Stock

# FAMOUS PLAYERS Canadian Corporation Limited

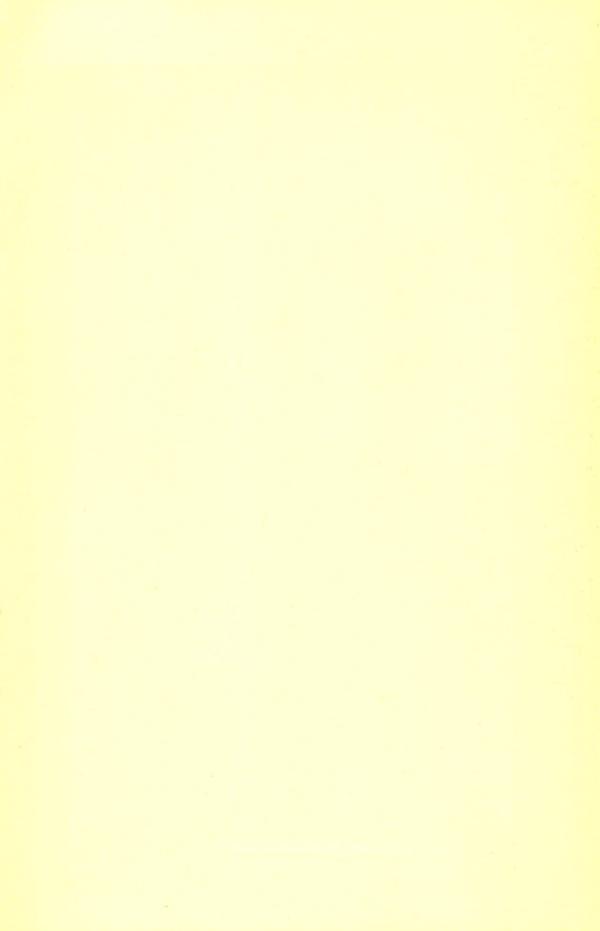


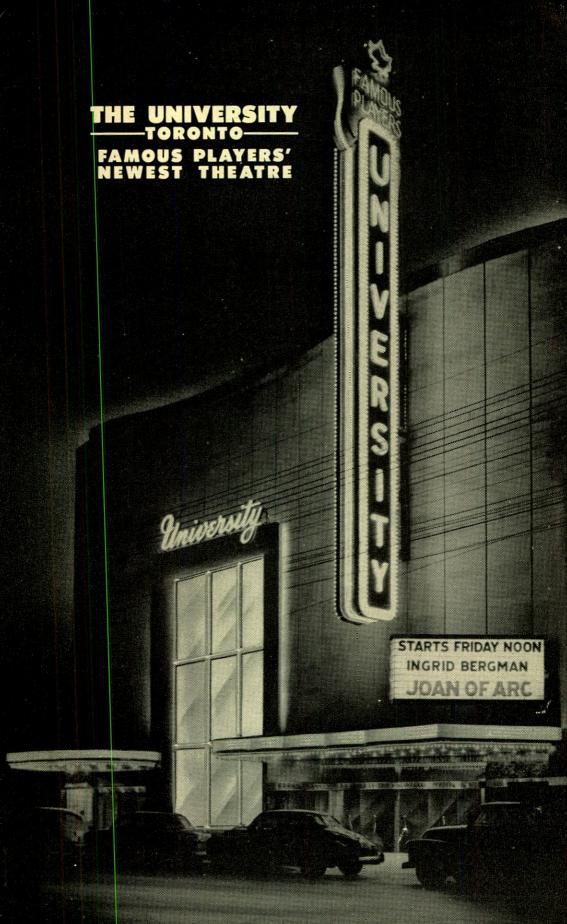
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ANNUAL REPORT
"to Shareholders

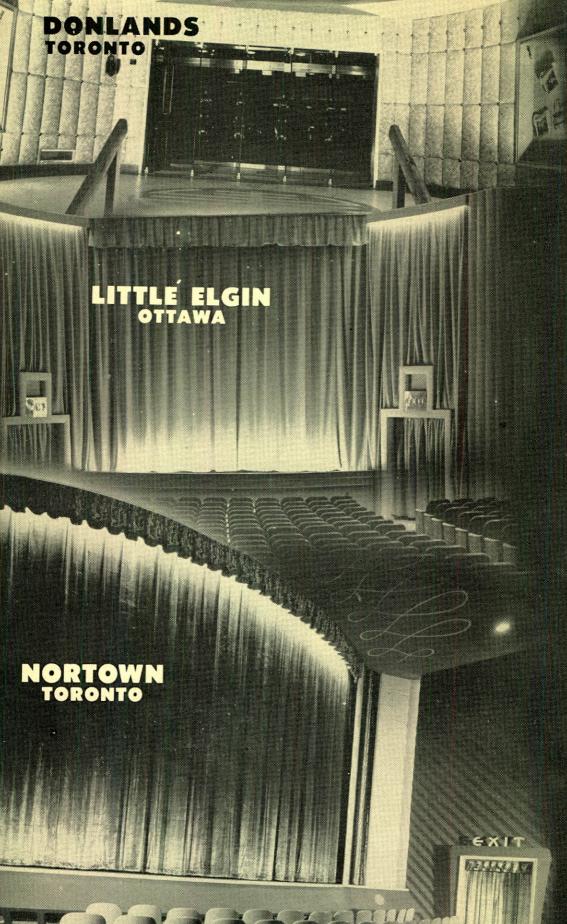
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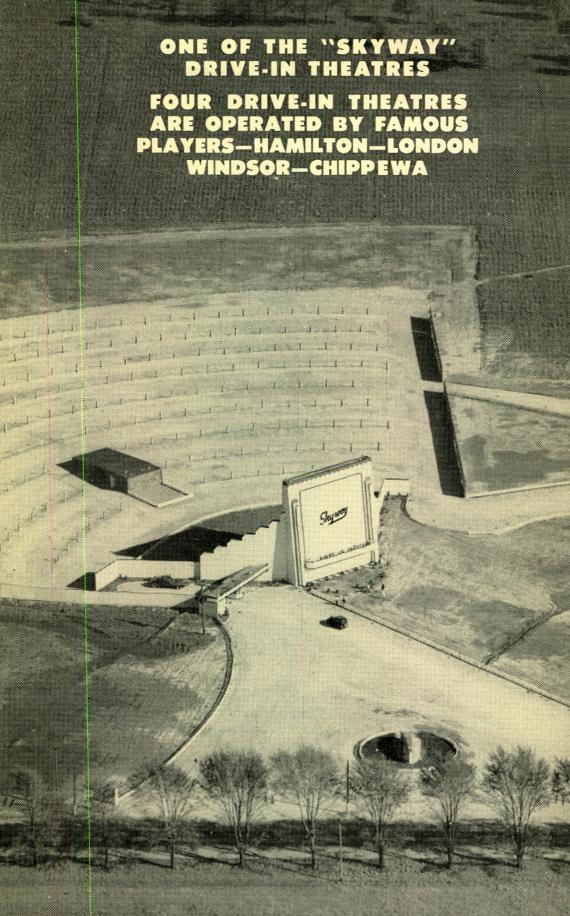
JANUARY 1st, 1949

JUE 18 1954









RUNNYMEDE TORONTO

man

HUMPHERY BOGART

"DARK PASSAGE"

"WOMAN TO WOMAN

"DOUG MONTGOMERY

EW PUSH-BA ... LAS CONCESSES

DAILY FROM 2 PM
LONG NIGHT HENRY FONDA
ABBOTT COSTELLO
WISTFUL WIDOW WAGON GAP

VAUGHAN TORONTO

PRPHEUM ANCOUVER

HAY LADY IN ERMINE
TEMPTATION HARBOUR

640

## **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

R. W. Bolstad, Vice-President and Treasurer

BARNEY BALABAN

President
Paramount Pictures Inc.
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 Inc. 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

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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 Twenty-ninth Annual Financial Report of your Company and its Consolidated Subsidiaries for the fiscal year ended January 1st, 1949, is submitted herewith.

Net profits for the year 1948 (52 weeks) were \$3,286,264 as compared with \$3,156,446 for the year 1947 (53 weeks). A comparative summary of the earnings follows:

	1948	1947
Earnings from Operations	\$4,303,581	\$4,382,436
Dividends from Non-Consolidated Com-		
panies	312,300	431,772
Interest Earned	135,596	143,830
Refund of prior year excess profits taxes	181,557	
Profit before current year Income and		
Excess Profits Taxes	\$4,933,034	\$4,958,038
Provision for Income and Excess Profits		
Taxes—current year	1,646,770	1,801,592
Net Profit	\$3,286,264	\$3,156,446
Amount Earned per Common Share	\$1.89	\$1.81

Gross box office receipts, because of the additional number of theatres being operated, were somewhat higher than in the previous year, although net earnings from operations show a slight decrease. This is accounted for entirely by a continued rise in operating costs in almost every department without an increase in admission prices sufficient to offset these increased costs.

Motion pictures are an essential form of entertainment enjoyed principally by persons of medium and lower wage incomes who are the backbone of the nation. Because of this your Directors have endeavoured to maintain all admission prices at as reasonable a level as is possible, so that at the present time theatre admission prices in Famous Players Theatres have increased less than 25% since 1940.

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 was paid March 26th, 1949.

The accompanying Consolidated Balance Sheet at January 1st, 1949, shows total current assets of \$7,287,083 and current liabilities of \$970,671, leaving a net working capital of \$6,316,412. This is a decrease of \$1,067,874 during the year and is accounted for entirely by expenditures made on acquisition and construction of

new theatres and on modernization of previously held theatres. These projects, involving a total outlay of more than \$3,200,000 have been entirely paid for out of current earnings and working capital.

It has continued to be the policy of your Company and its Associates to provide the public with the best motion picture entertainment obtainable and to afford the finest, most modern and most comfortable theatres and facilities for the enjoyment of this entertainment. It is known to everyone that conditions during and immediately following the War impeded the supplying of such theatre facilities to the extent your Company and its Associates desired. However, consistent with our ability to overcome obstacles, your Company and its Associates have planned and provided the complete re-construction of certain of their existing theatres and the construction of new theatres wherever feasible. For example, during the year 1948 five of the existing theatres were completely re-constructed and brought up to the highest present-day standards in theatre construction and equipment. Thirteen theatres were newly built. Four drive-in theatres were provided. Pictures of some of these new theatres are included in this report. If you have not already visited those in your community, we believe you will find the experience an enjoyable one.

Continuing this policy, your Company and its Associates have now under construction or are developing plans for new theatres to be erected on sites already acquired for them, in communities which appear to us to be most in need of such facilities.

Continuing its forward looking policies, your Company is now installing in the Imperial Theatre in Toronto the Paramount Theatre television system for the transmission of television to the motion picture screen. This is the identical equipment now being successfully used in the Paramount Theatre, New York.

Your Company has instituted a series of special children's shows using films specially selected by the Children's Film Library which is under the supervision of and in collaboration with leading women's organizations of Canada and the Motion Picture Association of America.

The Consent Decree recently entered into between Paramount Pictures Inc. and the United States Government providing for the divorcement of the ownership and operation of motion picture theatres from the ownership of production and distribution, does not apply to your Company. It will continue to be affiliated with the present Paramount Pictures Inc. and later with the new Paramount Pictures company. As in the past your Company and its theatres will be locally managed. It will have all the benefits which flow from its relationship with Paramount in obtaining Paramount pictures on a mutually advantageous basis and in benefiting from the

world wide experience of Paramount in motion picture entertain-

ment and in the development of television.

High amusement taxes continue to be a heavy and unreasonable burden on the theatre-going public which depends largely on this form of entertainment for its relaxation. The Dominion Government recognized this fact by dropping its 20% tax in the early part of 1948. However, certain of the Provinces immediately imposed an amusement tax where none had been imposed before or increased existing tax rates by the amount of the reduction in the Federal tax. Your Directors realize that the Provincial Governments are in need of revenue to support their proper activities but they believe that the taxing authorities have an incorrect idea about the industry. It is not a luxury business. The motion picture industry in Canada is engaged in supplying wholesome entertainment to more than four million Canadians each week at very reasonable prices within the range of all pocketbooks. It should not be singled out for special forms of taxes.

Notwithstanding the uncertainties in the economic situation, the present indications are that our Canadian people will continue to enjoy a high level of income during 1949. We believe that the motion picture entertainment available for the coming year will be well worth their patronage. Contrary to some pessimistic observations that have appeared in the press about Hollywood and the effect of world conditions upon its output, we are confident that from the product we have already seen and from the description of what is now in production for the coming year, we can look forward to showing in our theatres even greater box office attractions than we have ever had before. Our experience through the years, in good times and bad, has demonstrated that good motion pictures will always prove profitable. For these reasons we anticipate another year of good business.

The increased number of theatres which the Company is now operating has placed greater demands on our officers, head office staff and theatre employees. To them we express our sincere appreciation for the fine work they have done through the year and for the contribution each has made towards the success of the Company.

This report would not be complete without an acknowledgment of the great contribution made by our Partners and Associates who operate their own theatres in many communities scattered throughout the Dominion of Canada, particularly for the advice and counsel we receive from them in our endeavours to continue to provide the best motion picture entertainment and the maximum of community service.

All of which is respectfully submitted on behalf of the Board

of Directors.

J. J. FITZGIBBONS,

President.

Toronto, Ontario, March 25th, 1949.

# CONSOLIDATED BALANCE SHEET AT J

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

# ASSETS

CURRENT ASSETS:	1949	1948
Cash	\$ 603,076	\$ 1,250,510
Guaranteed investment certificates (repayable on five or ten days notice)	3,490,000	4,240,000
Dominion of Canada and Provincial bonds, at cost (market valu	e	
1949—\$1,564,541)		
Advances to substitutely companies  Advances to affiliated companies		CHARLES THE COLUMN
Employees' Canada Savings Bond accounts (secured)		255,116
Sundry debtors (including refundable excess profits taxes)		115,719
Inventories of merchandise, at or below cost	626,774	200,2 <i>67</i> 425,5 <i>6</i> 0
Total current assets		
Total current assets	\$ 7,287,083	\$ 8,206,441
REFUNDABLE PORTION OF EXCESS PROFITS TAXES (duafter one year)	e \$ 346,945	\$ 581,995
INVESTMENTS:		
Notes and mortgages receivable, due after one year		\$ 115,178
Investment in shares	759,521	665,287
Advances, due after one year	41,410	85,833
Investment in shares and advances to affiliated companies:		
Investment in shares		
Advances, due after one year	380,145	365,442
	\$ 3,498,308	\$ 3,215,818
FIXED ASSETS, at cost:		
Land	\$ 6,377,957	\$ 6,265,293
Buildings, improvements, equipment and construction in progress	20,363,755	17,703,086
Less—Reserves for depreciation	12,461,467	12,177,395
	\$14,280,245	\$11,790,984
OTHER ASSETS:		
Deposits to secure contracts	\$ 77,734	\$ 89,624
Leaseholds, less amounts written off		67,516
Prepaid expenses and deferred charges		288,604
	\$ 484,063	445,744
	\$25,896,644	\$24,240,982
		Ψ2 1,2 10,732

# NUARY 1, 1949 AND JANUARY 3, 1948

nadian Corporation Limited and of those subsidiaries in bisidiaries carrying voting rights represents 90% or more)

# LIABILITIES AND CAPITAL

LIABILITIES AND CA	PI	<u>r a L</u>		
		1949		1948
CURRENT LIABILITIES:				
Accounts payable	\$	817,746	\$	572,651
Accrued expenses		51,999		99,221
Taxes on income		100,926		150,283
Total current liabilities	\$	970,671	\$	822,155
DEFERRED INCOME	\$	371,695	\$	414,625
RESERVE FOR CONTINGENCIES	\$	77,253	\$	77,253
INTEREST OF MINORITY STOCKHOLDERS IN CAPITAL AND SURPLUS OF SUBSIDIARY COMPANIE	S <u>\$</u>	117,376	\$	114,712
CAPITAL STOCK AND SURPLUS:				
Capital Stock—				
Authorized-1,800,000 shares without nominal or par val	ue			
Issued, fully paid—1,737,072 shares	\$1(	0,764,890	\$10	,764,890
Capital Surplus		45,761		47,541
Earned Surplus	1	3,548,998	1	1,999,806
	\$24	1,359,649	\$22	2,812,237
Approved on behalf of the Board:				
J. J. FITZGIBBONS, Director.				
R. W. Bolstad, Director.	\$25	5,896,644	\$24	,240,982

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	FISCAL YEAR ENDED				
	January 1				
PARTICULARS	1949 (52 weeks)	1948 (53 weeks)			
PARTICOLARS		And the second second			
Profit from operations before providing for depre-					
ciation, taxes on income, etc., as under					
Interest earned	20 00 000 000 000 000 000	431,772 143,830			
interest earned					
	\$ 5,758,403	\$ 5,875,473			
DEDUCT:					
Depreciation of buildings, leaseholds, improve-					
ments and equipment	\$ 780,223	\$ 695,769			
Remuneration of executive officers	196,935	189,911			
Directors' fees	3,000	3,000			
Legal fees paid (not including those relating to acquisition of properties — 1949, \$3,338					
— 1948, \$4,499)		15,215			
Profits applicable to minority holders of stock of consolidated subsidiary companies		13,540			
Provision for taxes on income less in 1949, a					
recovery of \$181,557 in respect of prior year	s 1,465,213	1,801,592			
	\$ 2,472,139	\$ 2,719,027			
NET PROFIT FOR THE YEAR	\$ 3,286,264	\$ 3,156,446			
CONSOLIDATED STATEMENT OF EARNED SURPLUS					
Balance at beginning of year	\$11,999,806	\$11,362,114			
Net profit for the year		3,156,446			
	\$15,286,070	\$14,518,560			
Dividends paid		2,518,754			
BALANCE AT END OF YEAR	\$13,548,998	\$11,999,806			

## PRICE, WATERHOUSE & Co.

TORONTO

March 24, 1949.

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 January 1, 1949, and the related consolidated statements of profit and loss and earned surplus for the 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 year of all subsidiary companies not consolidated was in the aggregate approximately \$62,000 greater than the dividends so received. In the case of affiliated companies (50% or less owned) the company's share of the earnings for the year was in the aggregate approximately \$426,000 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 January 1, 1949, and the results of operations for the 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.,

Auditors.

#### 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

PORT ALBERNI - - Port Alberni Theatres Ltd.
Mr. Harold E. Warren

#### 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 - - - 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. Warren 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. Garson, 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.
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 Ltd. Mr. Jacob Smith Paramount Windsor Theatres Ltd. WINDSOR Mr. Simon Meretsky **OUEBEC** 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. QUEBEC Messrs. J. Arthur Hirsch and Alex Adilman L'Auditorium Limitee Mr. J. Arthur Paquet Mrs. A. M. Trepanier, Messrs, Sarto, THREE RIVERS Robert and Gerard Robert NEW BRUNSWICK Mr. John E. Butler MONCTON SAINT JOHN -F. G. Spencer Co. Ltd. Mr. Frederick G. Spencer FREDERICTON Mr. W. W. O. Fenety NEWFOUNDLAND Newfoundland Theatres Ltd. St. John's -Mr. Bernard Parsons NOVA SCOTIA Mrs. Agnes Connor GLACE BAY -Mr. D. P. MacDonald SYDNEY -Messrs. Eldridge Gouthro and Frederick M. Gregor NEW WATERFORD PRINCE EDWARD ISLAND -F. G. Spencer Co. Ltd. CHARLOTTETOWN Mr. Frederick G. Spencer

## The 383 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

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

#### 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**

Aylmer 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 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

Tillsonburg Timmins Toronto Trenton Virginiatown Wallaceburg Waterloo Welland Windsor

## PRINCE EDWARD

ISLAND

Charlottetown

Woodstock

#### QUEBEC

Ahuntsic Bourlamaque Hull Lachine Limoilou Malartic Montreal Noranda Outremont Quebec Rouyn Sherbrooke St. Hyacinthe St. Johns St. Lambert St. Laurent Three Rivers Verdun Westmount

#### SASKATCHEWAN

Wrightville

Moose Jaw North Battleford Regina Saskatoon Shaunavon

Weyburn



# GLENDALE TORONTO

BORD BY YOURS

BEET YOUNG MILLARD PARKER
MARGUERITE CHAPMAN'S
RELENTLESS'S JECHNICOLOR

MINERAL LOGING & "RELEXTLESS" IN TECHNICOLOR

194

DAINE CLARK ALEXIS SMITH
UHIPLOSH
PLUS "RACING LUCK"

IMPERIAL TORONTO

DOWNTOWN TORONTO



PARAMOUNT ST. JOHN

PARAMOUNT HALIFAX

> PARAMOUNT PETERBOROUGH

DEAD END VAN HORN MONTREAL AIR CONDITIONED DENNIS MORGAN & TIME IN PLACE IN WILLOW TORONTO AVENUE MONTREAL



29 Vears

OF

LEADERSHIP in

ENTERTAINMENT

FAMOUS PLAYERS

Theatres

1920 1949