

OXFORD
DEVELOPMENT
GROUP
LTD

1976 ANNUAL REPORT

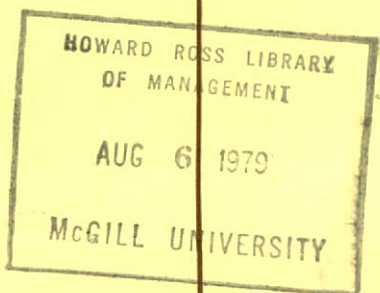


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HEAD OFFICE

2300 Royal Trust Tower
Edmonton Centre
Edmonton, Alberta

AUDITORS

Price Waterhouse & Co.
Edmonton, Alberta

REGISTRAR AND TRANSFER AGENT

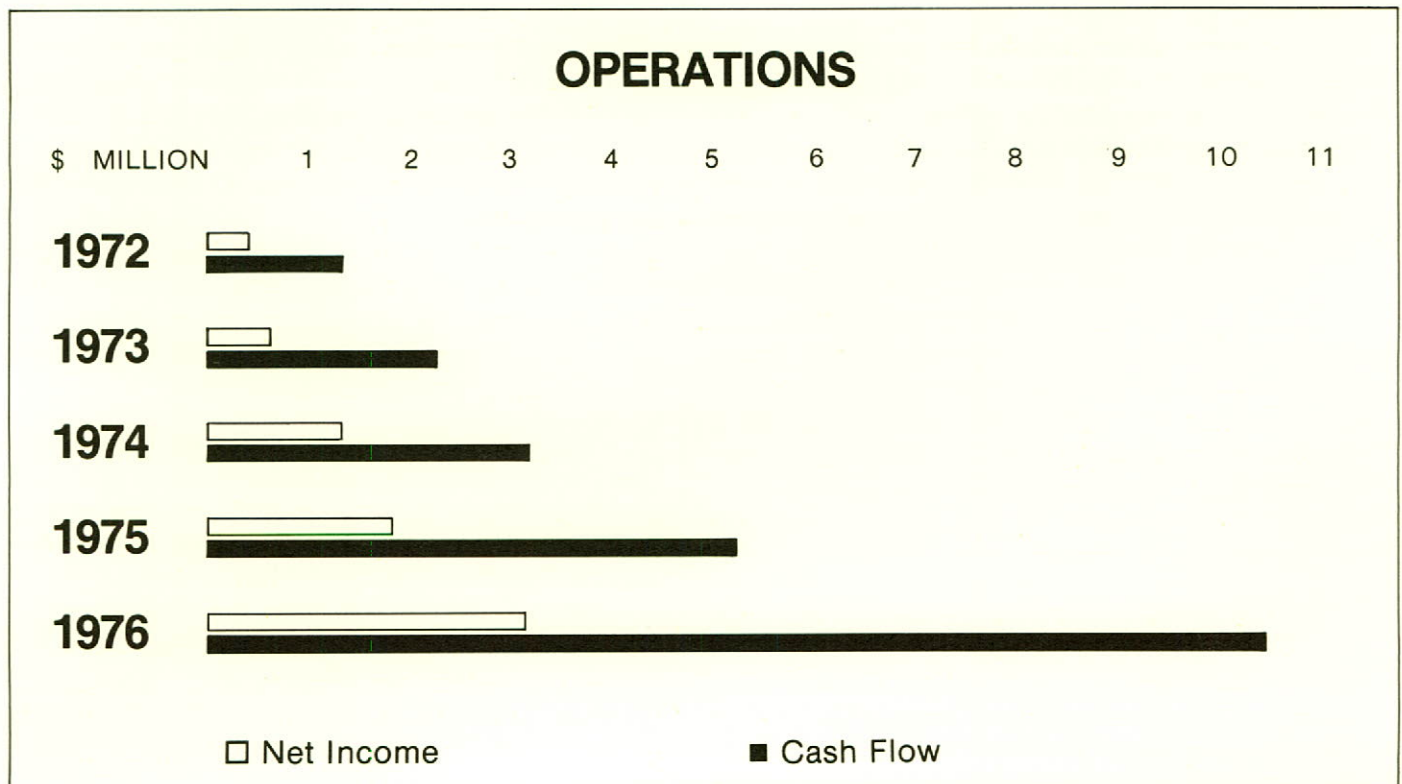
The Canada Trust Company
Edmonton, Toronto,
Winnipeg, Regina, Calgary,
Vancouver.

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Financial Highlights

	1976	1975	Increase
Total Assets _____	\$ 474,800,000	\$ 262,237,000	81%
Rental Revenue _____	40,987,000	20,282,000	102%
Net income _____	3,033,000	1,889,000	61%
Net income per common share * _____	45¢	35¢	29%
Cash flow from operations _____	10,327,000	5,108,000	102%
Operating Cash flow per common share * _____	\$1.34	88¢	52%

*Fully diluted



Chairman's Report to Shareholders



It is a pleasure to present the annual report to Shareholders for the year ended March 31, 1976. Oxford has continued its growth with a 52% increase in cash flow from 88¢ per share to \$1.34 per share on a fully diluted basis and a 29% increase in earnings from 35¢ per share to 45¢ per share over the previous fiscal period.

During the year Oxford continued its program of creating and acquiring quality commercial real estate, with emphasis on the generation of operating cash flows which provide a reliable and increasing return on invested capital. The significant increase in the Company's cash flow provides an excellent source of equity for new development projects.

Development expenditures during the year were in excess of \$55 million. An additional \$53 million was spent on acquisition of operating companies. The book value of properties held for future development projects increased by \$17 million.

A significant acquisition was made in May, with the purchase by the Company's subsidiary, Oxford Shopping Centres Ltd., of a 68% interest in Cambridge Leaseholds Limited of Toronto from the controlling shareholders. In July the Company increased its interest in Cambridge to 99.9% as a result of extending its share offer to all shareholders of the company. This acquisition was financed by the issue from treasury of common shares of Oxford, Oxford Shopping Centres Ltd., and a term bank loan.

This acquisition has added 5.4 million square feet of shopping centre properties to the Company's portfolio together with \$9 million in book value of lands available for future development and a number of shopping centre projects currently in the early stages of development. Cambridge has been one of the most successful shopping centre developers and managers in Canada, and the addition of the Cambridge management has greatly strengthened Oxford's capacity in this field of endeavour.

Despite unsettled economic conditions, Oxford has more development projects under construction, both in Canada and the United States, than ever before in its history, including:

Oxford Square, Calgary — an \$80 million downtown integrated development in Calgary consisting of a three level retail podium of 225,000 rentable square feet, capped by a 2.5 acre public park and two office towers with a total of 750,000 rentable square feet. The retail space is scheduled to open in October of 1976, the office towers in early 1977, and the park in late 1977.

The Bank of Commerce Building, Halifax — a \$12 million office tower presently under construction in Halifax which is the first phase of an integrated retail and office complex in the downtown area. This project is being undertaken by Durham Leaseholds, a joint venture of Oxford and Halifax Developments. Phase I is scheduled for completion in late 1977.

The hotel phase of Edmonton Centre, Edmonton — a 322 room hotel to be operated by the Four Seasons Hotel Company, a 150 stall parking garage, retail facilities and the provision for the third office tower which will complete the total Edmonton Centre program. When completed this project, costing in excess of \$100,000,000, will contain 675,000 square feet of retail space, 800,000 square feet of office space, parking for 1,000 cars and the Four Season's hotel.

The Colorado Square Building, Colorado Springs — a \$12 million project scheduled to open in September of 1976. The major tenant in the first phase of this project is the Colorado Interstate Gas Company.

Denver Square, Denver, Colorado — The first phase of Denver Square, a 38-storey office tower is now under construction for completion in Mid-1978. Further phasing of Denver Square includes a retail annex and a 550 room hotel.

Following company policy the projects as described above are all being constructed under guaranteed upset price construction contracts,

have long term mortgage financing committed and are adequately pre-leased.

Of significant importance to shareholders is the Company's program in the United States. In addition to the two projects under construction in Colorado the Company is presently undertaking development programs in downtown Minneapolis and St. Paul, Minnesota. Also, negotiations are nearing completion for development of an office park in Lake Buena Vista, Florida, the host community to Walt Disney World.

The shopping centre group is expected to begin construction in August on Niagara Square, a regional shopping centre to be built near Niagara Falls. Expansion plans for the Company's Waterloo Square shopping centre are well advanced with construction planned for the fall of 1976. In addition, the Company's shopping centre division has finalized an arrangement with a joint venture partner to develop the North Waterloo shopping centre, a regional centre just north of Waterloo, Ontario.

In association with Nu-West Development Corporation Ltd. and a consortium of Calgary businessmen the Company is undertaking studies of a 28 acre commercial site in downtown Calgary.

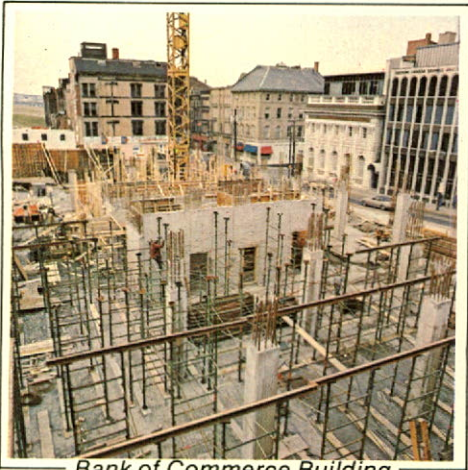
Delta Hotels Ltd., in which Oxford owns a significant interest, opened during the past year the first hotel outside of British Columbia, the Chelsea Inn in Toronto. This hotel is being operated under a management contract and is the first step in the Company's plan for a proposed hotel group located in the major urban areas of Canada.

Oxford believes that the interests of the Company and its shareholders will continue to be best served by carefully following a policy of selected geographic diversification in Canada and the United States, and by concentrating on the development and operation of commercial real estate. It is therefore the Company's intent to continue to pursue development and acquisition opportunities of commercial real estate in major growth oriented cities throughout North America.

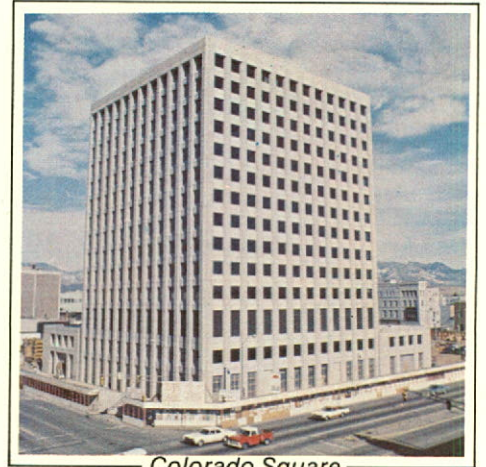


Chairman and President
May 20, 1976

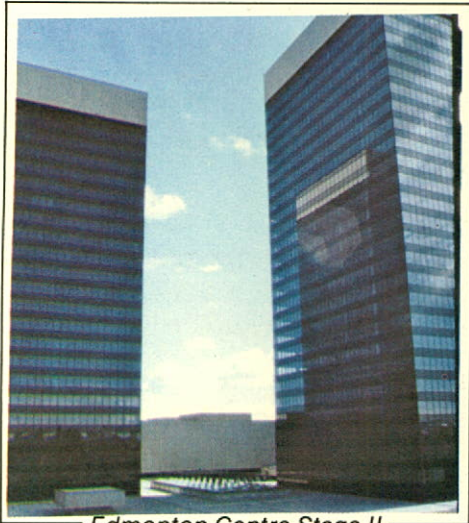
Construction Progress



Bank of Commerce Building
Halifax, Nova Scotia
Completion - 1977



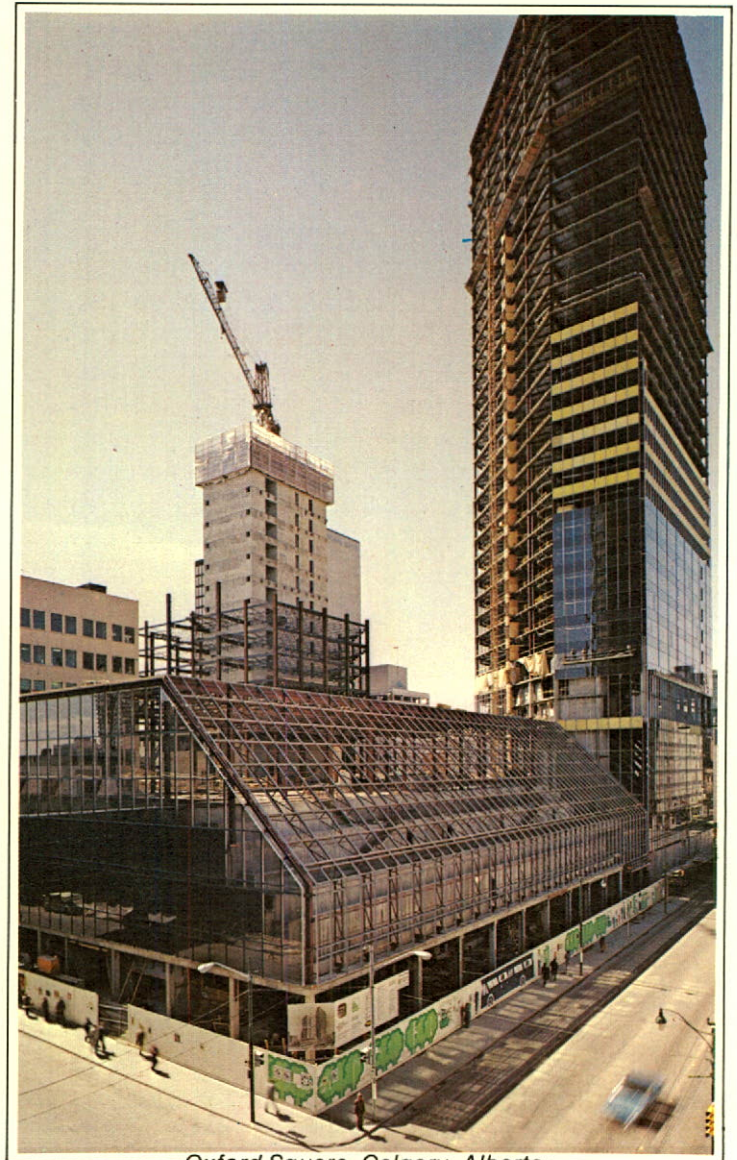
Colorado Square
Colorado Springs, Colorado
Completion - 1976



Edmonton Centre Stage II
Edmonton, Alberta
Completion - 1976



Denver Square
Denver, Colorado
Completion - 1978



Oxford Square, Calgary, Alberta
Completion - 1977

Development Projects



*Bank of Commerce Building
Granville Place - Phase I
Halifax, Nova Scotia*



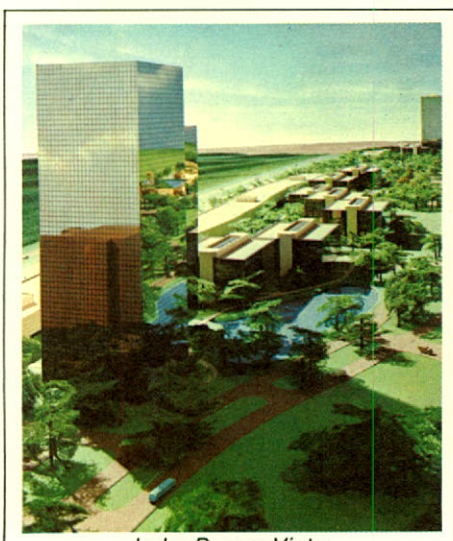
*Denver Square
Denver, Colorado*



*Waterloo Square
Waterloo, Ontario*



*Oxford Square
Calgary, Alberta*



*Lake Buena Vista
Florida*



*Niagara Square
Niagara Falls, Ontario*



*Edmonton Centre Hotel
Edmonton, Alberta*

Five Year Financial Highlights

(In thousands)

	1976	1975	1974	1973	1972
Total assets _____	474,800	262,237	176,093	120,572	96,219
Shareholders' equity _____	46,558	29,172	23,853	17,282	16,194
Rental revenue _____	40,987	20,282	11,891	10,296	9,472
Operating cash flow _____	10,327	5,108	3,162	2,176	1,391
Net income before extraordinary items _____	3,033	1,889	1,240	626	389
Average common shares outstanding ** _____	6,387	5,400	4,712	3,832	3,804
Net income per common share * _____	45¢	35¢	33¢	16¢	10¢
Cash flow per common share * _____	\$1.34	88¢	66¢	57¢	37¢

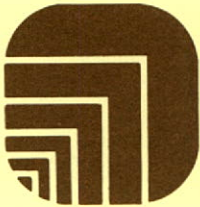
* Fully diluted

** After two-for-one subdivision in fiscal 1976.



Garden Court Yard
Edmonton Centre

Financial Statements



OXFORD
DEVELOPMENT
GROUP
LTD

March 31, 1976

Consolidated Statement of Income

	Year ended March 31	
	1976 (\$000)	1975 (\$000)
Rental revenue _____	\$40,987	\$20,282
Operating expenses _____	7,433	4,574
Interest _____	17,682	8,959
Property taxes _____	3,475	2,220
Depreciation and amortization _____	2,847	1,533
	<u>31,437</u>	<u>17,286</u>
Operating profit from properties _____	9,550	2,996
Development and management fee income _____	705	574
Interest and other income _____	772	576
Gains on sale of property _____	3,447	1,288
	<u>14,474</u>	<u>5,434</u>
General and administrative expenses _____	3,133	1,027
Interest on general bank borrowings _____	3,861	739
Minority interest in income _____	586	203
Income taxes _____	3,861	1,576
	<u>11,441</u>	<u>3,545</u>
Net income _____	<u>\$3,033</u>	<u>\$1,889</u>
Net income per common share (note 11)		
Basic _____	46¢	35¢
Fully diluted _____	45¢	35¢

Consolidated Statement of Retained Earnings

	Year ended March 31	
	1976 (\$000)	1975 (\$000)
Retained earnings, beginning of year _____	\$5,092	\$3,548
Net income _____	3,033	1,889
	<u>8,125</u>	<u>5,437</u>
Dividends — common _____	386	345
— preference _____	89	—
	<u>475</u>	<u>345</u>
Retained earnings, end of year _____	<u>\$7,650</u>	<u>\$5,092</u>

Consolidated Balance Sheet

ASSETS

	March 31	
	1976 (\$000)	1975 (\$000)
Properties:		
Revenue producing (note 3) _____	\$318,811	\$158,958
Under development _____	60,485	37,676
Held for future development (note 4) _____	54,293	37,146
	<u>433,589</u>	<u>233,780</u>
Cash _____	2,120	219
Amounts receivable (note 5) _____	22,221	13,866
Prepaid expenses and deposits _____	2,449	2,039
Investment in and advances to affiliates (note 6) _____	1,488	1,367
Deferred charges _____	6,403	4,436
Unallocated cost of subsidiary shares over net book value at acquisition date (note 1) _____	6,530	6,530
	<u>\$474,800</u>	<u>\$262,237</u>

LIABILITIES

Liabilities on properties (note 7):		
Revenue producing _____	\$240,850	\$141,282
Under development _____	45,592	23,951
Held for future development _____	23,096	13,378
	<u>309,538</u>	<u>178,611</u>
Bank indebtedness (note 8) _____	43,298	13,558
Accounts payable and accrued liabilities _____	13,296	6,042
Notes and debentures (note 9) _____	31,455	24,225
Deferred income taxes _____	17,202	7,004
Minority interest _____	13,453	3,625
	<u>428,242</u>	<u>233,065</u>

SHAREHOLDERS' EQUITY

Share capital (note 10) _____	34,642	24,080
Contributed surplus (note 2) _____	4,266	—
Retained earnings _____	7,650	5,092
	<u>46,558</u>	<u>29,172</u>
	<u>\$474,800</u>	<u>\$262,237</u>

Approved by the Board:

 Director

 Director

Consolidated Statement of Changes in Financial Position

	Year ended March 31	
	1976 (\$000)	1975 (\$000)
Source of Cash:		
From operations —		
Net income for the year _____	\$3,033	\$1,889
Non-cash items included in net income:		
Depreciation and amortization _____	2,847	1,533
Deferred income tax _____	3,861	1,483
Minority interest in income _____	586	203
Operating cash flow _____	10,327	5,108
Bank and other short-term borrowings _____	34,443	12,234
Mortgage advances _____	33,582	24,867
Issue of shares _____	12,198	3,775
Minority investment in subsidiaries _____	13,042	460
Issue of notes and debentures _____	6,185	9,858
Sale of properties _____	12,399	7,963
	<u>122,176</u>	<u>64,265</u>
Use of Cash:		
Development expenditures _____	55,901	46,655
Purchase of revenue producing properties _____	—	13,277
Purchase of shares of subsidiaries and joint ventures _____	52,969	987
Investment in mortgages and notes receivable _____	8,484	2,797
Mortgage principal instalments _____	4,575	2,155
Payment of dividends _____	475	345
Other _____	(2129)	1,351
	<u>120,275</u>	<u>67,567</u>
Increase (decrease) in cash _____	<u>\$1,901</u>	<u>\$ (3,302)</u>
Operating cash flow per common share (note 11):		
Basic _____	\$ 1.62	\$.95
Fully diluted _____	\$ 1.34	\$.88

Notes to Consolidated Financial Statements

1. ACCOUNTING POLICIES

(a) General

The Company's accounting policies and standards of disclosure are in accordance with the views of the Research Study Group on Accounting for Real Estate Development Operations published by The Canadian Institute of Chartered Accountants.

(b) Principles of Consolidation

The Consolidated financial statements include:

- (i) The accounts of the Company and its subsidiary companies (with one exception set out in Note 6);
- (ii) the Company's proportionate share of individual assets, liabilities, revenues and expenses of unincorporated joint ventures; and
- (iii) the Company's proportionate share of individual assets, liabilities, revenues and expenses of incorporated joint ventures where the Company's ownership interest is 50% or less.

(c) Property Interests

The Company follows the policy of capitalizing, as part of the cost of properties under development and properties held for future development, administrative overhead and direct carrying costs including interest and property taxes applicable thereto. During the initial period of operation of a property, interest, property taxes and other fixed costs are allocated to capital cost and to operations on the basis of occupancy until the project is 80% leased or two years from the initial occupancy date, whichever is earlier. One incorporated joint venture, The Edmonton Centre Limited, in which the Company has a 40% interest, follows the practice of capitalizing all operating and carrying costs net of rental revenues until each phase of the project reaches the break even point in its cash flow or two years from the initial occupancy date, whichever is earlier.

Property interests include the excess of the cost of the interest in certain subsidiaries and joint ventures over the carrying cost of the properties acquired. This excess has been ascribed to the individual properties. In addition an amount of \$6,530,000 representing the excess of cost of shares over net assets of certain other subsidiaries has not been allocated to property interests and is carried on the balance sheet at cost.

(d) Depreciation

The Company follows the sinking fund method of depreciation. Under this method depreciation is charged to income in increasing annual amounts, consisting of fixed annual sums together with interest compounded at the rate of 5% per annum, so as to depreciate fully the properties over their estimated lives of from 25 to 50 years. Leasehold properties are situated on lands with leases which extend beyond the period over which such properties are being depreciated.

(e) Deferred Income Taxes

Full provision has been made for deferred income taxes which relate primarily to timing differences between depreciation provided for accounting purposes and that claimed for income tax purposes and to the claiming in full for tax purposes of expenses capitalized in the accounts on the development of properties.

(f) Deferred Charges

Deferred charges are stated at cost less amortization and include debt discount and issue expenses of \$3,269,000 (1975 - \$2,174,000) which are being amortized over the term of related debt issues and other deferred expenses of \$3,134,000 (1975 - \$2,262,000) which are being amortized over terms appropriate to the related expenditure.

(g) Foreign Exchange

Assets and liabilities in United States dollars are translated to Canadian dollars in the following manner: property interests and other capital assets are translated at exchange rates prevailing at the dates such assets were acquired, long-term debt at the rates prevailing which such funds were received, and other assets and liabilities at the exchange rates in effect at the end of the respective periods.

2. ACQUISITION OF CAMBRIDGE LEASEHOLDS LIMITED

During the year the Company purchased and subsequently transferred at cost to a subsidiary, Oxford Shopping Centres Ltd., 2,165,037 common shares of Cambridge Leaseholds Limited (Cambridge) representing 99.9% of the outstanding common shares, for \$47,631,000, payable in cash of \$40,131,000 and by the issue of 750,000 common shares (see Note 10) from treasury. The acquisition of Cambridge has been accounted for using the purchase method and the results of its operations have been included in the consolidated financial statements from the dates of acquisition; (68% acquired May 15, 1975 and the balance between that date and September 30, 1975).

The excess purchase price of \$40,219,000 over the book value of net assets acquired of \$7,412,000 net of minority interests together with an amount of \$516,000 in respect of commissions and other costs has been allocated to properties as follows:

	(\$000)
Revenue producing	\$ 35,567
Held for future development	5,168
	<u>\$ 40,735</u>

To finance the acquisition of Cambridge, the company has:

- (a) arranged a \$30,300,000 five year term bank loan;
- (b) issued on May 15, 1975 to outside investors, 563,380 treasury common shares of a subsidiary, Oxford Shopping Centres Ltd., for a cash consideration of \$10,000,000 and sold a further 28,169 shares for \$500,000. These shares may be exchanged for 1,050,000 common shares of the Company; and
- (c) issued on May 15, 1975 to former shareholders of Cambridge 750,000 of the Company's treasury common shares for \$7,500,000.

The issue and sale of common shares of Oxford Shopping Centres Ltd. reduced the Company's interest in that subsidiary to 71.6% and has given rise to a gain of \$4,266,000 which is reflected in the accounts as contributed surplus. This amount has not been taken into income because of the exchange rights noted in 2(b) above.

3. REVENUE PRODUCING PROPERTIES

Revenue producing properties are stated at cost less accumulated depreciation and include the following:

	1976 (\$000)	1975 (\$000)
Freehold properties (including land cost of \$44,673,000; 1975 - \$19,140,000)	\$270,612	\$120,894
Leasehold properties	54,775	42,272
	325,387	163,166
Less - accumulated depreciation	6,576	4,208
	<u>\$318,811</u>	<u>\$158,958</u>

Notes

4. PROPERTIES HELD FOR FUTURE DEVELOPMENT

Properties held for future development consist primarily of the cost of land parcels acquired for development projects presently in the planning stage and include:

	1976 (\$000)	1975 (\$000)
Original cost of properties _____	\$45,691	\$33,178
Preliminary development expenditures _____	1,424	725
Net carrying costs _____	7,178	3,243
	<u>\$54,293</u>	<u>\$37,146</u>

5. AMOUNTS RECEIVABLE

Amounts receivable include the following items:

	1976 (\$000)	1975 (\$000)
Tenants' rents and other charges _____	\$ 5,712	\$ 1,931
Amounts due from partners in joint ventures _____	1,748	1,301
Receivable from officers and employees		
Share purchase plans _____	4,755	—
Other _____	157	152
Accrued interest receivable _____	433	255
Mortgages and notes (average interest rate 7% due 1977 - 1999) _____	8,331	4,989
Funds held by trustee _____	—	5,116
Sundry _____	1,085	122
	<u>\$22,221</u>	<u>\$13,866</u>

The 1976 amounts are receivable as follows:

1977 _____	\$9,701,000	1980 _____	\$1,851,000
1978 _____	2,314,000	1981 _____	84,000
1979 _____	850,000	After 1981 _____	7,421,000

6. INVESTMENT IN AND ADVANCES TO AFFILIATES

Included in investments in and advances to affiliates is the Company's 54% interest in Delta Hotels Limited of \$974,000 (1975 - \$1,018,000) which is carried on the equity basis. The Company's share of the net income of Delta Hotels Limited for the year ended

March 31, 1976 was \$36,000 (1975 - loss \$69,000) and of the accumulated loss since acquisition was \$33,000. Subsequent to March 31, 1976 the Company has arranged to reduce its holding in Delta Hotels Limited to 48.9% through a sale of shares to employees.

7. LIABILITIES ON PROPERTIES

Liabilities on properties include (in thousands of dollars):

	Mortgages and Agreements for Sale		Demand Bank Loans		Construction Payables		Total	
	1976	1975	1976	1975	1976	1975	1976	1975
Revenue producing _____	\$233,929	\$138,402	\$ 6,921	\$ 2,880	\$ —	\$ —	\$240,850	\$141,282
Under development _____	6,892	300	30,013	19,246	8,687	4,405	45,592	23,951
Held for future development _____	6,376	6,572	16,720	6,806	—	—	23,096	13,378
	<u>\$247,197</u>	<u>\$145,274</u>	<u>\$53,654</u>	<u>\$28,932</u>	<u>\$8,687</u>	<u>\$4,405</u>	<u>\$309,538</u>	<u>\$178,611</u>

The above mortgages and agreements for sale currently bear interest at an average rate of 9.0% (1975 - 8.7%). The bank loans are secured in the amount of \$40,054,000 (1975 - \$19,241,000).

1977 _____	\$5,317,000
1978 _____	5,589,000
1979 _____	5,810,000

Principal instalments payable on mortgages and agreements for sale within the next five years, which amounted to \$4,575,000 in the current year are as follows:

1980 _____	\$ 7,669,000
1981 _____	7,941,000

8. BANK INDEBTEDNESS

Included in bank indebtedness are the following loans:

	1976 (\$000)	1975 (\$000)
Five year term (interest at bank prime plus 1¼%) secured by shares of Cambridge Leaseholds Limited _____	\$30,300	\$ —
Three year term (interest at bank prime plus 1¼%) secured _____	—	4,000
Demand _____	12,998	9,558
	<u>\$43,298</u>	<u>\$13,558</u>

Notes

Certain portions of the bank loans have been classified as relating to liabilities on properties (note 7)

Principal repayments on the five year term loan are as follows:

1977	\$3,300,000	1980	\$ 6,000,000
1978	4,000,000	1981	12,000,000
1979	5,000,000		

9. NOTES AND DEBENTURES

	Due Date	Common Shares Reserved	Conversion Price	Exercisable To	Principal Amount	
					1976 (\$000)	1975 (\$000)
8% Subordinated debentures	1982				\$ 950	\$ 950
6% Secured convertible debentures	1978	140,004	\$ 10.71	1978	1,500	1,500
8% Unsecured convertible subordinated notes Series A	1989	49,600	8.06	1979	400	400
8% Unsecured convertible subordinated notes Series B	1984	240,000	12.50	1979	3,000	3,000
10% Unsecured convertible subordinated notes Series C	1984	442,858	8.75	1979	3,875	3,875
Unsecured convertible subordinated notes Series D with interest variable at 1% over the bank prime rate	1984	378,882	**	**	3,055	3,055
8% Series A unsecured notes*	1984				2,917	2,917
8.81% Series B unsecured notes*	1984				2,928	2,928
9.51% Series C unsecured notes*	1985				3,075	—
12.5% Series "A" debentures secured by a floating charge	1980				5,600	5,600
9% Secured debentures	1981				288	—
5% Secured debentures (9% after December 1977)	1981				757	—
12% Unsecured debentures	1996				1,140	—
Unsecured debentures (interest at bank prime plus 1½%)	1991				1,970	—
		<u>1,251,344</u>			<u>\$31,455</u>	<u>\$24,225</u>

* Repayable in United States dollars

** Convertible at \$8.06 to 1980 and thereafter at \$9.62

Principal instalments payable over the next five years on the above are:

1977	\$727,000	1979	\$ 2,610,000
1978	810,000	1980	4,858,000
		1981	816,000

10. SHARE CAPITAL

The share capital is as follows:

Shares Authorized:

Common no par value	12,000,000	6,000,000
Class "E" common no par value non-voting	—	65,000
Class A preference no par value non-voting	<u>1,000,000</u>	—

Shares Issued:

Common	6,551,310	2,837,155
Class "E" common	—	63,500
Class A preference	<u>522,000</u>	—

Amount Issued:

Common	\$ 31,580	\$ 23,751
Class "E" common	—	329
Class A preference	<u>4,698</u>	—

Less: 122,800 common shares held by a

subsidiary, at cost	36,278	24,080
26,000 Class A preference shares called for redemption, at cost	1,402	—
	<u>234</u>	—

\$ 34,642 \$ 24,080

Authorized common shares reserved to meet:

Conversion rights of convertible notes and debentures	1,251,344	1,251,344
Exchange rights relating to shares of Oxford Shopping Centres Ltd.	1,050,000	—
Conversion of Class A preference shares	<u>522,000</u>	—
	<u>2,823,344</u>	<u>1,251,344</u>

Notes

During the year the Company changed its authorized share capital as follows:

- (a) by the creation of additional common shares for an authorized total of 12,000,000 common shares.
- (b) by the creation of 1,000,000 Class A preference shares of no par value and which may be issued in series for a maximum consideration of \$10,000,000. These shares were created for use in connection with an employee incentive plan.

During the year the Company changed its issued share capital as follows:

- (a) The 63,500 issued and outstanding Class "E" common shares were converted into common shares without nominal or par value and all of the Class "E" common shares were cancelled.
- (b) The issued and outstanding common shares were subdivided on two-for-one basis.
- (c) 750,000 common shares were issued at an assigned value of \$7,500,000 for 340,909 shares of Cambridge Leaseholds Limited.
- (d) 522,000 Class A preference shares Series 1 and 2 were issued at \$9 per share for a total consideration of \$4,698,000 in the form of non-interest bearing demand loans, to be held in trust for certain employees. These shares are preferred as to dividends in the amount of 2% per annum and participate with the common shares in dividends to a maximum of 6% per annum and may be converted on a share for share basis into common shares in the period October 31, 1978 through December 31, 1985 upon repayment of the loans.

11. PER SHARE CALCULATIONS

Net income and operating cash flow per common share are based on the weighted average number of shares (after subdivision) outstanding during the year.

The fully diluted per share figures reflect the effect on net income and operating cash flow of the exercise of the conversion and exchange rights described in note 10.

12. CAPITALIZED EXPENSES

Costs capitalized to property interests included:

	1976 (\$000)	1975 (\$000)
Interest	\$ 9,440	\$ 7,256
Property taxes	1,497	988
General and administrative overhead	2,161	1,733
	<u>\$ 13,098</u>	<u>\$ 9,977</u>

13. PENSION PLAN

The unfunded past service pension plan liability totalling \$1,014,000 is being funded over 15 years by annual payments of \$107,000.

14. ANTI-INFLATION LEGISLATION

The Company was advised on May 11, 1976 that it is subject to the anti-inflation legislation enacted in Canada with effect from October 14, 1975. The legislation is supported by complex regulations, the full impact of which on the future operations of the Company has not been determined.

15. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

- (a) Minimum annual land rents on leasehold properties amount to \$764,000.
- (b) The estimated total cost at completion of properties currently under development is \$134,000,000 of which \$111,600,000 has been committed to the Company under long-term mortgages or is currently being arranged.
- (c) The Company has guaranteed certain of the obligations of its joint ventures and is contingently liable for the obligations of associates in unincorporated joint ventures.
- (d) A Statement of Claim has been filed against the Company requesting transfer to the plaintiff of shares owned by the company in Huntington Mall Ltd., an incorporated joint venture, and claiming damages for non-performance by the Company. The Company is defending the action, and in the opinion of counsel there is little likelihood of recovery of any material damages in this action.

16. STATUTORY INFORMATION

Remuneration paid during the year to directors and senior officers amounted to \$846,000 (1975 - \$607,000).

Auditors' Report

To the Shareholders of
Oxford Development Group Ltd.

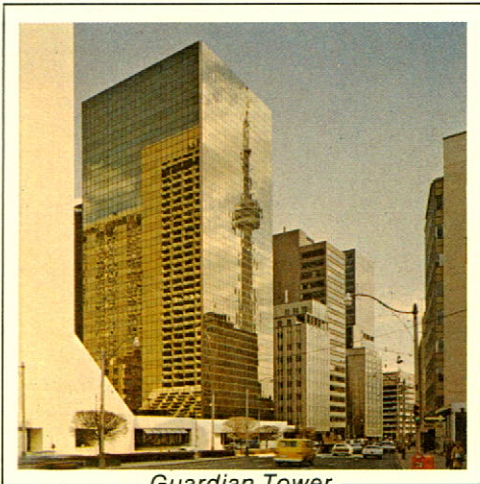
We have examined the consolidated balance sheet of Oxford Development Group Ltd. and its subsidiaries as at March 31, 1976 and the consolidated statements of income, retained earnings, and changes in financial position for the year then ended. Our examination of the financial statements of Oxford Development Group Ltd. and those subsidiaries of which we are auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of certain subsidiaries and joint ventures.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1976 and the results of their operations and the changes in their 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.

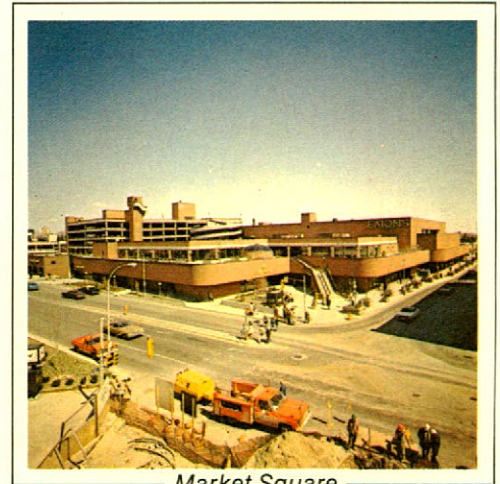
Price Waterhouse & Co.

Chartered Accountants
Edmonton, Alberta
May 20, 1976

Summary of Revenue Producing Properties



Guardian Tower
Toronto, Ontario



Market Square
Kitchener, Ontario

Office Buildings

Integrated Downtown Complexes

	Year of Completion (Acquisition)	Rentable Area (Sq. Ft.)
Edmonton		
Bank of Montreal Building ...	1964	79,000
Royal Bank Building	1965	124,000
McLeod Building	(1973)	64,000
Victoria		
Bank of Commerce Building .	1971	125,000
Prince George		
Royal Bank Building	1969	55,000
Oxford Building	1973	40,000
Winnipeg		
Mall Centre Building	1964	108,000
Royal Bank Building	1966	158,000
Windsor		
Bank of Commerce Building .	1974	103,000
London		
Royal Bank Building	1970	176,000
IBM Building	(1973)	70,000
Toronto		
Guardian Tower	1975	303,000
Montreal		
Shell Tower	(1974)	158,000
Halifax		
Royal Bank Building (50% interest)	1968	133,000
Total		1,696,000

	Year of Completion (Acquisition)	Rentable Area (Sq. Ft.)
Edmonton		
Edmonton Centre (40% interest)	1976	1,133,000
Imperial Oil Building	1969	389,000
Kitchener		
Market Square	1974	426,000
Waterloo		
Waterloo Square	(1973)	228,000
Total		2,176,000

Summary of Revenue Producing Properties



Gerrard Square
Toronto, Ontario



Place Vertu
Montreal, Quebec

Shopping Centres

	Year of Completion	Net Rentable Area
REGIONAL CENTRES		
Burlington Mall, Burlington, Ont.	1968	497,000
Devonshire Mall, Windsor, Ont. (50% interest)	1970	422,000
Quinte Mall, Belleville, Ont.	1971	234,000
Les Rivieres, Trois Rivieres, P.Q.	1971	119,000
Les Galeries de Hull, Hull, P.Q.	1972	335,000
Bayshore, Ottawa.....	1973	595,000
Upper Canada Mall, Newmarket (50% Interest)	1974	235,000
Lynden Park Mall, Brantford (50% Interest)	1974	305,000
Gerrard Square, Toronto.....	1975	329,000
Place Vertu, Montreal (37.5% Interest)	1975	463,000
Chinook Centre, Calgary.....	1965	890,000
		<u>4,424,000</u>
COMMUNITY CENTRES		
Tyee Plaza, Campbell River, B.C.	1964	140,000
Gateway Plaza, Windsor, Ont.	1962	180,000
Tecumseh Mall, Windsor, Ont.....	1963	256,000
K Mart Plaza, Cambridge, Ont.	1963	96,000
K Mart Plaza, Whitby, Ont.	1964	96,000
K Mart Plaza, Sault Ste. Marie, Ont.....	1964	116,000
K Mart Plaza, Saint John, N.B.....	1965	155,000
K Mart Plaza, Ottawa, Ont.	1967	117,000
K Mart Plaza, Fredericton, N.B.	1968	133,000
K Mart Plaza, St. Catharines, Ont.	1969	125,000
University Mall, Windsor, Ont.	1973	148,000
		<u>1,562,000</u>
DOWNTOWN DEVELOPMENTS		
Ouellette Avenue, Windsor, Ont.....	1965	85,000
Steinberg's, Downtown Windsor, Ont.....	1967	197,000
		<u>282,000</u>
Total		6,268,000



*Airport Inn,
Vancouver, B.C.*

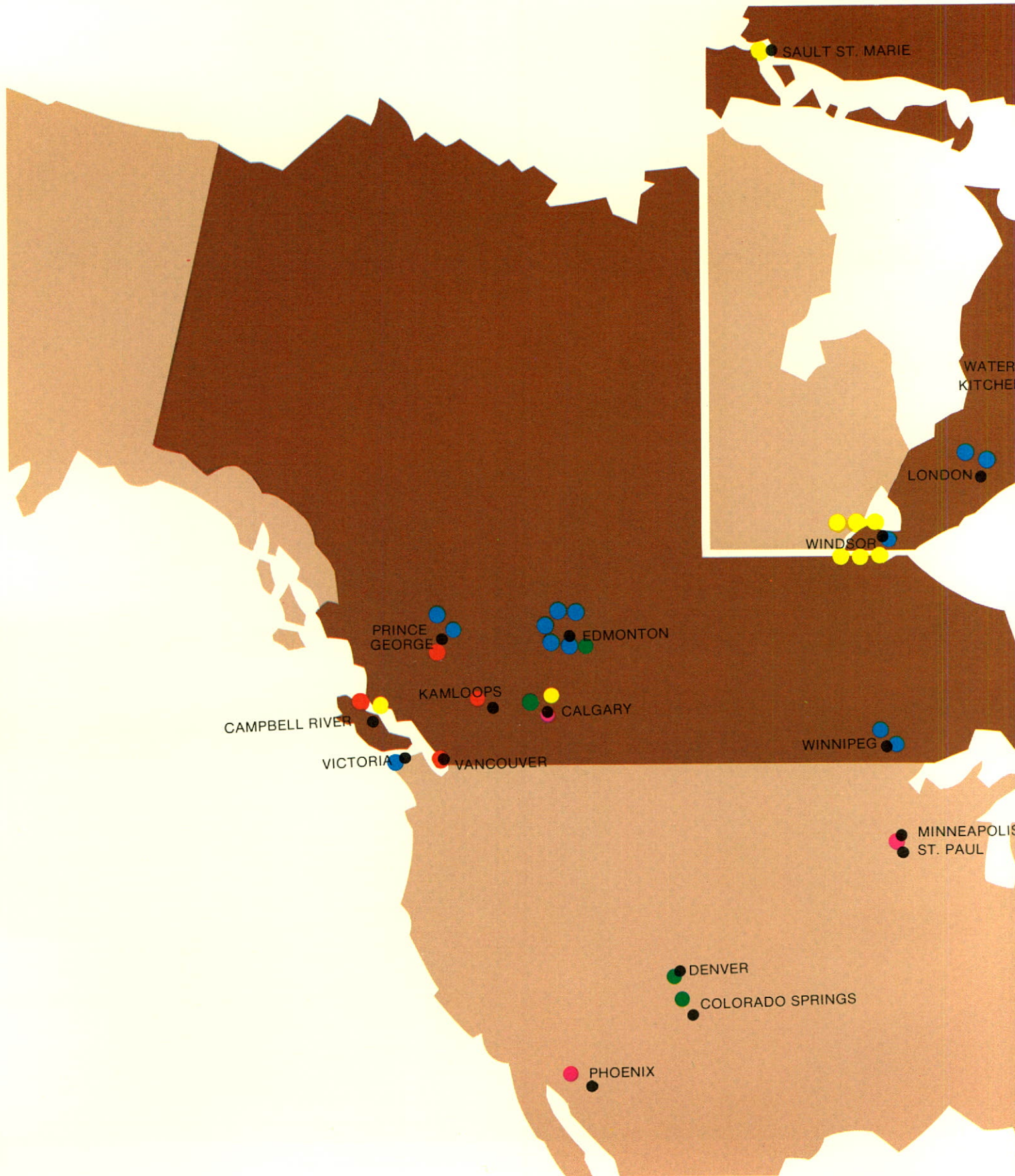


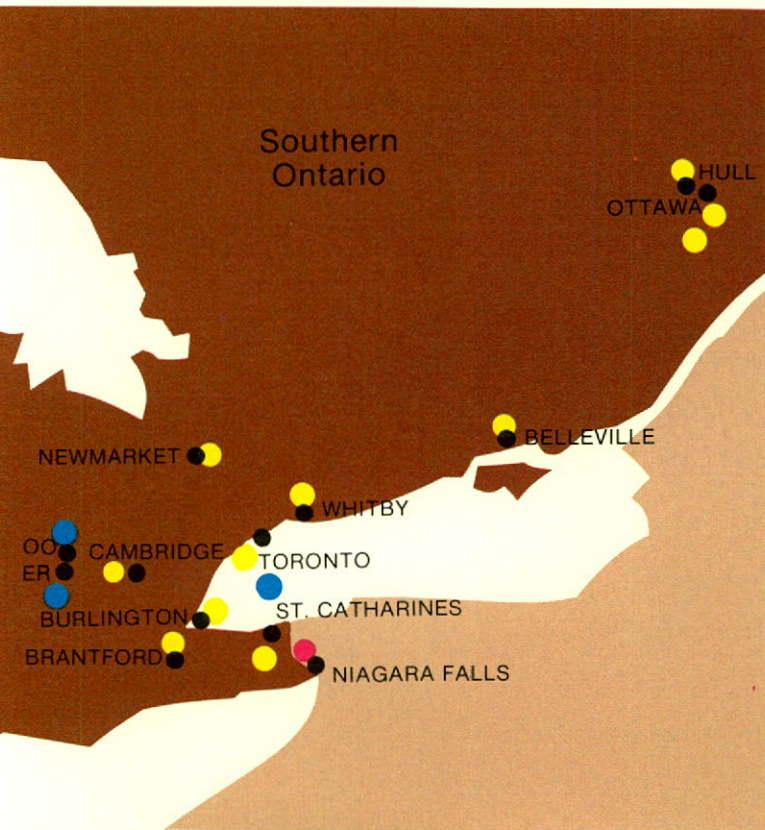
*Bayshore Mall,
Ottawa, Ontario*

Hotels

	No. of ROOMS
Airport Inn, Vancouver, B.C.	300
Discovery Inn, Campbell River, B.C.	100
Canadian Inn, Kamloops, B.C.	100
Inn of the North, Prince George, B.C.	160
 Chelsea Inn, Toronto (Management of hotel operations only)	 800
Total	1,460

Projects and Properties of Oxford





Office and Integrated Complexes

- | | |
|---|--|
| Victoria —
Bank of Commerce Building | Whitby —
K-Mart Plaza |
| Prince George —
Royal Bank Building
Oxford Building | St. Catharines —
K-Mart Plaza |
| Edmonton —
Bank of Montreal Building
Royal Bank Building
Imperial Oil Building
McLeod Building
Edmonton Centre | Belleville —
Quinte Mall |
| Winnipeg —
Royal Bank Building
Mall Centre Building | Ottawa-Hull —
Bayshore
Les Galleries de Hull
K-Mart Plaza |
| Windsor —
Bank of Commerce Building | Trois Rivières —
Les Rivières |
| London —
Royal Bank Building
IBM Building | Montreal —
Place Vertu |
| Kitchener —
Market Square | Fredericton —
K-Mart Plaza |
| Montreal —
Shell Tower | Saint John
K-Mart Plaza |
| Waterloo —
Waterloo Square | |
| Toronto —
Guardian Tower | |
| Halifax —
Royal Bank Building | |

Hotels

- Campbell River —
Discovery Inn
- Vancouver —
Airport Inn
- Kamloops —
Canadian Inn
- Prince George —
Inn of the North

Shopping Centres

- Campbell River —
Tye Plaza
- Calgary —
Chinook Centre
- Sault Ste. Marie —
K-Mart Plaza
- Windsor —
Devonshire Mall
Gateway Plaza
Tecumseh Mall
University Mall
- Brantford —
Lynden Park Mall
- Burlington —
Burlington Mall
- Cambridge —
K-Mart Plaza
- Newmarket —
Upper Canada Mall
- Toronto —
Gerrard Square

Under Construction

- Calgary —
Oxford Square
- Edmonton —
Edmonton Centre Hotel
- Denver —
Denver Square
- Colorado —
Colorado Square
- Halifax —
Granville Place

Planned Developments

- Phoenix Centre
- Minneapolis—St. Paul
City Centres
- Lake Beuna Vista —
Office Park
- Niagara Square
- Calgary —
Eau Claire

Directors

Walter A. Bean
Deputy Chairman
The Canada Trust Company
and Canada Trustco Mortgage Company

G. Clarence Elliott
President
Stoneheugh Enterprises Ltd.

John H. Greig
Secretary-Treasurer
Soalta Development Limited

Donald M. Haines
Assistant Vice-President, Property Investments
Confederation Life Insurance Company

F. Newton Hughes
Company Director

Reginald F. Jennings
Vice-President
Soalta Development Limited

G. Donald Love
Chairman of the Board and President
Oxford Development Group Ltd.

Donald A. Machum
Senior Vice-President,
Administration
Oxford Development Group Ltd.

Donald L. Miller
Treasurer
The Canada Trust Company
and Canada Trustco Mortgage Company

James A. Mitchinson
Director, Real Estate Investments
The Great-West Life Assurance Company

Edmond G. Odette
President
Eastern Construction Company Ltd.

George E. Poole
Co-Chairman
Poole Construction Limited

John E. Poole
Co-Chairman
Poole Construction Limited

Charles L. Tabachnick
President
Cambridge Leaseholds Limited

Officers

G. Donald Love
Chairman of the Board and President

Gordon E. Arnell
Senior Vice-President,
Finance and Operations

Graham A. Brown
Senior Vice-President,
Development, Western Canada

Harry Henke III
Senior Vice President,
Development, United States

Donald A. Machum
Senior Vice-President,
Administration

John W. McCool
Senior Vice-President,
Development, Eastern Canada

Paul H. Tuckwell
Senior Vice-President,
Design and Construction

William F. Chandler
Vice-President,
Property Acquisitions

Victor C. Love
Vice-President,
Marketing

Robert J. Sanderman
Vice-President
and Treasurer

Lowell F. Stewart
Vice-President,
Engineering

William D. Grout
Manager, Corporate Financial Services

Maury G. Van Vliet
Secretary

Kenneth I. Graham
Controller

