COSTAIN LIMITED ANNUAL REPORT 1980

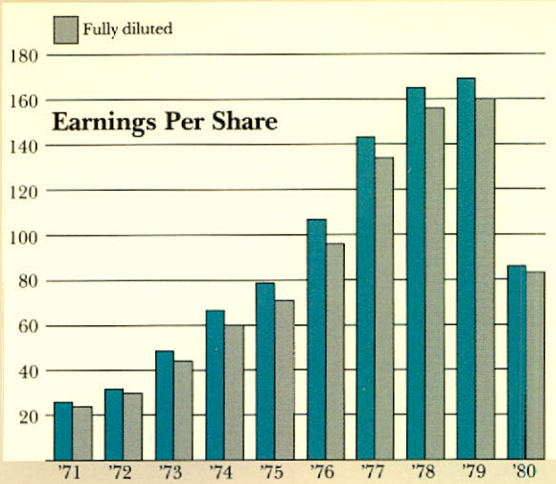
COSTAIN

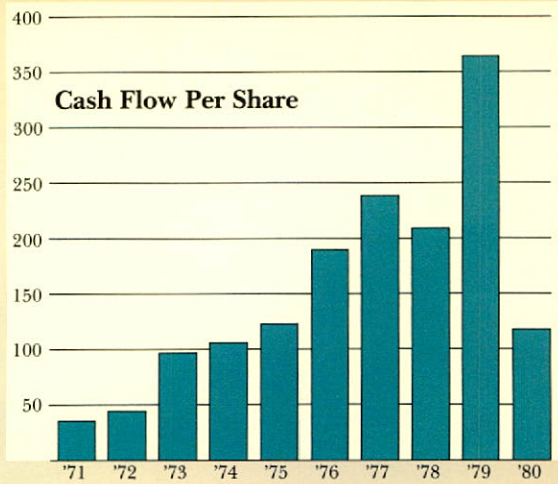
Costain is a Canadian-based, public real estate company engaged in the development and sale of land, the production of housing and the development of commercial properties in Canada and the United States. Current activities are in Ontario, Alberta; and Arizona, Florida, Maryland, Virginia and Washington. The Company, whose corporate office is located in Toronto, employs 300 people throughout its operations.

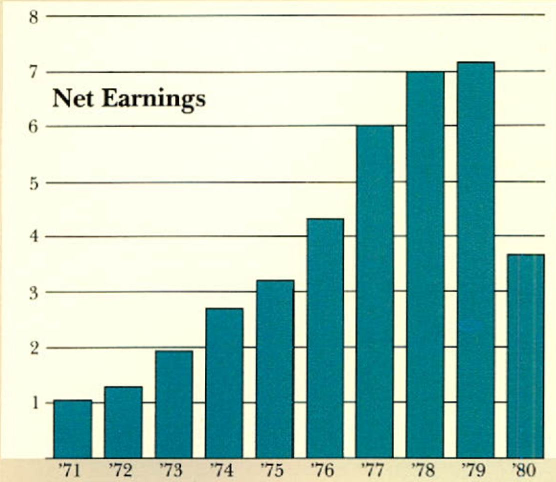
Financial Highlights

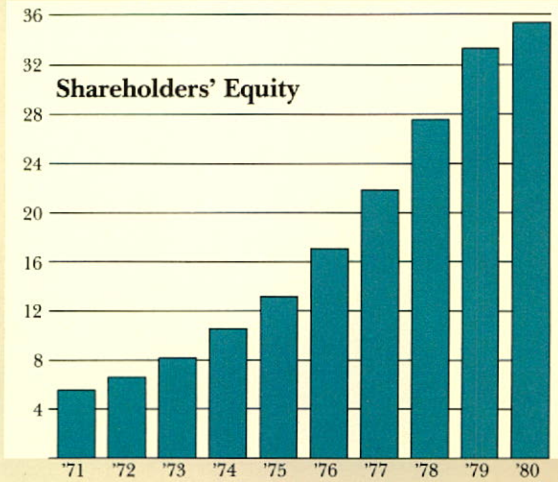
	1980	1979	Increase (Decrease)
Total revenues	**$143,947,000**	142,659,000	1%
Net earnings	**$ 3,649,000**	7,177,000	(49%)
Earnings per share	**$ .86**	1.69	(49%)
Cash flow per share	**$ 1.17**	3.68	(68%)
Total assets	**$264,724,000**	242,445,000	9%
Dividends per share	**$ .380**	.357	6%
Shareholders' equity	**$ 35,446,000**	33,315,000	6%

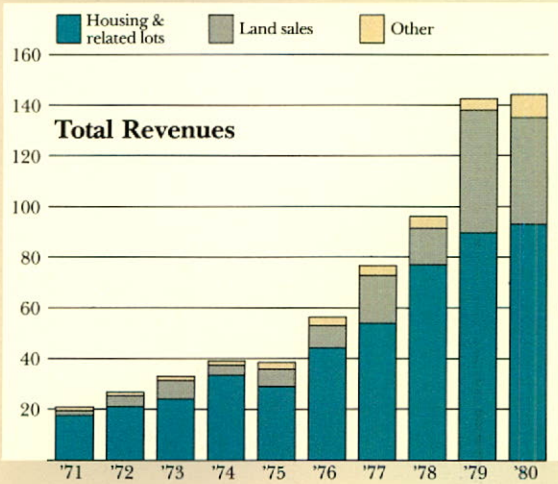
Contents

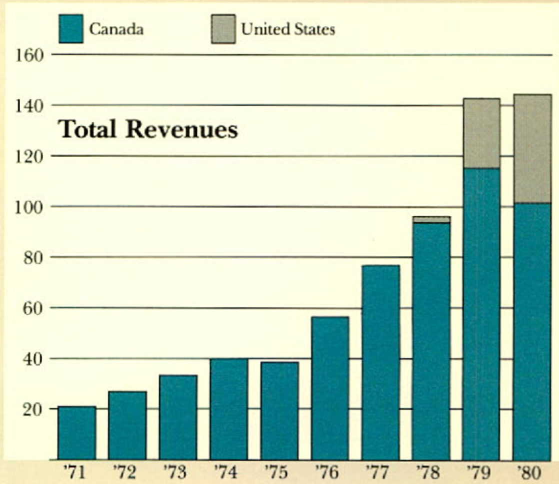


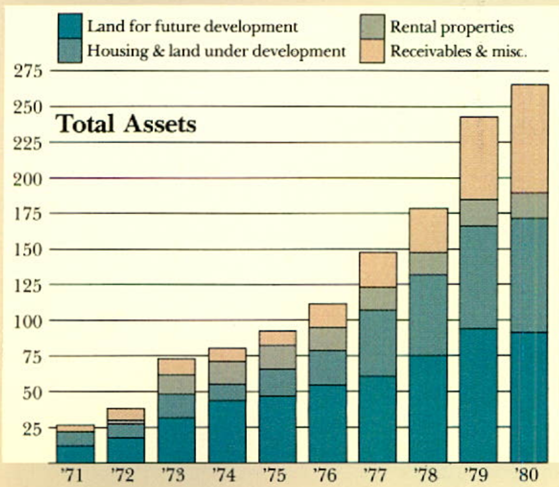


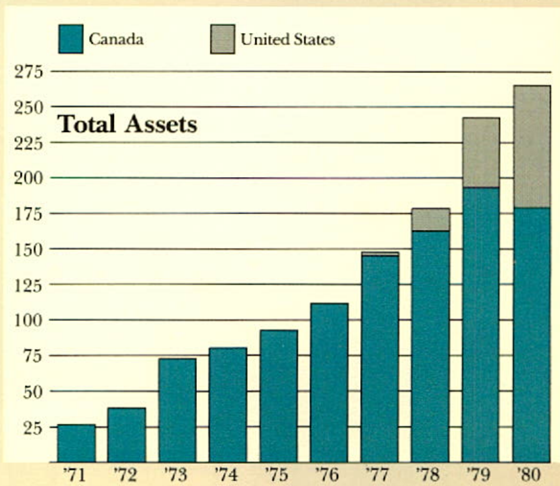












In millions of dollars, except per share figures which are in cents.

Directors and Senior Officers

J. A. Boyle J. W. Westaway
L. R. Cullingworth A. R. Nielsen A. J. Scott
P. J. Costain H. K. Morley G. L. Duff

Report to Shareholders

The recession in the North American housing industry in 1980 was both widespread and deep. Mortgage interest rates reached record levels in the spring, fell several points during the summer and increased again to near-record heights by the end of the year. The downturn in the economy generally was not as spectacular as in the residential sector, but an early recovery faltered, leaving consumers uncertain of the future and unwilling to spend. Inflation did not moderate as was expected: instead it worsened.

Political concerns compounded the economic difficulties. In the United States the Presidential election cast a shadow over practically the whole of 1980, and provided little encouragement for housebuying. Meanwhile, in Canada the Québec referendum, preparation for a new constitution and the presentation of The National Energy Program gave Canadians sufficient cause for concern that they reacted similarly.

Housing demand is largely a function of household formation, which under normal political and economic conditions would be showing a substantial growth at this time. During 1980, however, this failed to materialize. It would appear that a great number of households disappeared as parents moved in with children and children with parents, and at the same time singles doubled up. The potential housing demand remains, but has been postponed.

Financial Review

For the first time in many years there was virtually no growth in the Company's revenue and assets, while earnings and cash flow fell. The financial statements do not fully reflect the Company's considerable diversification into commercial property development and the results were therefore again substantially dependent upon the housing markets, bearing out the extent of the recession.

The Company operated considerably below capacity throughout the year with an adverse effect on profit margins. In some market areas, moreover, inflated costs could not be fully recovered by increased selling prices. Largely as a result of these two factors, the trading profit on all residential sales was down to 12.3 percent of revenue, compared to 17.5 percent in the previous year. Overheads were under control but interest on corporate borrowings rose, partly on account of the exceptionally high cost of money. Cash flow was also adversely affected, not only by the reduced level of earnings, but also by a combination of circumstances affecting deferment of tax on land sales.

Although the total of the real estate assets of the Company has altered little during the year, their geographical distribution is different. Investment in the United States has grown 63 percent to $68 million, to represent 36 percent of the total real estate assets. This trend is continuing. The other change in assets results from the investment in commercial properties. While on the one hand the apartment properties are being progressively disposed of, land purchases are being made with a view to commercial development, and negotiations for joint venture projects are underway. Year end asset figures however understate this activity since a number of the purchase agreements will not close until 1981.

The market value of the Company's assets continues to exceed that recorded in the books. According to professional appraisals this surplus amounts to approximately $59 million, which indicates that the real value of shareholders' equity is in the order of $14.95 per share, fully diluted, after allowing for tax at current rates. This valuation for the first time in many years is slightly lower than the previous year because the realization of the surplus on those properties sold during the period was greater than the year's appreciation of the rest of the assets.

When the housing industry recovers and as the Company's commercial property division matures the opportunities for growth will be considerable. These will probably call for additional equity capital, in preparation for which the creation of a class of preference shares has been authorized. However, no decision has yet been made to issue any series of such shares.

Dividends amounting to approximately $1.6 million have been paid during the year 1980, representing 38 cents per share.

Housing Industry

Canada

The total number of Canadian dwelling units started in 1980 was slightly in excess of 160,000 well below that of any other year since 1966. Some reduction in activity had been expected by the industry but not to the extent experienced. Fortunately, inventories were also lower. On a year-to-year basis newly completed but unoccupied dwelling units in Canada were down 32 percent at December 31, and the number under construction was off 19 percent. It is evident that the industry adjusted to the circumstances in a timely and cautious manner.

According to long-term demographic trends, the need for housing is unquestionably large, averaging approximately 200,000 units annually for several years. Economic and political factors in 1980, of course, prevented that need from being translated into effective demand. While the supply of funds for housing was adequate, mortgage interest rates remained high throughout the year, rising from 13 percent to 17 percent in the first five months, falling to 13 percent again during the summer and increasing to 15 percent by December.

In order to reduce the impact of these high interest rates, Canadian builders have consistently prepaid amounts on mortgages in return for lower coupon rates. The effective rate to house purchasers was in this manner reduced by most builders to less than 12 percent at the beginning of the year and approximately 13½ percent at its end. Very little borrowing was done during the few weeks in which rates peaked.

The term of the typical mortgage has tended to shorten as interest rates have risen. Very few five-year loans were being marketed in the latter part of 1980 and there was a clear preference for one-year terms by the year end. The longer the term the greater the premium the builder has to pay to reduce the interest rate. And, generally speaking, the housebuyer is loathe to assume a long-term commitment at a rate which may in time prove to be higher than the market.

There have also been continuing efforts by the industry to provide some relief from the impact of higher costs. For instance, frontages are now as narrow as 20 feet in certain major Ontario centres, and 30 feet in Calgary and Edmonton. A reduction in house sizes is also widely forecast, although there is little evidence as yet that this is occurring. The market has resisted such economies in the past and may once again reject the smaller house on the grounds that it is not a good investment.

By these various means the industry has been able to market a creditable volume of housing under quite adverse conditions, while using very little government assistance. It should be able to record noticeably better results in 1981 as the pent-up needs for housing are felt, provided only that conditions in the mortgage market ease. Builders can be expected, with few exceptions, to continue to control their inventories carefully, and generally seek to satisfy the needs of the fastest growing sector of the demographic curve, the 30 to 39 year old age group, by building single family units. Advantage will also be taken of the strong demand in major urban centres for quality condominiums. Buyers of these dwellings are to be found amongst the growing numbers of "empty-nesters", as well as young professionals and business people who are today drawn in large numbers to the city and its various amenities.

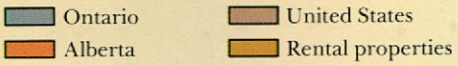
Housing Industry

United States

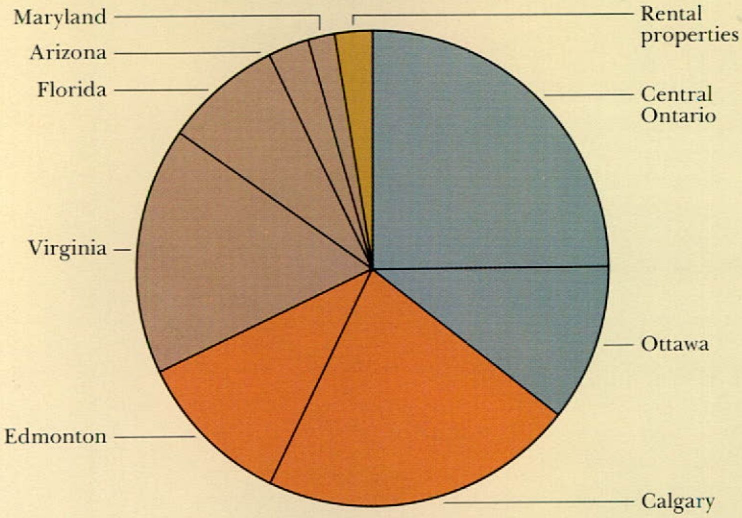
The high cost of money and the volatility of interest rates caused the 1980 housing market in the United States to falter in the same way as in Canada. Predictions that demand would increase as the year progressed were not realized and the total number of housing starts reached only 1.29 million, compared to 1.75 million in 1979 and 2.02 million in 1978.

However, a considerable housing need remains unsatisfied and will make itself felt in the near term. That potential buyers are poised to make a purchase is clear from the heavy traffic experienced by tract builders. But they did not become actual buyers in 1980, for interest rates rose steadily after bottoming at 12 percent in July and by year end exceeded 15 percent. There is little incentive to invest in a home under such circumstances, and particularly at times when interest rates are clearly out of line with the rate of inflation.

Millrise, Calgary (composite photo)



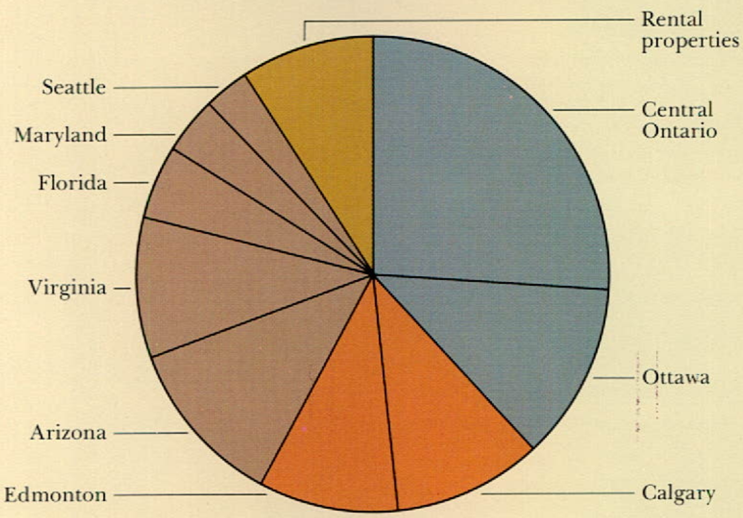
Distribution of Total Revenues (1980)



Distribution of Total Revenues

	1980		1979		1978	
	$ millions	**%**	$ millions	%	$ millions	%
Housing, land, interest and other						
Ontario	**51.0**	**35.4**	78.0	54.7	72.9	75.7
Alberta	**46.7**	**32.5**	34.5	24.2	18.3	19.0
United States	**42.5**	**29.5**	27.4	19.2	2.5	2.6
Rental properties	**3.7**	**2.6**	2.7	1.9	2.6	2.7
	143.9	**100.0**	142.6	100.0	96.3	100.0

Distribution of Real Estate Assets (1980)



Distribution of Real Estate Assets

	1980		1979		1978	
	$ millions	**%**	$ millions	%	$ millions	%
Housing and land						
Ontario	**72.2**	**38.2**	77.7	42.0	81.4	55.3
Alberta	**37.4**	**19.8**	47.5	25.7	35.3	24.0
United States	**62.1**	**32.9**	41.7	22.5	14.8	10.0
Rental properties	**17.2**	**9.1**	18.1	9.8	15.8	10.7
	188.9	**100.0**	185.0	100.0	147.3	100.0

Purchasers however had more to reckon with than merely the high cost of money. There was increasing reluctance on the part of lenders to commit long-term funds at fixed interest rates in today's uncertain inflationary environment and the highly volatile money market. Few were offering the traditional 30-year term and some were promoting instead renegotiable or variable rate mortgages. The fact is that there is a lack of long-term savers and the intermediaries are finally balking at borrowing short and lending long.

These trends are thought not to be temporary. They reflect a fundamental change in the traditional mortgage-saving system which in the past had been used effectively to subsidize and stabilize mortgage rates. However, this system broke down in periods of high inflation. It also discriminated against savers. The measures which have been introduced to correct this situation have brought mortgage interest rates into competition with other forms of long-term debt. This means that, in the future, money will be available for housing at all times, but the borrower will have to pay current money market rates.

In 1981 and thereafter the strength of housing demand will be a function of the ability of the purchaser to pay, as well as his perception of what an acceptable interest rate level is. It is thought that the deterrence threshold rose to 13 percent during 1980 and may even be as high as 14 percent today. Protected partially by the facility of tax deductibility of mortgage interest and the readiness of lending institutions to ease the standards for loan qualification, housebuyers are likely to return to the market in considerable numbers soon after there is a peaking of interest rates.

The Presidential election, which when taken in isolation probably caused the postponement of housebuying generally, has resulted in a political change that can only help the market. If the new administration can succeed in restoring some of the loss of confidence in the United States and improve the prospects for foreign investment the effects on the development industry will be distinctly positive. Above all, any significant reduction in the rate of inflation brought about by an attack on the root cause would prove highly beneficial.

Costain Housing

Canada

The Company's response to the trading environment in Canada in 1980 was intentionally cautious. The combination of extremely high mortgage rates in the spring, with the projected moderation of housing need compared to the past decade, provided no encouragement for building houses on speculation. Inventories were therefore held down and starts were made only as sales were effected. During the summer as money became less expensive it did appear that increased activity would once again become feasible but the easing of rates was short-lived, and the Company was unable to justify any material increase in its building program. At the end of the year the volume of Canadian house sales had reached $63.8 million, compared to $66.8 million in 1979. Alberta accounted for 38 percent of the total volume, compared to 30 percent in 1979.

The arrangement of mortgages was inevitably a most important element in the successful marketing of houses. Of the $50 million of mortgage money used by the Company in Canada in 1980, $20 million was arranged in matched funds, which is money borrowed by a lending institution and immediately loaned to the builder at a marked-up rate for eventual conversion to permanent first mortgages as sales are made. The great majority of the balance of the money used was borrowed at pre-arranged rates rather than on a floating rate basis.

Profit margins on house sales came under pressure again, especially in the East, but since deliveries were often made immediately on completion and inventories were controlled, carrying costs were minimized.

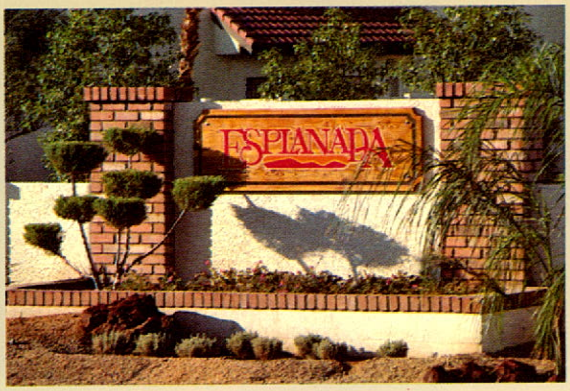
The volume and profitability of land and lot sales were also unfavourable in 1980. Revenue fell from $43.8 million to $29.0 million. In the meantime, however, the planning and processing of raw land for future development was furthered, although with characteristic resistance from the authorities. Land acquisition continued to be concentrated on acreages which could be developed in the short term, especially in the East. As a new departure, luxury condominium sites in Toronto have been purchased for early development.

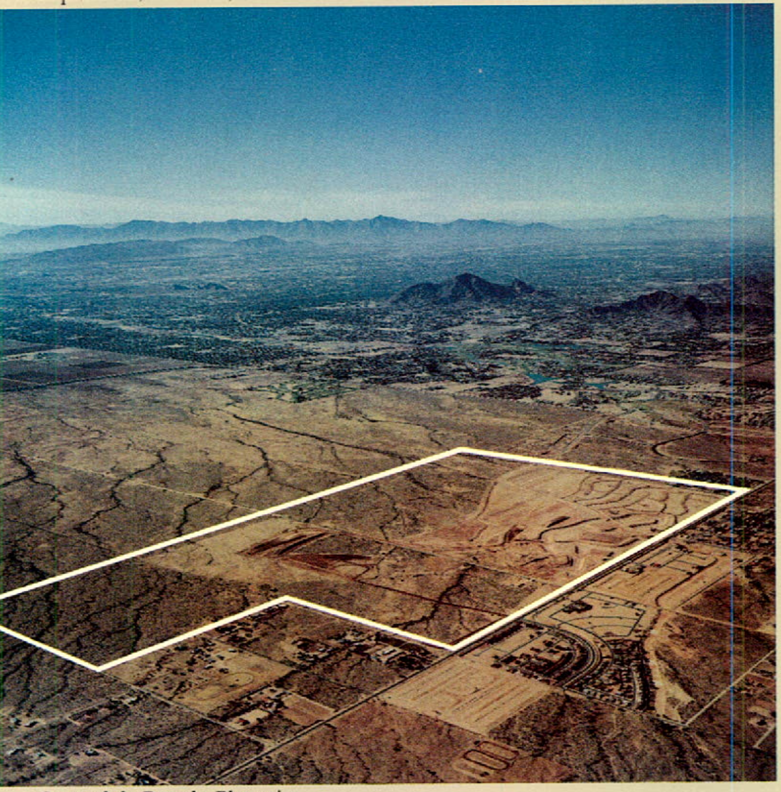
All four Canadian branches traded profitably. The Toronto market proved to be stronger than initially expected, while the demand in Ottawa remained predictably restrained. The Company's three Toronto apartment buildings were sold profitably in the fall in accordance with the policy of concentrating property investment in commercial projects. In Alberta, the housing market was noticeably affected by the uncertainty surrounding the national energy policy, and the confrontation between that Province and the Federal Government.

Little tangible progress has been made in the development of energy-saving housing and little encouragement is likely until the price of energy is allowed to move up to levels which will motivate housebuyers to make conservation a personal objective.

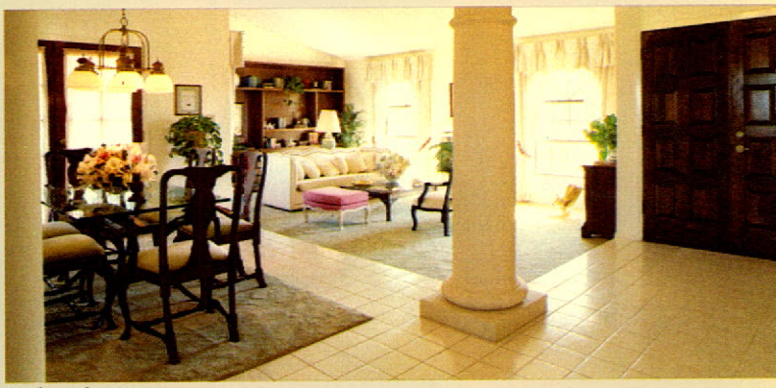
In 1981 the Company's housing volume and profitability in Canada will depend to a great extent upon the timing and degree of any easing of mortgage rates.

Esplanada, Phoenix, Arizona





Scottsdale Ranch, Phoenix



Esplanada

◆ Boca Raton, Florida

Waterways
Miami, Florida

Costain Housing

United States

For the year 1980 revenue and earnings in the United States were both lower than projected, although the ground was laid for profitable operations as soon as economic conditions improve.

Two new branches were opened during the year, Maryland and Seattle. The former, which started activities in January, has already developed one subdivision and successfully marketed its own housing as well as land and lots to other builders. Seattle was established in the spring and has assembled land for development and purchased lots for early building operations.

In Phoenix, Florida and Virginia, land development and housing activities have proceeded satisfactorily but considerably below capacity. Well located lots and development land have been assembled and provide assurance of a profitable expansion of operations in the future.

The results in 1981 will depend largely on interest rate levels. If they remain over 13 percent the Company must anticipate a difficult year. Otherwise, there is considerable potential for earnings. Houses will be closed in at least 18 developments and there is a possibility of further branch openings where land searches are already underway.

Commercial Property Division

There is a strong market demand for commercial space in vital urban centres such as Calgary, Toronto and Washington, D.C. and, in response, rental rates have increased significantly. Location continues of course to be of paramount importance. Selected shopping centre projects are also attractive to the investor, although the opportunities remaining in Canada for this type of development are few.

Unfortunately, because of inflation some lenders are unwilling to provide acceptable long-term financing without being given some participation in the equity. As a means of maintaining a reasonable program of property development this is a useful measure, but hopefully not a permanent one. Any meaningful easing of money rates should permit a return to traditional lending patterns and will lead to a substantial increase in development activity.

Since establishing a property division in 1979 the Company has built a strong organization of qualified and experienced personnel who have carried out investigations of development opportunities throughout North America. A number of agreements have been completed to provide for the purchase or optioning of lands for development, as well as for entering into joint ventures in office building development.

The land acquisitions and options are located in Toronto, Calgary, Denver and Fairfax County, Virginia. These sites hold the potential for producing 687,000 square feet of office space, approximately 60 residential units and 450,000 square feet of shopping centre space.

During 1981 the Company expects to start the development of shopping centres located in Burlington and Calgary. Construction is also planned to begin on a mixed office/residential project located in the Yonge and St. Clair area of Toronto. Meanwhile, new opportunities will continue to be sought out in pursuit of the policy of building up a valuable portfolio of investment properties.

Joint Ventures

In recognition of the increasing use made by the Company of joint ventures, a table is provided elsewhere in this report listing the assets and ownerships of each partnership.

The two early ventures entered into with the Wimpey organization, in Orleans and Scarborough, Ontario, will continue to subdivide and market land for approximately another four years. The more recent project in South Kaskitayo, Edmonton, is expected to commence next winter. Torva Holdings Limited, whose only asset is a 105-acre parcel of land in Vaughan Township, has sold approximately half of the property to the Hydro-Electric Power Corporation of Ontario.

In the third quarter of 1980 a half interest in the 446-acre development of Millrise, Calgary, was sold to a subsidiary of Canada Trust Company, Truscan Realty. Registration of the first phase was achieved before the end of the year and building will start early in 1981. Development will continue over a period of four or five years under Costain management.

The 1,100-acre project in Scottsdale, Arizona which is being developed in joint venture with a subsidiary of Markborough Properties Limited made good progress in 1980. Major services were installed, including the construction of a large lake, and the marketing of lots to builders has begun. The manager of this project is Markborough.

At Tysons Corner, Virginia, the Company has a 50 percent interest with a local developer in the construction of an office building having 177,000 feet of leasable space. Completion is expected early in 1981.

Costain Outlook

The economic recession of 1980 prevented the Company from realizing any meaningful benefits from its recent expansion program. However, it remains in a favourable position to take advantage of the demand which will be released as the economy improves. Although there are political concerns in Canada which may inhibit consumers' buying intentions, this is unlikely to be the case in the United States, where a growing confidence is forecast. Housing profits are expected to be strong, especially in the sunbelt states, and the land market should be active. Approximately 45 percent of total assets will be located in the United States by the end of 1981. Investment in commercial properties will increase during the year to represent between 10 and 15 percent of assets.

In attempting to project earnings for 1981 a key determinant is the timing of the economic upturn. In housing, for instance, there is a considerable lead time between the decision to start construction and the booking of a sale. The problem is aggravated by the need to restrict inventory, because this in turn reduces the facility to capitalize on a revival of demand. On the assumption that interest rates will soften materially by the spring of 1981, it can be said that the earnings for the year should return approximately to the level reached prior to the current recession. Thereafter the likelihood of a renewed upward trend in profits is strong.

Board of Directors

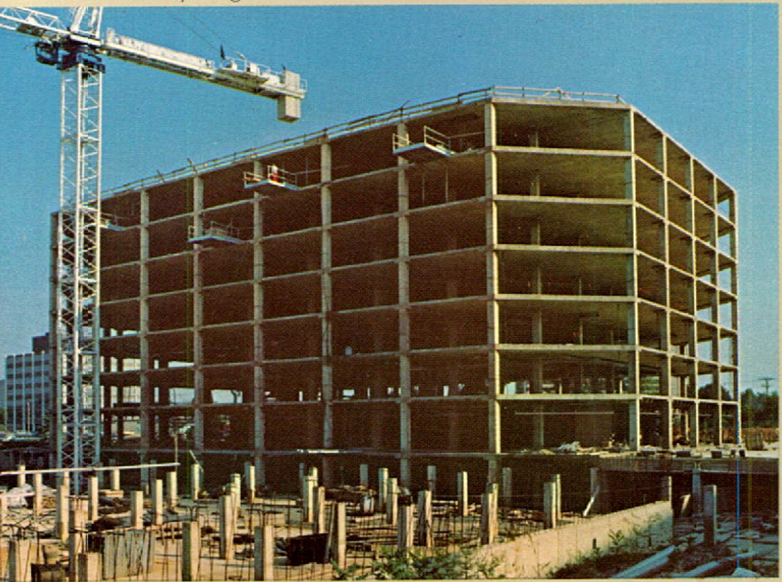
Upon his retirement in June, Herbert J. Mullineaux of London, England resigned from the Board of Directors after having contributed effectively for the past five years. The vacancy left by Mr. Mullineaux's resignation has been filled by Peter J. Costain, Group Chief Executive of Costain Group Limited.

H. K. Morley
Chairman and Chief Executive Officer

G. L. Duff
President

February 18, 1981

Fairfax County, Virginia



Tysons International Office Building
Tysons Corner, Virginia

During twenty-five years as chief executive of the Company I have had the support of a loyal and increasingly qualified staff, to which I am greatly indebted. This has enabled me to share my responsibilities on a progressive basis and eventually to arrive at the point at which I can relinquish with confidence the duties of Chief Executive Officer.

At the Board Meeting immediately following the Annual Meeting of Shareholders on April 22, 1981, Mr. Grant L. Duff will be nominated for appointment as President and Chief Executive Officer. I will stand for the position of Chairman of the Board.

Mr. Duff's abilities are well known to the Company's shareholders, to the real estate industry generally and the financial community as well. He has been an executive of the Company for almost 18 years and a director for 16 years. He was appointed Executive Vice-President in 1967 and President in 1977. His contribution to the Company's success has been substantial and I know I speak for all the members of the Board when I express full confidence in the future of the Company under Mr. Duff's leadership.

H. K. Morley
Chairman and Chief Executive Officer

Current Land and Housing Development Projects

Selected Statistics	Central Ontario	Ottawa	Calgary	Edmonton	Virginia	Maryland	Florida	Arizona	Seattle	Total
Operations During 1980										
Land purchases (acres)	12	–	–	–	428	231	65	368	203	**1,307**
Lot purchases	19	115	133	47	194	–	–	218	34	**760**
Land sales										
Unregistered (acres)	23	–	223	80	–	14	35	10	–	**385**
Registered (acres)	3	1	–	–	–	–	–	–	–	**4**
Lot sales	156	72	33	1	137	–	–	48	–	**447**
Registrations (acres)	14	12	25	–	88	122	16	109	–	**386**
Houses sold and closed	312	184	107	112	120	4	62	12	–	**913**
Houses sold but not closed										
Under construction	39	26	11	12	14	6	21	10	–	**139**
Not started	13	9	7	–	5	8	23	–	–	**65**
Average house price	$85,000	$72,000	$127,000	$96,000	$132,000	$157,000	$123,000	$104,000	–	
Housing Inventory										
At beginning of year	163	71	27	64	77	–	54	–	–	**456**
Started during the year	274	175	106	97	80	11	59	34	–	**836**
Inventory at year end										
Model houses	20	14	5	9	–	–	–	–	–	**48**
Unsold	66	22	10	28	23	1	30	12	–	**192**
Sold but not closed	39	26	11	12	14	6	21	10	–	**139**

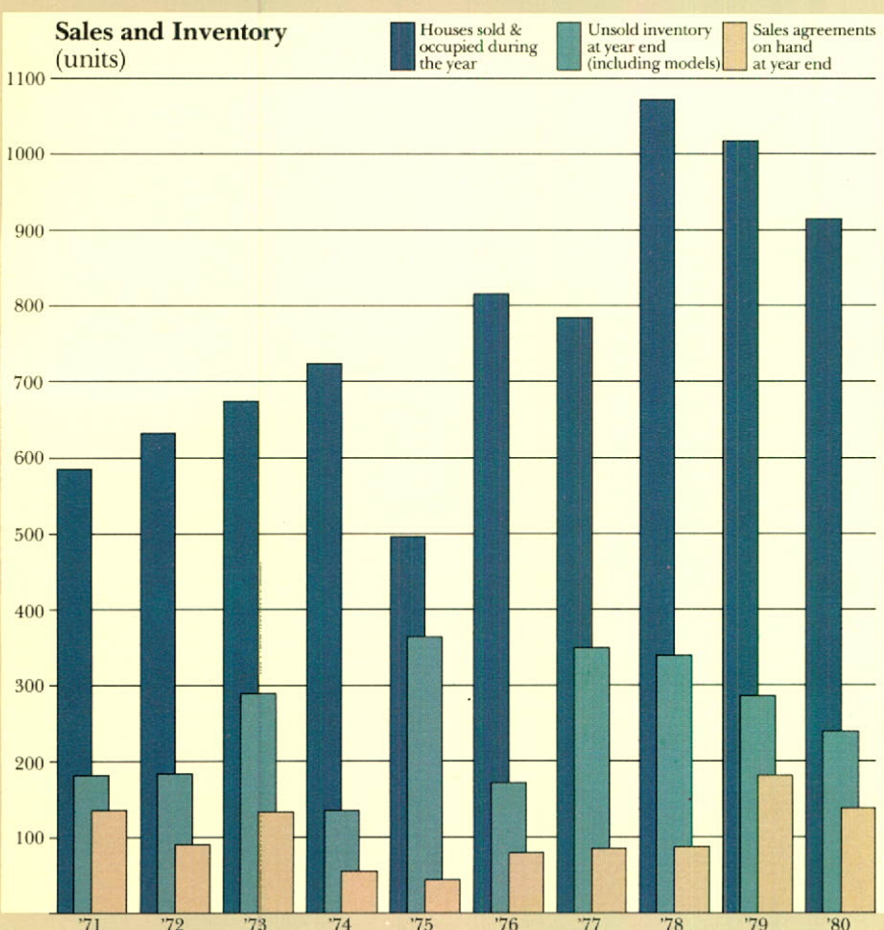
Notes

1. Where lands are held in a partnership or joint venture company, only the Company's proportionate holdings are recorded.

2. Included in this table are 846 acres of land under option or purchase agreement and not yet closed.

3. Subsequent to December 31, 1980 an agreement was entered into to purchase 190 acres of land in Florida.

4. House prices for United States branches are in U.S. dollars.



Joint Ventures and Partnerships

	Ownership	Assets
Orleans, Ottawa	70%	610 acres
Brimley Forest, Scarborough	30%	150 acres
Torva Holdings Limited, Vaughan	50%	59 acres
Woburn Gate Limited, Thornhill	50%	2 acres
Twinbrook, Edmonton	50%	258 acres
Millrise, Calgary	50%	428 acres
Scottsdale Ranch, Arizona	50%	1,044 acres
Tysons International Office Building, Virginia	50%	177,000 sq. ft.

The total assets of joint ventures and partnerships are recorded.

Inventory of Land Holdings at December 31, 1980

	Under Development				Draft Plan Approved, Platted and/or Zoned	Raw	Total
	Lots		Residential	Commercial & Industrial			
	Units	Approx. Acres	Acres	Acres	Acres	Acres	Approx. Acres
Canada							
Central Ontario	424	61	44	–	111	1,018	**1,234**
Ottawa	461	61	114	41	3	952	**1,171**
Calgary	158	22	2	6	48	150	**228**
Edmonton	118	18	–	–	–	288	**306**
United States							
Virginia	413	68	–	–	179	226	**473**
Maryland	335	84	–	–	198	–	**282**
Florida	170	16	–	–	52	–	**68**
Arizona	260	66	–	–	854	–	**920**
Seattle	149	32	–	–	180	–	**212**
	2,488	428	160	47	1,625	2,634	**4,894**

Notes

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2. Included in this table are 846 acres of land under option or purchase agreeement and not yet closed.

3. Subsequent to December 31, 1980 an agreement was entered into to purchase 190 acres of land in Florida.

Appraisal of Assets at December 31, 1980

	Appraisal ($000's)	Book Value ($000's)	Appraisal Surplus ($000's)
Housing and land under development	100,977	80,713	20,264
Land for future development	128,000	91,047	36,953
Rental properties	19,230	17,214	2,016
Total	**248,207**	**188,974**	**59,233**

Notes

1. Housing under construction has been valued at book cost.

2. Appraisal surplus is before tax.

Yonge/St. Clair, Toronto

Office/residential site (left)
70 Rosehill, condominium site (centre)

Burleigh Manor
Howard County, Maryland

COSTAIN LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

General

The financial statements are prepared on the historic cost basis in accordance with accounting principles generally accepted in Canada and conform in all material respects to International Accounting Standards. In addition, the accounting policies and standards of financial disclosure are substantially in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies of which the Company is a member.

Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all wholly-owned, together with the Company's share of the assets, liabilities, revenues and expenses of all incorporated and unincorporated joint ventures in which it participates.

Revenue Recognition

Sales are recorded on the following bases:
House sales – when title to the completed house passes to the purchaser.
Condominium sales – when the amount due on closing has been received and the purchaser has become entitled to occupancy.
Land sales – when all material conditions have been fulfilled and cash or appropriate security equal to at least 15 percent of the sale price has been received.

Revenue from rental properties is included in the consolidated statement of earnings commencing with the month during which 70 percent of rental occupancy is achieved, subject to a reasonable maximum period, from which time all operating and carrying costs are included in the determination of earnings. Prior to such time these costs, net of rental revenue, are capitalized as costs of rental properties.

Capitalization of Costs

Capitalized costs include: development costs which are net of miscellaneous revenue; mortgage interest; realty taxes; interest on general borrowings; and the salaries and expenses of personnel directly involved in development.

Housing and Land

Housing and land under development and land for future development are recorded at the lower of cost and net realizable value. Costs of land and development and capitalized costs are allocated in each subdivision to saleable lots and acreage in proportion to anticipated revenues.

Depreciation and Amortization

Depreciation is recorded on rental properties on a 5 percent, fifty-year sinking fund basis. Under this method, depreciation is charged to income in an amount which increases annually, consisting of a fixed annual sum, together with interest compounded at the rate of 5 percent per annum so as to fully depreciate the buildings over fifty years. Depreciation on other fixed assets is recorded at rates which will depreciate each asset over its estimated useful life.

Deferred financing costs are amortized to income over the term of the debt in relationship to the amount outstanding.

Translation of Foreign Currencies

The accounts of foreign subsidiaries are translated into Canadian dollars as follows:
Monetary assets and liabilities at the exchange rate prevailing at the end of the year;
Real estate assets, fixed assets and depreciation at the rates of exchange prevailing at dates of acquisition;
Cost of housing and serviced land sold, at the weighted average exchange rate prevailing over the development period;
Revenues and other items of expense at the weighted average exchange rate for the year.

Exchange gains or losses (whether realized or unrealized) relating to monetary liabilities which arise with respect to land and housing are considered to be part of the capitalized carrying cost and accordingly are included in determination of the value of real estate assets. Other realized exchange gains and losses are included in the computation of earnings.

Consolidated Statement of Earnings

Costain Limited	Year ended December 31, 1980	Notes	1980 ($000's)	1979 ($000's)
	Revenues			
	Housing and related lots		**93,569**	89,729
	Land		**41,460**	48,231
	Rental properties		**2,717**	2,746
	Interest and other		**6,201**	1,953
	Total revenues		**143,947**	142,659
	Expenses			
	Housing and related lots		**86,499**	82,853
	Land		**31,866**	30,962
	Rental properties		**2,684**	2,842
	General and administrative		**8,096**	7,389
	Interest	11	**7,797**	4,801
	Total expenses		**136,942**	128,847
	Earnings before income taxes		**7,005**	13,812
	Income taxes			
	Current (recovery)		**2,698**	(1,116)
	Deferred		**658**	7,751
	Total income taxes		**3,356**	6,635
	Net earnings		**3,649**	7,177
	Earnings per share: Basic	10	**$ .86**	1.69
	Fully diluted	10	**$ .83**	1.60

Consolidated Statement of Retained Earnings

Costain Limited	Year ended December 31, 1980	1980 ($000's)	1979 ($000's)
	Retained earnings, beginning of year	**29,744**	24,079
	Net earnings	**3,649**	7,177
		33,393	31,256
	Less: Dividends	**1,616**	1,512
	Retained earnings, end of year	**31,777**	29,744

Consolidated Balance Sheet

Costain Limited	December 31, 1980	Notes	1980 ($000's)	1979 ($000's)
Assets	Cash and short term deposits		**12,902**	486
	Accounts receivable		**9,039**	8,263
	Income taxes recoverable		**–**	2,400
	Mortgages and other secured receivables	1	**49,190**	41,766
	Real estate assets	2		
	Housing and land under development	3	**80,713**	72,330
	Land for future development	4	**91,047**	94,629
	Rental properties	5	**17,214**	18,118
	Other assets	6	**4,619**	4,453
	Total assets		**264,724**	242,445
Liabilities	Bank loans	7	**40,615**	16,420
	Accounts payable and accruals		**21,879**	22,008
	Income taxes payable		**2,050**	–
	Mortgages payable	8	**75,015**	77,819
	Debentures payable	9	**66,502**	70,324
	Deferred income taxes		**23,217**	22,559
	Total liabilities		**229,278**	209,130
Shareholders' Equity	Capital stock	10	**3,669**	3,571
	Retained earnings		**31,777**	29,744
	Total shareholders' equity		**35,446**	33,315
	Total liabilities and shareholders' equity		**264,724**	242,445
	Contingent liability	14		

On behalf of the Board:

H. K. Morley
Director

G. L. Duff
Director

Consolidated Statement of Changes in Financial Position

Costain Limited

Year ended December 31, 1980	**1980 ($000's)**	1979 ($000's)
Financial resources were provided by		
Net earnings	**3,649**	7,177
Add non-cash items		
Income taxes deferred	**658**	7,751
Depreciation: Fixed assets	**324**	359
Rental properties	**137**	140
Amortization of deferred financing costs	**222**	190
Cash flow from operations*	**4,990**	15,617
Increase in bank indebtedness	**11,779**	24,182
Issue of additional capital stock	**98**	–
Debenture issue	**–**	20,000
Increase in mortgages payable	**–**	15,215
Net change in other assets and liabilities	**3,922**	–
	20,789	75,014
Financial resources were used for		
Increase in receivables	**8,513**	31,317
Additions to real estate assets	**4,034**	37,942
Redemption of debentures	**3,822**	2,476
Decrease in mortgages payable	**2,804**	–
Dividends	**1,616**	1,512
Net change in other assets and liabilities	**–**	1,767
	20,789	75,014
***Cash flow per share (Basic)**	**$1.17**	3.68

The 1979 figures have been reclassified to conform with the 1980 presentation.

Notes to Consolidated Financial Statements

(Refer to Summary of Significant Accounting Policies)

1. Mortgages and Other Secured Receivables

These amounts, which arise from land sales, bear interest at rates from 5.0% to 18.0%, with a weighted average of 10.7% and mature as follows:

	1980 ($000's)	1979 ($000's)
1980	–	5,839
1981	**14,888**	14,959
1982	**8,347**	7,002
1983	**10,408**	3,415
1984	**6,386**	4,732
1985	**506**	5
Subsequent to 1985	**8,655**	5,814
	49,190	41,766

2. Segmented Information

At a meeting of the Board of Directors it was determined and recorded in the minutes that the predominant business of the Company is the development and sale of residential real estate in Canada and the United States. The Company's expansion plans include the investment in the development of commercial properties in both countries, but the results of this activity are not yet significant in the overall operations. The following summarizes the Company's operations and assets on a geographic basis.

	Canada		United States		Total	
	1980	1979	**1980**	1979	**1980 ($000's)**	1979 ($000's)
Operations						
Total revenues	**101,416**	115,213	**42,531**	27,446	**143,947**	142,659
Operating profit	**12,917**	18,277	**1,885**	336	**14,802**	18,613
Interest expense					**(7,797)**	(4,801)
Net earnings before income taxes					**7,005**	13,812
Assets						
Real estate assets						
Housing and land under development	**45,445**	53,680	**35,268**	18,650	**80,713**	72,330
Land for future development	**64,162**	71,568	**26,885**	23,061	**91,047**	94,629
Rental properties	**11,198**	18,118	**6,016**	–	**17,214**	18,118
	120,805	143,366	**68,169**	41,711	**188,974**	185,077
Other	**58,256**	49,759	**17,494**	7,609	**75,750**	57,368
Total assets	**179,061**	193,125	**85,663**	49,320	**264,724**	242,445

3. Housing and Land Under Development

	1980 ($000's)	1979 ($000's)
Housing under construction including related lots	**31,174**	31,611
Building lots acquired	**7,502**	13,471
Land under development	**42,037**	27,248
	80,713	72,330

4. Land for Future Development

	1980 ($000's)	1979 ($000's)
Opening inventory	**94,629**	75,086
Acquisitions	**10,204**	32,408
Costs capitalized		
Interest	**5,291**	6,120
Real estate taxes	**128**	122
Salaries and expenses	**429**	352
Preliminary development costs	**2,427**	861
	113,108	114,949
Transfers to land under development and land sales	**22,061**	20,320
	91,047	94,629

5. Rental Properties

	1980 ($000's)	1979 ($000's)
Buildings and equipment, at cost	**10,500**	14,889
Less accumulated depreciation	**382**	726
	10,118	14,163
Land, at cost	**1,080**	1,569
	11,198	15,732
Under construction	**6,016**	2,386
	17,214	18,118

6. Other Assets

	1980 ($000's)	1979 ($000's)
Fixed assets – at cost less accumulated depreciation of $1,092,000 (1979 – $933,000)	**1,183**	1,183
Unamortized portion of deferred financing costs	**2,673**	2,820
Prepaid expenses and sundry assets	**763**	450
	4,619	4,453

7. Bank Loans

The Company has created demand debentures which are pledged to secure amounts owing or which may become owing to its banker from time to time. These debentures are secured by way of a floating charge on the undertaking, property and assets of the Company. The Company's banker also holds a general assignment of book debts. This security ranks ahead of the security for the sinking fund debentures.

8. Mortgages Payable

Amounts payable under mortgages and agreements of purchase and sale relate to the following real estate assets:

	1980 ($000's)	1979 ($000's)
Housing and land under development		
Mortgage draws on housing	**12,768**	8,142
Land under development	**19,047**	14,205
Land for future development	**35,396**	43,833
Rental properties	**7,804**	11,639
	75,015	77,819

Mortgage draws on housing represent first mortgage financing and will be assumed by purchasers as the properties are sold.

Interest rates and approximate principal repayments are as follows:

	Land under develop-ment	Land for future develop-ment	Rental properties	Total
Range of rates	8.0%-23.5%	6.0%-20.0%	9.125%-11.375%	6.0%-23.5%
Weighted average	13.1%	11.2%	10.1%	11.6%
Principal due ($000's)				
1981	9,807	7,893	33	17,733
1982	6,784	12,209	37	19,030
1983	1,425	4,313	41	5,779
1984	1,031	4,090	45	5,166
1985	–	1,163	50	1,213
Subsequent to 1985	–	5,728	7,598	13,326
	19,047	35,396	7,804	62,247

9. Debentures Payable

	1980 ($000's)	1979 ($000's)
9¼% Sinking Fund Debentures Series A maturing May 15, 1991	**3,282**	3,472
11½% Sinking Fund Debentures Series B maturing February 12, 1990	**7,007**	9,500
11¼% Sinking Fund Debentures Series D maturing June 15, 1997	**13,289**	13,650
11⅜% Sinking Fund Debentures Series E maturing November 1, 1998	**23,763**	24,102
12% Sinking Fund Debentures Series F maturing October 15, 1999	**19,161**	19,600
	66,502	70,324

The debentures are secured by a floating charge on the assets of the Company (subject to the security referred to in Note 7).

The holders of any Series D, E or F debentures have the right to require the Company to prepay the principal amounts on June 15, 1987, November 1, 1988 or October 15, 1989, respectively.

The Company is required to establish sinking funds sufficient to retire the following principal amounts:
Series A issue, presently $150,000 principal amount annually on May 15, rising to $250,000 in the years 1987 through 1990;
Series B issue, commencing in 1981, $448,440 annually, changing to $523,180 in the years 1986 through 1989;
Series D issue, presently $450,000 principal amount annually on June 15, changing to 6% of the principal amount outstanding on June 15, 1987 in the years 1988 through 1996;
Series E issue, commencing in 1989, 4% annually of the principal amount outstanding on November 1, 1988. Under a purchase fund obligation, expiring in 1988, the Company agrees to use all reasonable efforts to acquire in each 12–month period ending October 31, $500,000 principal amount of Series E debentures at a price not exceeding the principal amount thereof;
Series F issue, commencing in 1990, 4% annually of the principal amount outstanding on October 15, 1989. Under a purchase fund obligation, expiring in 1989, the Company agrees to use all reasonable efforts to acquire in each 12–month period ending October 14, $400,000 principal amount of Series F debentures at a price not exceeding the principal amount thereof.

Retirements made during 1980 as a result of sinking and purchase fund requirements and retraction provisions relating to the Series B issue are as follows:

	1980 ($000's)	1979 ($000's)
Series A	**190**	228
Series B	**2,493**	500
Series D	**361**	450
Series E	**339**	898
Series F	**439**	400
	3,822	2,476

10. Capital Stock

The authorized capital comprises 6,000,000 common shares without nominal or par value and an unlimited number of preferred shares issuable in series. At December 31, 1980, 4,269,762 common shares were issued and outstanding (1979 – 4,238,400 common shares). No preferred shares have been issued. For purposes of calculating earnings per share, the weighted average number of shares outstanding during the year was 4,247,691 (1979 – 4,238,400 shares).

At December 31, 1980, 56,958 share purchase warrants were outstanding (1979 – 88,320). These warrants carry the right to purchase the Company's common shares at $3.17 per share to and including May 15, 1981, at which time the warrants expire. During 1980, 31,362 warrants were exercised.

Under the Company's stock option plan for senior officers, 186,600 common shares have been reserved for options. During the year options relating to 34,500 shares were cancelled.

Summary of options outstanding at December 31, 1980 is as follows:

Date Granted	Date Expiring	Number	Exercise Price
Nov. 15, 1977	Nov. 15, 1982	112,500	$4.67
Apr. 11, 1978	Apr. 11, 1983	59,100	6.50
Nov. 9, 1979	Nov. 9, 1984	15,000	6.92

The exercise of the warrants and options referred to above would have had a dilutive effect on earnings per share of approximately 3 cents per share for the year ended December 31, 1980.

During 1980 the Company established an employee share purchase plan under which 168,400 common shares have been reserved for issuance at 90% of the market price at date of issue. This plan provides for the creation of a Trust to hold the shares on behalf of employees as security for loans made to employees by the Company to fund the initial share purchases. The issuance of shares is subject to obtaining the necessary regulatory approvals and resolutions of the Board of Directors of the Company designating the allotment of shares to specific employees. At December 31, 1980 no shares have been allocated to employees under the plan.

11. Interest Incurred

	1980 ($000's)	1979 ($000's)
Interest charges were incurred from:		
Mortgages	**8,684**	8,315
Debentures	**7,803**	6,331
Bank	**3,796**	2,084
	20,283	16,730
Interest was allocated to:		
Housing and land under development	**1,367**	874
Land for future development	**5,291**	6,120
Rental property under construction	**69**	72
Expense		
Rental properties	**1,029**	1,103
Housing and land	**4,730**	3,760
Interest	**7,797**	4,801
	20,283	16,730

12. Joint Venture Operations

The Company's share of real estate joint venture operations accounted for on a line-by-line basis is summarized as follows:

	1980 ($000's)	1979 ($000's)
Assets		
Cash and short term deposits	**57**	16
Accounts receivable	**500**	88
Mortgages receivable	**5,395**	4,716
Real estate assets		
Land under development	**8,500**	3,554
Land for future development	**33,443**	22,798
Rental properties	**6,016**	–
Total assets	**53,911**	31,172
Liabilities		
Bank loans	**6,187**	216
Accounts payable and accruals	**3,026**	1,173
Mortgages payable	**13,900**	12,966
Deferred income taxes	**4,456**	4,170
Total liabilities	**27,569**	18,525
Investment in real estate joint ventures	**26,342**	12,647
Total liabilities and investment	**53,911**	31,172

Revenues	**6,831**	9,655
Expenses	**3,754**	4,734
Earnings from real estate joint ventures before income taxes and general and administrative expenses and interest	**3,077**	4,921

13. Net Increase in Capitalized Costs in Housing and Land

	1980 ($000's)	1979 ($000's)
Interest		
On housing and land under development	**1,367**	874
On land for future development	**5,291**	6,120
Real estate taxes	**225**	266
Salaries and expenses	**929**	502
	7,812	7,762
Capitalized costs previously incurred, charged to expenses	**3,046**	4,048
Net increase in capitalized costs	**4,766**	3,714

14. Contingent Liability

The Company is one of three defendants in an action for damages in the aggregate of $4,026,000 pertaining to a drainage situation in one of its subdivisions. The action, which was brought in 1975, has not yet come to trial but the Company anticipates a favourable result.

15. Subsequent Event

In February 1981, through a newly-formed subsidiary, the Company acquired approximately 190 acres of land known as the "Waterways" in Dade County, north of Miami, Florida at a cost of U.S. $29,000,000.

Peat, Marwick, Mitchell & Co.

Auditors' Report to Shareholders

We have examined the consolidated balance sheet of Costain Limited as at December 31, 1980 and the consolidated statements of earnings, 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 December 31, 1980 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.

Peat, Marwick, Mitchell & Co.

Chartered Accountants

Toronto, Canada
February 18, 1981

Historical Review

Year ended December 31	1980 ($000's)	1980 % of Total Revenues	1979 ($000's)	1979 % of Total Revenues	1978 ($000's)	1978 % of Total Revenues	1977 ($000's)	1977 % of Total Revenues
Statement of Earnings								
Revenues								
Housing and related lots	**93,569**	**65.0**	89,729	62.9	77,212	80.2	54,183	70.2
Land	**41,460**	**28.8**	48,231	33.8	14,432	15.0	18,983	24.6
Rental properties	**2,717**	**1.9**	2,746	1.9	2,584	2.7	2,422	3.1
Interest and other	**6,201**	**4.3**	1,953	1.4	2,033	2.1	1,599	2.1
Total revenues	**143,947**	**100.0**	142,659	100.0	96,261	100.0	77,187	100.0
Expenses								
Housing and related lots	**86,499**	**60.1**	82,853	58.1	64,567	67.1	46,191	59.8
Land	**31,866**	**22.1**	30,962	21.7	7,576	7.9	10,572	13.7
Rental properties	**2,684**	**1.9**	2,842	2.0	2,749	2.8	2,617	3.4
General and administrative	**8,096**	**5.6**	7,389	5.2	5,060	5.2	4,032	5.2
Interest	**7,797**	**5.4**	4,801	3.3	2,685	2.8	1,911	2.5
Total expenses	**136,942**	**95.1**	128,847	90.3	82,637	85.8	65,323	84.6
Earnings before income taxes	**7,005**	**4.9**	13,812	9.7	13,624	14.2	11,864	15.4
Income taxes								
Current (recovery)	**2,698**	**1.9**	(1,116)	(.7)	5,274	5.5	2,252	2.9
Deferred	**658**	**.5**	7,751	5.4	1,349	1.4	3,612	4.7
Total income taxes	**3,356**	**2.4**	6,635	4.7	6,623	6.9	5,864	7.6
Net earnings	**3,649**	**2.5**	7,177	5.0	7,001	7.3	6,000	7.8

Statistics

	1980	1979	1978	1977
Earnings per share	**$ .86**	1.69	1.65	1.43
Fully diluted earnings per share	**$ .83**	1.60	1.56	1.34
Cash flow per share	**$1.17**	3.68	2.09	2.38
Dividends per share	**$.380**	.357	.270	.183
Total assets ($000's)	**264,724**	242,445	178,529	148,136
Real estate assets				
Housing and land under development ($000's)	**80,713**	72,330	56,335	46,534
Land for future development ($000's)	**91,047**	94,629	75,086	60,399
Rental properties ($000's)	**17,214**	18,118	15,854	15,925
Shareholders' equity ($000's)	**35,446**	33,315	27,650	21,776
Average number of shares outstanding	**4,247,691**	4,238,400	4,234,161	4,202,669
Shareholders' equity per share	**$8.30**	7.86	6.53	5.15
Return on shareholders' equity	**10.6%**	23.5%	28.3%	30.9%
Return on revenues	**2.5%**	5.0%	7.3%	7.8%
Housing units sold and occupied	**913**	1,018	1,071	784
Building lots sold	**447**	926	468	837
Inventory of land holdings (acres)	**4,894**	4,603	4,445	3,813
Stock price range	**$11⅜ - 6½**	11½ - 6½	9⅓ - 5	5⅞ - 2⅔

1976		1975		1974		1973		1972		1971	
($000's)	% of Total Revenues	($000's)	% of Total Revenues	($000's)	% of Total Revenues	($000's)	% of Total Revenues	($000's)	% of Total Revenues	($000's)	% of Total Revenues
44,423	78.7	28,713	74.9	33,350	83.4	24,127	72.7	21,111	79.4	18,554	91.1
8,734	15.5	6,865	17.9	4,799	12.0	8,350	25.2	4,982	18.7	1,434	7.0
2,181	3.9	2,069	5.4	1,149	2.9	24	0.1	–	–	–	–
1,088	1.9	689	1.8	687	1.7	689	2.0	503	1.9	383	1.9
56,426	100.0	38,336	100.0	39,985	100.0	33,190	100.0	26,596	100.0	20,371	100.0
37,010	65.6	22,691	59.2	26,625	66.6	21,054	63.4	18,813	70.7	16,012	78.6
4,550	8.1	3,859	10.1	3,392	8.5	5,651	17.1	3,684	13.9	950	4.7
2,495	4.4	2,274	5.9	1,328	3.3	26	0.1	–	–	–	–
3,079	5.5	2,434	6.3	2,148	5.4	1,621	4.9	1,140	4.3	944	4.6
1,101	1.9	747	2.0	583	1.4	583	1.7	440	1.6	387	1.9
48,235	85.5	32,005	83.5	34,076	85.2	28,935	87.2	24,077	90.5	18,293	89.8
8,191	14.5	6,331	16.5	5,909	14.8	4,255	12.8	2,519	9.5	2,078	10.2
812	1.4	1,595	4.2	1,815	4.5	441	1.3	830	3.2	763	3.8
3,040	5.4	1,544	4.0	1,397	3.5	1,875	5.7	404	1.5	287	1.4
3,852	6.8	3,139	8.2	3,212	8.0	2,316	7.0	1,234	4.7	1,050	5.2
4,339	7.7	3,192	8.3	2,697	6.8	1,939	5.8	1,285	4.8	1,028	5.0

1.07	.79	.67	.48	.32	.26
.96	.71	.60	.44	.30	.24
1.89	1.22	1.06	.97	.44	.35
.133	.133	.083	.083	.083	.083
111,646	92,625	79,852	74,313	37,118	25,205
24,170	18,826	11,394	16,700	9,029	9,642
54,157	46,985	43,701	31,772	17,693	11,686
16,031	16,134	16,128	14,118	764	–
17,076	13,143	10,486	8,115	6,480	5,534
4,053,591	4,037,988	4,035,033	4,028,991	4,009,101	3,990,849
4.16	3.25	2.60	2.01	1.61	1.39
28.7%	27.0%	29.0%	26.6%	21.4%	19.8%
7.7%	8.3%	6.8%	5.8%	4.8%	5.0%
814	498	724	674	633	587
323	358	391	651	360	162
3,614	3,582	3,710	3,442	2,277	2,119
3½ - 2⅛	3¼ - 1⅞	3¼ - 1⅔	3⅛ - 1¾	3⅔ - 2⅜	2⅔ - 1⅝

Corporate Information

Directors

J. A. Boyle, *Toronto*
President
The Toronto-Dominion Bank

P. J. Costain
London, England
Group Chief Executive
Costain Group Limited

G. L. Duff, *Toronto*

H. K. Morley, *Toronto*

A. R. Nielsen
Calgary, Alberta
President and
Chief Executive Officer
Canadian Superior Oil Ltd.

J. W. Westaway, *Toronto*
Chairman of the Board
Barbecon Inc.

Officers

H. K. Morley, B.Sc.(Tech.)
Chairman and
Chief Executive Officer

G. L. Duff, B.A.Sc., P.Eng.
President

L. R. Cullingworth, B.A.Sc., P.Eng., MBA
Executive Vice-President

A. J. Scott, B.Sc., M.I.C.E., P.Eng.
Senior Vice-President

J. DeGroot, B.A., MBA
Vice-President

T. E. Lansky, B.A.Sc., P.Eng., O.L.S.
Vice-President

L. Parker, C.A.
Vice-President, Administration

M. A. Pittana, B.A., M.A., MBA
Vice-President
Commercial Development

R. D. Riggs
Vice-President
Residential Construction

S. Wilson
Vice-President, Land Development

F. W. Witzu
Vice-President, Marketing

M. Miller, B.A., R.I.A.
Senior Controller

Corporate Office

Toronto
4881 Yonge Street
Willowdale, Ontario
M2N 5Z3

Canadian Operations

Central Ontario Region
H. Stolp, *Manager*
1110 Finch Avenue West
Downsview (Toronto), Ontario
M3J 2T2

Ottawa
M. Lalande, *Manager*
1811 St. Joseph Boulevard
Box 558, R.R. #2
Orleans, Ontario
K1C 1T1

Edmonton
T. E. Lansky, *Vice-President*
4367 - 99th Street
Edmonton, Alberta
T6E 5E4

Calgary
D. V. Spillenaar, *Manager*
5920 - 1A Street S.W.
Calgary, Alberta
T2H 0G3

United States Operations

Costain Arizona Inc.
P. E. Kennedy, *President*
2150 East Highland
Phoenix, Arizona
85016

Costain Florida Inc.
M. E. Zenobia,
Executive Vice-President
181 N. Crawford Boulevard
Boca Raton, Florida
33432

Costain Maryland Inc.
D. B. Adler,
Executive Vice-President
The Clark Building
Columbia, Maryland
21044

Costain Seattle Inc.
L. W. Ettner, *President*
12301 N.E. 10th Place
Bellevue, Washington
98005

Costain Washington Inc.
M. E. McGuire,
Executive Vice-President
10710 Lee Highway
Fairfax, Virginia
22030

Wholly-Owned Subsidiaries
Costain Inc.
Costain Arizona Inc.
Costain Colorado Inc.
Costain Florida Inc.
Costain Maryland Inc.
Costain Seattle Inc.
Costain Washington Inc.
Costain Waterways Inc.

Associated Companies
50% Owned
Torva Holdings Limited
Woburn Gate Limited

Transfer Agent and Registrar
Canada Permanent Trust Company

Trustee for Debentures
National Trust Company, Limited

Auditors
Peat, Marwick, Mitchell & Co.

Banker
The Toronto-Dominion Bank

Incorporation
Under the Canada Business Corporations Act

Stock Exchange Listings
Toronto and Montreal
(Symbol COT)

Annual Meeting
April 22, 1981
The Sheraton Centre, Toronto

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