TO THE SHAREHOLDERS OF UNITED AMUSEMENT CORPORATION LIMITED

Submitted herewith the Consolidated Balance Sheet as at December 28th, 1963, 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 22nd, 1964.

Net profit for the fiscal period after providing for all operating costs, full depreciation and Federal and Provincial income taxes amounted to $510,108, approximately $1.75 per share, based on the shares outstanding in the hands of the public, as compared with profits of $468,019, approximately $1.60 per share in the preceding year. Dividends paid during the fiscal period amounted to $1.00 per share compared with the preceding year of $1.00 per share.

Submitted on behalf of the Board,

W. G. Lester, *President.*

UNITED AMUSEMENT

AND SUBSIDI

CONSOLIDATED BALANCE SHEET
at 28th December 1963

ASSETS

		1963	*1962*
CURRENT			
Cash on Hand and in Banks		$ 21,563	*$ 240,809*
Accounts Receivable		37,631	*35,414*
Investments in Canadian Corporations — At Cost (Market Value $1,539,236)		1,518,788	*1,963,794*
Employees' Savings Bonds—Secured		31,105	*22,509*
Supplies on Hand		81,626	*80,396*
		1,690,713	*2,342,922*
INVESTMENTS IN AND ADVANCES TO OTHER ASSOCIATED ENTERPRISES		1,283,626	*585,568*
BALANCE OF SALES PRICE OF PROPERTIES		149,665	*52,000*
FIXED — AT COST			
Land		862,860	*901,636*
Buildings		5,280,885	*5,125,151*
Equipment		2,409,520	*2,268,380*
		7,690,405	*7,393,531*
Less: Depreciation		4,770,876	*4,823,269*
		2,919,529	*2,570,262*
Improvements to Leased Premises		102,261	*79,658*
Less: Depreciation		52,158	*47,537*
		50,103	*32,121*
		3,832,492	*3,504,019*
DEFERRED CHARGES TO FUTURE OPERATIONS			
Taxes, Licenses and Insurance etc.		227,987	*171,275*
Bond Underwriting Expense		3,822	*7,350*
		231,809	*178,625*
GOODWILL AND FRANCHISE			
(*Less:* Written-off $1,604,825)		1	*1*
		$7,188,306	*$6,663,135*

LIABILITIES AND CAPITAL

		1963	*1962*
CURRENT			
Bank Loan		$ 700,000	*$ 350,000*
Accounts Payable and Accrued Charges		127,814	*171,977*
Dominion and Provincial Income Taxes — less paid		44,250	*29,582*
		872,064	*551,559*
FIRST MORTGAGE SERIAL AND SINKING FUND BONDS			
AUTHORIZED	$2,500,000		
ISSUED:		1,250,000	*1,250,000*
Less: Redeemed		900,000	*850,000*
OUTSTANDING			
4% Sinking Fund Bonds due 1st February 1965		350,000	*400,000*
Less: Repurchased — of which $50,000 will be redeemed 1st February 1964		56,000	*83,000*
		294,000	*317,000*
INSURANCE RESERVE			
(For Possible Future Losses on Self-Insured Minor Risks)		84,056	*121,455*
MINORITY INTEREST		25,045	*21,596*
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	*1,596,700*
Less: Subsidiary Holdings	28,189	215,965	*214,405*
		1,380,735	*1,382,295*
Class "B"	52,484	253,025	*253,025*
Less: Subsidiary Holdings	3,640	29,871	*29,871*
SURPLUS		223,154	*223,154*
Capital — At Date of Incorporation		93,336	*93,336*
Earned — Statement Attached		4,215,916	*3,952,740*
		4,309,252	*4,046,076*
		$7,188,306	*$6,663,135*

CONTINGENT LIABILITY

In respect of guarantee of indebtedness of other Associated Enterprise $90,000

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

CONSOLIDATED PROFIT AND LOSS AND EARNED SURPLUS
for fiscal period ended 28th December 1963

PROFIT AND LOSS

	1963	*1962*
Profit from Operations before deducting Depreciation, Income Taxes etc. as below	$ 879,974	*$ 795,475*
Dividends Received	127,664	*125,140*
Interest Earned	18,284	*17,280*
	145,948	*142,420*
	1,025,922	*937,895*
Deduct:		
Depreciation	247,287	*234,781*
Bond and Other Interest	23,462	*20,726*
Bond Underwriting Expense	3,528	*3,528*
Profits applicable to Minority Interests	13,990	*8,498*
Dominion and Provincial Income Taxes	227,547	*202,343*
	515,814	*469,876*
NET PROFIT FOR FISCAL PERIOD (AFTER INCOME TAXES)	$510,108	*$ 468,019*

EARNED SURPLUS

Balance at 30th December 1962	$3,952,740	*$3,999,339*
Add:		
Profit or (Loss) on Sale of Fixed Assets	30,357	*(4,555)*
Profit or (Loss) on Sale of Investments	(25,510)	*11,405*
Adjustment — Income Taxes — prior years	4,708	*2,554*
Adjustment Insurance Reserve	35,000	—
Goodwill written off	—	*(232,535)*
	3,997,295	*3,776,208*
Add:		
Net Profit for Fiscal Period (After Income Taxes)	510,108	*468,019*
	4,507,403	*4,244,227*
Deduct:		
Dividends Paid	323,316	*323,316*
Less: Received by Subsidiary	31,829	*31,829*
	291,487	*291,487*
BALANCE AT 28TH DECEMBER 1963	$4,215,916	*$3,952,740*

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 28th December 1963. 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 28th December 1963, 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, 9th March 1964.

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UNITED AMUSEMENT CORPORATION LIMITED

5887 Monkland Avenue, Montreal, Que.

Operating theatres in:

MONTREAL, QUEBEC, SHERBROOKE, ST. HYACINTHE
ST. JEAN, LACHINE, ST. LAMBERT and DORVAL

BOARD OF DIRECTORS 1963

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*