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FAMOUS PLAYERS
Canadian Corporation Limited



30th
ANNUAL REPORT
"to Shareholders

DECEMBER 31st, 1949





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EXECUTIVE OFFICES

ROYAL BANK BUILDING

TORONTO - CANADA





FAMOUS PLAYERS CANADIAN CORPORATION LIMITED

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DIRECTORS AND OFFICERS

J. J. FITZGIBBONS, C.B.E., President and Managing Director R. W. Bolstad, Vice- President and Treasurer

BARNEY BALABAN

President
Paramount Pictures Corporation
New York, N.Y.

H. P. ROBINSON, LL.D., D.C.L.

President
New Brunswick Telephone Company Ltd.
Saint John, N.B.

Angus MacCunn

Toronto, Ont.

GEORGE WELTNER

President
Paramount International Films Inc.
New York, N.Y.

HON. J. W. DE B. FARRIS, K.C.

Senator, Dominion of Canada Vancouver, B.C.

Austin C. Keough

Vice-President
Paramount Pictures Corporation
New York, N.Y.

NOEL G. BARROW

Toronto, Ont.

N. S. Robertson, K.C.

President
North American Life Assurance Co.
Toronto, Ont.

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

To the Shareholders of

FAMOUS PLAYERS CANADIAN CORPORATION LIMITED:

The Thirtieth Annual Financial Report of your Company and its Consolidated Subsidiaries for the fiscal year ended December 31st, 1949, is submitted herewith.

Net profits for the year 1949 were \$3,071,910 as compared with \$3,286,264 for the year 1948. A comparative summary of the earnings follows:

	1949	1948
Earnings from Operations	\$4,329,917	\$4,303,581
Dividends from Non-Consolidated		
Companies	412,584	312,300
Interest Earned	135,085	135,596
Refund of prior year excess profits taxes		181,557
Profit before current year Income Taxes	4,877,586	4,933,034
Provision for Income Taxes	1,805,676	1,646,770
Net Profit	\$3,071,910	\$3,286,264
Amount Earned per Common Share	\$1.77	\$1.89

Dividends paid during the year aggregated \$1,737,072 being at the rate of \$1.00 per share. The regular quarterly dividend of 25 cents per share for the first quarter of 1950 will be paid on April 1st, 1950.

Total earnings from operations were somewhat higher than in the previous year although the net profits show a slight decrease. As will be noted from the above comparison, the decrease in net profits is due almost entirely to higher income taxes and to the fact that in 1949 the Company did not, as it did in 1948, have the advantage of a substantial refund of income and excess profits taxes paid in prior years.

As indicated by the accompanying Consolidated Balance Sheet your Company has continued to maintain a strong financial position, its net current assets at the end of the year being in excess of \$5,700,000.

During 1949 Famous Players and Associates built 8 new theatres and completely remodelled 11 others to bring them up to present-day standards of appearance and efficiency and we acquired 3 Drive-In theatres.

These projects involved, as your Company's share, an outlay of more than \$3,000,000. These capital expenditures were wholly financed out of current earnings and working capital.

Your Company will continue to modernize existing theatres where necessary and our plans include the development of several Drive-In theatres. Famous Players and Associates own a number of sites in Canada upon which new theatres will be built where the growth in population warrants such building as a service to the communities. It is expected that the cash resources of your Company will be more than sufficient to carry out this program.

Motion pictures are an essential form of entertainment enjoyed principally by persons of medium and lower wage incomes. Nevertheless, amusement taxes continue to take an unreasonably large proportion of the money spent at the box offices of Canadian motion picture theatres. We are pleased to report, however, that within the past few weeks the Governments of the Provinces of Ontario and British Columbia have given consideration to representations made to them by your Company and other theatre owners and in both cases a downward revision in the amusement tax rate has been made.

During the past thirty years Famous Players Canadian Corporation Limited has been building its reputation on the firm foundation of community service. Identified with Famous Players in building that reputation are a number of Canadian theatre owners who, in small towns and large, have invested their money in theatres through which to bring the best in entertainment to their neighbors.

These associations have given Famous Players the benefit of the experiences of independently minded men who have earned fine reputations for public service in the towns and cities in which they operate their own theatres. These experiences have been integrated into our directly operated theatres and have become a vital part of the Famous Players nation-wide policies. At the same time Famous Players' associates have benefited by the world-wide experience of our affiliation with Paramount Pictures Corporation.

On other pages of this report will be found a list of associates and officers of companies affiliated with Famous Players. The roster contains the names of many Canadian business men and women including one of our earliest associates, Frank Gow, presently our District Supervisor in British Columbia and our partner in the Broadway theatre, Vancouver, since 1920. The list of Associates includes for the first time the name of Peter W. Mahon. Since 1912 Mr. Mahon has been identified with this industry in the operation of the Orpheum and Strand theatres in Prince Albert. He has long given leadership to the affairs of his province and the motion picture industry.

Famous Players can proudly point to many "firsts" in the presentation of entertainment to Canadians over the past thirty years.

The Regent theatre in Toronto was Canada's first deluxe theatre and its luxurious appointments and operation marked a radical departure from the nickelodeon theatres of that day. The Regent became the home of the greatest silent pictures and the flagship of the expanding group of theatres operated under the direction of Famous Players. It was here that, for the first time, Jack Arthur, M.B.E., introduced to Canadian audiences a symphony orchestra playing music especially scored for silent pictures. Atmospheric prologues and presentations were produced by Mr. Arthur and many stars of today got their start in the Regent theatre. Today, like many others who helped launch Famous Players, Mr. Arthur is continuing to make an important contribution to the development of your Company.

When talking pictures were introduced they had their original Canadian presentation in Famous Players theatres. The first Canadian installation was made in the Palace theatre, Montreal, on September 3rd, 1929, and the second was in the Tivoli theatre, Toronto, two weeks later.

Famous Players' theatres were the first in Canada to present special children's shows and by 1930 the popular Mickey Mouse and Birthday Shows were a part of Famous Players' program. Under various names these children's shows have continued to be a feature and Famous Players' theatres have been largely instrumental in the formation of the present Children's Film Library which is being built up in Canada.

Our theatres pioneered in the presentation of pictures from studios in England. Famous Players exploited and presented British pictures since the days of such silent favorites as "Alf's Button" and "The Better 'Ole." It was through our theatres that the Canadian public was first introduced to Margaret Lockwood, Rex Harrison, Gracie Fields, George Formby and James Mason, to name a few, and we first presented such pictures as "Henry VIII," "The Lady Vanishes," "Night Train to Munich" and many others.

Famous Players has been first in the field of theatre television. The first full-screen television equipment in Canada was installed during the past year in Canada's largest theatre, the Imperial in Toronto, and early demonstrations have proven successful.

The wartime service rendered by this Company to the Government of Canada is a matter of official record.

During World War II Famous Players played a prominent part in co-operating with the Government in various wartime activities as a part of the Canadian Motion Picture War Services Committee. Famous Players' theatres, at no cost to the taxpayers, presented free Sunday shows for the armed forces in cities designated by the Government. More than 1,000 employees of Famous Players served with the Allied armed forces.

In March, 1946, your Company put its Employees' Hospital and Surgical Plan into operation. Participation in the Plan is voluntary and the Company pays more than 70% of the premiums. The Plan now protects more than 2,000 employees of the Company and about 2,000 of their dependents. To date there have been 2,100 claims from employees and their dependents, amounting to \$185,000.

Famous Players established a Group Life Insurance Plan in 1929 covering theatre managers and company executives. The Plan was expanded in 1941 to protect Head Office employees and again in 1944 to include all full-time projectionists. There have been 57 claims to date under the Group Life Plan totalling \$370,000.

The spirit of friendliness and co-operation which has always been the keynote of our relations with our employees, continued throughout the past year and your Directors wish to place on record their sincere appreciation of the fine contribution which has been made by all employees of the Company. Their teamwork and efficiency have contributed much to the satisfactory results which have been achieved. We are particularly appreciative of the loyal and devoted service of the more than 100 men and women in our 25 Year Club.

Respectfully submitted on behalf of the Board of Directors,

John J. Fitzgibbons, President and Managing Director.

Toronto, Ontario, March 27th, 1950.

CONSOLIDATED BALANCE SHEET A

(Comprising the assets and liabilities of Famous Player, which the parent company's interest in the stocks of such

ASSETS

	December 31 1949	January 1 1949
CURRENT ASSETS:		
Cash	\$ 555,975	\$ 603,076
Guaranteed investment certificates (repayable on five or ten days' notice)	3,180,000	3,490,000
Government of Canada and Provincial bonds, at cost (market		
value December 31, 1949—\$1,580,461)		1,608,779
Receivables from subsidiary companies		179,567
Receivables from affiliated companies		296,343
Employees' Canada Savings Bond accounts (secured)		120,816
Sundry debtors (including refundable portion of excess profits		2/1 720
taxes)		
Inventories of merchandise, at or below cost		626,774
Total current assets	\$ 6,889,209	\$ 7,287,083
REFUNDABLE PORTION OF EXCESS PROFITS TAXES (due		
after one year)		\$ 346,945
INVESTMENTS: Notes and mortgages receivable, due after one year Investment in shares and receivables from subsidiary companies:		
Investment in sharesReceivables, due after one year	89,070	
Investment in shares and receivables from affiliated companies:	07,070	11,110
Investment in shares	2,266,591	2,108,577
Receivables, due after one year	362,556	380,145
	\$ 3,677,109	\$ 3,498,308
FIXED ASSETS, at cost:		
Land		
Buildings, improvements, equipment and construction in progress		20,363,755
Less—Reserves for depreciation	13,073,988	
	\$16,103,919	\$14,280,245
OTHER ASSETS:		
Deposits to secure contracts	\$ 81,016	\$ 77,734
Leaseholds, less amounts written off	45,473	53,021
Prepaid expenses and deferred charges		353,308
	\$ 450,715	\$ 484,063
	\$27,333,036	\$25,896,644
	Water and the same of the same	

DECEMBER 31 AND JANUARY 1, 1949

<mark>nadian Corporation Limited and of those subsidiaries in bsidiaries in bsidiaries carrying voting rights represents 90 % or more)</mark>

LIABILITIES AND CAPITAL

	D	ecember 31 1949	January 1 1949	
CURRENT LIABILITIES:				
Accounts payable	\$	477,938	\$	817,746
Accrued expenses		66,337		51,999
Taxes on income		607,000		100,926
Total current liabilities	\$	1,151,275	\$	970,671
	_			,
DEFERRED INCOME	\$	324,685	\$	371,695
RESERVE FOR CONTINGENCIES	\$	77,253	\$	77,253
INTEREST OF MINORITY STOCKHOLDERS IN CAPIT	TAL			
AND SURPLUS OF SUBSIDIARY COMPANIES	\$	83,476	\$	117,376
CAPITAL STOCK AND SURPLUS:				
Capital Stock— Authorized—1,800,000 shares without nominal or par	ralue			
Issued, fully paid-1,737,072 shares	\$	10,764,890	\$1	0,764,890
Capital Surplus		47,621		45,761
Earned Surplus		14,883,836	1	3,548,998
	\$	25,696,347	\$2	4,359,649

John J. Fitzgibbons, Director.

R. W. Bolstad, Director.

\$27,	333	,036	\$25,8	96,644
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CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		EAR ENDED
	December 31	The state of the s
PARTICULARS	1949	1949
Profit from operations before providing for depre-		
ciation, taxes on income, etc., as under		
Dividends received		312,300
Interest earned	135,085	135,596
	\$ 6,159,866	\$ 5,758,403
DEDUCT:		
Depreciation of buildings, leaseholds, improve-	_	
ments and equipment		780,223
Remuneration of executive officers	190,310	196,935
Directors' fees	3,000	3,000
Legal fees	15,801	12,659
Profits applicable to minority stockholders of		
subsidiary companies		14,109
Provision for taxes on income less in 1948,	1	
recovery of \$181,557 in respect of prior years		1,465,213
	\$ 3,087,956	\$ 2,472,139
Net Profit for the Year	\$ 3,071,910	\$ 3,286,264

Balance at beginning of year	\$13,548,998	\$11,999,806
Net profit for the year	3,071,910	3,286,264
	\$16,620,908	\$15,286,070
Dividends paid	1,737,072	1,737,072
Balance at End of Year	\$14,883,836	\$13,548,998

ROYAL BANK BUILDING

March 24, 1950.

To the Shareholders of

FAMOUS PLAYERS CANADIAN CORPORATION LIMITED:

We have examined the consolidated balance sheet of Famous Players Canadian Corporation Limited and subsidiary companies as at December 31, 1949, and the related consolidated statements of profit and loss and earned surplus for the fiscal year ended on that date and have obtained all the information and explanations which we required. Our examination included such tests of the accounting records and other supporting evidence and such other procedures as we considered appropriate in the circumstances.

Pursuant to Section 114 of the Companies Act, 1934, we report that the earnings of subsidiary companies not consolidated are taken into the company's accounts only to the extent of dividends received and, in our opinion, the company's share of the net earnings for the fiscal year of all such subsidiary companies was in the aggregate approximately \$1,700 greater than the dividends so received and in the case of affiliated companies (50% or less owned) approximately \$346,000 greater than the dividends received.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements 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 as at December 31, 1949, 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 of the companies.

PRICE, WATERHOUSE & CO.,

BUILDING A REPUTATION TAKES TIME . . . AND LEADERSHIP

For the past thirty years Famous Players and associated theatres have been building a reputation for bringing the finest in entertainment to Canadian theatre-goers.

Among the Company's important assets can be listed those men who, by their experience and loyalty, have helped guide the destinies of Famous Players. These men efficiently supervise and service our theatres in every Province. Their knowledge of theatre operation in all its branches has been gained in the practical school of experience. Many of them have been associated with Famous Players for thirty years.

Listed under each name is the length of service each Executive and Department Head has had with Famous Players. Many of them, in addition, brought with them the benefit of their experiences in other organizations.

JACK ARTHUR, M.B.E.

District Manager for Central and Northern Ontario 30 years

JACK BARKER
Art Director
19 years

Noel G. Barrow Secretary 30 years

LAWRENCE I. BEARG Western Division Manager 20 years

HAROLD A. BISHOP
District Manager for Winnipeg,
Brandon, Portage La Prairie
28 years

R. W. BOLSTAD
Vice-President and Treasurer
20 years

PETER D. BROWN
President, General Theatre Supply Co.
21 years

JAMES CAMERON Merchandising Manager 14 years

GEORGE CUTHBERT
Television and Sound Supervisor
13 years

ROLAND G. DARBY Manager, Insurance Dept. 30 years

CHARLES DENTELBECK
Projection Supervisor
30 years

ROBERT EVES

District Manager, Toronto Suburban Theatres 24 years

JOHN FERGUSON

Construction and Maintenance Supervisor, Winnipeg 5 years

JOHN J. FITZGIBBONS, C.B.E.

President and Managing Director
20 years

John J. Fitzgibbons, Jr.

General Manager, Theatre Confections Ltd. 16 years

LAWRENCE G. GEERING

General Auditor and Assistant Secretary 30 years

BEN GELDSALER

Chief Film Booker 27 years

JAMES GOODE

Manager, Ticket Department
24 years

FRANK H. GOW

Supervisor for British Columbia 30 years

MAYNARD JOINER

District Manger for Vancouver Downtown and Victoria 24 years

FRANK JUSTIN

Legal Department

WILLIAM E. KERR

Chief Accountant and Assistant Treasurer 30 years

DAN KRENDEL

District Manager, Niagara Peninsula and Western Ontario 23 years

JOHN MACCAUSLAND

Construction and Maintenance Supervisor, Vancouver 3 years

Angus MacCunn

Manager, Real Estate Dept., and Assistant Treasurer 28 years

JAMES R. NAIRN

Director of Public Relations and Advertising 20 years

ROBERT S. RODDICK

District Manager for the Maritimes
26 years

J. A. TROYER

Manager, Film and Statistical Dept. and Assistant Secretary 28 years

T. R. TUBMAN

District Manager for Ottawa, Hull and Eastern Ontario 25 years

MORRIS STEIN

Eastern Division Manager 20 years

Jules Wolfe

Construction and Maintenance Supervisor, Eastern Division 23 years

EDWARD A. ZORN

Supervisor for Manitoba, Saskatchewan and Alberta 12 years

ASSOCIATES

The following is a list of ASSOCIATES AND EXECUTIVE OFFICERS OF COMPANIES AFFILIATED WITH

FAMOUS PLAYERS CANADIAN CORPORATION LTD.

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 - - - N

Messrs. R. M. and W. E. Beatty

BRITISH COLUMBIA

PORT ALBERNI -

Port Alberni Theatres Ltd. Mr. Harold E. Warren

VANCOUVER

Broadway Theatre Co. Ltd. Mr. Frank Gow

MANITOBA

FLIN FLON - -

United Holdings Ltd. Mr. Warren Plummer

WINNIPEG - -

Western Theatres Ltd. Mr. J. Miles

Main Street Theatres Ltd.

Messrs. J. Miles and R. D. Hurwitz

NEW BRUNSWICK

Moncton -Saint John Mr. John E. Butler F. G. Spencer Co. Ltd.

Mr. Frederick G. Spencer

FREDERICTON -

- Mr. W. W. O. Fenety

NEWFOUNDLAND

St. John's -

Newfoundland Theatres Ltd. Mr. Bernard Parsons

NOVA SCOTIA

GLACE BAY - - SYDNEY - -

Mrs. Agnes Connor Mr. D. P. MacDonald

New Waterford

Messrs. Eldridge Gouthro and Frederick M. Gregor

ONTARIO

Barrie - -Brockville John Saso & Sons

Messrs. F. I. Ritchie and J. M. Dobbie

CORNWALL - -

Palace Amusement Co. Ltd. Mr. Clarence Markell

FORT WILLIAM - - Fort Theatre

Messrs. G. Garson, R. Mayotte, W. T. B. Baird

Kenora - - -

Derry's Theatres Ltd. Mr. Joseph Derry

HAMILTON - -

United Amusement Co. Ltd. Mr. H. W. Braden

Mr. Christos Georgas and Sons OWEN SOUND Mr. Gordon C. Miller PETERBOROUGH -St. CATHARINES -Lincoln Theatres Ltd. Mr. Stuart H. Fleming, K.C. Timmins Theatres Ltd. TIMMINS Mr. Leo Mascioli Theatre Holding Corp. Ltd. TORONTO 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. Summerville 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 Ltd. Mr. Jacob Smith Paramount Windsor Theatres Ltd. WINDSOR Mr. Simon Meretsky PRINCE EDWARD ISLAND F. G. Spencer Co. Ltd. CHARLOTTETOWN Mr. Frederick G. Spencer QUEBEC Consolidated Theatres Ltd. MONTREAL 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 MALARTIC NORANDA Mr. David Korman ROUYN Victoria Theatre Co. Ltd. **OUEBEC** Messrs. J. Arthur Hirsch and Alex Adilman L'Auditorium Limitee Mr. J. Arthur Paquet Mrs. A. M. Trepanier, Messrs. Sarto, Robert and THREE RIVERS Gerard Robert SASKATCHEWAN Mr. E. W. Marshall NORTH BATTLEFORD -Mr. Peter W. Mahon PRINCE ALBERT Mr. Jack Watson REGINA Daylight Theatre Co. Ltd. SASKATOON -Messrs. James Butler and N. C. Byers Shaunayon Amusements Ltd. SHAUNAVON Mrs. L. A. Durham

The 393 Theatres Operated by

FAMOUS PLAYERS CANADIAN CORPORATION LIMITED AND ASSOCIATED COMPANIES

are located in the following towns and cities:

Calgary

Edmonton Lethbridge Medicine Hat Red Deer

BRITISH COLUMBIA

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

MANITOBA

Victoria

Brandon Flin Flon Portage La Prairie Winnipeg

NEW BRUNSWICK

Campbellton Dalhousie Fredericton Moncton Saint John Woodstock

NEWFOUNDLAND

St. John's

NOVA SCOTIA

Amherst
Glace Bay
Halifax
Kentville
New Waterford
Sydney
Truro

ONTARIO Avlmer

Barrie
Belleville
Brantford
Brockville
Chatham
Chippawa
Cobalt
Cobourg
Cornwall
Deep River
Dunnville
Fort William
Galt
Geraldton

Guelph Haileybury Hamilton Ingersoll Kapuskasing Kenora Kingston Kirkland Lake Kitchener

Larder Lake
Leamington
Lindsay
London
Marathon
Mount Dennis
Napanee
Newmarket
New Toronto
Niagara Falls
North Bay
Orillia
Oshawa
Ottawa

Owen Sound Paris Parry Sound

Perth
Peterboro
Port Arthur
Port Colborne
Port Hope
Preston
Red Rock

Sarnia Saut Ste. Marie Simcoe Smiths Falls Stratford

St. Catharines St. Thomas Sudbury Tillsonburg Timmins Toronto Trenton Virginiatown Wallaceburg

Virginiatow Wallaceburg Waterloo Welland Windsor Woodstock

PRINCE EDWARD

ISLAND

Charlottetown

QUEBEC

Ahuntsic
Bourlamaque
Hull
Lachine
Limoilou
Malartic
Montreal
Noranda
Outremont

Noranda
Outremont
Quebec
Rouyn
Sherbrooke
St. Hyacinthe
St. Johns
St. Lambert
St. Laurent
Three Rivers
Verdun
Westmount
Wrightville

SASKATCHEWAN

Moose Jaw North Battleford Prince Albert Regina Saskatoon Shaunayon



30 Years

OF

LEADERSHIP IN

ENTERTAINMENT

FAMOUS PLAYERS

Theatres

1920 • 1950