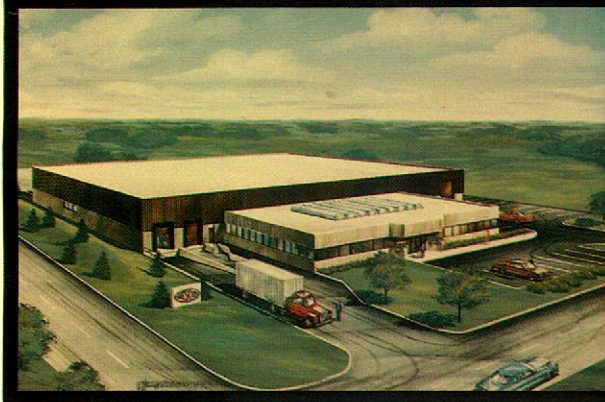


Bramalea Consolidated Developments Limited 1975 Annual Report



HOWARD ROSS LIBRARY
OF MANAGEMENT
MAY 17 1976
MCGILL UNIVERSITY



Kensington Place condominiums, Bramalea, Ontario

Highlights

	Fourteen Months ended January 31, 1976	Twelve Months ended November 30, 1974
Total revenue	\$ 66,339,000	\$ 66,828,000
Earnings before extraordinary item	\$ 3,540,000	\$ 3,127,000
Extraordinary item	—	675,000
Earnings for the period	\$ 3,540,000	\$ 2,452,000
Total assets	\$297,143,000	\$164,292,000
Shareholders' equity	\$ 26,193,000	\$ 27,984,000
Number of shares issued	5,644,376	7,178,614
Number of shareholders	4,090	4,503
Earnings per share before extraordinary item	\$ 0.57	\$ 0.44
Earnings per share after extraordinary item	\$ 0.57	\$ 0.34
Cash provided from operations per share (1974 – restated)	\$ 1.59	\$ 1.18

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On the cover: Clockwise from upper left, Estate homes in Aurora, Ontario; One of ten apartment buildings in Bramalea, Ontario; 491,000 square foot Lougheed Mall in Burnaby, British Columbia; Hyatt Regency Hotel in Toronto, Ontario; Bramalea-built Western Controls Incorporated plant in Bramalea Industrial Park; 436,000 square foot Brentwood Mall in Burnaby, British Columbia.

President's Report

The period under review (December 1, 1974 to January 31, 1976), was one of imaginative expansion and solid growth for our Company. By contrast, the previous fiscal period was one of innovative transition, consolidation and planning.

Bramalea has long been identified in the public mind as a foreign-controlled company whose major and best known concern was the development of a single Toronto suburban community. Today, we are recognized as a prominent all-Canadian-owned corporation with nation-wide assets and interests.

The rejuvenation of our Company has permeated every segment of its operations. Management's major objective, as 1975 began, was to complete the organization of a strong corporate structure in which each of the operating divisions could function as an independent, but fully accountable,

profit centre. I am pleased to report that as our 1975 fiscal period ended, this important objective has been largely achieved.

Highlights

While other sections of this Report will detail the Company's progress during this fourteen-month period, some highlights may appropriately be mentioned at this point. These include:

- The commencement of new housing for more than 6,000 people of all income levels – a record for the Company in a year of slow economic growth.
- The acquisition of more than \$100 million worth of new income-producing assets which will provide a solid base of revenue-producing properties to create steady income and cash flow for future expansion and investment.



- The expansion of the Company's total assets from \$164 million to almost \$300 million which now includes sixteen shopping malls containing approximately 5.2 million square feet of gross rentable space as well as 75 per cent ownership of two of Canada's most prestigious and best located hotels – the Hyatt Regency in Toronto and in downtown Vancouver.

We have made great strides toward the objective of creating a Company known for its holdings of valuable, soundly developed, revenue-producing assets. Our expansion during 1975 complements our traditional and continuing interest in land development and home construction which remain major objectives of our Company. These latter activities will continue to provide Bramalea with the largest proportion of its revenues over the next few years.

Repatriation of Ownership

The repatriation of the Company's ownership from the former English shareholders was another significant transaction which took place during the fiscal period. It had important political and economic consequences in our highly sensitive basic resource industry.

Housing

The continuing shortage of adequate affordable housing is, along with inflation, one of our country's most serious and potentially divisive problems. These problems have, throughout 1975, engaged the attention of all who are concerned with Canada's welfare in business, in labour, and in the governmental sector at the municipal, provincial and federal levels.

We at Bramalea believe that many of the impediments to home ownership which now exist can and should be eliminated, so that every Canadian family desirous of owning a home may have the opportunity to do so. More economical types and styles of shelter should be permitted in order to make more housing available at prices to suit the budgets of family groupings of every age and economic level.

Bramalea has made the provision of low and moderately-priced housing a high corporate priority while continuing to meet the demand for other types of accommodation. The majority of our Company's house construction completed in 1975 was in the low and moderate price range. These included many units under the provincial and federal government assistance programs that support affordable home ownership, as well as controlled rental. We are expanding our program for 1976 and anticipate the completion and sale of more than 850 low and moderately-priced units out of a projected total of 1,200 new units.

The Outlook

It has been gratifying to observe during 1975 a more sophisticated public understanding of the vital position and social and economic function played by developer – builders. This attitude reflected in all the media was accompanied by a corresponding moderation of poorly informed, often misguided, and frequently self-serving, populist criticism of our industry. We believe that there is today a growing recognition that we who produce shelter can perform with a degree of economy and efficiency that cannot be matched by any level of government without increased cost to the home buyer and the taxpayer.

As a public company of growing importance in land development and in the production of housing, we understand and are sympathetic with the urgent need to meet the housing aspirations of the Canadian people. Our Company recognizes the need for accelerated economic growth to meet the growing demands of a growing country.

A key concern of our industry is the mortgage interest rate which is currently excessively high. Reasonable interest rates are essential to the low and moderately priced housing market. Current government programs for reducing interest rates to the home-buyer have been most helpful and should be continued as they serve to insulate the limited income purchaser from the exigencies of the

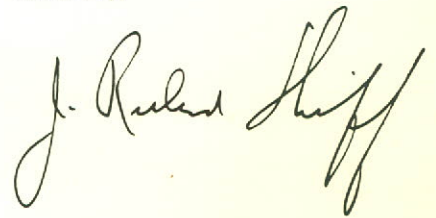
current full market rates. In addition, greater capital investment and funding by the private sector must be encouraged in order to support and stimulate the growth of the development and construction industry.

Management has taken the initiative in maintaining an ongoing dialogue between our industry and the leaders in government at all levels as well as the lending community, with a view to creating a better understanding of our respective problems. Such co-operation between our various sectors is essential if we are to make any real impact in solving the housing crisis.

Acknowledgments

A company's most important asset is its people. Bramalea is fortunate in having assembled a team of people with proven ability and dedication. They have provided the Company with the imagination, the drive and the commitment without which our achievements would not have been possible. We are equally fortunate in having attracted to our Board of Directors a group of individuals of the highest merit and respect – people with whom it is a great personal privilege to work in guiding the growth and development of our Company.

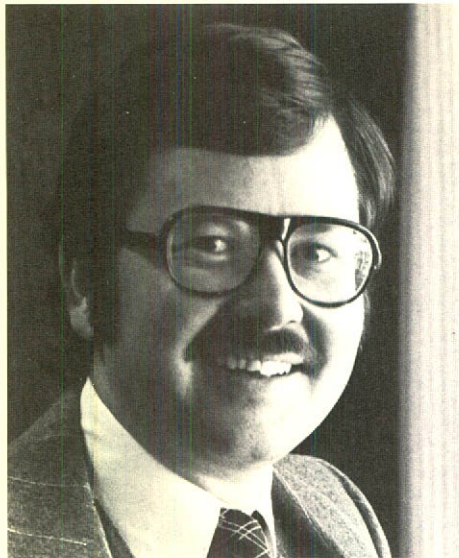
Sincerely,



J. Richard Schiff, Q.C.

March, 1976

Executive Vice-President's Report



Kenneth E. Field

Despite a late start in construction activity, our Company had a successful year resulting in higher cash flow, increased earnings and an enlarged asset base.

In the fourteen-month period ended January 31, 1976, earnings amounted to \$3,540,000 or 57 cents per share, compared with \$2,452,000, or 34 cents per share, after the extraordinary loss of ten cents per share, in the year ended November 30, 1974.

Cash provided from operations totalled \$9,812,000, or \$1.59 per share, compared with \$8,372,000 or \$1.18 per share, in the previous fiscal period. Total assets increased substantially from \$164,292,000 to \$297,143,000.

Year End Change

Our Company's management deemed it advisable to change the fiscal year-end from November 30 to January 31 as mid-winter is a slow period in our industry and we can devote more time to the completion of the financial statements without being distracted by the normal end-of-season rush in development activities. For the sake of clarity, the narrative sections of this report refer to the fourteen-month period ending January 31, 1976, as the 1975 year.

At the beginning of the 1975 year, the Company had 7,178,614 common shares outstanding. By January 31, 1976, the outstanding shares were reduced to 5,644,376. The earnings and cash provided from operations per share, noted above, are based upon the average number of shares outstanding during each period. The borrowing cost associated with the purchase and subsequent cancellation of stock repatriated from English investors is included in determining the financial results. The reduction by year-end in actual shares outstanding benefits existing shareholders by significantly increasing both the earnings and the asset value per share. Consequently, existing shareholders are in a stronger investment position as we begin the new fiscal year.

Land Development and Residential Construction

Our land development and residential construction activities were restricted in 1975 by a late release of building lots from the municipalities. The only units under construction at the beginning of the year were the two highrise condominium towers in Bramalea's City Centre East complex. The Company did not have one lowrise house lot to build upon in the Metropolitan Toronto area.

The Land Development Division obtained registration of plans of subdivisions in Bramalea, Amberlea, Aurora and Unionville in the spring and summer of 1975. The Divisions worked expeditiously to make arrangements for the installation of the storm and sanitary sewers, watermains, gas and hydro services, roads and sidewalks. This ensured the delivery of serviced lots to the house building section of the Construction Division in the late summer and early fall.

The greatest part of our earnings were generated in the latter part of the period by both land development and house building activities. It should be stressed that these earnings were *earned*. There were no major land sales during the period to bolster revenues with speculative land trading profits. Only 79 acres were utilized in our construction and sales program in Bramalea.

Revenue-Producing Properties

While land development and construction activities had a significant impact on our Company's earnings, the financial returns on our investment in revenue-producing properties were also most encouraging.

Cash flow from the revenue-producing properties totalled \$1,433,000 during the fourteen-month period ended January 31, 1976, compared with \$554,000 for the twelve-month period ended November 30, 1974. This improvement was a direct result of the efforts by the Shopping Centre Division and the Industrial Development Division in upgrading rental flow, while keeping property management expenses to a minimum.

The Bramalea City Centre, for example, experienced excellent growth. New leases executed at the end of the year will enable a further significant contribution to rental income in future years.

The Pen Centre in St. Catharines was expanded, with enclosure of the mall completed by October, 1975. This property is now showing excellent results. Pen Centre operated at a marginal profit in 1975 because the costs associated with the vacant space created during the expansion were expensed in the 1975 year.

Revenue Philosophy

The Company is committed to ensuring a steady stream of earnings from revenue-producing properties and growth investments. The achievement of this objective will help offset the vulnerability of our land development and house building activities to political and government approval procedures, as well as the unpredictability of general economic conditions.

Cash generated from the land development and house building activities will be directed to reduce the indebtedness incurred in purchasing these assets.

In summary, Bramalea is currently in a strong organizational and financial position to maximize its continuing operations and to undertake the funding and implementation of new developments that will further broaden our base of activities as a fully integrated real estate company.

Marketing

The Division is now responsible for arranging mortgage financing on projects and the design of housing units. Bringing the mortgage section under the Marketing umbrella gives the Company greater flexibility in arranging financing. Emphasis has been placed on preselling units from site plans, floor plans and models, before the accommodation is built. This eliminates the hazard of carrying unsold units in inventory.



Peter B. Perrin
Vice-President

The Marketing Division sold 779 homes, townhouses and condominium apartments during 1975, with 658 of the units being occupied before the end of the year.

Bay Meadows

The Great Canadian Home Sale, one of a series of highly-successful promotions, set an all-time sales record for the Company last year. The sale consisted of three and four bedroom semi-detached homes in the Bay Meadows subdivision of Bramalea.

Ninety-four homes were sold from floor plans in one hectic 10-hour period with 60 of the homes closed by the end of the year and the remainder to be completed in 1976.

Many of those who could not be accommodated in the initial sale returned later to purchase homes in other parts of Bramalea. The success of the first Great Canadian Home Sale led to a repeat in February of this year, when 48 homes were sold in seven hours. It will be staged for a third time later in 1976.

The Division recently started to sell 125 affordably-priced single family houses in Bay Meadows as well.

Kensington Place

During the year, 419 units in two condominium towers in the Kensington Place project were sold and occupied.

A third condominium tower in the same complex, 18 Knightsbridge Road, should be sold this year. This project, contains 293 units in one, two and three bedroom combinations.

Moore Park

Moore Park, another new subdivision in Bramalea, is now being marketed. The 250 single and semi-detached dwellings will be built during the first six months of 1976.

The Village

Two townhouse projects in a subdivision called The Village in Bramalea are also underway. They are being built under Ontario's Housing Action Program and the Federal Government's Assisted Home Ownership Plan. These townhouses are innovative in design (see rendering at the bottom of page) with each streetscape in an individual style, giving each house a unique exterior.

Bramalea Estates

With the start of construction in Bramalea Estates, the Company can now offer a complete range of accommodation in the community, from government-assisted rentals to luxury three and four bedroom homes with two-car garages and wood-burning fireplaces. Bramalea Estates will contain 73 family homes, averaging 1,800 to 1,900 square feet of living space.

Amberlea

Many homes have been pre-sold in Amberlea, the Company's new subdivision in the Town of Pickering. The first year's construction program visualizes 250 single and semi-detached units.



Land Development



Morris Smith
Vice-President

Bramalea has sufficient land in its inventory to create additional housing for more than 100,000 Canadians.

This existing landbank provides the base for building the new communities which are a proud Bramalea tradition – complete communities which include housing and social amenities, as well as commercial and industrial facilities, to provide jobs and a solid tax base for future residents.

The Bramalea community in Brampton has almost reached the half-way point in population. The Company is involved in building two other communities abutting Metropolitan Toronto – Amberlea in Pickering, on the eastern fringe, and Village in the Valley in Markham, in the northeast.

Since Bramalea lives with its communities, from inception through to maturity, the Company can influence the long term growth of these areas as they develop over the years. One of Bramalea's prime objectives is to build communities that instill a sense of pride among those who live there, and ensure a healthy environment for raising children.

While the extensive amount of planning that goes into each project may not be readily apparent to new purchasers, in the long term it results in added convenience for Bramalea home owners. Shopping facilities, parks and playgrounds are close at hand and interior streets are designed to minimize the flow of traffic.

The following is a summary of developments in which activities are imminent or underway:

Bramalea

The Company registered 1,200 acres of land in Bramalea during 1975. This land is now being serviced and the construction of residential units is underway. The Company anticipates registering a further 100 acres in the spring of 1976 for 1,800 townhouses and highrise units.

Amberlea

A trunk sewer to service the first phase of the Amberlea new community has been completed and construction of

residential units has started. The initial phase, being constructed over several years, calls for the development of single family, semi-detached and multiple housing units plus school sites and parkland. When completed, Amberlea will contain mixed-income housing, shopping centres, and social amenities.

Markham

The Company now owns all the shares in Village In The Valley Limited and Tallden Investments Limited. Of the initial 753 acres owned by these companies in Unionville, within the Town of Markham, about 150 acres have been developed to date and registration of further subdivision plans is expected in the current year.

Guelph

The Company has a substantial interest in the 336-acre Hanlon Park community located within a scenic conservation area on the west side of Guelph. The first phase, covering 45 acres and providing 196 single family lots, has been serviced. Initial construction will start this spring and the balance of 291 acres is being planned.

Ottawa

The Company, along with a joint venture partner, owns 26 acres on Riverside Drive in Ottawa.

Zoning bylaws have been approved and a development agreement entered into with the City of Ottawa. The Company will be preparing site plans for the development of more than 1,800 highrise apartment suites, which will be a mixture of rental and condominium accommodation. Bramalea holds a 75 per cent interest in this project.

The Company also owns a 50 per cent interest in 241 acres in the Cumberland area on the outskirts of Ottawa. This land is being held for future development.

Aurora

The Company registered and developed 167 acres of land in Aurora, Ontario. Construction of this luxury housing project is progressing as a joint venture with Wycliffe Estates Limited.

Calgary

Bramalea has developed the scenic Pump Hill subdivision of Calgary, Alberta, which was zoned and serviced in 1975 to accommodate 100 single family lots. This is the first subdivision completed by the Company in Calgary. All lots have been sold to local home builders with some closings extending into the current year.

In the Strathcona Heights area of Calgary, the Company is participating in a joint venture involving 185 acres.

Bramalea Land Holdings

January 31, 1976

	Total acreage	Bramalea's interest
Bramalea	2,626	100%
Bramalea	886	50%
Pickering	844	60%
Unionville	603	100%
Guelph	242	85%
Guelph	94	100%
Ottawa	26	75%
Ottawa	241	50%
Orangeville	200	50%
Calgary	185	25%
Aurora	167	50%
Montreal	50	100%
Edmonton	50	50%
Ancaster	46	50%
Atlanta	26	100%
	6,286	



Trunk sewer installation in Amberlea, Town of Pickering, Ontario

Construction and Industrial Development



Morey I. Speigel
Senior Vice-President

Construction

Bramalea is becoming one of Canada's busiest and most diversified builders.

During 1975, the Construction Division started new housing for more than 2,400 families. This record residential construction program exceeded previous efforts by the Company in making a substantial contribution towards satisfying the housing needs of Canadians of all incomes.

As well, the Construction Division was able to contribute significantly to Canada's economic growth by building, or having under construction, industrial facilities for several companies.

These notable achievements, in a year of economic recession, were a direct result of the Company's decision to revitalize and reorganize the Construction Division. In addition to the traditional emphasis on building houses, the Construction Division has broadened its competence into three further areas – highrise residential construction, industrial construction, and land servicing.

The company now has a total construction capability and can handle projects ranging from single-family homes to large-scale downtown redevelopment.

Highrise Construction

During 1975, the Company's construction of highrise apartments escalated with 2,003 units in various stages of construction. This unprecedented growth placed Bramalea among the leading highrise apartment builders in the Metropolitan Toronto area.

The focus of this activity is a cluster of ten aesthetically compatible towers in Bramalea's City Centre East complex. The towers contain a careful balance of accommodation to meet a mix of family incomes with 1,305 spacious condominium suites as well as 698 pleasant and economical rental suites financed under the Federal Government's Accelerated Rental Program. Bramalea's proposal for these quality rental suites was one of the first in Canada to be accepted by the Government, which provided preferred financing on the basis of the budgeted low costs, excellent amenities, and the practicality of suite designs.

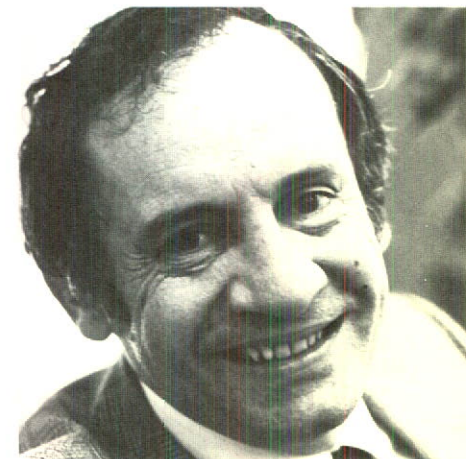


Residential Construction,
Pickering, Ontario

Of the ten towers, the first was a rental building completed in 1974. Two condominium buildings (comprising 419 suites) were completed and occupied during 1975. A third condominium building of 293 suites should be ready for occupancy in 1976. Three rental buildings are under construction and tenants are moving in as construction permits. The remaining three condominium buildings in the City Centre East complex will be ready for occupancy in 1976-77.

Lowrise Construction

The Division had 411 single, semi-detached and townhouse units under construction during 1975 in the Bay Meadows, Moore Park and The Village subdivisions of Bramalea, and the Amberlea subdivision in Pickering.



Gordon L. Deson
Vice-President
Construction Division

The eager public response to Bramalea's traditional economy line homes as well as several new architectural designs (with their practical layouts, variety of exterior finishes and imaginative use of interior space) reveals a recognition of the quality, value, and attention to detail which the Division attempts to integrate into all Company-built homes. Each unit carries a full one-year Company warranty on construction components and guarantees the buyer after-sales services.

Industrial Construction Section

The Industrial Construction Section has the expertise to build a wide range of office, warehouse, plant and retail facilities. On behalf of the tenant, the Section co-ordinates planning, design and construction of the facility from conception to completion.

190 acres of serviced blocks to be used for townhouses, apartments, schools and parks. These lands will be utilized in the 1976 construction program.

Outlook

The Construction Division has an active building program planned for 1976. Now that subdivisions have been registered and servicing is well underway, an adequate supply of building lots will be available to the Company for residential construction purposes. A substantial increase in the amount of industrial construction is also anticipated.

Industrial Development

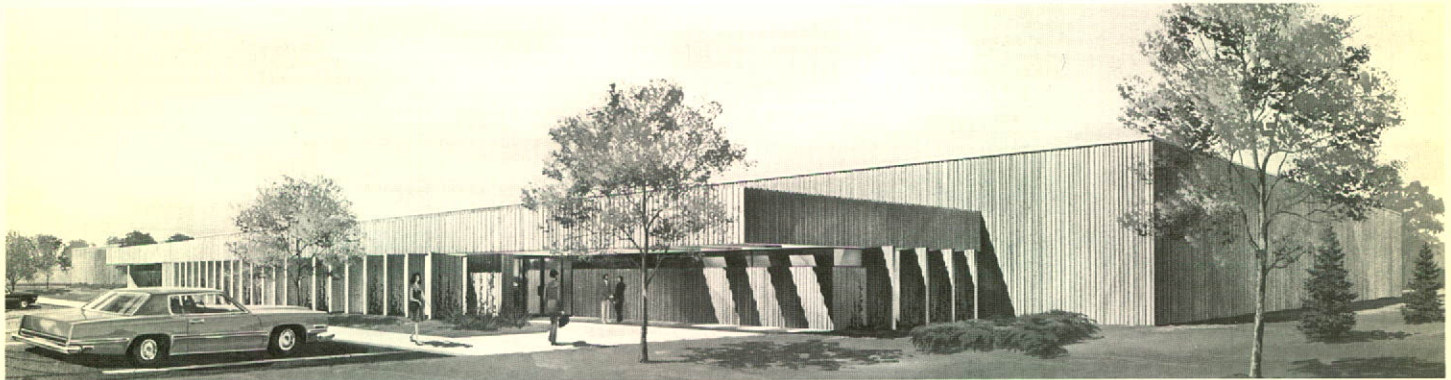
As prime industrial land becomes increasingly scarce in the Metropolitan Toronto area, Bramalea is in a key position to attract future plants, factories and warehouses.

We welcome as tenants Aircraft Appliances and Equipment Limited, Brock Containers Limited, Comshare Limited, Construction Equipment Company Limited, Ducon-Mikropul Canada Limited, North American Wallpapers Limited, Source Data Control Limited, and Western Controls Incorporated.

Industrial facilities were also constructed and sold to Fedquip Incorporated and Iroquois Chemical Limited.

Pickering Industrial Development

In its first industrial development in the Pickering area, the Company built and leased to Inter Traffic Limited a 91,000 square foot building adjacent to Highway 401. The Company anticipates an active industrial program in Pickering in future years.



Source Data Control Limited building in Bramalea Industrial Park, Bramalea, Ontario

In order that the industrial client can begin operations on the required date of occupancy, the Company offers a complete "turn-key" package.

Land Servicing

The Land Servicing Section engages and directs consultants to prepare the necessary engineering design drawings and tender forms. Once these are approved, all service work, including roads, sidewalks, boulevards, water mains, storm and sanitary sewers, hydro, gas, telephone, parks, watercourses and landscaping, are tendered out to major contractors. Land Servicing then co-ordinates the installation.

In 1975, Land Servicing brought 470 acres of residential land on stream, including the grading and paving of about 6.5 miles of fully serviced roadway and the provision of services to 969 single and semi-detached lots and

Bramalea Industrial Park

Bramalea Industrial Park, with 2,200 acres, is ideally located adjacent to Toronto International Airport, with major rail services through the area. A total of 123 industries have already located in the park and 588 zoned and serviced acres remain ready for occupancy. Further industrial land will be brought on-stream as required.

The Company is determined to increase its portfolio of income-producing industrial properties while maintaining a policy of selling land to those industries which would benefit both the park and the municipality. The Company is currently negotiating with several major industries considering the purchase of land in the Bramalea Park.

Lease negotiations were concluded with several companies and Bramalea is now designing and constructing new plant facilities for them.



J. Spencer Carroll
Vice-President
Industrial Development Division

Shopping Centres



Bruce D. Pattison
Vice-President

Bramalea has firmly established its reputation as one of Canada's largest shopping centre operators with more than 5.2 million square feet of gross rentable space, serving 798 tenants.

In 1975, the Company expanded, upgraded and increased its financial return from our seven existing shopping centres. In Western Canada, ownership was acquired of seven malls and a 50 per cent interest in two other malls. Consequently, the Company now has 16 shopping centres in 12 cities from British Columbia to Ontario.

During 1976, this dynamic revenue-producing division should expand even further if it is permitted to proceed with plans to create four new shopping centres in Ontario.

The highly profitable Shopping Centre Division has been divided into two regions – the Western Region, with nine malls, and the Eastern Region, with seven malls.

The Western Region

The nine centres in the Western Region contain 2.9 million square feet of rentable space. They are contemporary, enclosed for shopping comfort, anchored by major department stores and supermarkets, popular with local shoppers, and have the inherent quality of providing Bramalea with increased income through percentage rent provisions in most leases.

Growth opportunities exist in almost all these shopping centres. For example, the Marlborough Mall in Calgary is being tripled in size to a regional centre with 646,300 square feet including the addition of a Sears department store. The expansion is due to open later this year. Three malls have land set aside for further expansion possibilities.

The new centres represent valuable additions and challenges for the Shopping Centre Division. Western Canada offers great opportunities for substantial shopping centre growth. To place the Company in the forefront of this potential development, a regional office has been opened in Calgary.

The Eastern Region

The Eastern Region's seven Ontario centres had an active and profitable

year, highlighted by the completion of the enclosure of Pen Centre in St. Catharines and the upgrading of tenancies in Bramalea City Centre, Queenston Mall in Hamilton, and Harwood Place in Ajax.

In addition to enclosing Pen Centre, the Company instituted 22 tenant changes to enhance the centre's appeal and profitability. Among the changes were the opening of a 93,000 square foot G. W. Robinson department store, the third major department store in the centre, and the expansion of the existing Sears store.

The enclosure met with the approval of Niagara Peninsula shoppers, as evidenced by merchants' year-end sales results that increased by 25 per cent.

The increased productivity at the well-established Bramalea City Centre was a gratifying accomplishment during 1975. The centre's sales rose by 33 per cent. These remarkable results reflect the substantial growth in population within the trading area and the success of the Company's leasing team, which rented 43,000 square feet of space during the year, much of which had previously been considered non-rentable.

The Division was successful in attracting significant new tenants, including Consumers Distributing and the Canadian Imperial Bank of Commerce. The enriched merchant-mix, from some 20 tenant changes, will be reflected in increased rental income from City Centre in 1976 and future years. The centre still has tremendous potential as the population of the Bramalea community is only half its ultimate size.

Shopper appeal was enhanced at Hamilton's Queenston Mall by attracting a new Canadian Tire Corporation store, a Shoppers Drug Mart, and a Liquor Control Board of Ontario store.

Future Growth

The Company is optimistic about the future growth of the greatly-expanded Shopping Centre Division, which has been actively pursuing a number of new development opportunities in Ontario.

The Company has entered into a joint venture with a North Bay company to build a proposed regional shopping centre in North Bay. Bramalea has

management of the project and is currently seeking rezoning of the land.

The Company is developing a 45,000 square foot enclosed shopping centre in Niagara Falls which will be anchored by a major supermarket and about eight ancillary stores. Construction will be undertaken by Bramalea's Construction Division, hopefully late this spring.

The continued strong growth of the Bramalea community provides an opportunity to develop a new neighbourhood shopping centre in Bramalea north of Highway 7. This centre, with approximately 14,000 square feet, will serve as a convenience centre for the Northgate neighbourhood.

Preliminary plans are being prepared for the development of a commercial facility on 50 acres of land owned by the Company at Airport Road and Highway 7. This facility will include a variety of "do-it-yourself" outlets for home improvements, gardening, automobiles, boats, and similar interests.

Shopping Centre Portfolio

Location	Owned -O Leased -L	Rentable area in Sq. Ft.	No. of Stores & Tenants
Eastern Region			
Bramalea City Centre	O	941,000	160
Niagara Peninsula Shopping Centre (Pen Centre)	L	874,300	95
Harwood Place	L	207,100	36
Huronian Mall	O	65,000	20
Queenston Mall	L	150,200	30
Royal Orchard Shopping Centre	O	42,800	10
Southgate Village Shopping Centre	L	26,900	11
Eastern Region Total		<u>2,307,300</u>	<u>362</u>
Western Region			
Brandon Mall	O	218,000	29
Brandon Annex	O	22,800	3
Brentwood Mall (1)	O	436,300	75
Confederation Park Mall	O	235,600	34
Lougheed Mall (1)	O	491,100	81
Marlborough Mall (2)	O	646,300	90
Macleod Trail Mall	O	244,100	40
South Hill Mall	O	292,500	32
Town 'n' Country Mall	O	210,400	30
Trans Canada Mall	O	154,900	22
Western Region Total		<u>2,952,000</u>	<u>436</u>
Total Portfolio		<u>5,259,300</u>	<u>798</u>

NOTES:

- (1) Bramalea has a 50 per cent ownership in Brentwood Mall and Lougheed Mall.
- (2) Rentable area for Marlborough Mall includes the expansion that is currently under construction.

Newly-enclosed Pen Centre,
St. Catharines, Ontario



Financial Reviews and Property Portfolio

Industrial Building Portfolio

Tenant	Owned – O Leased – L	Rentable area in sq. ft.
Aircraft Appliances and Equipment Limited	O	94,800
Bradsil Limited	O	6,400
Bramalea Leasing	O	4,000
Brock Containers Limited	O	126,000
Comshare Limited (1)	O	12,000
Construction Equipment Company Limited	O	36,000
Ducon-Mikropul Canada Limited	O	18,500
G. Tamblyn Limited	O	68,000
Imco Containers Limited	O	31,000
International Paints Limited	O	40,700
Inter Traffic Limited	O	91,000
Multi Tenancy	L	68,900
Multi Tenancy	O	90,600
Multi Tenancy	O	98,000
Multi Tenancy	O	102,600
Neff Kitchen Manufacturers Limited	O	78,000
North American Wallpapers Limited	O	35,800
Robert Hunt Company Limited	O	200,000
Root Wire Limited	O	24,200
Source Data Control Limited (1)	O	111,800
Western Controls Incorporated (1)	O	25,800
TOTAL		1,364,100

(1) Under construction

Office Building Portfolio

	Rentable area in sq. ft.
1867 Yonge Street, Toronto, Ontario	113,000
I.B.M. Building, Edmonton, Alberta	80,000
TOTAL	193,000

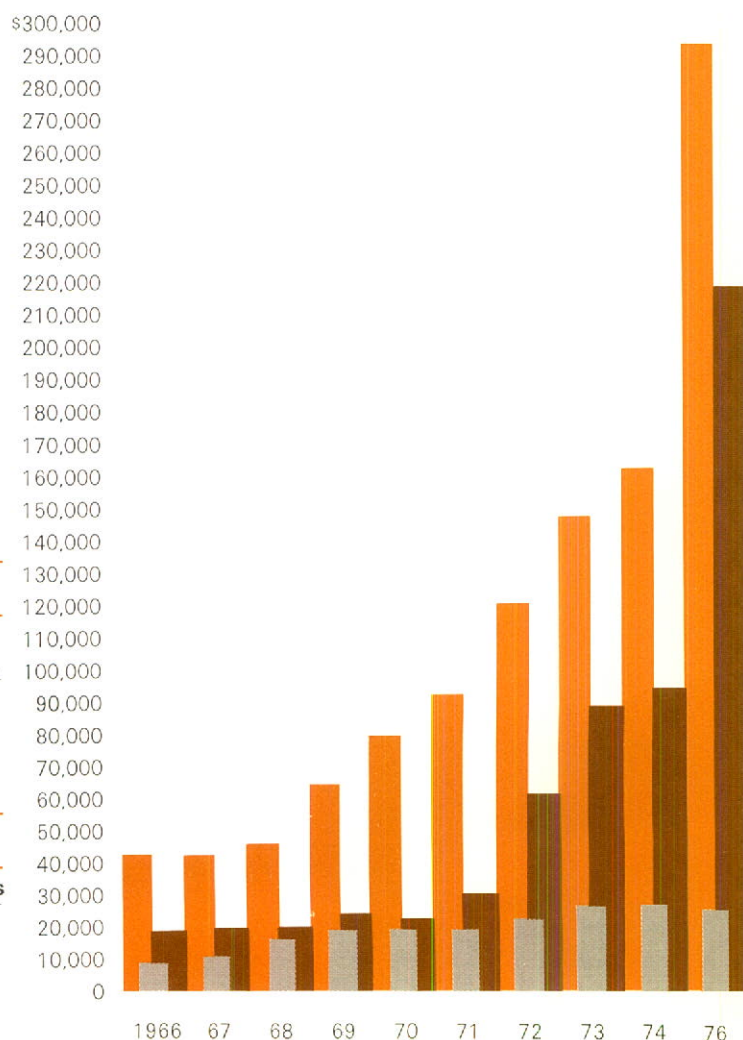
Hotel Portfolio ⁽¹⁾

	Number of rooms
Hyatt Regency, Toronto	516
Hyatt Regency, Vancouver	656
TOTAL	1,172

(1) Bramalea has a 75% interest in each hotel.

TOTAL ASSETS, SHAREHOLDERS' EQUITY AND LONG-TERM DEBT (000's)

■ Total assets
■ Shareholders' equity
■ Long-term debt



Property Management Portfolio

Apartment Buildings (completed)		Units
37 Eastbourne Drive	Bramalea	170
15 Eastbourne Drive	Bramalea	170
Folkstone Terrace	Clark Blvd., Bramalea	183
Mackenzie Tower	Kensington Road, Bramalea	148
TOTAL		<u>671</u>

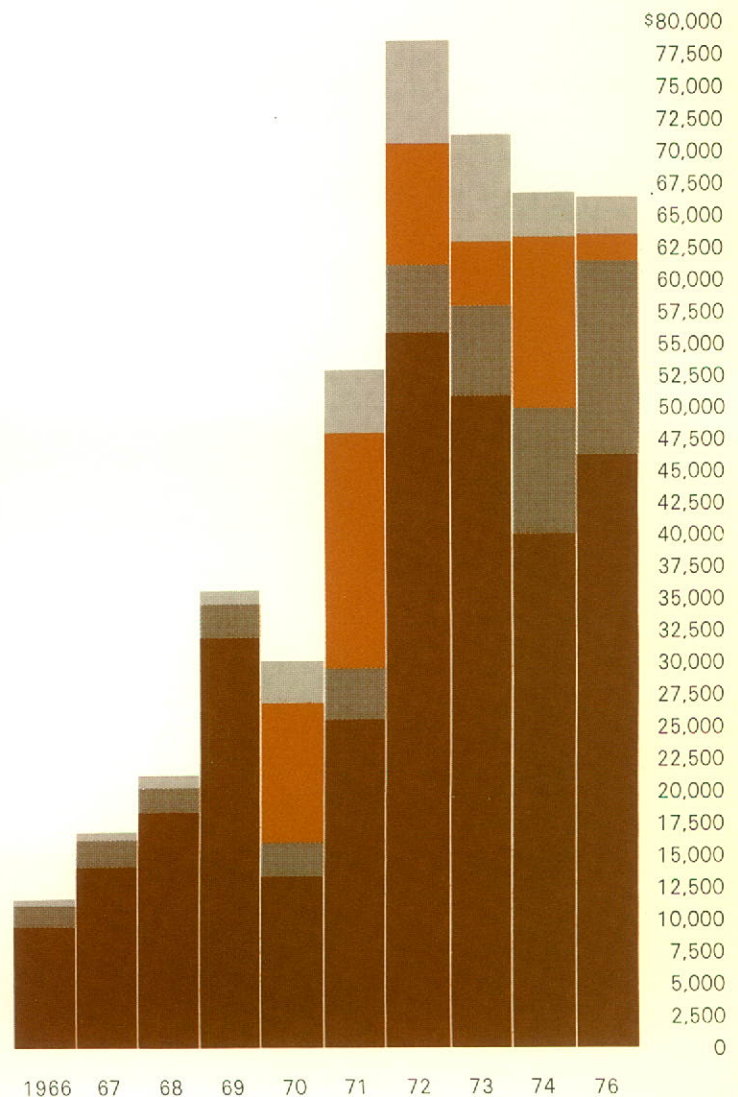
Apartment Buildings (under construction)		Units
Buchanan Tower	5 Kings Cross Rd., Bramalea	212
Munro Tower	11 Knightsbridge Rd., Bramalea	178
Cameron Tower	3 Knightsbridge Rd., Bramalea	308
TOTAL		<u>698</u>

Condominium Apartment Buildings		Units
Stewart	25 Kensington Rd., Bramalea	210
MacDonald	15 Kensington Rd., Bramalea	209
TOTAL		<u>419</u>

Townhouses		Units
York Square North	Gosford Blvd., Downsview	91
Townhouses	76 Balmoral Dr., Bramalea	27
Townhouses	101 Balmoral Dr., Bramalea	74
TOTAL		<u>192</u>

REVENUES BY SOURCE (000's)

- Revenue-producing properties
- Sales of land and houses
- Commercial construction contracts
- Other



Earnings (loss) for the period and cash provided from operations

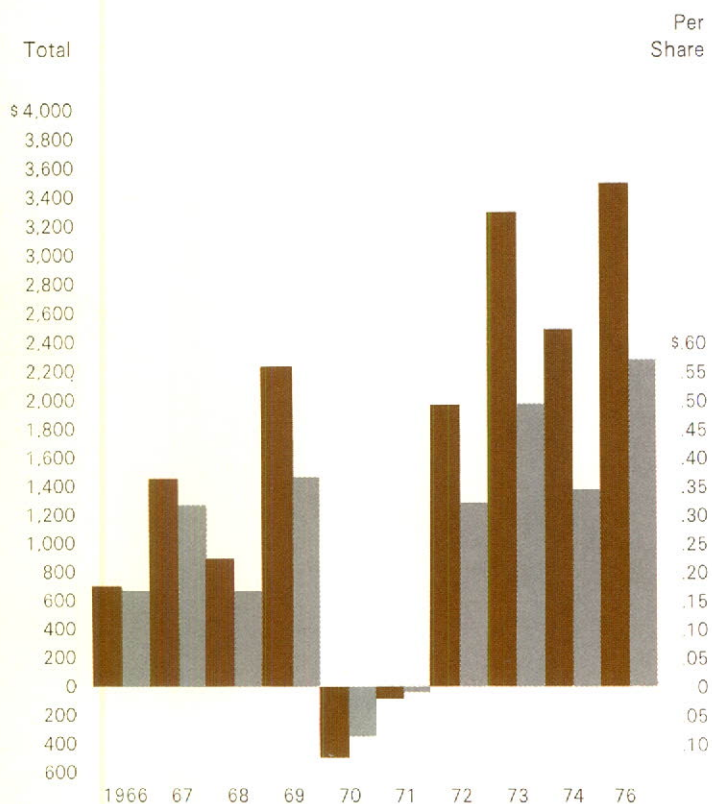
(In thousands of dollars)

Fiscal period	Earnings (loss) for the period		Cash provided from operations	
	Total	Per share	Total	Per share
November 30, 1966	\$ 751	\$.17	\$1,305	\$.30
1967	1,468	.32	3,237	.71
1968	895	.17	1,708	.32
1969	2,239	.37	4,415	.73
1970	(493)	(.08)	1,915	.31
1971	(86)	(.01)	807	.13
1972	1,984	.32	4,749	.77
1973	3,312	.49	7,953	1.16
1974	2,452	.34	8,372	1.18
January 31, 1976 (14 months)	3,540	.57	9,812	1.59

After adjustment for minority interest, extraordinary items and the 5 for 1 stock split in August, 1968.

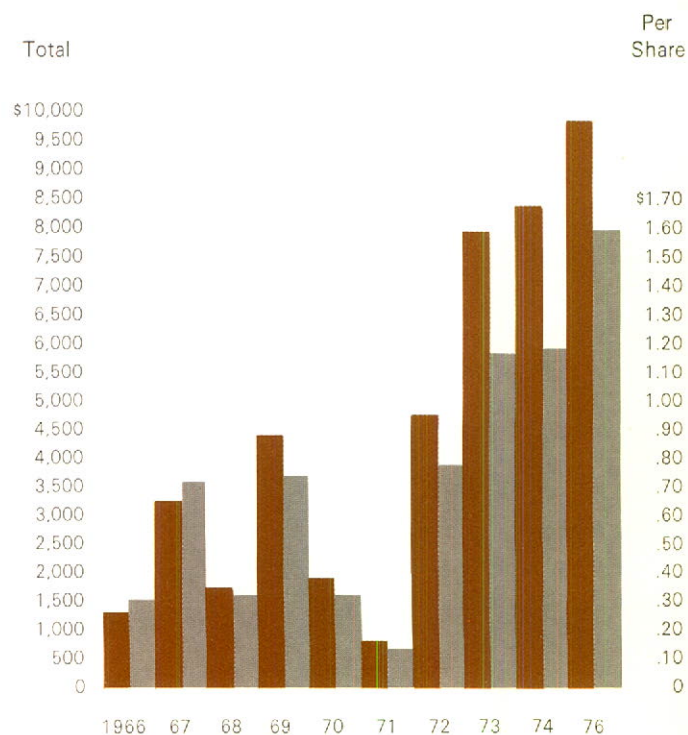
EARNINGS (LOSS) FOR THE PERIOD (000's)

■ Total
■ Per Share



CASH PROVIDED FROM OPERATIONS (000's)

■ Total
■ Per Share





Hyatt Regency Hotel, Vancouver



Calgary



Burnaby, B.C.
Burnaby Mall, Burnaby, B.C.



Bramalea City Centre, Bramalea, Ontario



IBM Building, Edm



Town 'n' Country Mall, Moose Jaw, Saskatchewan



Trans Canada Mall



Pen Centre, St. Catharines, Ontario
Marlborough Mall, Calgary



Brentwood Mall
Exterior of Brentwood Mall





Bramalea Estates, Bramalea, Ontario

Bramalea . . . across the nation

Model homes in Amberlea, Pickering, Ontario

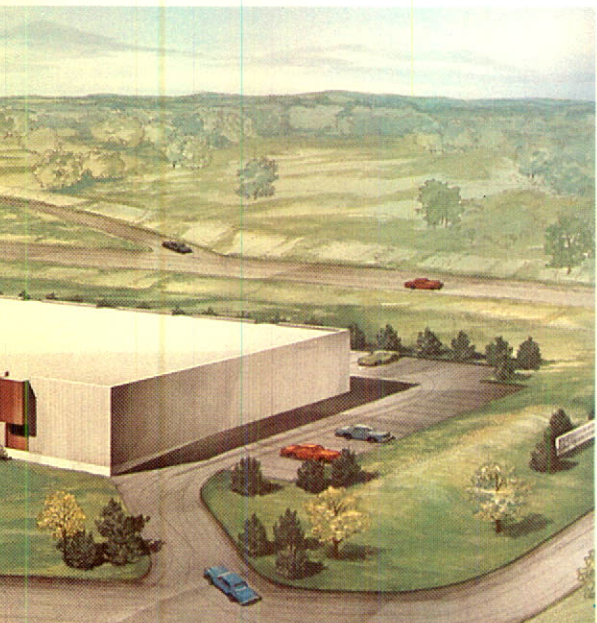




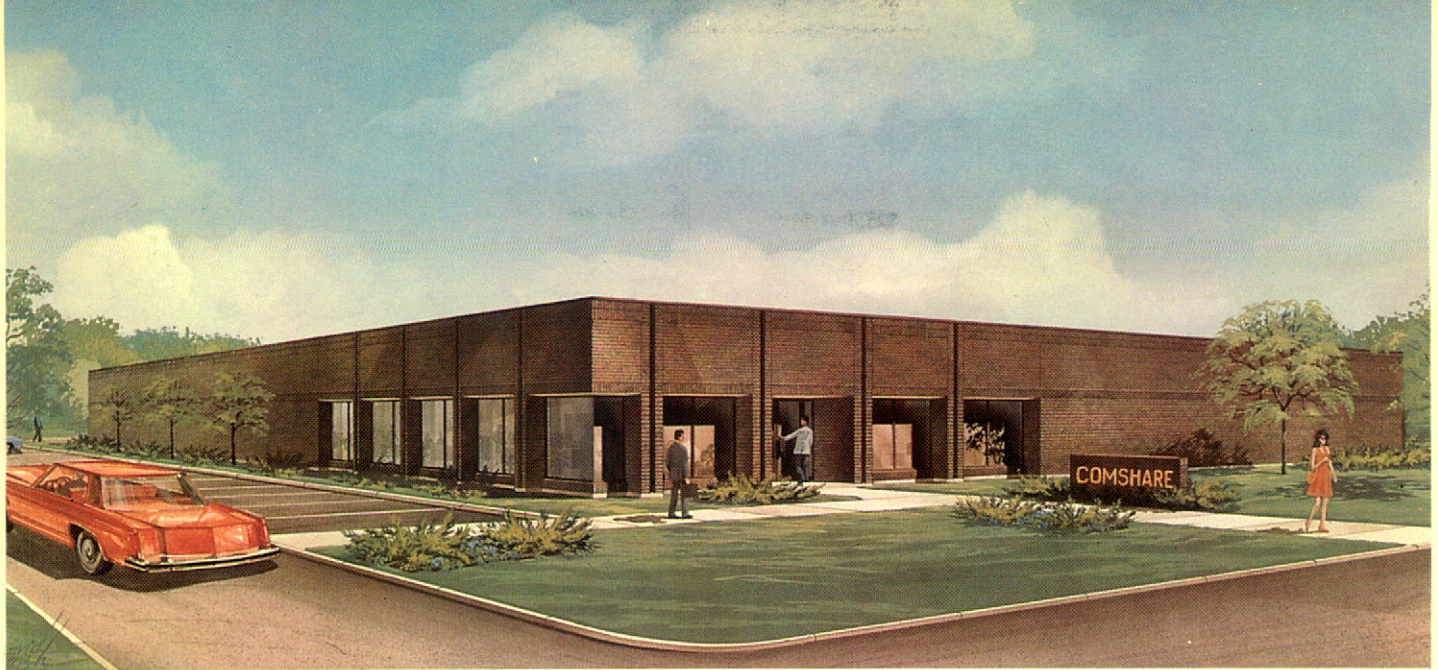
West Regency Hotel, Vancouver, B.C.



Kensington Place condominiums, Bramalea, Ontario
Bramalea's head office, 1867 Yonge Street, Toronto



1867 YONGE



Comshare Limited Building, Bramalea Industrial Park



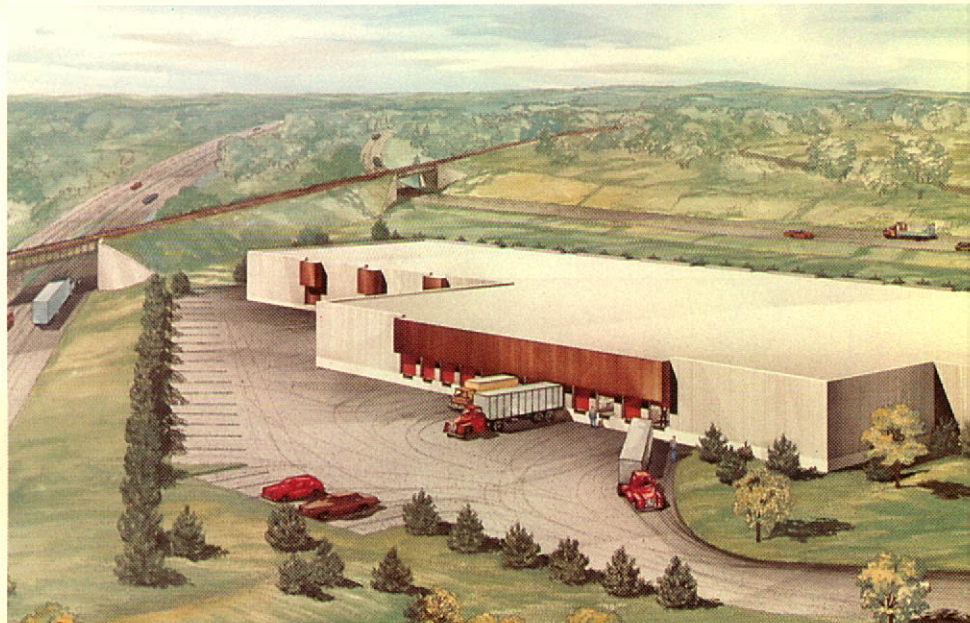
Macleod Trail Mall, Calgary

Edmonton, Alberta



Interior of Kensington Place, Bramalea, Ontario

Inter Traffic Limited, Pickering, Ontario



Kensington Place condominiums,
Bramalea, Ontario



Bramalea Consolidated Developments Limited and Subsidiaries

Summary of Significant Accounting Policies

January 31, 1976

General

The Company is a member of the Canadian Institute of Public Real Estate Companies and as such its accounting policies and its standards of financial disclosure are in accordance with the recommendations of that Institute and comply with accounting policies that are considered appropriate for the real estate industry in Canada.

Principles of consolidation

The consolidated financial statements include the accounts of all companies in which the Parent Company holds a majority interest. Acquisitions of such companies are accounted for on the purchase basis and the results of their operations are included in the consolidated statement of earnings and retained earnings from the respective dates of acquisition.

The excess of cost over book value of such acquisitions is allocated where appropriate to land or property and equipment to reflect the fair market value of such assets at date of acquisition.

The consolidated financial statements also include ;

- (i) the Company's proportionate share of the individual assets, liabilities, revenues and expenses of unincorporated joint ventures, and
- (ii) the Company's proportionate share of the individual revenues and expenses of incorporated joint ventures and the investment in these entities on an equity basis.

Foreign exchange

Amounts in foreign currencies have been translated into Canadian dollars on the following bases :

- (i) Housing and land inventories, at historic exchange rates ;
- (ii) Mortgages and notes payable, at the exchange rates realized on conversion of the loan proceeds to Canadian funds or, where applicable, at the rates established under foreign exchange currency commitments ;
- (iii) Other assets and liabilities, at current exchange rates prevailing at balance sheet date ;
- (iv) Revenues and expenses, at the average rate for the period.

Translation gains and losses are included in earnings for the period.

Valuation of assets

Housing units

Housing units are recorded at the lower of their average cost or net realizable value.

Land

Land is recorded at the lower of its original cost, which includes development costs and carrying charges, or net realizable value. Development costs, which include costs for water and sewage systems, roads, sidewalks, utilities and municipal lot levies are allocated to the saleable acreage which benefits from the expenditure.

Property and equipment

Property and equipment is recorded at its cost less accumulated depreciation and amortization.

Depreciation on revenue-producing buildings is recorded on a sinking fund basis over a 50-year term for office buildings and shopping centres and a 40-year term for hotels, residential buildings and industrial buildings. The sinking fund method provides a depreciation charge to income of an amount which increases annually, consisting of a fixed annual sum together with interest compounded at 5% per annum. This charge is sufficient to depreciate the buildings fully over their anticipated useful lives.

Depreciation and amortization on all other property and equipment are recorded at rates sufficient to write these assets off over their anticipated useful lives or over the terms of applicable leases.

Capitalization of costs

Carrying charges, principally real estate taxes and applicable interest, are capitalized to land until it is sold, and to housing units and revenue-producing properties during construction.

Recognition of Income

Sale of land

Revenue from the sale of land is recorded on closing, and the cost of sale is recorded at the average cost per saleable acre. Conditional sales are not recorded.

Sale of houses

Revenue and the related cost from the sale of a single or semi-detached house are recorded when the completed house is conveyed to the purchaser.

Revenue and the related cost from the sale of a condominium house are recorded when the purchaser pays the amount on closing, becomes entitled to occupancy and undertakes to assume a mortgage for the balance of the purchase price.

Revenue-producing properties

Revenue and the related expense of revenue-producing properties are recorded from the time the projects are deemed to be 70% occupied or six months after substantial completion, whichever occurs first. Net profits or losses prior to this time are capitalized as part of the total cost of the project.

Basic and percentage rental revenues are recorded as earned, in accordance with individual lease terms.

Commercial construction contracts

Revenue from a commercial construction contract is recorded when its actual cost exceeds 85% of the total estimated cost.

Deferred revenue

Revenue on the following types of transactions is deferred and taken into earnings as noted :

- (i) Interest discount arising from sales for low-interest or interest-free consideration is charged to cost of land and houses, utilizing appropriate interest rates, and is included in earnings as the mortgages are repaid ;
 - (ii) Profits from the sale and leaseback of revenue-producing properties are included in earnings over the respective terms of the individual leases ;
 - (iii) Profits from the sale of land are deferred until collection of the sale proceeds is reasonably assured.
-

Prepaid and deferred charges

Leasing and financing costs associated with the operation of revenue-producing properties owned or leased by the Company are deferred and charged to earnings over the terms of the individual leases for leasing costs, and the terms of the mortgages for financing costs.

Other prepaid and deferred charges are charged to earnings in the periods to which they are applicable.

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Bramalea Consolidated Developments Limited and subsidiaries as of January 31, 1976 and the consolidated statements of earnings and retained earnings and changes in financial position for the fourteen months then ended. Our examination 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.

In our opinion, these consolidated financial statements present fairly the financial position of the Company and subsidiaries as of January 31, 1976 and the results of their operations and the changes in their financial position for the fourteen months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The figures for 1974, included for comparative purposes, are based on the financial statements of that year which were reported on by other chartered accountants.

Toronto, Ontario
March 26, 1976

Peat, Marwick, Mitchell + Co.

Chartered Accountants

**Bramalea Consolidated Developments Limited
and Subsidiaries**

Consolidated Balance Sheet

January 31, 1976

January 31, November 30,
1976 1974

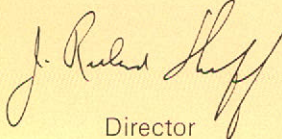
(In thousands of dollars)

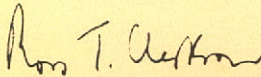
Assets		\$ 1,611	999
Cash		7,975	3,660
Accounts receivable (notes 2 and 8)		19,089	17,540
Mortgages, debentures and notes receivable (notes 3 and 8)		15,338	13,847
Housing units (note 4)			
Land (notes 5 and 9)		22,798	12,623
Under development		44,504	34,696
Held for future development			
Investments (note 6)		10,682	11,558
Property and equipment (notes 7 and 9)		171,397	65,672
Prepaid and deferred charges		3,749	3,697
		\$297,143	164,292

Liabilities	Bank indebtedness (note 8)	\$ 11,053	6,391
	Accounts payable	15,867	9,488
	Mortgages on housing units (note 4)	7,280	13,312
	Mortgages and notes payable (note 9)	208,039	84,318
	Convertible debentures (note 10)	11,868	11,868
	Deferred revenue (note 11)	1,681	1,806
		255,788	127,183

	Deferred income taxes	15,162	9,125
Shareholders' Equity	Capital stock and retained earnings (note 12)	26,193	27,984
	Commitments and contingencies (notes 7 and 13)		
		\$297,143	164,292

On behalf of the Board


Director


Director

See summary of significant accounting policies and accompanying notes to consolidated financial statements.

**Bramalea Consolidated Developments Limited
and Subsidiaries**

**Consolidated Statement of Earnings and
Retained Earnings**

Fourteen months ended January 31, 1976

		Fourteen months ended January 31, 1976	Twelve months ended November 30, 1974		
(In thousands of dollars)					
Revenues	Sale of land and houses	\$ 46,433	40,115		
	Revenue-producing properties	14,479	9,810		
	Commercial construction contracts	2,511	13,080		
	Interest	1,505	1,239		
	Other	1,411	2,584		
		66,339	66,828		
Expenses	Cost of land and houses	36,298	30,372		
	Revenue-producing properties	13,640	9,576		
	Commercial construction contracts	2,205	12,568		
	Administrative and general	3,734	3,361		
	Interest (note 16)	2,417	1,438		
	Other	949	2,146		
		59,243	59,461		
Earnings before income taxes and extraordinary item		7,096	7,367		
Income taxes		3,556	4,240		
Earnings before extraordinary item		3,540	3,127		
Extraordinary item		—	(675)		
Earnings for the period		3,540	2,452		
Retained earnings at beginning of period, restated (note 14)		10,172	7,720		
Cancellation of shares (note 12)		(3,050)	—		
Retained earnings at end of period (note 12)		\$ 10,662	10,172		
		Basic	Fully Diluted	Basic	Fully Diluted
Earnings per share (note 12)	Before extraordinary item	57¢	51¢	44¢	40¢
	Extraordinary item	—	—	(10¢)	(8¢)
	For the period	57¢	51¢	34¢	32¢

See summary of significant accounting policies and accompanying notes to consolidated financial statements.

**Bramalea Consolidated Developments Limited
and Subsidiaries**

**Consolidated Statement of Changes in
Financial Position**

Fourteen months ended January 31, 1976

**Fourteen
months
ended
January 31,
1976** Twelve
months
ended
November 30,
1974

(In thousands of dollars)

Source of cash

Cash provided from operations (note 15)		
Earnings for the period before extraordinary item	\$ 3,540	3,127
Deferred income taxes	3,418	3,141
Depreciation and amortization	1,854	1,185
Amortization of deferred charges	1,000	919
	9,812	8,372
Additional mortgage financing	112,042	15,923
Sale of property and equipment	3,130	1,489
Issue of capital stock	1,121	311
Repayment of mortgages receivable	992	1,834
Net change in other assets and liabilities	1,127	658
	128,224	28,587

Use of cash

Purchase and construction of property and equipment	110,709	11,905
Purchase of capital stock	6,452	1,938
Additional equity in subsidiaries, including bank indebtedness assumed of \$1,957,000 (note 1)	6,057	—
Additions to land	5,765	5,527
Additions to housing units	1,491	6,108
Deferred charges	1,052	710
Investments	748	413
Extraordinary item	—	675
	132,274	27,276
Increase (decrease) in net bank indebtedness	4,050	(1,311)
Net bank indebtedness at beginning of period	5,392	6,703
Net bank indebtedness at end of period	\$ 9,442	5,392

Cash provided from operations – per share (notes 12 and 15)

\$ 1.59 1.18

See summary of significant accounting policies and accompanying notes to consolidated financial statements.

**Bramalea Consolidated Developments Limited
and Subsidiaries**

Notes to Consolidated Financial Statements

January 31, 1976

1. Major transactions and corporate organization

Effective December 31, 1975, the Company completed two significant purchases of revenue-producing properties for an aggregate consideration of \$102 million, subject to the assumption of existing mortgages. The balance of the purchase price was satisfied by the proceeds of new mortgage loans. The results of operations of the acquired properties for the month of January 1976 have been included in the accompanying consolidated statement of earnings and retained earnings.

On August 31, 1975 the Company purchased the balance of the issued shares of Village In The Valley Limited and Tallden Investments Limited, previously treated by the Company as incorporated joint ventures, with an equity value of \$1,350,000 at purchase date. The consideration for these purchases amounted to \$4,100,000 and was financed by a combination of bank borrowings and notes taken back by the former shareholders. At the date of acquisition, the book value of assets of both companies amounted to \$15,000,000 and the total liabilities to \$12,300,000 including bank indebtedness of \$1,957,000. The excess of cost of the investment over book value of \$2,750,000 has been allocated to land, being the principal asset of the companies.

On April 30, 1975 the Company amalgamated with certain wholly-owned subsidiary companies and concurrently changed its fiscal year end to January 31, effective 1976. The accompanying consolidated financial statements therefore cover a fourteen month operating period.

2. Accounts receivable

	1976	1974
	(In thousands of dollars)	
Revenue-producing properties:		
Basic and percentage rentals	\$1,874	990
Maintenance and real estate tax recoveries	2,537	913
Sale of land and houses	1,267	766
Employees' stock purchase plan (note 12)	1,121	—
Other	1,176	991
	<u>\$7,975</u>	<u>3,660</u>

3. Mortgages, debentures and notes receivable

	Maturity dates	Average interest rates	1976	1974
			(In thousands of dollars)	
Mortgages and notes receivable	1977 to 1998	9%	\$17,050	15,141
Ontario Housing Corporation debenture (note 8)	1984	6%	2,039	2,399
			<u>\$19,089</u>	<u>17,540</u>

Principal repayments due under the terms of the above obligations amount to \$5,000,000 in the year to January 31, 1977.

4. Housing units

	1976	1974		
	Construction costs	Land costs	Total	Total
	(In thousands of dollars)			
Under contract of sale	\$ 2,294	2,595	4,889	3,028
Not under contract of sale	8,030	2,419	10,449	10,819
	<u>\$10,324</u>	<u>5,014</u>	<u>15,338</u>	<u>13,847</u>

At January 31, 1976 mortgages totalling \$7,280,000 and bearing an average interest rate of 11% were outstanding on housing units. As units are sold, the related mortgage obligations are assumed by the purchasers.

5. Land

	Under development		Held for future development	
	1976	1974	1976	1974
	(In thousands of dollars)			
Land — at cost	\$ 8,408	3,075	31,658	27,542
Carrying charges	4,166	2,412	12,846	7,154
Development costs	10,224	7,136	—	—
	<u>\$22,798</u>	<u>12,623</u>	<u>44,504</u>	<u>34,696</u>

Carrying charge transactions during the period consist of :

	Under development		Held for future development	
	1976	1974	1976	1974
	(In thousands of dollars)			
Balance, beginning of period	\$2,412	2,098	7,154	4,611
Capitalized during the period :				
Interest (note 16)				
Specific debt	231	216	3,323	2,420
General debt	405	266	247	153
Real estate taxes and other costs	129	121	390	227
	765	603	3,960	2,800
Transferred (to) from :				
Cost of land sales	(1,008)	(217)	—	—
Other assets	1,997	(72)	1,732	(257)
	989	(289)	1,732	(257)
Balance, end of period	\$4,166	2,412	12,846	7,154

6. Investments

	1976	1974
	(In thousands of dollars)	
Advances on behalf of unincorporated joint venture participants bearing interest at 12%	\$ 9,387	6,986
Investment in and advances to incorporated joint ventures	1,295	4,348
Other	—	224
	\$10,682	11,558

The advances on behalf of unincorporated joint venture participants include advances of \$7,467,000 (1974 – \$6,251,000) made on behalf of a joint venture participant which is controlled by a person who became a director and officer of the Company subsequent to the commencement of the joint venture. The funds advanced were a portion of the proceeds of a mortgage payable secured on the joint venture lands. The above mentioned participant also has a substantial voting interest in a corporate shareholder of the Company.

Pursuant to the joint venture agreements the participants have agreed to reimburse the Company for advances made on their behalf. The participants' share in the assets of these joint ventures will be used to meet these obligations.

The current period's activity in the investment in incorporated joint ventures is set out below :

	(In thousands of dollars)
Investment and advances, November 30, 1974	\$4,348
Equity in Village In The Valley Limited and Tallden Investments Limited upon acquisition of remaining shares (note 1)	(1,350)
Repayment of advances, net	(1,562)
Joint venture losses during period	(141)
Investment and advances, January 31, 1976	\$1,295

Financial information on the joint ventures is set forth in a Schedule to the consolidated financial statements.

7. Property and equipment

	1976		1974	
	Cost	Accumulated depreciation and amortization	Net	Net
	(In thousands of dollars)			
Revenue-producing properties :				
Shopping centres	\$ 81,157	1,300	79,857	27,000
Hotels	39,182	83	39,099	—
Residential properties	19,223	1,363	17,860	19,447
Industrial buildings	12,033	219	11,814	7,067
Office buildings	10,230	556	9,674	5,481
	161,825	3,521	158,304	58,995
Under construction	12,173	—	12,173	5,693
	173,998	3,521	170,477	64,688
Other property and equipment	1,881	961	920	984
	\$175,879	4,482	171,397	65,672

Costs to complete revenue-producing properties under construction are estimated at \$28,500,000 and related financing has been arranged.

8. Bank indebtedness

The bank indebtedness relates to operating loans made to the Company and certain subsidiaries and is secured by:

- (i) general assignment of the Company's accounts and mortgages receivable;
- (ii) assignment of the annual receipts of principal and interest on the Ontario Housing Corporation debenture (note 3);
- (iii) floating charge debentures on all of the property and assets of the Company; these charges rank ahead of the floating charge described in note 10.

9. Mortgages and notes payable

	1976		1974	
	Maturity dates	Average interest rates	(In thousands of dollars)	
Mortgages and notes on land	1977 to 1985	10%	\$ 35,883	24,780
Mortgages on revenue-producing properties	1977 to 2066	9%	151,614	47,983
Other mortgages and notes payable (partially secured)	1977 to 1983	10%	14,334	10,215
			201,831	82,978
Interim financing on certain revenue-producing properties under construction	1977	8%	6,208	1,340
			\$208,039	84,318

United States dollar obligations of \$74,804,000 (U.S.) are included above in the amount of \$75,468,000.

Principal repayments due under the terms of the above obligations, apart from those relating to the interim financing on revenue-producing properties under construction, are as follows:

Year ending January 31,	(In thousands of dollars)
1977	\$ 19,036
1978	18,223
1979	27,572
1980	14,782
1981	18,551
Subsequent to 1981	103,667
	\$201,831

Certain land development projects are currently planned for completion subsequent to the maturity dates of the related financing. The Company therefore intends to refinance upon maturity \$28,664,000 of mortgages and notes payable included above, comprising \$8,130,000 due in 1977, \$2,500,000 due in 1978 and \$18,034,000 due in 1979.

10. Convertible debentures

Convertible debentures outstanding are designated Series A, bear interest at 7½% and are due October 1, 1988. The debentures are secured by a Trust Indenture containing a first floating charge on the undertaking and all the property and assets of the Company, subject to the prior charge described in note 8. Under the Trust Indenture, a Sinking Fund for retirement of the debentures is to be established into which the Company must pay before October 1st in each of the years 1979 to 1987, inclusive, an amount equal to 6% of the aggregate principal amount of the debentures outstanding on September 30, 1978.

The debentures are redeemable in whole or in part subject to the following two restrictions:

- (i) The debentures may not be called for redemption in whole or in part prior to October 1, 1978, unless and until the principal amount of the debentures converted into shares of the capital of the Company and/or purchased for cancellation shall total \$11,400,000;
- (ii) The debentures may not be called for redemption (otherwise than out of Sinking Fund monies) in whole or in part prior to October 1, 1983, as part of, or in anticipation of, any refunding operation involving the incurring of indebtedness at an interest rate of less than 7½% per annum.

Each of the debentures is convertible up to September 30, 1978, or the day preceding the date specified for redemption of such debenture, whichever is the earlier, into fully-paid and non-assessable common shares by applying the principal amount of such debenture to the purchase of such shares at a price of \$7.92 per share. The Trust Indenture provides for adjustment of the conversion price if additional common shares are issued for a consideration less than \$7.92.

11. Deferred revenue

	1976	1974
	(In thousands of dollars)	
Interest discount recorded on low-interest and interest-free mortgages	\$1,403	1,511
Profits on sale and leasebacks of revenue-producing properties	246	256
Profit on land sales	32	39
	\$1,681	1,806

12. Shareholders' equity

	Capital stock – common shares of no par value		Capital stock stated value	Retained earnings	Purchase of capital stock	Total
	Authorized shares	Issued and fully-paid shares				
	(In thousands of dollars)					
Balance, November 30, 1974	12,500,000	7,178,614	\$19,750	10,172	(1,938)	27,984
Purchase and cancellation of 1,354,921 common shares	(1,354,921)	(1,354,921)	(3,726)	(2,726)	—	(6,452)
Transfer of 251,250 common shares to employees under stock purchase plan	—	—	—	—	1,121	1,121
Cancellation of remaining shares purchased	(179,317)	(179,317)	(493)	(324)	817	—
Earnings for the fourteen months	—	—	—	3,540	—	3,540
Balance, January 31, 1976	10,965,762	5,644,376	\$15,531	10,662	—	26,193

During the period the Company purchased for cancellation in three separate transactions 1,354,921 of its common shares at an aggregate cost of \$6,452,000. In addition, 179,317 shares purchased in 1974 were cancelled after transferring 251,250 shares to certain employees under a stock purchase plan. The cost of the cancelled shares was allocated as follows:

- (i) To the stated value of capital stock, the average stated value of the cancelled shares at the dates of repurchase;
- (ii) To retained earnings, the remainder of the purchase price.

The 251,250 shares issued to employees under the stock purchase plan are held by trustees pending repayment to the Company of interest-free loans made for purposes of acquiring the shares.

At January 31, 1976, 5,644,376 (1974 – 7,178,614) shares were issued and fully paid. In addition, 1,498,485 common shares were reserved for conversion of the Convertible Debentures (note 10) and 69,750 were reserved for the exercise of stock options. The stock options are exercisable at \$5.60 per share (10,000 options expiring in 1978) and \$4.72 per share (59,750 options expiring in the years 1980 to 1985).

Earnings and cash provided from operations per share are based on the weighted monthly average number of shares outstanding during each period (1976 – 6,180,979 shares; 1974 – 7,113,231 shares) after giving effect to the purchase of shares for cancellation during each period.

On February 2, 1976 the Company agreed to purchase for cancellation 230,300 common shares at \$5.15 per share from a shareholder. Closing of the transaction is subject to certain approvals, including that of the shareholders at the forthcoming annual general meeting.

13. Commitments and contingencies

- (i) The Company has commitments in respect of long-term leases of revenue-producing properties (expiring in the years to 2000) to make minimum annual rental payments of \$2,090,000 over the next 5 years;
- (ii) The Company has guaranteed bank and mortgage indebtedness of certain joint ventures amounting to \$19,800,000;
- (iii) The Company is contingently liable for the total liabilities of the unincorporated joint ventures. The total assets of the joint ventures are sufficient for satisfaction of these liabilities;
- (iv) The Company is a defendant in an action brought in the Supreme Court of Ontario for damages in the amount of \$2,000,000 for an alleged breach of a contract. Legal counsel is of the opinion that there is no reason to concede any liability or to assume that the result of the action will adversely affect the financial position of the Company.

14. Restatement of November 30, 1973 retained earnings

Prior years' earnings have been restated to conform the accounting treatment for certain rental revenues and the discount on an interest-free receivable to Company practice. Retained earnings at November 30, 1973 were therefore decreased by \$859,000 and 1974 earnings increased by \$5,000.

15. Consolidated statement of changes in financial position

The consolidated statement of changes in financial position has been presented in accordance with the recommendations of the Canadian Institute of Public Real Estate Companies and to conform with industry practice. Accordingly, adjustments for non-cash items included in the determination of cash provided from operations have been limited to depreciation and amortization, deferred income taxes and amortization of deferred charges. The 1974 comparative figures have been adjusted to reflect this practice.

The Company also considers that the amount of land usage and related carrying charges and development costs incurred in prior years and charged to current period's operations together with the gain or loss on the disposal of

property and equipment represent appropriate adjustments in determining cash provided from current operations. Had such practice been followed currently, cash provided from operations for the fourteen months to January 31, 1976 would have amounted to \$12,061,000 (1974 – \$12,873,000) and cash provided from operations per share \$1.95 (1974 – \$1.81.)

16. Statutory information

(i) Interest

Interest incurred during the period amounted to \$14,078,000 (1974 – \$9,907,000) and has been recorded as follows:

	1976	1974
	(In thousands of dollars)	
Capitalized		
Housing units	\$ 1,271	1,042
Land	4,206	3,055
Commercial construction	52	—
Revenue-producing properties under construction	275	287
	<u>5,804</u>	<u>4,384</u>
Expensed		
Revenue-producing properties	5,845	4,024
Interest	2,417	1,438
Other	12	61
	<u>8,274</u>	<u>5,523</u>
	<u>\$14,078</u>	<u>9,907</u>

Capitalized interest is subsequently charged to earnings as part of cost of land and houses and commercial construction contracts and through depreciation of revenue-producing properties.

(ii) The aggregate direct remuneration paid by the Company to directors and senior officers as defined in The Business Corporations Act for the period to January 31, 1976 was \$547,720 (1974 – \$433,734).

17. Inhibiting legislation

The Company is subject to the Federal Government's Anti-Inflation Act and Regulations which became effective October 14, 1975, and to The Residential Premises Rent Review Act of the Province of Ontario which became effective on July 29, 1975.

As a result the Company's ability to change residential rents, increase employee compensation and pay dividends subsequent to the dates of the respective legislation is restricted. Regulations for the control of prices and profit margins for construction companies other than in respect of residential rental operations are not yet available and the Company is consequently unable to determine the extent to which its ability to change such prices and profit margins is restricted.

**Bramalea Consolidated Developments Limited
and Subsidiaries**

Schedule to Consolidated Financial Statements

January 31, 1976

		Unincorporated joint ventures combined balance sheet – January 31, 1976			
		January 31, 1976		November 30, 1974	
		Combined total	Company's interest	Combined total	Company's interest
		(In thousands of dollars)			
Assets	Cash	\$ 2,559	1,388	1,628	569
	Accounts and mortgages receivable	2,188	1,352	1,267	531
	Housing units	8,478	3,857	7,230	3,032
	Land	48,655	26,662	38,683	20,645
	Property and equipment	85,063	55,407	—	—
	Prepaid and deferred charges	867	642	—	—
		<u>\$147,810</u>	<u>89,308</u>	<u>48,808</u>	<u>24,777</u>
Liabilities	Bank indebtedness	\$ 508	254	—	—
	Accounts payable	4,474	2,311	2,846	1,180
	Mortgages payable	103,302	64,029	19,866	9,424
		<u>108,284</u>	<u>66,594</u>	<u>22,712</u>	<u>10,604</u>
Participants' equity	Advances by the Company on behalf of joint venture participants	9,387	6,389	6,986	4,119
	Retained earnings and accumulated advances	30,139	16,325	19,110	10,054
		<u>39,526</u>	<u>22,714</u>	<u>26,096</u>	<u>14,173</u>
		<u>\$147,810</u>	<u>89,308</u>	<u>48,808</u>	<u>24,777</u>

The amounts shown as "Company's interest" above are included under their respective captions on the accompanying consolidated balance sheet.

Incorporated joint ventures
combined balance sheet – January 31, 1976

		January 31, 1976		November 30, 1974	
		Combined total	Company's interest	Combined total	Company's interest
		(In thousands of dollars)			
Assets	Cash	\$ 103	51	51	25
	Accounts and mortgages receivable	1,145	576	3,785	2,092
	Housing units	—	—	2,168	1,084
	Land	1,646	682	14,899	7,099
	Property and equipment	14	10	98	62
		<u>\$ 2,908</u>	<u>1,319</u>	<u>21,001</u>	<u>10,362</u>
Liabilities	Bank indebtedness	\$ 256	167	3,165	1,779
	Accounts payable	115	50	1,752	1,018
	Mortgages and notes payable	1,409	529	6,049	3,033
		<u>1,780</u>	<u>746</u>	<u>10,966</u>	<u>5,830</u>
	Deferred income taxes	—	—	1,687	843
Shareholders' advances	Company's interest :				
	Mortgage	—	—	2,518	1,259
	Advances	1,552	776	1,790	1,004
	Outside interest	28	54	2,881	1,386
		<u>1,580</u>	<u>830</u>	<u>7,189</u>	<u>3,649</u>
Shareholders' equity	Capital stock	620	610	23	11
	(Deficit) Retained earnings	(1,072)	(867)	1,136	29
		<u>(452)</u>	<u>(257)</u>	<u>1,159</u>	<u>40</u>
		<u>\$ 2,908</u>	<u>1,319</u>	<u>21,001</u>	<u>10,362</u>

The Company's equity in and advances to the above entities is included under "Investments" on the accompanying consolidated balance sheet.

Unincorporated and incorporated joint ventures
combined statement of earnings
Fourteen months ended January 31, 1976

		Fourteen months ended January 31, 1976		Twelve months ended November 30, 1974	
		Combined total	Company's interest	Combined total	Company's interest
		(In thousands of dollars)			
Revenues	Sale of land and houses	\$ 21,337	8,457	39,872	16,769
	Revenue-producing properties	1,588	1,130	—	—
	Commercial construction contracts	—	—	7,301	1,979
	Other	387	142	2,353	1,169
		\$ 23,312	9,729	49,526	19,917
Expenses	Cost of land and houses	\$ 18,351	7,223	33,000	13,514
	Revenue-producing properties	1,721	1,185	—	—
	Commercial construction contracts	—	—	7,074	1,865
	Administrative and general	—	—	678	339
	Other	236	204	2,681	1,605
	20,308	8,612	43,433	17,323	
Earnings before income taxes		3,004	1,117	6,093	2,594
Income taxes		—	—	840	420
Earnings for the period		\$ 3,004	1,117	5,253	2,174

The amounts shown as "Company's interest" above are included under their respective captions on the accompanying consolidated statement of earnings and retained earnings.

The above statement reflects only income taxes applicable to the earnings of incorporated joint ventures.



Corporate Directory

Parent Company

Bramalea Consolidated Developments Limited
(Incorporated under the laws of the Province
of Ontario)

Executive and General Offices:
1867 Yonge Street, Toronto, Ontario, Canada
M4S 1Y5

Officers

John H. Taylor, Chairman of the Board
J. Richard Shiff, Q.C., President and Chief
Executive Officer
Kenneth E. Field, Executive Vice-President
Morey I. Speigel, P.Eng., Senior Vice-
President
J. Spencer Carroll, Vice-President, Industrial
Development Division
Gordon L. Deson, P.Eng., Vice-President,
Construction Division
Bruce D. Pattison, Vice-President, Shopping
Centre Division
Peter B. Perrin, Vice-President, Marketing
Division
Morris Smith, Q.C., Vice-President, Land
Development Division
Stewart D. Davidson, C.A., Treasurer
S. Peter Crawford, Secretary

Directors

Ross T. Clarkson, Q.C.
Montreal, Canada
Partner – Weldon, Courtois,
Clarkson, Parsons & Tétrault

Sydney C. Cooper, P.Eng.
Toronto, Canada
President – Pitts Engineering Construction Ltd.
Kenneth E. Field, B.A., LL.B.
Toronto, Canada
Executive Vice-President
David L. Goldberg,
Toronto, Canada
President – D. L. Goldberg & Co. Ltd.
John O. Hinds
Toronto, Canada
President – Noranda Exploration Company
Limited
J. Richard Shiff, Q.C.
Toronto, Canada
President
Morey I. Speigel P.Eng.
Toronto, Canada
Senior Vice-President
John H. Taylor, B.Eng. (Civil)
Toronto, Canada
Chairman – North American Life
Assurance Company

Divisions

Construction
Industrial Development
Land Development
Marketing
Shopping Centres

Subsidiary Companies

Bramalea Developments (U.S.) Limited
Bramalea Overseas Developments Limited
Domaine de Champvert Limitée
Hanlon Park Developments Limited
Talden Investments Limited
Village In The Valley Limited

Incorporated Joint Ventures

Brama-Green Limited
Bramalea Realty Limited
Bramalea Wescorp Developments Limited
M.B.W. Developments Limited

Unincorporated Joint Ventures

Amberlea
Ancaster
Caledon Properties
Central Park Developments
Century Manor
Phillips Farm
Riverside Drive
Rothwell Farm
Whitehall-Bramalea
Wycliffe-Bramalea

Trustee for Debentures

Canada Permanent Trust Company
Toronto, Canada

Registrars & Transfer Agents for Stock

Canada Permanent Trust Company
Toronto, Canada
Morgan Guaranty Trust Company
of New York, New York, U.S.A.

Stock Exchange Listing

The Toronto Stock Exchange

Auditors

Peat, Marwick, Mitchell & Co.
Toronto, Canada



Sunrise over the City Centre East apartment complex, Bramalea, Ontario



Professor's Lake, Bramalea, Ontario