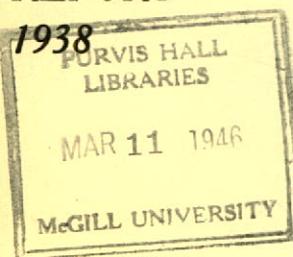


UNITED AMUSEMENT CORPORATION

LIMITED



*FOURTEENTH
ANNUAL
REPORT*



*United Amusement Corporation
Limited*

NOTICE

The Fourteenth Annual General Meeting of Shareholders of United Amusement Corporation Limited will be held in the Rialto Theatre Building, 5711 Park Ave., Montreal, on Friday, 31st day of March, 1939, at Eleven o'clock A.M. for the reception of the Annual Report of the Board of Directors, to elect Directors and Auditors for the ensuing year, and the transaction of general business of the Company that may properly come before the meeting.

By Order of the Board,
W. H. MANNARD,
Secretary.

Montreal, 7th February, 1939.

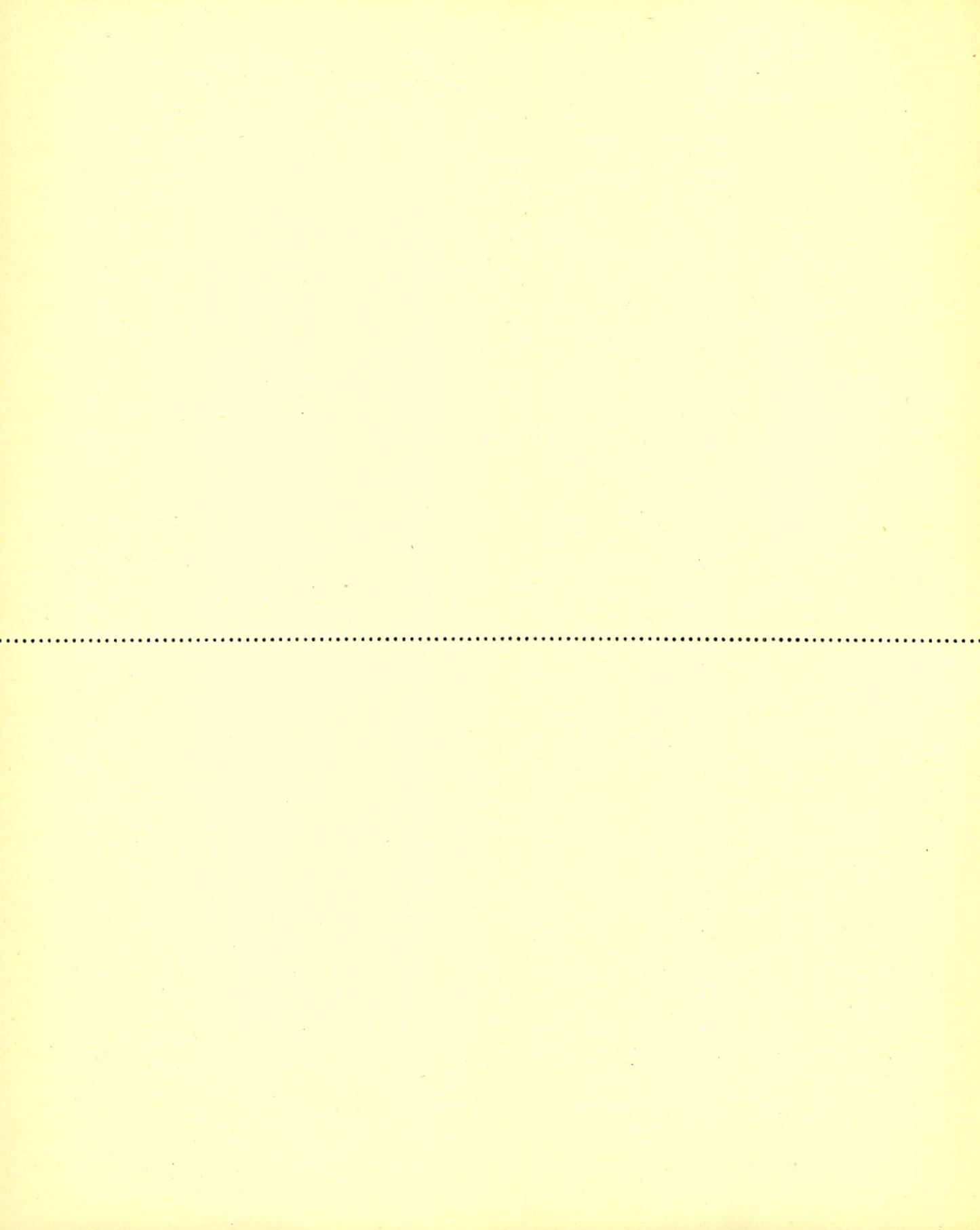
PROXY

Know all Men by these Presents that Ernest A. Cousins and D. Allen Murray, respectively the President and the Vice-President of the UNITED AMUSEMENT CORPORATION LIMITED, are and either of them is hereby appointed the true and lawful attorney of the undersigned, with power of substitution, for and in the name of the undersigned, to vote at the Annual General Meeting of Shareholders of the said Company to be held on Friday, 31st March, 1939, or at any adjournment thereof, with all the powers which the undersigned would possess if personally present.

In Witness Whereof these presents have been executed by the

undersigned this day of 1939.

Witness: Shareholder.





Board of Directors

1938-1939

President

ERNEST A. COUSINS

Vice-Presidents

D. ALLEN MURRAY
P. G. DEMETRE

Managing Director

GEORGE GANETAKOS

W. C. PITFIELD

J. J. FITZGIBBONS

S. GODIN, Jr.

N. L. NATHANSON

H. N. CHAUVIN, K.C.

J. G. GANETAKOS

Secretary-Treasurer

W. H. MANNARD

Assistant Secretary-Treasurer

WM. DEVEAULT

Bankers

THE ROYAL BANK OF CANADA

Registrars

THE CANADIAN TRUST COMPANY

Transfer Agents

MONTREAL TRUST COMPANY

Auditors

MARROTTE, ANDERSON & CO.
Chartered Accountants

Annual Report of the Directors
For the Year ended
31st December, 1938

To the Shareholders:—

Your Directors submit herewith the Fourteenth Annual Report of the Corporation, together with Balance Sheet, as at the 31st December, 1938, and Profit and Loss Account for the twelve months ended that date, certified to by your auditors, Messrs. Marrotte, Anderson & Co., Chartered Accountants.

Net Revenue for the twelve months ended 31st December, 1938, after all operating expenses and the usual provisions for Depreciation, amounted to \$188,368.18. Bond Interest, Discount, and Other Interest absorbed \$81,964.11 leaving a net profit of \$106,404.07, being an increase of \$6,233.92 over the previous year, and equivalent to approximately \$1.31 per share on the 80,829 outstanding no par value shares of the Company. After providing for additional write-off for Franchise, Dominion and Provincial Income Taxes and Dividends of Seventy-five Cents per share, the same as in 1937, the amount of \$3,045.48 was added to Surplus Account.

Taxes and Licenses still continue to take a high percentage of the Gross theatre receipts, but during the past year requests have been made to the Government and briefs submitted to the Tax Revision Board for a reduction in taxes, and it is hoped that some relief may be obtained in this respect.

In the month of November, 1938, the new "York" theatre on St. Catherine Street West at MacKay Street, Montreal, under lease, was opened and your Company received very favourable comments from the public. This theatre seats eleven hundred people, is air-conditioned and equipped with special spring and rubber-cushioned seats and the most modern of sound equipment.

Your Company's properties have been maintained in their customary high state of efficiency, and during the past year, improvements and repairs were made to the fronts of the Monkland, Papineau, Corona, Regent, Granada and Rivoli Theatres, and in addition to the repairs at the Papineau and Corona, new marquees were installed.

Your Directors record with sincere regret, the death this month of Mr. Ward C. Pitfield of Montreal, who was connected with your Company for a number of years in a financial capacity and a Director for the past two years.

During the year the employees of the Company, continued to merit high praise for their loyalty and efficiency. Our sincere thanks are extended to them.

Respectfully submitted,

For the Directors,

ERNEST A. COUSINS,
President.

Montreal, 31st January, 1939.

United Amusement

BALANCE SHEET AT

ASSETS

FIXED—AT COST

Land.....	\$ 585,930.71
Buildings.....	\$ 2,237,096.30
Equipment—General.....	351,631.10
Sound.....	33,154.95
	<hr/>
Less: Depreciation.....	\$ 2,621,882.35
	<hr/>
Leasehold Theatre.....	898,621.72
	<hr/>
	1,723,260.63
	<hr/>
	71,975.23
	<hr/>
	\$ 2,381,166.57

INVESTMENTS IN AND ADVANCES TO ASSOCIATED ENTERPRISES:

Investments.....	\$ 555,873.53
Loans.....	28,065.43
	<hr/>
	583,938.96

BALANCES OF SALE PRICE:

Undivided half interest in Theatre Property payable \$500.00 quarterly—due 1952.....	\$ 28,500.00
Vacant Land—due 1939.....	7,900.00
	<hr/>
	36,400.00

TRUST FUNDS—CONTRA:

Cash held in Bank for Associated Theatre Operating Syndicates.....	16,205.90
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CURRENT:

Supplies on Hand.....	\$ 13,659.45
Accounts Receivable.....	13,172.83
Bonds—United Amusement Corporation Limited (Issued and re-purchased. Sinking Fund require- ment February, 1939, \$48,500.00).....	111,022.71
Cash on Hand and in Bank.....	91,248.55
	<hr/>
	229,103.54

DEFERRED CHARGES TO OPERATIONS:

Taxes, Licenses, Insurance, Repairs and Replacements.....	64,524.20
Bond Underwriting Expense.....	113,416.25
	<hr/>
	177,940.45

GOODWILL AND FRANCHISE:

Goodwill (less: written off \$500,000.00).....	170,290.78
Franchise (less: written off \$496,400.00).....	205,600.00
	<hr/>
	375,890.78
	<hr/>
	\$3,800,646.20

To the Shareholders of

UNITED AMUSEMENT CORPORATION LIMITED.

We have audited the books and accounts of UNITED AMUSEMENT CORPORATION LIMITED and found them to be in accordance with the books and accounts which we have required and that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit the true and correct financial position of the Company to the best of our information and the explanations given to us, and as shown by the books.

Dated at Montreal, 31st January, 1939.

CERT

Corporation Limited

st DECEMBER, 1938

LIABILITIES AND CAPITAL

FIVE PER CENT FIRST MORTGAGE SINKING FUND BONDS:

Authorized..... \$ 2,500,000.00

Series "A", due 1956:

Authorized and Issued..... \$ 1,615,000.00
Less: Redeemed..... 86,000.00

\$1,529,000.00

BALANCE OF PURCHASE PRICE:

Theatre Property payable \$1,000.00 quarterly—due
1952..... 56,000.00

TRUST FUNDS—CONTRA:

Cash held in Bank for Associated Theatre Operating
Syndicates..... 16,205.90

CURRENT:

Accounts Payable.....	\$ 25,718.11
Bond Interest and Other Accrued Charges.....	34,838.06
Federal and Provincial Income Taxes.....	23,947.27
	<u>84,503.44</u>

INSURANCE RESERVE:

(For future losses on self-insured minor risks)..... 23,870.22

CAPITAL STOCK AND SURPLUS:

Authorized:

100,000 Shares of No Par Value:
(75,000 Class "A" Shares.
25,000 Class "B" Non-Voting Shares.)

Issued:

67,708 Class "A" Shares..... \$ 1,596,700.00
13,121 Class "B" Shares..... 253,025.00

\$ 1,849,725.00
241,341.64

2,091,066.64

Contingent Liability: As guarantor—principal and
interest—5½% First Mortgage \$170,000.00
Theatre Francais.

Approved on Behalf of the Board:

ERNEST A. COUSINS, } Directors.
D. A. MURRAY, } \$3,800,646.20

ICATE

for the year ended 31st December, 1938. We certify that we have obtained all the information and explanatory and correct view of the state of the Corporation's affairs at 31st December, 1938, according to the best

MARROTTE, ANDERSON & CO.,
Chartered Accountants.

United Amusement Corporation Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31st December, 1938

Theatre Operating Profits.....	\$ 224,758.46
Property Revenue.....	114,874.30
Other Income.....	43,022.00
Profit on Bonds Redeemed.....	33.71
	<hr/>
	\$ 382,688.47
Administrative and General Expenses.....	\$ 106,062.69
Depreciation—Buildings.....	\$ 44,541.17
Equipment.....	12,880.59
Leasehold Theatre.....	5,835.84
Franchise.....	25,000.00
	<hr/>
	88,257.60
Bond and Other Interest.....	\$ 75,325.11
Bond Underwriting Expense.....	6,639.00
	<hr/>
	81,964.11
Net Profit for year.....	\$ 276,284.40
	<hr/>
	106,404.07
	<hr/>
	\$ 382,688.47

SURPLUS ACCOUNT

At 31st December, 1938

Balance at 1st January, 1938.....	\$ 238,296.16
Add: Net Profit for year ended 31st December, 1938.....	106,404.07
	<hr/>
	\$ 344,700.23

APPROPRIATIONS

Dividends.....	\$ 60,621.75
Federal and Provincial Income Taxes.....	20,936.84
Additional amount written off Franchise for the year ended	
31st December, 1938.....	21,800.00
	<hr/>
	\$ 103,358.59

BALANCE

Surplus at date of Incorporation.....	\$ 93,336.07
Unappropriated Profits.....	148,005.57
	<hr/>
	241,341.64
	<hr/>
	\$ 344,700.23

General Offices
United Amusement Bldg.,
5887 Monkland Ave.,
MONTREAL

United Amusement Corporation and Associated Theatres.

AMHERST	St. Catherine St. E.	at	Amherst St.	MONTREAL
BELMONT	Mount Royal Ave. W.	"	St. Lawrence Blvd.	"
CORONA	Notre Dame St. W.	"	Charlevoix St.	"
FRANCAIS	St. Catherine St. E.	"	St. Lawrence Blvd.	"
GRANADA	St. Catherine St. E.	"	Morgan Boulevard	MAISONNEUVE
MONKLAND	Monkland Ave.	"	Girouard Ave.	MONTREAL
MOUNT ROYAL	Laurier Ave. W.	"	Esplanade Ave.	"
PAPINEAU	Papineau Ave.	"	Mt. Royal Ave.	"
PLAZA	St. Hubert St.	"	Beaubien St.	"
REGENT	Park Ave.	"	Laurier Ave.	"
RIALTO	Park Ave.	"	Bernard Ave.	"
RIVOLI	St. Denis St.	"	Belanger St.	"
ROSEMOUNT	Masson St.	"	11th Avenue	"
SEVILLE	St. Catherine St. W.	"	Chomedy St.	"
SNOWDON	Decarie Boulevard	"	Queen Mary Road	"
STRAND	St. Catherine St. W.	"	Mansfield St.	"
WESTMOUNT	Sherbrooke St. W.	"	Grey Ave.	"
YORK	St. Catherine St. W.	"	MacKay St.	"
SAVOY	Wellington St.	"	Willibrord St.	VERDUN
ASTOR	Victoria Ave.			ST. LAMBERT Quebec
VICTORIA	Victoria Ave.			ST. LAMBERT Quebec
GRANADA	Wellington St.			SHERBROOKE Quebec
PREMIER	King St. West			SHERBROOKE Quebec
HIS MAJESTY'S	Wellington St.			SHERBROOKE Quebec
EMPRESS	Notre Dame St.			LACHINE Quebec
ROYAL ALEXANDRA	Notre Dame St.			LACHINE Quebec
MASKA	St. Hyacinthe St.			ST. HYACINTHE Quebec

Receipts 1,897.592.00
Amusement B. 365.495.00
+ 1,638.097.00
Misc. - 66.420.00
+ 1,698.517.00

Net Profit. 106,404.00
Income Taxes. 23,947.00
82,457.00

Masked 1549.00 ✓
Lakeshore (Bal) 163.26⁰
1/2 Store 3516.00 163.50⁰
Dr. 1185.00 83.50⁰
2391.00 87.91⁰

Seville 6151.00
1/2 Store 3075.00 -

Suburban Heats. 658.00 ✓
1317.00

Franccas (Bal) 3800.00
Amherst M.S. (Loss) 6384.00 ✓

+ 83.471.00 83.471.00
+ 83.500.00 83.500.00
10% 5.11%
Net 5.11% (floats)

*UNITED
AMUSEMENT
CORPORATION
LIMITED*

*ANNUAL REPORT
31ST DECEMBER, 1938*
