

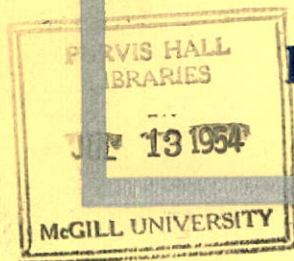
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# FAMOUS PLAYERS

Canadian Corporation Limited



27<sup>th</sup>  
ANNUAL REPORT  
*"to Shareholders"*



DECEMBER 28th, 1946





EXECUTIVE OFFICES  
ROYAL BANK BUILDING  
TORONTO - CANADA





# FAMOUS PLAYERS CANADIAN CORPORATION LIMITED



## DIRECTORS AND OFFICERS

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J. J. FITZGIBBONS, C.B.E., *President*

R. W. BOLSTAD, *Vice-President and Treasurer*

BARNEY BALABAN  
*President*  
Paramount Pictures Inc.  
New York, N.Y.

HON. J. W. DE B. FARRIS, K.C.,  
Senator, Dominion of Canada,  
Vancouver, B.C.

H. P. ROBINSON, LL.D., D.C.L.  
*President*  
New Brunswick Telephone Company Limited  
Saint John, N.B.

AUSTIN C. KEOUGH  
*Vice-President*  
Paramount Pictures Inc.  
New York, N.Y.

ANGUS MACCUNN  
Toronto, Ont.

NOEL G. BARROW  
Toronto, Ont.

GEORGE WELTNER  
*President*  
Paramount International  
Films, Inc., New York, N.Y.

N. S. ROBERTSON, K.C.  
*President*  
North American Life Assurance Co.  
Toronto, Ont.

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N. G. BARROW, *Secretary*

*Assistant Secretaries*

L. G. GEERING  
J. A. TROYER

*Assistant Treasurers*

W. E. KERR  
A. MACCUNN



*Transfer Agent*

MONTREAL TRUST COMPANY  
Halifax, Montreal, Toronto, Winnipeg, Vancouver

*Registrar*

THE ROYAL TRUST COMPANY  
Halifax, Montreal, Toronto, Winnipeg, Vancouver



Royal Bank Bldg., Toronto.

*To the Shareholders of*

FAMOUS PLAYERS CANADIAN  
CORPORATION LIMITED:

The Twenty-Seventh Annual Financial Report of your Company and its Consolidated Subsidiaries is submitted herewith.

Net Profits for the year ended December 28, 1946, as reported in detail in the Consolidated Statement of Profit and Loss and Earned Surplus, were \$2,836,066.90, after providing \$2,135,000.00 for income and excess profits taxes. The net profit was equivalent to \$1.63 per share on each of the common shares outstanding at the close of the year.

Surplus account was credited during the year with \$1,867,441.04 resulting from adjustments of prior years' earnings arising out of determination of the Company's standard profits for excess profits tax purposes and after deducting the Premium and the unamortized portion of Discount and Expense on the Company's first mortgage bonds which were redeemed during the year.

At the Special Meeting held on February 12th, 1946, the Shareholders approved the sub-division of the Company's common shares on a basis of three new shares for each old one then held.

In order to provide funds for the retirement of the outstanding bonds, mortgages and other debt of the Company, 375,000 new common shares were sold to the public through Underwriters at a price of \$14 a share net to the Company and 70,500 new common shares were sold to certain Officers of the Company at a net price of \$15 per share. As a result, there are now about 3,800 Shareholders interested in our business and the bond, mortgage and other debt of the Company, amounting to more than \$5,500,000 at December 29th, 1945, has been entirely paid off.

On December 28th, 1946, net consolidated working capital of the Company amounted to \$7,984,428.00. Your Company therefore has ample funds, not only to improve existing properties

but to invest in new theatre properties whenever the opportunity presents itself.

Expenditures on existing theatres and construction of new theatres was limited during the year by the availability of materials and labor and by the desire on the part of your management to postpone capital expenditures wherever possible because of existing conditions. Your Company and its Associates now have under construction 10 new theatres. As conditions warrant, construction will be started on additional new theatres in Chilliwack, B.C., Kelowna, B.C., Port Arthur, Ont., Peterboro, Ont., Toronto, Ont., Rouyn, Que., St. John, N.B., and New Waterford, N.S. Substantial alterations and improvements will also be made to a number of existing theatres.

The relations between your Company and its employees have continued on a harmonious basis. Greater benefits for employees and their dependents have resulted from the establishment, during the year, of a Hospital and Surgical Insurance Plan. The Famous Players' 25 Year Club, representing every department in your Company's business, now has 89 members.

This report would not be complete without reference to the inestimable value of the great assets your Company possesses in having available the advice and counsel of its many Associates, the world-wide experience of Paramount Pictures Inc., the officers, members of head office, theatre managers and employees, whose team work have made possible this splendid report. To one and all we extend our sincere thanks and appreciation.

All of which is respectfully submitted, on behalf of the Board of Directors.

J. J. FITZGIBBONS,  
*President.*

Toronto, Ontario, April 10th, 1947.



# CONSOLIDATED BALANCE SHEET

*(Comprising the assets and liabilities of Famous Players C  
which the parent company's interest in the stocks of such*

## ASSETS

### CURRENT ASSETS:

CASH ON HAND AND IN BANKS	\$ 2,237,845.45
CALL LOANS (guaranteed and callable on five or ten days' notice)	3,340,000.00
DOMINION OF CANADA AND PROVINCE OF ONTARIO BONDS (market value \$1,393,283)	1,384,500.00
RECEIVER GENERAL OF CANADA for balance of tax adjustment	732,921.02
ACCOUNTS AND NOTES RECEIVABLE:	
Advances to subsidiary companies (51% to 85% owned)	\$ 135,021.46
Advances to affiliated companies (50% and less owned)	109,542.31
Employees' Canada Savings bond accounts (secured)	118,332.00
Sundry debtors, less reserve	168,464.44
INVENTORY OF SUPPLIES, at or below cost	229,616.29
TOTAL CURRENT AND WORKING ASSETS	\$ 8,456,242.97
REFUNDABLE PORTION OF EXCESS PROFITS TAXES	629,460.14

### INVESTMENTS:

NOTES AND MORTGAGES RECEIVABLE, due after one year	\$ 93,956.99
INVESTMENT IN SHARES AND ADVANCES TO SUBSIDIARY COMPANIES (51% to 85% owned):	
Investment in shares	\$ 611,202.91
Advances, due after one year	97,312.68
INVESTMENT IN SHARES AND ADVANCES TO AFFILIATED COMPANIES (50% and less owned):	708,515.59
Investment in shares	\$ 1,897,099.50
Advances, due after one year	69,174.69
	1,966,274.19
	2,768,746.77

### FIXED ASSETS, at cost:

LAND	\$ 6,212,934.02
BUILDINGS, IMPROVEMENTS AND EQUIPMENT	\$16,432,817.22
Less—Reserves for depreciation	11,774,867.76
	4,657,949.46
	10,870,883.48

### OTHER ASSETS:

DEPOSITS TO SECURE CONTRACTS	\$ 75,644.64
LEASEHOLDS, less amounts written off	77,597.11
DEFERRED CHARGES AND PREPAID EXPENSES	205,342.06
	358,583.81

Approved on behalf of the Board:

J. J. FITZGIBBONS, Director.  
R. W. BOLSTAD, Director.

\$23,083,917.17



## MEET AT DECEMBER 28, 1946

*Canadian Corporation Limited and of those subsidiaries in  
subsidiaries carrying voting rights represents 85% or more)*

### LIABILITIES AND CAPITAL

#### CURRENT LIABILITIES:

ACCOUNTS PAYABLE .....	\$ 406,846.06	
ACCRUED EXPENSES .....	64,968.87	
TOTAL CURRENT LIABILITIES .....		\$ 471,814.93

DEFERRED INCOME (FROM ADVANCE TICKET SALES) .....	277,563.69
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RESERVE FOR CONTINGENCIES .....	77,253.19
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INTEREST OF MINORITY STOCK- HOLDERS IN CAPITAL AND SURPLUS OF SUBSIDIARY COMPANIES (including \$65,450.00 applicable to preferred stocks) .....	110,937.19
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#### CAPITAL STOCK AND SURPLUS:

##### CAPITAL STOCK—

Authorized—1,800,000 shares without  
nominal or par value

Issued, fully paid—1,737,072 shares ..... \$10,764,890.00

NOTE: In February, 1946, the company's author-  
ized capital of 600,000 shares without nominal  
or par value was subdivided into 1,800,000 shares;  
thus the 430,524 shares then outstanding were  
subdivided into 1,291,572 shares with the same  
stated value of \$4,457,390. By agreement dated  
February 28, 1946, 375,000 of the unissued shares  
were sold for \$5,250,000 cash, and on June 28,  
1946, 70,500 of the unissued shares were sold to  
officers of the company for \$1,057,500 cash.

CAPITAL SURPLUS, arising from consolidation ..... 19,344.21

EARNED SURPLUS, including refundable por-  
tion of excess profits taxes, per statement  
attached ..... 11,362,113.96 22,146,348.17

#### CONTINGENT LIABILITIES:

- (1) In respect of guarantees for account of  
associated companies, \$276,998.00.
- (2) For construction and equipment of new  
theatres and renovation of existing thea-  
tres of an undetermined amount depend-  
ing upon availability of materials and  
labor.

\$23,083,917.17

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

FOR THE FISCAL YEAR ENDED DECEMBER 28, 1946

*(Comprising the income and expenditure of Famous Players Canadian Corporation Limited  
and of those subsidiaries in which the parent company's interest in the stocks of  
such subsidiaries carrying voting rights represents 85% or more)*

PARTICULARS	AMOUNT
Profit from operations, before providing for depreciation, interest, etc., as under .....	\$ 5,599,248.48
Dividends received .....	330,968.21
Interest earned .....	68,070.06
Profit (net) on disposal of capital assets and miscellaneous recoveries .....	44,412.79
	<u>\$ 6,042,699.54</u>
LESS—	
Remuneration of executive officers .....	\$ 178,383.62
Directors' fees .....	3,000.00
Legal fees paid \$26,625.84 less portion thereof relating to acquisition of new properties \$3,374.32 .....	23,251.52      204,635.14
	<u>\$ 5,838,064.40</u>
LESS—	
Interest on bonds, mortgages, etc. ....	\$ 99,408.81
Amortization of expenditures in connection with funded debt .....	22,891.85
Cost of new financing .....	36,369.68      158,670.34
	<u>\$ 5,679,394.06</u>
LESS—	
Depreciation—buildings, improvements and equipment .....	\$ 680,252.57
Amortization of leaseholds, investments, etc. ....	15,759.04      696,011.61
PROFIT FOR THE FISCAL YEAR before income and excess profits taxes .....	\$ 4,983,382.45
DEDUCT—Provision for income and excess profits taxes .....	2,135,000.00
	<u>\$ 2,848,382.45</u>
DEDUCT—Proportion thereof applicable to interest of minority stockholders in subsidiary companies .....	13,425.94
NET PROFIT FOR THE FISCAL YEAR .....	<u>\$ 2,834,956.51</u>
EARNED SURPLUS AS AT DECEMBER, 29, 1945 .....	7,798,266.81
ADD—Net adjustment applicable to the six years 1940 to 1945 inclusive, arising chiefly from determination of standard profits for excess profits tax purposes, less a charge to surplus representing premium on redemption of bonds of \$46,530.00 and balance of unamortized bond discount and expenses of \$270,173.27 .....	1,867,441.04
	<u>\$12,500,664.36</u>
DEDUCT—Dividends paid .....	1,138,550.40
EARNED SURPLUS AS AT DECEMBER 28, 1946 .....	<u>\$11,362,113.96</u>



# PRICE, WATERHOUSE & CO.

ROYAL BANK BUILDING  
TORONTO

March 31, 1947.

*To the Shareholders of*  
FAMOUS PLAYERS CANADIAN  
CORPORATION LIMITED:

We have made an examination of the accounts of Famous Players Canadian Corporation Limited and of the subsidiary companies, the assets and liabilities of which are included in the attached consolidated financial statements, as at December 28, 1946, and we report that we have obtained all the information and explanations we have required and that, in our opinion, the attached consolidated balance sheet and accompanying statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies at December 28, 1946, and the results of operations for the fiscal year ended on that date, according to the best of our information and the explanations given to us and as shown by the books.

Pursuant to Section 114 of the Companies Act 1934, we report that the earnings of subsidiary companies not consolidated are not taken into the company's accounts except insofar as such earnings have been received in the form of dividends and, in our opinion, the dividends so received were in the aggregate approximately \$62,000. more than the company's share of the net earnings for the year of all subsidiary companies not consolidated. In the case of affiliated companies (50% and less owned) the dividends received and taken up in the accounts submitted herewith were in the aggregate approximately \$278,000. less than the company's share of the earnings of such companies.

PRICE, WATERHOUSE & CO.,  
*Chartered Accountants.*



## ASSOCIATES

The following is a list of  
ASSOCIATES AND EXECUTIVE OFFICERS  
OF COMPANIES AFFILIATED WITH  
FAMOUS PLAYERS CANADIAN CORPORATION LTD.

### BRITISH COLUMBIA

NANAIMO	-	-	-	
NELSON	-	-	-	
ROSSLAND	-	-	-	
TRAIL	-	-	-	W. P. Dewees Ltd. Mr. W. P. Dewees

### ALBERTA

EDMONTON	-	-	-	Entwisle Theatres Ltd. Mr. Alexander Entwisle
CALGARY	-	-	-	Calgary Theatres Ltd. Mr. K. M. Leach
LETHBRIDGE	-	-	-	Lethbridge Theatres Ltd. Mr. A. W. Shackleford
RED DEER	-	-	-	Messrs. R. M. and W. E. Beatty

### SASKATCHEWAN

NORTH BATTLEFORD	-	-	-	Mr. E. W. Marshall
REGINA	-	-	-	Mrs. Christine Graham Estate Mr. Jack Watson
SASKATOON	-	-	-	Daylight Theatre Co. Ltd. Messrs. James Butler and N. C. Byers
SHAUNAVON	-	-	-	Shaunavon Amusements Ltd. Mrs. L. A. Durham
WEYBURN	-	-	-	Mr. R. C. Sutherland

### MANITOBA

FLIN FLON	-	-	-	Northern Theatre Co. Ltd. Mr. C. C. Plummer
WINNIPEG	-	-	-	Western Theatres Ltd. Mr. J. Miles Main Street Theatres Ltd. Messrs. J. Miles and R. D. Hurwitz

### ONTARIO

BARRIE	-	-	-	John Saso & Sons
BROCKVILLE	-	-	-	Messrs. F. I. Ritchie and J. M. Dobbie
CORNWALL	-	-	-	Palace Amusement Co. Ltd. Mr. Clarence Markell
FORT WILLIAM	-	-	-	Fort Theatre Messrs. G. Carson, R. Mayotte, W. T. B. Baird
KENORA	-	-	-	Derry's Theatres Ltd. Mr. Joseph Derry
HAMILTON	-	-	-	United Amusement Co. Ltd. Mr. H. W. Braden
OWEN SOUND	-	-	-	Mr. Christos Georgas and Sons
PETERBOROUGH	-	-	-	Mr. Gordon C. Miller
PORT ARTHUR	-	-	-	Lakehead Theatres Co. Ltd. Mr. George McComber
ST. CATHARINES	-	-	-	Lincoln Theatres Ltd. Mr. Stuart H. Fleming, K.C.

TIMMINS	-	-	-	Timmins Theatres Ltd. Mr. Leo Mascioli
TORONTO	-	-	-	Theatre Holding Corp. Ltd. Mr. Jule Allen Kirkland Amusements & Holdings Ltd. Messrs. H. and M. Kaplan and H. Atkins B. & F. Theatres Ltd. Messrs. S. Bloom and S. Fine Danforth Gerrard Amusements Ltd. Mr. W. A. Sommerville Radio City Theatre Mr. V. Simone Avenue Theatre (Toronto) Ltd. Mrs. Joshua Smith and Mr. T. M. Sterling Twinex Century Theatres Corp. Ltd. Messrs. N. A. Taylor, R. Auerbach and H. Mandell New Strand Theatre Ltd. Messrs. N. A. Taylor, M. Axler and R. Axler Acme Theatres Ltd. Mr. S. Roth Kum-C Pix Theatres Mr. Jacob Smith
WINDSOR	-	-	-	Paramount Windsor Theatres Ltd. Mr. Simon Meretsky

## QUEBEC

MONTREAL	-	-	-	Consolidated Theatres Ltd. Messrs. J. Arthur Hirsch and Alex Adilman United Amusement Corp. Ltd. Messrs. Ernest Cousins and George Ganetakos Confederation Amusements Ltd. Messrs. F. Tabah and John Ganetakos
NORANDA	-	-	-	
ROUYN	-	-	-	Mr. David Korman
QUEBEC	-	-	-	Victoria Theatre Co. Ltd. Messrs. J. Arthur Hirsch and Alex Adilman L'Auditorium Limitee Mr. J. Arthur Paquet
THREE RIVERS	-	-	-	Mrs. A. M. Trepanier, Messrs. Sarto, Robert and Gerard Robert

## NEW BRUNSWICK

MONCTON	-	-	-	Mr. John E. Butler
SAINT JOHN	-	-	-	F. G. Spencer Co. Ltd. Mr. Frederick G. Spencer

## NOVA SCOTIA

GLACE BAY	-	-	-	Mrs. Agnes Connor
SYDNEY	-	-	-	Mr. D. P. MacDonald
NEW WATERFORD	-	-	-	Messrs. Eldridge Gouthro and Frederick M. Gregor

## PRINCE EDWARD ISLAND

CHARLOTTETOWN	-	-	-	F. G. Spencer Co. Ltd. Mr. Frederick G. Spencer
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## NEWFOUNDLAND

Newfoundland Theatres Ltd.  
Mr. Bernard Parsons

The 342 Theatres Operated by  
**FAMOUS PLAYERS CANADIAN CORPORATION LIMITED**  
**AND ASSOCIATED COMPANIES**  
are located in the following towns and cities:

**ALBERTA**

Calgary  
Edmonton  
Lethbridge  
Medicine Hat  
Red Deer

**BRITISH COLUMBIA**

Chilliwack  
Kamloops  
Kelowna  
Nanaimo  
Nelson  
New Westminster  
Penticton  
Prince Rupert  
Rossland  
Trail  
Vancouver  
Vernon  
Victoria

**MANITOBA**

Brandon  
Flin Flon  
Portage La Prairie  
Winnipeg

**NEW BRUNSWICK**

Campbellton  
Dalhousie  
Moncton  
Saint John  
Woodstock

**NOVA SCOTIA**

Amherst  
Gloucester  
Halifax  
Kentville  
New Waterford  
Sydney  
Truro

**ONTARIO**

Aylmer  
Barrie  
Belleville  
Brantford  
Brockville  
Chatham  
Cobalt  
Cobourg  
Cornwall  
Deep River  
Dunnville  
Fort William  
Galt  
Geraldton  
Guelph  
Haileybury  
Hamilton  
Ingersoll  
Kenora  
Kingston  
Kirkland Lake  
Kitchener  
Larder Lake  
Leamington  
Lindsay  
London  
Marathon  
Mount Dennis  
Napawee  
Newmarket  
New Toronto  
Niagara Falls  
North Bay  
Orillia  
Oshawa  
Ottawa  
Owen Sound  
Parry Sound  
Perth  
Peterboro  
Port Arthur  
Port Colborne  
Port Hope  
Preston  
Red Rock  
Sarnia

**Sault Ste. Marie**

Simcoe  
Smiths Falls  
Stratford  
St. Catharines  
St. Thomas  
Sudbury  
Tillsonburg  
Timmins  
Toronto  
Trenton  
Virginiatown  
Wallaceburg  
Waterloo  
Welland  
Windsor  
Woodstock

**PRINCE EDWARD ISLAND**

Charlottetown

**QUEBEC**

Bourlamaque  
Hull  
Lachine  
Montreal  
Noranda  
Outremont  
Quebec  
Rouyn  
Sherbrooke  
St. Hyacinthe  
St. Johns  
St. Lambert  
Three Rivers  
Verdun

**SASKATCHEWAN**

Moose Jaw  
North Battleford  
Regina  
Saskatoon  
Shaunavon  
Weyburn

**ST. JOHN'S, NEWFOUNDLAND**





*27 Years*  
OF  
**LEADERSHIP in  
ENTERTAINMENT**  
•  
**FAMOUS PLAYERS**  
*Theatres*  
1920 • 1947