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TO THE SHAREHOLDERS OF
UNITED AMUSEMENT CORPORATION LIMITED

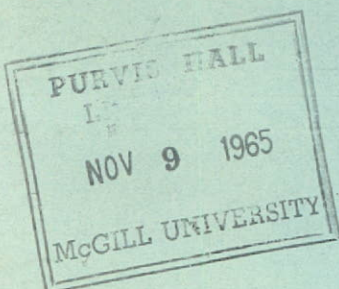
Submitted herewith the Consolidated Balance Sheet as at 2nd January, 1965 and related statements of Profit and Loss and Earned Surplus, as they will be presented to the shareholders at the Annual Meeting, to be held in Montreal on April 28th, 1965.

Net profit for the fiscal period after providing for all operating costs, full depreciation and Federal and Provincial income taxes amounted to \$455,467, approximately \$1.56 per share based on the shares outstanding in the hands of the public, as compared with profits of \$510,108, approximately \$1.75 per share in the 1963 fiscal period. Capital profits added directly to Earned Surplus exceeded those of the preceding year by \$81,401, approximately 28 cents per share.

Dividends paid during the fiscal period amounted to \$1.20 per share, which included an extra dividend of 20 cents per share, compared with the dividends of the preceding year of \$1.00 per share.

Submitted on behalf of the Board,

W. G. Lester, *President*.



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UNITED AMUSEMENT

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET at 2nd January 1965

	<u>ASSETS</u>	2ND JAN. 1965	28TH DEC. 1963
CURRENT			
Cash on Hand and in Banks.....		\$ 248,756	\$ 21,563
Accounts Receivable.....		107,005	37,631
Investments in Canadian Corporations — At Cost (Market Value \$1,345,762).....		1,179,394	1,518,788
Employees' Savings Bonds—Secured.....		50,478	31,105
Supplies on Hand.....		95,659	81,626
		<u>1,681,292</u>	<u>1,690,713</u>
INVESTMENTS IN AND ADVANCES TO OTHER ASSOCIATED ENTERPRISES.....		1,460,048	1,283,626
BALANCE OF SALES PRICE OF PROPERTIES.....		134,000	149,665
FIXED — AT COST			
Land.....		857,060	862,860
Buildings.....		5,191,187	5,280,885
Equipment.....		2,679,824	2,409,520
		7,871,011	7,690,405
Less: Depreciation.....		4,986,397	4,770,876
		<u>2,884,614</u>	<u>2,919,529</u>
Improvements to Leased Premises		79,658	102,261
Less: Depreciation.....		66,196	52,158
		<u>13,462</u>	<u>50,103</u>
		<u>3,755,136</u>	<u>3,832,492</u>
DEFERRED CHARGES TO FUTURE OPERATIONS			
Taxes, Licenses and Insurance etc.....		266,175	227,987
Bond Underwriting Expense.....		294	3,822
		<u>266,469</u>	<u>231,809</u>
GOODWILL AND FRANCHISE			
(Less: Written-off \$1,604,825).....		1	1
		<u>\$7,296,946</u>	<u>\$7,188,306</u>
	<u>LIABILITIES AND CAPITAL</u>		
CURRENT			
Bank Loan		\$ 480,000	\$ 700,000
Accounts Payable and Accrued Charges.....		226,734	127,814
Dominion and Provincial Income Taxes — less paid		88,074	44,250
Bonds Payable — due 1st February 1965.....		291,000	294,000
		<u>1,085,808</u>	<u>1,166,064</u>
INSURANCE RESERVE			
(For Possible Future Losses on Self-Insured Minor Risks).....		81,635	84,056
MINORITY INTEREST.....		19,723	25,045
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	215,965
		<u>1,380,735</u>	<u>1,380,735</u>
Class "B".....	52,484	253,025	253,025
Less: Subsidiary Holdings.....	3,640	29,871	29,871
		<u>223,154</u>	<u>223,154</u>
SURPLUS			
Capital — At Date of Incorporation.....		93,336	93,336
Earned — Statement Attached		4,412,555	4,215,916
		<u>4,505,891</u>	<u>4,309,252</u>
		<u>\$7,296,946</u>	<u>\$7,188,306</u>
CONTINGENT LIABILITY			
In respect of guarantee of indebtedness of other Associated Enterprises \$232,300			
Signed on behalf of the Board: W. G. LESTER, Director			
G. DESTOUNIS, Director.			

CORPORATION LIMITED

Y COMPANIES

CONSOLIDATED PROFIT AND LOSS AND EARNED SURPLUS for fiscal period ended 2nd January 1965

	<u>PROFIT AND LOSS</u>		2ND JAN. 1965	28TH DEC. 1963
Profit from Operations before deducting Depreciation, Income Taxes etc. as below.....			\$ 898,391	\$ 879,974
Dividends and Interest Earned			146,272	145,948
			<u>1,044,663</u>	<u>1,025,922</u>
<i>Deduct:</i>				
Depreciation.....			305,482	247,287
Bond and Other Interest.....			39,116	23,462
Bond Underwriting Expense.....			3,528	3,528
Profits applicable to Minority Interests.....			11,879	13,990
Dominion and Provincial Income Taxes.....			229,191	227,547
			<u>589,196</u>	<u>515,814</u>
NET PROFIT FOR FISCAL PERIOD (AFTER INCOME TAXES).....			<u>\$ 455,467</u>	<u>\$ 510,108</u>

	<u>EARNED SURPLUS</u>			
Balance at 29th December 1963.....			\$4,215,916	\$3,952,740
<i>Add:</i>				
Profit on Sale of Fixed Assets			71,481	30,357
Profit or (Loss) on Sale of Investments.....			19,475	(25,510)
Adjustment — Income Taxes — prior years.....			—	4,708
Adjustment Insurance Reserve.....			—	35,000
			<u>4,306,872</u>	<u>3,997,295</u>
<i>Add:</i>				
Net Profit for Fiscal Period (After Income Taxes).....			455,467	510,108
			<u>4,762,339</u>	<u>4,507,403</u>
<i>Deduct:</i>				
Dividends Paid.....			387,979	323,316
Less: Received by Subsidiary			38,195	31,829
			<u>349,784</u>	<u>291,487</u>
BALANCE AT 2ND JANUARY 1965.....			<u>\$4,412,555</u>	<u>\$4,215,916</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 2nd January 1965. 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 2nd January 1965, 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, 15th March 1965.

UNITED AMUSEMENT CORPORATION LIMITED

5887 Monkland Avenue, Montreal, Que.

Operating theatres in:

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

BOARD OF DIRECTORS 1964

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. Deveau — *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*