

SICKS' BREWERIES LIMITED

Report of the Directors

For the Year ended December 31st, 1945

To the Shareholders:

Your Directors have pleasure in presenting the 18th Annual Consolidated Statement of Sicks' Breweries Limited and its wholly owned brewing subsidiaries for the fiscal year ending December 31st, 1945; also the Auditors' Report thereon.

Since our last Statement was presented, we have witnessed the defeat and unconditional surrender of our enemies, and it is with a full heart that we give thanks for victory. Former employees who joined the Armed Forces are rapidly being returned to civil life and are again resuming their work with the Company.

Operations of the combined companies for the year have resulted in a net profit of \$541,419.31, after taxes and after setting aside \$106,715.79 for depreciation. The refundable portion of Excess Profits Tax for the year amounted to \$396,540.88, making a total of \$901,010.83 now at the credit of this account.

Taxes, including Income and Excess Profits, Sales, and Excise, amounted to \$5,782,245.50.

Current Assets are shown at \$3,750,296.90 against Current Liabilities of \$1,727,883.27, leaving net working capital at \$2,022,413.63, an increase of \$276,301.48 from the year before. Dividends to shareholders from 1945 earnings totalled \$2.00 per share.

When building materials, machinery and equipment become more readily available, extensive improvements and additions will be carried out at the Company's plants at Regina, Prince Albert and Edmonton. In Vancouver an entirely new brewery has been under consideration for some time and will be erected as soon as conditions permit.

Some years ago, sums aggregating \$75,000.00 were set aside out of the Company's funds to form the nucleus of an Employees' Benefit Fund until such time as a permanent pension plan could be formulated; and in 1940 this fund was transferred to trustees

subject to the trusts imposed. In 1944 a complete Pension Plan, together with Group Life, Accident and Sickness Insurance was provided on a contributory basis, thus rendering the Employees' Benefit Fund unnecessary. This fund has therefore, pursuant to the terms of the trust, been liquidated and returned to the Company. The item of \$171,152.95 appearing on the Earned Surplus Account represents the sum of \$75,000.00 set aside with accrued earnings thereon. This fund was immediately available towards the initial contribution of the Company to the permanent contributory Employees' Benefit Plan.

So many enquiries are being made as to the status of the Voting Trust Certificates, the following explanation is offered for the enlightenment of the shareholders:—By an Agreement dated the 26th day of November, 1943, between The Royal Trust Company as Trustee and several shareholders of the Company, the several shareholders agreed to transfer common shares to the Trustee for the purpose of constituting a voting trust insuring the proxies in favor of chosen representatives of those shareholders. The several shareholders received Voting Trust Certificates in exchange, and the dividends received by the Trustee on the corresponding common shares held by them are redistributed to the holders of Voting Trust Certificates in the same amount as is paid to the common shareholders. This Agreement is for a period of twenty years from the 1st day of January, 1944.

We again express our sincere appreciation to the public, customers and shareholders for their continued support and friendship during the past year. We wish to thank the members of our staff for their unfailing co-operation and loyalty under difficult conditions, and extend a hearty welcome home to former employees from the Armed Forces.

On behalf of the Directors,

E. G. SICK,
Chairman.

R. H. B. Ker,
President.

February 28th, 1946,
Calgary, Alberta.

SICKS' BREWERIES LIMITED

Auditors' Report

We have examined the books and accounts of Sicks' Breweries Limited for the year ending December 31st, 1945, and have verified the securities representing the investments of the Company. We have received all the information and explanations that we have required, and have accepted as correct the audited statements of the constituent companies.

We report that, subject to the values at which the fixed assets of the Company are stated, the attached consolidated balance sheet presents, in our opinion, a true and correct statement of the affairs of Sicks' Breweries Limited and its constituent companies at December 31st, 1945, according to the best of our information, the explanations given to us, and as shown by the books of the Company and the audited statements of the constituent companies.

In accordance with section 114 of the Dominion Companies' Act, we report that dividends of \$11,440.00 were received from non-brewing subsidiary companies out of their accumulated surpluses, and that the payment of these dividends does not involve an impairment of capital; also that the operations of these non-brewing subsidiary companies resulted in total net profits to this Company of \$12,557.88, which have not been brought into the accounts of the Company.

NASH & NASH,
Chartered Accountants.

February 28th, 1946.

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RY BREWING COMPANIES

t, December 31st, 1945

LIABILITIES

Current Liabilities:

Accounts Payable.....	\$ 187,227.27	
Income and Other Taxes.....	1,540,656.00	
		<u>\$ 1,727,883.27</u>

Reserves:

For Contingent Losses on Investments.....	457,100.38	
For Depreciation of Fixed Assets.....	2,228,576.64	
For Income and Other Taxes.....	169,997.98	
		<u>2,855,675.00</u>

Deferred Surplus:

Refundable Portion of Excess Profits Taxes.....	901,010.83	
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Capital:

Common Shares—238,000 Common Shares of no par value.....	2,145,293.08	
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Earned Surplus.....	1,913,602.15	
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Contingent Liabilities, \$77,459.87.

\$ 9,543,464.33

Our report on the above Balance Sheet, dated February 28th, 1946,
is attached hereto.

NASH & NASH,
Chartered Accountants.

SICKS' BREWERIES LIMITED
AND WHOLLY OWNED SUBSIDIARY BREWING COMPANIES

Consolidated Profit and Loss Account

For the Year Ending December 31st, 1945

Net Operating Profits, before charging depreciation.....	\$ 2,956,970.86
<i>(A total of \$60,467.62, which includes salaries paid to brewery managers, was paid, as salaries and remuneration, to the executive officers and legal advisers of the Company.)</i>	
Revenue from Investments.....	47,926.50
Other Revenue.....	13,822.32
	<u>\$ 3,018,719.68</u>
Less:	
Directors' Fees.....	\$ 7,000.00
Depreciation	106,715.79
Income Taxes	525,245.16
Excess Profits Taxes.....	1,838,339.42
	<u>2,477,300.37</u>
Net Profits for the year, carried to Earned Surplus Account.....	<u>\$ 541,419.31</u>

Consolidated Earned Surplus Account

December 31st, 1945

Balance, January 1st, 1945.....	\$ 1,677,029.89
Net Profits for the year, from Profit and Loss Account.....	541,419.31
Transfer from Employees' Benefit Fund.....	171,152.95
	<u>\$ 2,389,602.15</u>
Less:	
Two dividends of 25 cents per share, one dividend of 35 cents per share and one dividend of \$1.15 per share, on the issued Common Shares of no par value.....	476,000.00
	<u>\$ 1,913,602.15</u>

Government Taxes Charged Against Operations For the Year 1945

Federal Excise and Sales Taxes.....	\$ 3,418,660.92
Income and Excess Profits Taxes.....	2,363,584.58
	\$ 5,782,245.50

(These taxes do not include the revenue which the various Provincial Governments have derived from the sale of our products through their respective Liquor Control Boards.)

Officers

E. G. SICK.....	Chairman of the Board
R. H. B. KER.....	President
G. R. WHITMORE.....	Vice-President
R. J. CHISWICK.....	General Manager
I. N. WILSON.....	Comptroller and Asst.-Secty.
T. O. TURNER.....	Secretary

Directors

A. G. BAALIM, Lethbridge, Alberta.	F. L. SHOULDICE, K.C., Calgary, Alberta.
H. R. CARSON, Calgary, Alberta.	EMIL G. SICK, Seattle, Washington.
R. J. CHISWICK, Calgary, Alberta.	J. A. SWALWELL, Seattle, Washington.
E. G. HANSON, Montreal, Quebec.	T. O. TURNER, Vancouver, British Columbia.
WM. HUTTON, Regina, Saskatchewan.	WM. DUDLEY-WARD, Calgary, Alberta.
R. H. B. KER, Victoria, British Columbia.	GEORGE R. WHITMORE, Regina,
J. C. MALONE, K.C., Regina, Saskatchewan.	Saskatchewan.
C. E. MORRIS, Victoria, British Columbia.	

Plants and Locations

WHOLLY OWNED SUBSIDIARIES

SICKS' EDMONTON BREWERY LIMITED.....	Edmonton, Alta.
SICKS' LETHBRIDGE BREWERY LIMITED.....	Lethbridge, Alta.
SICKS' PRINCE ALBERT BREWERY LIMITED.....	Prince Albert, Sask.
SICKS' REGINA BREWERY LIMITED.....	Regina, Sask.
SICKS' CAPILANO BREWERY LIMITED.....	Vancouver, B.C.

TRANSFER AGENTS

Common Shares

THE ROYAL TRUST COMPANY
Montreal, Calgary, Charlottetown

Voting Trust Certificates

THE ROYAL TRUST COMPANY
Vancouver, Montreal, Charlottetown

REGISTRARS

Common Shares

THE BANKERS' TRUST COMPANY
Montreal, Calgary

BANK OF MONTREAL
Charlottetown

Voting Trust Certificates

THE BANKERS' TRUST COMPANY
Vancouver, Montreal

BANK OF MONTREAL
Charlottetown

DIVIDEND DISBURSING AGENTS

Common Shares

THE ROYAL TRUST COMPANY
Montreal

Voting Trust Certificates

THE ROYAL TRUST COMPANY
Vancouver

SOLICITOR

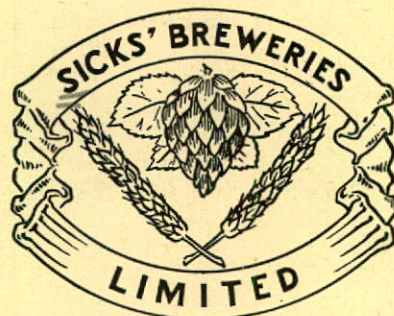
R. R. DAVIDSON, K.C.
Lethbridge

BANKERS

BANK OF MONTREAL

AUDITORS

NASH & NASH
Edmonton



CALGARY CANADA



Annual Report

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