



Growth Comparisons

	Year Ended January 31				
	1984	1983	1982	1981	1980
Operating revenues	\$30,508,688	\$29,716,270	\$38,553,960	\$49,713,592	\$35,669,859
Operating expenses	\$27,468,401	\$27,013,767	\$32,895,837	\$43,639,339	\$31,591,522
Income before taxes	\$ 3,040,287	\$ 3,318,360	\$ 5,658,123	\$ 6,074,253	\$ 4,078,337
Net income	\$ 1,405,763	\$ 1,571,134	\$ 2,614,053	\$ 2,805,445	\$ 2,039,168
Earnings per common share after tax	26¢	29¢	48¢	51¢	37¢
Earnings per common share before extraordinary item	26¢	22¢	48¢	51¢	37¢
Earnings per common share before tax	56¢	61¢	\$1.03	\$1.11	74¢
Cash flow provided from operations	\$ 3,878,436	\$ 3,084,198	\$ 5,460,348	\$ 4,189,568	\$ 4,509,860
Cash flow per common share	71¢	56¢	\$1.00	76¢	82¢
Shareholders' equity	\$14,375,123	\$13,829,968	\$13,901,910	\$13,113,497	\$10,581,898
Retained earnings	\$12,966,121	\$12,381,896	\$12,453,838	\$11,665,425	\$ 9,133,826
Total number of people employed by the Corporation	407	402	349	473	450
Total salaries, wages and commissions paid to employees of the Corporation	\$ 7,030,613	\$ 6,631,654	\$ 7,620,868	\$ 9,306,088	\$ 5,889,142
Number of rental units (suites)	1,985	1,948	1,888	1,731	1,759

Directors' Report

The Canadian economy refused to respond favourably in 1983 yet your Corporation was able to remain profitable in the past fiscal year. Net income for the year amounted to \$1,405,763 or \$.26 per share. Cash flow from operations was \$3,878,436 or \$.71 per share.

The Corporation's adherence to the strategy of investing in revenue producing real estate properties has resulted in the recording of a profit for the 14th consecutive year. We commend the employees for their diligent effort.

In the forthcoming year, our Corporation, as in the past, shall continue to seek out the most acceptable real estate locations for long-term investment. These investments will contribute to our base upon which growth will flourish given the proper economic climate.

The figures and accompanying statements in the annual report have been prepared in accordance with generally accepted accounting principles. This report is in concordance with the financial statements and has been approved by the Board of Directors.

On behalf of the Board of Directors,



Peter Wall
Chairman



Peter Redekop
President

Consolidated Statement of Income and Retained Earnings

for the year ended January 31, 1984

	1984	1983
Revenue	\$30,508,688	\$29,716,270
Costs and expenses		
Cost of sales and operating expenses	19,292,265	18,953,952
Selling, administrative and general	3,603,467	3,583,032
Interest	3,991,374	3,930,407
Depreciation and amortization	581,295	546,376
	27,468,401	27,013,767
Income before income taxes and extraordinary item	3,040,287	2,702,503
Income taxes		
Current	106,241	164,681
Deferred	1,528,283	1,335,545
	1,634,524	1,500,226
Income before extraordinary item	1,405,763	1,202,277
Gain on sale of division	—	368,857
Net income for the year	1,405,763	1,571,134
Retained earnings at beginning of year	12,381,896	12,453,838
Dividends paid	(821,538)	(1,643,076)
Retained earnings at end of year	\$12,966,121	\$12,381,896
Earnings per share		
Before extraordinary item	\$.26	\$.22
After extraordinary item	\$.26	\$.29

See notes to consolidated financial statements.

Auditors' Report

The Shareholders, Wall & Redekop Corporation

We have examined the consolidated balance sheet of Wall & Redekop Corporation as at January 31, 1984 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. 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 Company as at January 31, 1984 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.,
April 6, 1984

Ernst & Whinney
Chartered Accountants



Consolidated Balance Sheet

as at January 31, 1984

	1984	1983
Assets		
Accounts receivable	\$ 1,341,298	\$ 2,283,269
Agreements receivable (Note C)	3,123,747	4,428,020
Inventory (Note D)	34,280,790	30,694,815
Revenue producing properties, at cost, less accumulated depreciation of \$2,921,269 (1983 — \$2,491,981)	44,444,491	42,915,732
Fixed, at cost, less accumulated depreciation of \$1,144,332 (1983 — \$1,038,913)	781,076	795,569
Other (Note E)	1,334,456	1,310,688
	<u>\$85,305,858</u>	<u>\$82,428,093</u>
Liabilities		
Bank indebtedness — operating (Note F)	\$12,110,811	\$ 7,783,495
— term (Note F)	8,946,500	9,159,500
Accounts payable and accruals	2,346,887	2,484,401
Income taxes payable	366,000	661,681
Mortgages and agreements payable (Note G)	5,501,183	8,287,025
Mortgages on revenue producing properties (Note H)	27,415,749	27,408,065
Sinking fund debentures (Note I)	766,900	882,300
Deferred income taxes	13,476,705	11,931,658
	<u>70,930,735</u>	<u>68,598,125</u>
Shareholders' Equity		
Capital stock (Note J)	1,409,002	1,448,072
Retained earnings	12,966,121	12,381,896
	<u>14,375,123</u>	<u>13,829,968</u>
	<u>\$85,305,858</u>	<u>\$82,428,093</u>

Commitments and contingency (Note K)

See notes to consolidated financial statements.

Approved by the Directors:

Director

Director

Consolidated Statement of Changes in Financial Position

for the year ended January 31, 1984

	1984	1983
Source of funds		
Income before extraordinary item	\$ 1,405,763	\$ 1,202,277
Items not requiring an outlay of funds	<u>2,472,673</u>	<u>1,881,921</u>
Total from operations	3,878,436	3,084,198
Agreements receivable	1,304,273	—
Accounts receivable	<u>941,971</u>	—
Term bank indebtedness	—	9,159,500
Proceeds from sale of division	—	1,050,000
Other assets	—	9,196
Disposal of fixed assets, net of purchases	<u>—</u>	<u>5,174</u>
	6,124,680	13,308,068
Application of funds		
Inventory, net of change in mortgages and agreements payable	6,371,817	2,714,288
Investment in revenue producing properties, net of mortgages thereon	1,952,002	1,662,276
Dividends	821,538	1,643,076
Other assets	386,863	—
Income taxes payable	278,917	596,643
Term bank indebtedness	213,000	—
Accounts payable and accruals	137,514	759,324
Purchase of fixed assets, net of disposals	135,875	—
Purchase of sinking fund debentures	115,400	5,800
Acquisition of capital stock	39,070	—
Accounts receivable	—	271,879
Agreements receivable	<u>—</u>	<u>214,910</u>
	10,451,996	7,868,196
Increase (decrease) in bank indebtedness	4,327,316	(5,439,872)
Bank indebtedness — operating, at beginning of year	7,783,495	13,223,367
Bank indebtedness — operating, at end of year	\$12,110,811	\$ 7,783,495

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

January 31, 1984

A. General

The Company is incorporated under the Company Act of British Columbia. Its principal business activities include real estate development, investment in revenue producing properties and real estate sales.

The financial statements of the preceding year were examined by other chartered accountants.

B. Summary of significant accounting policies

CONSOLIDATION: The consolidated financial statements include the accounts of the Company and its subsidiaries and the Company's proportionate share of the assets, liabilities and results of operations of a joint venture.

CAPITALIZATION OF COSTS: The Company capitalizes acquisition and direct development costs for property for resale or development and revenue producing properties. In addition, the following are also capitalized:

- i) direct carrying costs such as interest and property taxes to property for resale or development;
- ii) a portion of the interest on general borrowings and the applicable portion of administrative overhead to properties under development until the development is completed; and
- iii) operating results of revenue producing properties until 80% occupancy is obtained.

INVENTORY: Property for resale or development and lumber and building products are carried at the lower of cost and estimated net realizable value.

REVENUE RECOGNITION: Revenue from the sale of land inventory and revenue producing properties is recognized when all material conditions of the sale have been fulfilled and a down-payment appropriate in the circumstances has been received.

OIL AND GAS PROPERTIES: The Company follows the full cost method of accounting for oil and gas properties whereby all costs relating to the exploration for and development of oil and gas reserves, whether productive or non-productive, are capitalized. Where a decline in value of these properties is apparent, provision is made to reduce the carrying values accordingly.

DEPRECIATION AND AMORTIZATION: The Company's revenue producing properties are depreciated on a 5% — 40 year sinking fund basis. Fixed assets are depreciated using the declining balance method at rates ranging from 10% to 30% and, in the case of leasehold improvements, using the straight-line method over 5 to 10 years.

INCOME TAXES: The Company provides for taxes on the tax allocation basis. Deferred income taxes arise principally from timing differences between accounting income and income for tax purposes due to certain property development costs that are deductible for tax purposes which are capitalized in the accounts and capital cost allowances claimed in excess of depreciation.

FOREIGN CURRENCY TRANSLATION: The assets, liabilities, revenues, costs and expenses of U.S. operations are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Foreign exchange gains and losses are recognized in the year of translation. Previously deferred gains of \$215,000 have been recognized in the accounts this year.

C. Agreements receivable

The agreements receivable consist of balances due from the sale of properties and are primarily secured by agreements for sale and mortgages.

Principal instalments receivable within the next five years are:

1985	\$2,548,000
1986	\$ 40,000
1987	\$ 58,000
1988	\$ 158,000
1989	\$ 38,000

D. Inventory

	1984	1983
Property for resale or development	\$33,456,381	\$30,026,602
Lumber and building products	824,409	668,213
	<u>\$34,280,790</u>	<u>\$30,694,815</u>
Costs capitalized during the year	<u>\$ 3,047,845</u>	<u>\$ 3,344,137</u>

E. Other

Other assets include the following:

	1984	1983
Oil and gas properties ..	\$ 653,375	\$1,016,470
Deposits and prepaids ..	681,081	294,218
	<u>\$1,334,456</u>	<u>\$1,310,688</u>

F. Bank indebtedness

Bank indebtedness is secured by fixed and floating demand debentures and various forms of specific security, and includes a balance of \$8,980,000 U.S. (1983 — \$8,615,000 U.S.).

Term bank indebtedness is payable over two years. Bank lines of credit at January 31, 1984 amounted to \$25,450,000 of which \$19,382,897 has been drawn down (1983 — \$30,250,000 and \$15,613,403 respectively).

G. Mortgages and agreements payable

Mortgages and agreements payable are secured by certain properties held for resale or development and include a balance of \$818,219 U.S. (1983 — \$1,368,217 U.S.).

H. Mortgages on revenue producing properties

The approximate principal instalments payable within the next five years are:

1985	\$3,353,000
1986	\$2,078,000
1987	\$3,755,000
1988	\$ 313,000
1989	\$3,136,000

I. Sinking fund debentures

The Company has covenanted to establish a sinking fund to retire principal amounts of the 8% redeemable Series A debentures. Amounts are payable annually into the sinking fund through to 1986 of \$75,000 plus an amount equal to the annual interest on Series A debentures previously retired. The unfunded balance will become due in 1987.

The debentures are secured by a floating charge on the Company's undertakings, property and assets, subject only to specifically mortgaged properties, floating charges to permit dealings in the ordinary course of business, and bank borrowings secured by specific charges or other collateral.

During the current year, the Company satisfied the balance of its April 15, 1983 sinking fund requirements by purchasing debentures on the open market and making a payment to the debenture trustee.

J. Capital stock

a) The Company has authorized capital stock of 9,000,000 common shares without nominal or par value. The number of shares issued and fully paid is 5,484,020 (1983 — 5,494,020), including 17,100 shares held by the Company.

b) During the year the Company purchased and cancelled 10,000 shares under the "Share Purchase Program".

c) Stock options are outstanding to certain employees to purchase up to 123,000 shares. The terms of the options provide that:

- Options to purchase can be exercised during the fiscal years ended January 31 as follows:
1985 — 98,400; 1986 — 24,600 shares.
Unexercised options may be exercised up to 1986.
- The options are exercisable at a price of 10% below market escalating at the rate of \$.25 per year and expiring on April 30, 1986.
- The options expire 15 days after an employee leaves the Company.
- No options were exercised during the current year.
- The trust deed for the sinking fund debentures contains certain restrictions on the payment of dividends on the common shares.

K. Commitments and contingency

LEASE COMMITMENTS: The Company has entered into lease agreements on certain land, property and equipment for terms up to 75 years. The approximate amounts payable over the next five years are:

1985	\$384,000
1986	\$248,000
1987	\$208,000
1988	\$125,000
1989	\$ 37,000

CONTINGENT LIABILITY: The Company is contingently liable for the obligations of a joint venture amounting to \$77,364.

L. Partnerships and joint ventures

The following amounts included within the consolidated financial statements represent the Company's proportionate interest in partnerships and joint venture developments:

	1984	1983
Assets	\$ 228,799	\$2,112,494
Liabilities	\$ 77,364	\$1,156,254
Revenue	\$ 955,542	\$ 499,827
Expenses	\$1,069,808	\$ 443,291

M. Remuneration to directors and senior officers

Directors' and senior officers' remuneration for the year was \$968,000 (1983 — \$942,600).

N. Subsequent Event

In February, 1984 the Company obtained additional mortgages on revenue producing properties. These mortgages are for \$3,990,000 and have a term of 15 years. The proceeds were used to reduce bank indebtedness.

O. Segmented information

INDUSTRY SEGMENTS

000's

	Land and revenue producing property sales		Rental and real estate agency		Other		Elimination		Consolidated	
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
Sales — customers	\$ 7,377	\$ 6,149	\$15,771	\$14,135	\$ 7,361	\$ 9,432	\$ —	\$ —	\$30,509	\$29,716
Inter-segment	—	—	125	30	—	—	(125)	(30)	—	—
Total revenue	<u>\$ 7,377</u>	<u>\$ 6,149</u>	<u>\$15,896</u>	<u>\$14,165</u>	<u>\$ 7,361</u>	<u>\$ 9,432</u>	<u>\$ (125)</u>	<u>\$ (30)</u>	<u>\$30,509</u>	<u>\$29,716</u>
Operating profit	<u>\$ 963</u>	<u>\$ 491</u>	<u>\$ 3,290</u>	<u>\$ 2,726</u>	<u>\$ (418)</u>	<u>\$ 216</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,835</u>	<u>\$ 3,433</u>
General administration and interest									(795)	(731)
Income taxes									(1,634)	(1,500)
Income before extraordinary item									1,406	1,202
Extraordinary item									—	369
Net income for the year									<u>\$ 1,406</u>	<u>\$ 1,571</u>
Identifiable assets	<u>\$36,465</u>	<u>\$34,700</u>	<u>\$45,963</u>	<u>\$44,472</u>	<u>\$ 2,303</u>	<u>\$ 2,805</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$84,731</u>	<u>\$81,977</u>
Corporate assets									575	451
Total assets									<u>\$85,306</u>	<u>\$82,428</u>
Capital expenditures	<u>\$ —</u>	<u>\$ 11</u>	<u>\$ 124</u>	<u>\$ 18</u>	<u>\$ 13</u>	<u>\$ 36</u>				
Depreciation and amortization	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 498</u>	<u>\$ 461</u>	<u>\$ 17</u>	<u>\$ 18</u>				

GEOGRAPHICAL SEGMENTS

000's

	Canada		United States		Total	
	1984	1983	1984	1983	1984	1983
Sales	<u>\$28,046</u>	<u>\$27,442</u>	<u>\$ 2,463</u>	<u>\$ 2,274</u>	<u>\$30,509</u>	<u>\$29,716</u>
Operating profit (loss)	<u>\$ 5,169</u>	<u>\$ 4,552</u>	<u>\$ (1,334)</u>	<u>\$ (1,119)</u>	<u>\$ 3,835</u>	<u>\$ 3,433</u>
General administration and interest					(795)	(731)
Income taxes					(1,634)	(1,500)
Income before extraordinary item					1,406	1,202
Extraordinary item					—	369
Net income for the year					<u>\$ 1,406</u>	<u>\$ 1,571</u>
Identifiable assets	<u>\$65,329</u>	<u>\$62,579</u>	<u>\$19,402</u>	<u>\$19,398</u>	<u>\$84,731</u>	<u>\$81,977</u>
Corporate assets					575	451
Total assets					<u>\$85,306</u>	<u>\$82,428</u>



Corporate Information

Directors

Peter Wall
Peter Redekop
John Redekop
Alan D. Perley
C. G. Baldwin
Herman Frydenlund

Officers

Peter Wall
Chairman of the Board
Peter Redekop
President
John Redekop
Vice-President, Valley Division
Dennis Facer
Senior Vice-President,
Land & Construction
Jim Rogers
Vice-President,
Real Estate Division
C. G. Baldwin
Secretary & Treasurer
Susan Dosot
Vice-President,
Property Management

Divisions

As a shareholder, you are part of the Wall & Redekop organization. When you have need of the services offered by Wall & Redekop, we suggest that you patronize your Company.

HEAD OFFICE

Wall & Redekop Corporation
#520 - 601 West Broadway
Vancouver, B.C. V5Z 4C2
872-3555

LUMBER AND BUILDING PRODUCTS

Cloverdale Lumber & Plywoods Ltd.
17848 - 56th Avenue
Surrey, B.C. V3S 1C7
574-4144

W.K. WoodKing

17848 - 56th Avenue
Surrey, B.C. V3S 1C7
574-4144

KITCHEN CABINETS

Monocrest Kitchens
10611 River Drive
Richmond, B.C. V6X 1Z2
273-4655

PROPERTY MANAGEMENT

#520 - 601 West Broadway
Vancouver, B.C. V5Z 4C2
872-3555

CONSTRUCTION & LAND DEVELOPMENT

Vancouver Division
#520 - 601 West Broadway
Vancouver, B.C. V5Z 4C2
872-3555

Valley Division

#105 - 33119 South Fraser Way
Abbotsford, B.C. V2S 2B1
530-9591 (Toll Free) or
(112) 859-7636

Bellevue

Suite 350
520 - 112th Avenue, N.E.
Bellevue, Wash. 98004
(112) 206-453-8925

REAL ESTATE

Wall & Redekop Realty Ltd. Head Office

#520 - 601 West Broadway
Vancouver, B.C. V5Z 4C2
872-3555

Broadway Branch

601 West Broadway
Vancouver, B.C. V5Z 4C2
873-3474

Burnaby Branch

5072 Kingsway
Burnaby, B.C. V5H 2E7
437-3777

Richmond Branch

#160 - 4800 No. 3 Road
Richmond, B.C. V6X 3A6
273-1111

Surrey Branch

12855 - 96th Avenue
Surrey, B.C. V3V 6V9
588-1221

Mission Branch

#20 - 32530 Lougheed Highway
Mission, B.C. V2V 1A5
826-1221 or 526-6333

Abbotsford Branch

#105 - 33119 South Fraser Way
Abbotsford, B.C. V2S 2B1
530-9591 (Toll Free) or
(112) 859-7636

Clearbrook Branch

32067 South Fraser Way
Clearbrook, B.C. V2T 1W3
530-9591 (Toll Free) or
(112) 859-9066

Chilliwack Branch

46165 Yale Road East
Chilliwack, B.C. V2P 2P2
530-8911 (Toll Free) or
(112) 792-0077



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