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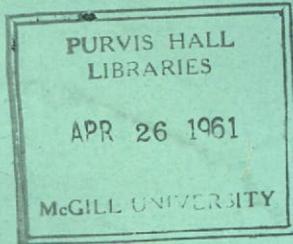
TO THE SHAREHOLDERS OF
UNITED AMUSEMENT CORPORATION LIMITED

Submitted herewith the consolidated balance sheet as at December 31st, 1960, and related statements of profit and loss and earned surplus as they will be presented to the shareholders at the annual meeting to be held in Montreal on April 26th, 1961.

Net profit for the fiscal period after providing for all operating costs and full depreciation and after federal and provincial income taxes amounted to \$466,697, approximately \$1.60 per share based on the shares outstanding in the hands of the public, as compared with profit of \$266,088 approximately 91 cents per share in the preceding year. Dividends paid during the fiscal period amounted to \$290,984 equivalent to 90 cents per share.

Negotiations which started in the 1960 fiscal period have been completed for the construction of a twin theatre project at the Dorval Garden Shopping Centre, with the opening date set for September 1961.

Submitted on behalf of the Board,
W. G. Lester, *President.*



UNITED AMUSEMENT C

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET 31st December 1960

ASSETS

	1960	1959
CURRENT		
Cash on Hand and in Banks	\$ 337,405	\$ 14,250
Accounts Receivable	46,362	37,930
Investments in Canadian Corporations — At Cost (Market Value \$1,815,293)	1,947,717	1,997,926
Employees' Savings Bonds — Secured	24,896	21,394
Supplies on Hand	85,043	77,339
	<u>2,441,423</u>	<u>2,148,839</u>
INVESTMENTS IN AND ADVANCES TO OTHER ASSOCIATED COMPANIES	<u>438,351</u>	<u>459,572</u>
BALANCE OF SALES PRICE OF PROPERTIES	<u>163,148</u>	<u>117,500</u>
FIXED — AT COST		
Land	977,761	1,000,977
Buildings	4,654,926	4,747,413
Equipment	1,862,267	1,854,141
	<u>6,517,193</u>	<u>6,601,554</u>
<i>Less: Depreciation</i>	4,624,703	4,554,487
	<u>1,892,490</u>	<u>2,047,067</u>
Improvements to Leased Premises	79,657	77,627
<i>Less: Depreciation</i>	38,299	33,682
	<u>41,358</u>	<u>43,945</u>
	<u>2,911,609</u>	<u>3,091,989</u>
DEFERRED CHARGES TO FUTURE OPERATIONS		
Taxes, Licenses and Insurance, etc.	183,607	181,031
Bond Underwriting Expense	14,406	17,934
	<u>198,013</u>	<u>198,965</u>
GOODWILL AND FRANCHISE		
(<i>Less: Written-off \$1,372,290</i>)	<u>234,969</u>	<u>234,669</u>
	<u>\$6,387,513</u>	<u>\$6,251,534</u>

LIABILITIES AND CAPITAL

	\$	\$
CURRENT		
Bank Loan	—	73,837
Accounts Payable and Accrued Charges	92,759	138,681
Dominion and Provincial Income Taxes — less paid	163,617	63,507
	<u>256,376</u>	<u>276,025</u>
FIRST MORTGAGE SERIAL AND SINKING FUND BONDS	<u>\$2,500,000</u>	
AUTHORIZED:		
ISSUED:	1,250,000	1,250,000
<i>Less: Redeemed</i>	750,000	700,000
OUTSTANDING		
4% Sinking Fund Bonds due 1st February 1965	500,000	550,000
<i>Less: Repurchased — of which \$50,000 will be redeemed 1st February 1961</i>	114,000	91,000
	<u>386,000</u>	<u>459,000</u>
INSURANCE RESERVE		
(For Possible Future Losses on Self-Insured Minor Risks)	118,133	118,181
MINORITY INTEREST	<u>34,603</u>	<u>26,757</u>
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
<i>Less: Subsidiary Holdings</i>	28,189	214,405
	<u>1,382,295</u>	<u>1,382,295</u>
Class "B"	52,484	253,025
<i>Less: Subsidiary Holdings</i>	3,640	29,871
	<u>223,154</u>	<u>227,956</u>
SURPLUS		
Capital — At Date of Incorporation	93,336	93,336
Earned — Statement Attached	3,893,616	3,667,984
	<u>3,986,952</u>	<u>3,761,320</u>
CONTINGENT LIABILITY		
In respect of guarantee of indebtedness of other Associated Company \$115,000.	<u>\$6,387,513</u>	<u>\$6,251,534</u>

*Signed on behalf of the Board: W. G. LESTER, Director.
G. DESTOUNIS, Director.*

UNITED AMUSEMENT CORPORATION LIMITED

RY COMPANIES

CONSOLIDATED PROFIT AND LOSS AND EARNED SURPLUS for fiscal period ended 31st December 1960

PROFIT AND LOSS

	1960	1959
Profit from Operations before deducting Depreciation, Income Taxes, etc. as below.....	\$ 832,997	\$ 539,250
Dividends Received.....	125,785	101,220
Interest Earned.....	11,806	2,526
	137,591	103,746
	970,588	642,996
<i>Deduct:</i>		
Depreciation—Buildings.....	95,776	100,739
—Equipment.....	61,474	74,877
Bond and Other Interest.....	23,095	25,233
Bond Underwriting Expense.....	3,528	3,528
Profits applicable to minority interests.....	13,835	11,866
Dominion and Provincial Income Taxes.....	306,183	160,665
	503,891	376,908
NET PROFIT FOR FISCAL PERIOD (After Income Taxes).....	<u>\$ 466,697</u>	<u>\$ 266,088</u>

EARNS SURPLUS

Balance at 3rd January 1960.....	\$3,667,984	\$3,639,208
<i>Add:</i>		
Profit or (Loss) on Sale of Fixed Assets.....	8,058	(33,737)
Profit or (Loss) on Sale of Investments.....	13,215	(13,854)
	21,273	(47,591)
	<u>3,689,257</u>	<u>3,591,617</u>
<i>Add:</i>		
Net Profit for the Fiscal Period (After Income Taxes).....	466,697	266,088
	<u>4,155,954</u>	<u>3,857,705</u>
<i>Deduct:</i>		
Dividends Paid.....	290,984	210,155
Less: Received by Subsidiaries.....	28,646	20,434
	262,338	189,721
BALANCE AT 31st DECEMBER 1960	<u>\$3,893,616</u>	<u>\$3,667,984</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 31st December 1960. We certify that we have obtained all the information, and explanations we have required and that, in our opinion, the above 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 31st December 1960, according to the best of our information and the explanations given to us, and as shown by the books.

Montreal 3rd April 1961.

MARROTTE & COMPANY,
Chartered Accountants.

UNITED AMUSEMENT CORPORATION LIMITED

5887 Monkland Avenue, Montreal, Que.

Operating theatres in:

MONTREAL, QUEBEC, SHERBROOKE, ST. HYACINTHE
ST. JOHNS, LACHINE and ST. LAMBERT

BOARD OF DIRECTORS 1960

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

EXECUTIVE OFFICERS

W. G. Lester — *President and Managing Director*
G. Destounis — *Executive Vice-President*
W. H. Giles — *Vice-President*
W. H. Mannard — *Secretary-Treasurer*
W. Deveault — *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*