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UNITED AMUSEMENT CORPORATION LIMITED

THIRTY-FIFTH ANNUAL REPORT

For the Fiscal period ended 2nd January 1960

REPORT OF THE DIRECTORS

To the Shareholders:

Submitted herewith is the Thirty-fifth Annual Report of your Directors for the fiscal period ended 2nd January, 1960.

As your Corporation has recently acquired a further stock interest in several previously associated companies, your Directors are of the opinion that it is in the best interests of your Corporation and its Shareholders to present financial statements of your Corporation consolidated with its substantially owned subsidiaries. We therefore submit for your approval Consolidated Balance Sheet at 2nd January 1960 and Consolidated Profit and Loss Account for the fiscal period ended that date.

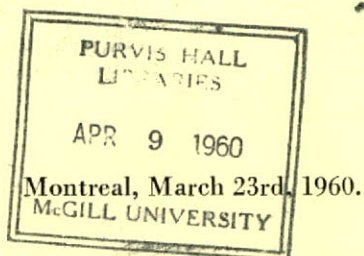
Net profit for the fiscal period, after providing for all operating costs and full depreciation and after Federal and Provincial Income Taxes, amounted to \$266,088.53, approximately 82¢ per share. Dividends paid during the fiscal period amounted to \$210,155.40, equivalent to 65¢ per share.

In addition to the investments referred to above, your Corporation purchased a large, although not controlling, interest in Consolidated Theatres Limited, operators of the major downtown theatres in Montreal and other theatres in the Province.

It is with sincere regret that we announce the resignation of Mr. E. A. Cousins from your Board of Directors. An Executive Officer of your Corporation since its incorporation, his services contributed greatly to its continued success and growth.

May we, at this time, express the appreciation of your Directors for the loyalty and cooperation of the executive and employees, and thank our patrons for their continued support.

Submitted on behalf of the Board.



W. Lester

President.

UNITED AMUSEMENT CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET AT 2ND JANUARY 1960

(COMPRISING THE ASSETS AND LIABILITIES OF UNITED AMUSEMENT CORPORATION LIMITED AND OF THOSE SUBSIDIARIES IN WHICH THE PARENT COMPANY'S INTEREST IN THE STOCKS OF SUCH SUBSIDIARIES CARRYING VOTING RIGHTS REPRESENTS 50% OR MORE)

ASSETS

CURRENT		
Cash on Hand.....	\$	14,250.00
Accounts Receivable.....		37,930.10
Investments in Canadian Corporations —		
At Cost (Market Value \$1,727,326.00).....		1,997,926.14
Employees' Savings Bonds — Secured.....		21,394.00
Supplies on Hand.....		77,339.08
		<u>\$2,148,839.32</u>
INVESTMENTS IN AND ADVANCES TO ASSOCIATED COMPANIES.....		459,571.67
BALANCE OF SALES PRICE OF PROPERTIES.....		117,500.00
FIXED — AT COST		
Land.....		1,000,977.54
Building.....	\$4,747,413.02	
Equipment.....	1,854,140.52	
	6,601,553.54	
Less: Depreciation.....	4,554,486.71	2,047,066.83
Improvements to Leased Premises.....	77,626.67	
Less: Written-off.....	33,681.94	
		<u>43,944.73</u>
		3,091,989.10
DEFERRED CHARGES TO FUTURE OPERATIONS		
Taxes, Licenses and Insurance etc.....	181,031.37	
Bond Underwriting Expense.....	17,934.00	
		<u>198,965.37</u>
GOODWILL AND FRANCHISE		
(Less: Written-off \$1,372,289.78).....		234,669.19
		<u><u>\$6,251,534.65</u></u>

LIABILITIES AND CAPITAL

CURRENT		
Bank Loan.....	\$	73,837.36
Accounts Payable and Accrued Charges.....		138,680.53
Dominion and Provincial Income Taxes — Less Paid.....		63,507.47
		<u>\$ 276,025.36</u>
FIRST MORTGAGE SERIAL AND SINKING FUND BONDS		
AUTHORIZED.....	\$2,500,000.00	
ISSUED.....	1,250,000.00	
Less: Redeemed.....	700,000.00	
OUTSTANDING		
4% Sinking Fund Bonds due 1st February 1965.....	550,000.00	
Less: Repurchased — of which \$50,000.00 will be redeemed 1st February 1960.....	91,000.00	
		<u>459,000.00</u>
INSURANCE RESERVE		
(For Possible Future Losses on Self-Insured Minor Risks).....		118,180.70
MINORITY INTEREST		
Interest of Shareholders in Preferred and Common Shares of Subsidiary Companies.....		26,757.38
CAPITAL STOCK		
AUTHORIZED:		
400,000 Shares of No Par Value		
(300,000 Class "A" Shares		
100,000 Class "B" Non-Voting Shares)		
ISSUED:		
Class "A".....	270,832	1,596,700.00
Less: Subsidiary Holdings.....	28,214	214,405.07
		<u>1,382,294.93</u>
Class "B".....	52,484	253,025.00
Less: Subsidiary Holdings.....	3,248	25,068.90
		<u>227,956.10</u>
		1,610,251.03
SURPLUS		
Capital — At date of Incorporation.....		93,336.07
Earned — (Statement Attached).....		3,667,984.11
		<u>3,761,320.18</u>
CONTINGENT LIABILITY:		
In respect of guarantees of indebtedness of Associated Company \$127,966.00.....		<u><u>\$6,251,534.65</u></u>
APPROVED ON BEHALF OF THE BOARD:		
WM. LESTER.....	Director	
GEO. DESTOUNIS.....	Director	

UNITED AMUSEMENT CORPORATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE FISCAL PERIOD ENDED 2ND JANUARY 1960

Profit from Operations before deducting depreciation, income taxes, etc. as below —.....	\$ 539,249.53	
Dividends received.....	\$101,220.20	
Interest earned.....	2,525.93	
	<u>103,746.13</u>	
		642,995.66
Deduct:		
Depreciation — Buildings.....	100,738.56	
— Equipment.....	74,876.82	
Bond and other Interest.....	25,232.74	
Bond Underwriting Expense.....	3,528.00	
Profits applicable to minority stockholders of subsidiary Companies.....	11,866.12	
Dominion and Provincial Income Taxes.....	160,664.89	
	<u>376,907.13</u>	
Net Profit for the Fiscal Period after Income Taxes.....		<u>\$ 266,088.53</u>

CONSOLIDATED EARNED SURPLUS ACCOUNT AT 2ND JANUARY 1960

Balance at 3rd January 1959.....		\$3,639,208.02
Deduct:		
Loss on Sale of Fixed Assets.....	\$ 33,736.87	
Loss on Sale of Investments.....	13,854.22	
		<u>47,591.09</u>
		3,591,616.93
Add:		
Net Profit for the Fiscal Period ended 2nd January 1960 (After Income Taxes).....		266,088.53
		<u>3,857,705.46</u>
Deduct:		
Dividends Paid.....	210,155.40	
Less:		
Received by Subsidiaries.....	20,434.05	
		<u>189,721.35</u>
Balance at 2nd January 1960.....		<u>\$3,667,984.11</u>

CERTIFICATE

To the Shareholders of

UNITED AMUSEMENT CORPORATION LIMITED

We have examined the books and accounts of UNITED AMUSEMENT CORPORATION LIMITED and its Subsidiaries for the fiscal period ended 2nd January 1960. We certify that we have obtained all the information and explanations we have required and that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at 2nd January 1960, according to the best of our information and the explanations given to us, and as shown by the books.

MARROTTE & COMPANY
Chartered Accountants.

DATED AT MONTREAL,
21st March, 1960.

UNITED AMUSEMENT CORPORATION LIMITED

5887 Monkland Avenue, Montreal, Que.

Operating theatres in:

MONTREAL — QUEBEC — SHERBROOKE — ST. HYACINTHE
ST. JOHNS — LACHINE — ST. LAMBERT

BOARD OF DIRECTORS 1959

William G. Lester George Destounis J. J. Fitzgibbons C.B.E. R. W. Bolstad
Wm. H. Giles George Grivakes Wm. N. Murray Hon. Gerald Martineau
S. Godin George R. Arnott

EXECUTIVE OFFICERS

William G. Lester — *President and Managing Director*
George Destounis — *Executive Vice-President*
Wm. H. Giles — *Vice-President*
Wm. H. Mannard — *Secretary-Treasurer*
Wm. Deveau — *Assistant-Secretary-Treasurer*

BANKERS

The Royal Bank of Canada

REGISTRARS

The Canadian Trust Company

TRANSFER AGENTS

The Montreal Trust Company

AUDITORS

Marrotte & Company — *Chartered Accountants*