease Commitments

The Company is the lessee under a number of capital and operating leases:

	Total (\$000's)	Capital Leases (\$000's)	Operating Leases (\$000's)
Gross rental expense – 1982	4,652	2,573	2,079
– 1981	4,526	2,454	2,072
– 1980	4,518	2,487	2,031
Approximate annual rental expenses for next 5 years	4,246	2,275	1,971
Aggregate rental expense over term of leases .	62,312	24,668	37,644

Capital Leases

Capital leases are defined as those which transfer substantially all the risks and benefits of ownership to the lessee.

The Company has not entered into any capital leases subsequent to December 31, 1978. If the Company had capitalized its capital leases, acquired prior to that date, the consolidated balance sheet would include:

	1982 (\$000's)	1981 (\$000's)
Property under capital leases net of amortization	13,776	14,740
Obligations under capital leases	13,776	14,740

Amortization is calculated on the sinking fund method over the term of the leases, employing the interest rate implicit in the lease (weighted average of 8.6%) and accordingly, net income would be unchanged.

15. Contingent Liabilities and Commitments

- (a) The Company includes in its balance sheet the proportionate shares of the assets and liabilities of its unincorporated joint ventures and partnership. The Company is contingently liable for the other participants' portion of the liabilities of these joint ventures and partnership. This contingent liability is approximately \$8,000,000 as at December 31, 1982. Against this contingent liability, the Company has recourse to all of the assets of each joint venture and partnership as well as the assets of the participants to the extent it is required to pay liabilities in excess of its proportionate share.
- (b) The Company has entered into a joint venture with two other corporations in one of which certain directors have a substantial interest. The Company's obligation is limited to guarantees in the aggregate amount of \$3.1 million (U.S.) (note 19 (c)).
- (c) The Company is involved in litigation and claims related to its normal business activities. In the opinion of management, the resolution of these items will not have a material effect upon the Company's financial condition.



16. Consolidated Statement of Income

(a) Interest

Interest incurred during the year has been allocated as follows:

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Capitalized			
Revenue producing real estate under construction.....	806	329	132
Construction in progress.....	1,428	1,943	1,734
Land held for and under development	3,538	4,046	2,977
Other.....	152	186	—
	<u>5,924</u>	<u>6,504</u>	<u>4,843</u>
Expensed			
Revenue producing real estate.....	4,813	4,927	3,784
Land held for and under development	616	663	482
Surplus land	44	287	449
Other.....	1,456	2,012	929
	<u>6,929</u>	<u>7,889</u>	<u>5,644</u>
	<u>12,853</u>	<u>14,393</u>	<u>10,487</u>

(b) Earnings (Loss) Per Share

Earnings (loss) per share is calculated using the weighted average number of shares outstanding, 14,166,147 in 1982, 1981, and 1980.

The conversion of all convertible debentures would not have a dilutive effect on earnings per share.

(c) Remuneration

Aggregate direct remuneration paid to directors and senior officers are defined by The Business Corporations Act of Ontario was \$631,000 in 1982, \$558,000 in 1981 and \$552,000 in 1980.

(d) Rent Controls

The residential rental operations of the Company and its subsidiaries are subject to the rent controls of the various jurisdictions in which they operate.

17. Deferred Income Taxes

Deferred income taxes result from timing in the recognition of revenue and expense for tax and financial statement purposes. The expected tax expense differs from the actual tax expense as follows:

	1982		1981		1980	
	(\$000's)	%	(\$000's)	%	(\$000's)	%
Computed expected tax expense (recovery):	(1,421)	(50.0)	1,359	50.0	1,036	50.0
Change in expected tax expense (recovery) resulting from:						
non-taxable portion of capital gains	(389)	(13.7)	(603)	(22.2)	(514)	(24.8)
other sundry items.....	41	1.4	(87)	(3.2)	(48)	(2.3)
Tax expense (recovery):	<u>(1,769)</u>	<u>(62.3)</u>	<u>669</u>	<u>24.6</u>	<u>474</u>	<u>22.9</u>



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18. Joint Venture Operations

The consolidated financial statements include the Company's interest in its joint ventures and partnership as follows:

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Assets	<u>34,480</u>	<u>48,371</u>	<u>42,510</u>
Liabilities	<u>31,548</u>	<u>40,393</u>	<u>42,077</u>
Equity and advances	<u>2,932</u>	<u>7,978</u>	<u>433</u>
	<u>34,480</u>	<u>48,371</u>	<u>42,510</u>
Revenues	<u>15,544</u>	<u>33,311</u>	<u>26,330</u>
Expenses	<u>13,713</u>	<u>28,760</u>	<u>21,755</u>
Income before income taxes	<u>1,831</u>	<u>4,551</u>	<u>4,575</u>

19. Related Party Transactions

- a) The Company participates in numerous joint ventures and a partnership in certain of which directors and officers of the Company participate for their own account.

Directors' and officers' interests in these joint ventures and partnership are summarized as follows:

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Assets	<u>6,544</u>	<u>6,457</u>	<u>2,867</u>
Liabilities	<u>5,782</u>	<u>5,126</u>	<u>2,859</u>
Equity and advances	<u>762</u>	<u>1,331</u>	<u>8</u>
	<u>6,544</u>	<u>6,457</u>	<u>2,867</u>
Revenue	<u>2,505</u>	<u>2,976</u>	<u>3,883</u>
Expenses	<u>2,486</u>	<u>2,931</u>	<u>3,647</u>
Income before income taxes	<u>19</u>	<u>45</u>	<u>236</u>

- b) The Company had agreed to develop a condominium project with Westok Holdings Limited, and in that regard obtained an option to acquire the relevant lands which option has now expired. The Company understands that the shares of Westok Holdings Limited are owned by Alex Rubin and Harry Rubin or members of their immediate families. The share of the sums expended by the Company in this regard which Westok Holdings Limited agreed to reimburse to the Company amounted to \$260,150 at December 31, 1982. Westok has agreed to repay this amount with interest by December 31, 1983. No formal agreement providing for this has as yet been executed.
- c) In 1981 the Company entered into a joint venture with two other corporations pertaining to a development in the vicinity of Naples, Florida. The Company understands that Alex Rubin and Harry Rubin (directors of the Company) and/or members of their immediate families indirectly own all of the outstanding shares of Westok International Corporation ("Westok International") one of such corporations.



The Company's obligation was to be limited to providing a guarantee of the joint venture's bank financing for \$2 million (U.S.) in return for the right to the first \$2 million (U.S.) of profits payable out of cash flow after repayment of all development costs, bank financing and a mortgage on the property being developed held by a fourth corporation, Manchester Developments Inc. (Manchester), in which the Company understands Alex Rubin and Harry Rubin and members of their immediate families have a substantial beneficial interest. If the Company has not previously received its \$2 million (U.S.) entitlement it will receive the balance at the rate of \$20,000 (U.S.) per acre on the first 100 acres of the last 150 acres sold.

The bank financing was to be limited to \$7.6 million (U.S.) with any additional required working capital to be provided by the other two joint venture partners. The joint venture required additional working capital beyond \$1,643,548 (U.S.) provided by parties related to Westok International. The bank agreed to increase the financing to \$15 million (U.S.) with a maximum amount of \$10 million (U.S.) to be outstanding at any point in time and to release certain deposits which it was holding. In connection with this additional financing the Company guaranteed to the bank the payment of \$1.1 million (U.S.) of notes due in 1984 to creditors of the joint venture and informally undertook to the bank to assume management of the project, and parties related to Westok International provided certain additional collateral security to the bank. Westok Holdings Limited agreed in writing to indemnify the Company against any costs, expenses and liabilities which the Company may from time to time incur under the guarantees to the bank referred to above. It has also been agreed that the company will receive an additional \$1 million (U.S.), but as yet the agreement providing for this has not been executed.

The joint venture agreement does not provide for payment by the joint venture, except to the extent permitted by the Company, of any sums for work or services to parties related to the other two joint venture partners until the Company has received its agreed upon cash flow from the joint venture. To December 31, 1982 the Company permitted the joint venture to pay, for work or services, to corporations related to the other two joint venture partners the sum of \$593,387 (U.S.) of which sum \$105,000 (U.S.) was loaned back to the joint venture. The joint venture partners have informally agreed that these payments will not be taken into account in calculating the accrued profit of the joint venture for the purpose of ascertaining the Company's entitlement to profit.

Funds of the joint venture were used by Westok International and the third joint venture partner to construct oversized water and sewage treatment plants so that the plants would be able to service adjacent lands owned by Manchester as well as the joint venture lands. In return for this, Manchester contributed to the joint venture a portion of the land on which the plants are situated. Manchester has agreed to pay the joint venture at county rates for water and sewage treatment supplied by the plants to its adjacent lands, and to bear the costs of any increase in capacity of the plants necessary in order that they can supply water and sewage treatment to such lands.

At December 31, 1982, the joint venture is indebted to the Company in the amount of \$75,079.

Subsequent to December 31, 1982 the joint venture has arranged new financing to repay the bank financing which is limited to \$10 million (U.S.). The new financing is for a total of \$12.3 million (U.S.). Upon completion of the refinancing the Company's guarantee will be reduced from \$2 million (U.S.) to



\$1 million (U.S.) and in addition, the bank will release the Company's guarantee of \$1.1 million (U.S.) of notes due in 1984 to creditors of the joint venture.

The effect of the refinancing will be to delay the payment of the Company's share of cash flow from the project and to reduce the Company's guarantees from \$3.1 million (U.S.) to \$1 million (U.S.).

- d) In joint venture with Westok Holdings Limited the Company operates a hotel in Halifax, Nova Scotia. The hotel is being managed by another corporation in which Alex Rubin and Harry Rubin or members of their immediate families have a substantial interest. Management fees of \$84,693 and \$102,740 were charged to the joint venture by such corporation in 1982 and 1981 respectively. In addition, 20% of the profit on the eventual sale of the hotel will accrue to such corporation, and the joint venture partners will equally share the remaining 80%. The agreement to reflect the joint venture and management arrangements between the companies have not been settled.
- e) In 1982, M. G. Wright was appointed President of the Company and, in order to terminate a partnership between the Company and M. G. Wright Construction Limited, a corporation owned by M. G. Wright, the Company purchased all of the shares of M. G. Wright Construction Limited, which owned a 25% interest in the partnership. The remaining 75% was already owned by the Company. The cost of the shares purchased was allocated as follows:

Real estate assets	\$3,743,722
Other assets	64,934
Liabilities	(3,808,655)
Cost of shares purchased	<u>\$ 1</u>

- f) Certain directors and officers and their associates own 28% of Revenue Resources (Canada) Inc. which holds the Company's petroleum and natural gas interests. The Company owns the remaining 72% of the shares.

20. United States Accounting Principles

The Company follows Canadian accounting principles which are different in some respects from those applicable in the United States and from practices prescribed by the United States Securities and Exchange Commission. The only material differences between the Canadian generally accepted accounting principles utilized in the preparation of these financial statements and the applicable U.S. generally accepted accounting principles are the following:

- (i) The Company follows the sinking fund method of depreciation on its revenue producing real estate. This method will write off the cost of the building over 50 years in annual amounts increasing at the rate of 5% compounded annually.

Under United States accounting principles, the Company would have adopted the straight-line method of depreciation. This method will write off the cost of the building in equal amounts over 40 years.

During 1977 the Company adopted the sinking fund method of depreciation in order to make the Company's financial statements comparable to others in the Canadian real estate industry. Previously the Company followed a 40 year straight-line method of depreciation.



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- (ii) A number of leases which meet the criteria of capital leases are accounted for as operating leases and the effect of which are disclosed in note 14. Under United States accounting principles, these capital leases would have been capitalized.

These differences would have affected net income and earnings per share as follows:

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Income (loss) based on Canadian accounting principles	(1,075)	1,996	1,599
Net changes due to depreciation method			
Depreciation expense	(751)	(857)	(863)
Revenue producing real estate – cost of sales	229	408	328
Deferred income taxes	261	224	268
Net changes due to capitalization of capital leases			
Interest expense	(1,238)	(1,316)	(1,386)
Amortization expense	(881)	(881)	(881)
Property operating expenses	2,202	2,202	2,202
Deferred income taxes	(41)	(2)	32
Income (loss) based on United States accounting principles	<u>(1,294)</u>	<u>1,774</u>	<u>1,299</u>
Earnings (loss) per share			
Canadian accounting principles	<u>(7.6c)</u>	<u>14.1c</u>	<u>11.3c</u>
United States accounting principles	<u>(9.1c)</u>	<u>12.5c</u>	<u>9.2c</u>

The cumulative effect of the application of the above noted United States accounting principles on retained earnings (deficit) would be as follows:

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)
Retained earnings (deficit) at beginning of year as reported	1,996	(4,163)	(5,762)
Effect of changes			
Depreciation method	(4,043)	(3,818)	(3,551)
Capitalization of capital leases	(2,286)	(2,289)	(2,256)
Deficit at beginning of year based on United States accounting principles	(4,333)	(10,270)	(11,569)
Net income (loss) based on United States accounting principles	(1,294)	1,774	1,299
Deficit eliminated January 1, 1981	—	4,163	—
Deficit at end of year based on United States accounting principles	(5,627)	(4,333)	(10,270)
Retained earnings (deficit) as reported under Canadian accounting principles	<u>921</u>	<u>1,996</u>	<u>(4,163)</u>
Cumulative effect of changes net of income taxes	<u>(6,548)</u>	<u>(6,329)</u>	<u>(6,107)</u>



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*Five Year Summary
of Operations
Years ended December 31*

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)	1979 (\$000's)	1978 (\$000's)
Rental operations					
Income from revenue producing real estate	21,183	20,051	16,262	15,208	14,982
Property operating expenses	15,128	13,958	11,943	11,112	10,643
Depreciation	813	651	489	480	460
	<u>5,242</u>	<u>5,442</u>	<u>3,830</u>	<u>3,616</u>	<u>3,879</u>
Sales of revenue producing					
real estate	2,213	7,582	4,040	1,662	1,187
Cost of sales	925	5,121	2,368	701	737
	<u>1,288</u>	<u>2,461</u>	<u>1,672</u>	<u>961</u>	<u>450</u>
Sales of construction, land held for and under development and surplus land					
	13,776	29,218	15,826	23,196	14,977
Cost of sales	12,996	24,874	12,678	22,780	14,565
	<u>780</u>	<u>4,344</u>	<u>3,148</u>	<u>416</u>	<u>412</u>
Income (loss) from petroleum and natural gas interests					
	(339)	280	—	—	—
Other income					
	1,890	1,985	1,433	961	926
Gross profit from operations					
	8,861	14,512	10,083	5,954	5,667
Interest expense less amounts capitalized					
	6,929	7,889	5,644	4,911	4,840
Other expenses					
	3,303	2,590	2,366	1,926	1,691
Proceeds of lawsuit net of costs					
	—	—	—	—	(826)
Provision for loss on real estate					
	1,540	1,315	—	—	—
Income (loss) before minority interest, income taxes and extraordinary item					
	(2,911)	2,718	2,073	(883)	(38)
Income taxes					
	(1,769)	669	474	(617)	(38)
Income (loss) before extraordinary item and minority interest					
	(1,142)	2,049	1,599	(266)	—
Minority interest in net income					
	67	53	—	—	—
Extraordinary item					
Deferred income tax reduction	—	—	—	—	361
Net income (loss) for year					
	<u>(1,075)</u>	<u>1,996</u>	<u>1,599</u>	<u>(266)</u>	<u>361</u>
Interest capitalized					
	5,924	6,504	4,843	4,515	3,705
Earnings (loss) per share					
Before extraordinary item	(7.6c)	14.1c	11.3c	(1.9c)	—
After extraordinary item	(7.6c)	14.1c	11.3c	(1.9c)	2.6c
Weighted average number of shares (in thousands)					
	14,166	14,166	14,166	14,156	14,146



Business

Revenue Properties Company Limited is an integrated, Canadian-based public real estate company. Through subsidiaries and joint ventures the company develops land and constructs industrial, commercial and residential buildings for sale, investment or lease, primarily in Canada. The Company is also in the petroleum exploration and development business, primarily in the United States, through a partially-owned subsidiary.

Land development and construction activities vary significantly from year to year depending on market demand, availability of services and Government approval.

In common with most real estate development and construction companies the Company finances its activities through bank loans and other term borrowings which are renewed as required. Investments in revenue producing real estate are financed with longer term mortgages. Certain of the Company's borrowing is tied to the prime interest rate.

**Management's Discussion and Analysis of Financial Condition
and Results of Operations**

General

It is important to consider in reviewing the Company's performance that in common with other real estate development companies, our activities are mainly project oriented. Financial results are dependent on the timing and recording of specific transactions and therefore, year to year comparisons are difficult to evaluate.

Liquidity

The availability of affordable long-term mortgage funds and the downturn of the economy had a significant impact on the Company's liquidity and a continuance of this problem will further impact the Company's ability to maintain liquidity and profitability. In order to preserve its liquidity position the Company is not planning any major new projects in the near future and intends to utilize all available lines of credit.

Interest bearing debt increased from \$81,491,000 in 1980 to \$87,648,000 in 1981 to \$89,432,000 in 1982. Interest related to this was \$10,487,000 in 1980, \$14,393,000 in 1981 and \$12,853,000 in 1982. Bank prime rates have declined significantly and this will have a positive effect on our operations.

At December 31, 1982 the Company has fully utilized its available lines of credit for general corporate purposes with various banks. Such unused lines of credit were \$4,427,000 at December 31, 1981 and \$6,018,000 at December 31, 1980. The Company is negotiating with its principal banker to provide it with a line of credit to meet its cash requirements for 1983.

The Company anticipates a continuing need to fund development and operations. This need will be met by renegotiating the terms of existing loans, funds generated by operations, specific project financing and by sales of assets.



Results of Operations

Revenues for the year ended December 31, 1982 were \$38,723,000 compared with \$59,116,000 in 1981 and \$37,561,000 in 1980. Sales of construction and land development projects accounted for approximately 76% of this decline during 1982. These sales contributed a gross profit of \$780,000 in 1982 compared with \$4,344,000 in 1981 and \$3,148,000 in 1980. Continued depressed industry market conditions, high unemployment and increasing costs impacted revenues and net income.

Rental revenues continue to increase. Gross rental revenues in 1982 were \$21,183,000 compared with \$20,051,000 in 1981 and \$16,262,000 in 1980. It is expected that rental revenues will continue to increase. The financing cost of carrying the revenue producing assets is not included in calculating gross profit and these costs may increase. In addition, the recovery of higher operating and financing costs in certain of the residential properties is subject to governmental approval. In 1982, five industrial revenue producing buildings were sold producing a gross profit of \$1,288,000. This compares with a gross profit from sale of revenue producing assets in 1981 of \$2,461,000 and \$1,672,000 in 1980.

In 1982 the Company provided \$1,540,000, and in 1981 \$1,315,000 for possible loss on disposal of real estate properties. These provisions were required because of declining real estate values of certain projects in Canada.

The petroleum and natural gas operations contributed a loss of \$339,000 in 1982 and gross profit of \$280,000 in 1981. The gross profit in 1981 was mainly due to the sale of an interest in the land holdings. The results of this operation are unlikely to be as profitable as expected.

Capital Resources

The Company establishes separate lines of credit with various banks for real estate construction and development purposes on a project financing basis. The proceeds from these lines have constituted the major sources of the Company's capital during the past three fiscal years. These lines of credit are subject to fluctuations in interest rates to a greater extent than long-term debts. The Company normally arranges long term financing for construction of revenue producing properties.

The Company has no material capital commitments other than those arising in the ordinary course of its business.

Impact of Inflation

Inflation does not have a significant impact on the Company's earning power. The rental operation is somewhat protected from inflation because many of the leases include the recovery of increased costs from the tenants. The impact of inflation in the residential operations and land development and servicing operations is not significant when compared to the effects of the mortgage interest rates and general recession in the market place. The long-term appreciation in assets is expected to offset the impact of inflation.



Supplementary
Information

Years ended December 31, 1982

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Selected Financial Data

	1982 (\$000's)	1981 (\$000's)	1980 (\$000's)	1979 (\$000's)	1978 (\$000's)
Gross revenue.....	38,723	59,116	37,561	41,027	32,072
Income (loss) from continuing operations.....	(1,075)	1,996	1,599	(266)	—
Income (loss) from continuing operations per share.....	(7.6¢)	14.1¢	11.3¢	(1.9¢)	—
Total assets.....	128,691	128,646	118,409	107,479	112,560
Interest bearing debt.....	89,432	87,648	81,491	72,173	76,818
Capital lease obligations.....	13,776	14,740	15,626	16,442	17,198
Cash dividends per common share..	none	none	none	none	none
Cash flow (deficiency) from operations.....	(749)	3,970	2,225	(660)	36

Reference is made to Note 20 for information as to United States accounting principles.

Historic Canadian Dollar to United States Exchange Rates

Since June 1, 1970, the government of Canada has permitted a floating exchange rate to determine the value of the Canadian dollar against the United States dollar. The high and low spot rates, average rates and period end rates for the Canadian dollar equivalent of the United States dollar for the five years ended December 31, 1982 and the period January 1, 1983 to January 31, 1983 as reported by the Federal Reserve Bank of New York were as follows:

	January 1 to January 31 1983	1982	1981	1980	1979	1978
High.....	\$0.8201	\$0.8387	\$0.8499	\$0.8754	\$0.8771	\$0.9160
Low.....	\$0.8082	\$0.7976	\$0.8048	\$0.8258	\$0.8326	\$0.8404
Average.....	\$0.8139	\$0.8088	\$0.8339	\$0.8547	\$0.8545	\$0.8747
Period end.....	\$0.8086	\$0.8132	\$0.8430	\$0.8372	\$0.8559	\$0.8427

Quarterly Financial Data (unaudited)

	Quarter				Year (\$000's)
	First (\$000's)	Second (\$000's)	Third (\$000's)	Fourth (\$000's)	
<u>1982</u>					
Gross revenue.....	9,836	10,917	8,427	9,543	38,723
Gross profit.....	2,710	3,284	2,033	834	8,861
Net income (loss).....	177	466	(148)	(1,570)	(1,075)
Earnings (loss) per share.....	1.3¢	3.2¢	(1.0¢)	(11.1¢)	(7.6¢)
<u>1981</u>					
Gross revenue.....	6,373	9,369	24,554	18,820	59,116
Gross profit.....	1,625	2,459	5,537	4,891	14,512
Net income (loss).....	(282)	149	1,452	677	1,996
Earnings (loss) per share.....	(2.0¢)	1.1¢	10.2¢	4.8¢	14.1¢



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Supplementary Information

Years ended December 31, 1982

Market for the Registrant's Stock and Related Security Holder Matters

Approximate number of holders of record of each class of equity securities of the Company as at the dates shown:

<u>Title of Class</u>	<u>Number of Record Holders</u>	<u>Date</u>
Class A Shares	7,619	January 31, 1983
Class B Shares	7,808	January 31, 1983
7½% Convertible Subordinated Sinking Fund Debentures, Series A	42	January 31, 1983

The following is a summary of prices per share by quarters on The Toronto Stock Exchange, the principal market for these shares:

<u>Common Stock</u>	<u>1982</u>				<u>1981</u>			
	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>
High	n/a	n/a	n/a	n/a	n/a	n/a	3.75	3.45
Low	n/a	n/a	n/a	n/a	n/a	n/a	2.51	2.30
<u>Class A</u>	<u>1982</u>				<u>1981</u>			
	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>
High	1.55	1.25	1.26	1.40	1.80	2.80	n/a	n/a
Low	1.10	1.05	1.00	1.10	1.16	1.00	n/a	n/a
<u>Class B</u>	<u>1982</u>				<u>1981</u>			
	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>
High	1.10	0.70	0.80	1.20	1.40	2.68	n/a	n/a
Low	0.65	0.50	0.45	0.65	0.76	0.80	n/a	n/a

No dividends have been paid since 1969 on common stock. The trust indenture relating to the 7½% convertible subordinated sinking fund debentures, Series A due June 30, 1988 places certain restrictions on the payment of dividends.



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*Revenue
Producing
Property
Owned*

	Number of Residential Units	Approximate Rental Area Sq. ft.	Company's Interest %	Land Lease Terminates
Industrial				
Toronto, Ontario		412,000	100	Owned
Montreal, Quebec		196,100	100	Owned
Montreal, Quebec		575,200	100	2019-2020
Commercial and Residential				
Toronto, Ontario	163	84,000	100	2060
Bloor Street	16	10,600	100	Owned
Yonge Street		7,400	100	2060
Jane Street	1,200		66.7	2067
Valleywoods Road	102		100	2004
Cavell Avenue		6,100	100	Owned
Charles Street		9,300	75	2019
Montreal, Quebec		162,100	100	Owned
Saint John, New Bruswick		102,500	100	Owned
Halifax, Nova Scotia	320	10,000	50	Owned
	<u>1,801</u>	<u>1,575,300</u>		

*Revenue
Producing
Property
Sold and
Leased Back*

Residential				
Toronto, Ontario	716			1989-2024
Halifax, Nova Scotia	240			1987
Saint John, New Brunswick	152			1999
Commercial				
Toronto, Ontario		9,200		1986
Halifax, Nova Scotia		143,500		1999
Saint John, New Brunswick		102,500		1992
Industrial				
Toronto, Ontario		593,400		1986-1999
Montreal, Quebec		83,000		1984-1985
	<u>1,108</u>	<u>931,600</u>		



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Land Held For and Under Development

<u>Location</u>	<u>Proposed Use</u>	<u>Approximate Number of Acres</u>	<u>% Company Profit Participation</u>
Ontario			
Ajax	Shopping Centre	3	100
Ajax	Residential	283	100
Guelph	Multiple	874	75
Orangeville	Commercial	2	100
Pickering	Residential	80	100
Port Dover	Commercial & Residential	93	33.3
Simcoe	Residential	6	33.3
Toronto	Residential	1	100
Uxbridge	Multiple	364	100
Vaughan	Residential	43	44
Whitchurch/ Stouffville	Residential	115	100
Saskatchewan			
Lloydminster	Industrial & Commercial	74	50
Quebec			
Boucherville	Multiple	232	100
Pointe Claire	Industrial & Commercial	7	100
Florida			
Vero Beach	Condominiums	3	100
		<u>2,180</u>	

Construction in Progress

<u>Location</u>	<u>Type</u>	<u>Number of Units</u>	
Ontario			
Ajax	Housing	39	100
Port Dover	Housing	5	100
Quebec			
Boucherville	Housing	28	100
Florida			
Vero Beach	Condominiums	94	50
Vero Beach	Condominiums	7	100
			<u>Square Feet Under Construction</u>
Ontario			
Queen St., Toronto	Commercial	176,000	100
Mississauga, Ont.	Commercial	86,000	100



Directors

Richard A. Bain, Toronto
Partner, Fogler Rubinoff, Barristers and Solicitors

Arthur H. Crockett, Toronto
Director, Bank of Nova Scotia

†Watson W. Evans, Toronto
Retired

*†Maxwell Goldhar, Toronto
Chairman of the Board, Revenue Properties Company Limited

*Ken Kelman, Toronto
Vice-President, First Canada Financial Corporation Limited

†Gurston I. Rosenfeld, Toronto
President, Guardian Growth Financial Services Limited

Alex J. Rubin, Toronto
President, Westok Holdings Limited

*Harry Rubin, Toronto
Secretary, Westok Holdings Limited

*Michael G. Wright, Toronto
President, Revenue Properties Company Limited

*Member of Executive Committee

†Member of Audit Committee

Officers

Chairman of the Board: Maxwell Goldhar

President: Michael G. Wright

Secretary: Richard A. Bain

Vice President, Finance: Peter W. Grater

Treasurer and Assistant Secretary: Sara Tuberman

Auditors

Thorne Riddell

Common Shares

Registrar & Transfer Agent

National Trust Company Limited

Co-Registrar & Co-Transfer Agent

The Canadian Bank of Commerce Trust Company

Subordinate Debentures

Trustee: National Trust Company Limited

Head Office

44 King Street West, Suite 1619, Toronto, Ontario M5H 3A3

Form 10-K

The Company has filed its Annual Report on Form 10-K with the Securities and Exchange Commission.
The report may be obtained by written request to Revenue Properties head office.

