

C Stock

34th

Annual Report

1961



SICKS' BREWERIES LIMITED

C A L G A R Y
C A N A D A

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Directors and Officers

Directors

J. T. BLACK, <i>Calgary, Alberta</i>	J. M. MCGILLIS, <i>Montreal, Quebec</i>
D. M. CHENOWETH, <i>Montreal, Quebec</i>	F. M. MCMAHON, <i>Vancouver, B.C.</i>
F. R. GRAHAM, <i>Vancouver, B.C.</i>	H. DEM. MOLSON, <i>Montreal, Quebec</i>
R. H. B. KER, <i>Victoria, B.C.</i>	T. H. P. MOLSON, <i>Montreal, Quebec</i>
N. A. MACPHEE, <i>Calgary, Alberta</i>	E. G. SICK, <i>Seattle, Washington</i>
G. A. MARTIN, <i>Vancouver, B.C.</i>	N. E. WHITMORE, <i>Regina, Saskatchewan</i>

Officers

T. H. P. MOLSON, <i>Chairman of the Board</i>	J. T. BLACK, <i>Vice-President and General Manager</i>
E. G. SICK, <i>Vice-Chairman of the Board</i>	W. MCROBERTS, <i>Secretary-Treasurer</i>
N. A. MACPHEE, <i>President</i>	R. W. BLAIR, <i>Comptroller</i>

Bankers BANK OF MONTREAL *Transfer Agent* THE ROYAL TRUST COMPANY

Auditors McDONALD, CURRIE & CO. *Registrar* THE BANKERS' TRUST COMPANY

Head Office 218 - 11th Avenue South West, Calgary, Alberta

To the Shareholders:

We are pleased to present the 34th Annual Report of Sicks' Breweries Limited and its wholly owned subsidiary companies for the year ended 30th September 1961.

During the year, the name of our Winnipeg subsidiary was changed to Molson's Fort Garry Brewery Ltd., and the name of our hop farm property at Kamloops, B.C., to Molson's Kamloops Hop Farm Ltd.

In the period under review sales were at a very satisfactory level. A substantial factor contributing to this result was the favourable weather during the summer months in all our markets. In December 1960, Molson's Canadian Lager Beer was introduced into the State of Washington, and in June 1961, into the Manitoba market.

Consolidated net earnings, after provision for income taxes, were \$3,373,459, which, for the first time, include the accounts of Molson's Fort Garry Brewery Ltd. for twelve months.

Expenditures to improve or expand our production facilities continued at a high level in 1961 and further substantial amounts will be required to complete current construction and for new projects in 1962.

Major projects during the year were the construction of a new bottleshop and the installation of high speed bottling equipment at Prince Albert, and the construction of a new brewhouse at Regina. The Prince Albert bottling equipment is now in operation, and the Regina brewhouse will be brought into full operation during January 1962.

Pursuant to the provisions of the Alberta liquor control laws, your Company, during the year, completed the sale of its major hotel holdings.

In June Mr. J. T. Black was appointed a Director and Vice-President and General Manager, succeeding Mr. W. L. Shortreed who resigned.

Your Directors again express their sincere appreciation to the officers and employees of the Company for their loyal and efficient service during the year.

ON BEHALF OF THE BOARD,

T. H. P. MOLSON,
Chairman of the Board.

N. A. MACPHEE,
President.

Calgary, Alberta,
16th November, 1961.

SICKS' BREWERIES LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS

for the year ended September 30, 1961

PROFIT FROM OPERATIONS	
after deducting all costs of manufacturing, selling and administration.....	\$ 6,016,636
OTHER INCOME	
Income from investments.....	456,823
	<hr/> 6,473,459
PROVISION FOR INCOME TAXES (Note 5)	3,100,000
	<hr/>
NET EARNINGS FOR THE YEAR (Note 4)	<u>\$ 3,373,459</u>

CONSOLIDATED STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

for the year ended September 30, 1961

BALANCE — BEGINNING OF YEAR	\$12,302,818
Profit on sale of non-brewing interests	446,991
Net earnings for the year	3,373,459
	<hr/> 16,123,268
Dividends paid	1,142,400
	<hr/>
BALANCE — END OF YEAR	<u>\$14,980,868</u>

SICKS' BREW

AND SUBSIDIARIES

CONSOLIDATED

as at September 30, 1934

ASSETS

Current Assets

Cash and short term deposits	\$ 3,099,148	
Investments (Note 2)	552,567	
Accounts receivable	2,256,062	
Inventories — at the lower of cost or market	2,392,320	\$ 8,300,097

Other Assets

Investment in shares of a wholly owned subsidiary — at cost	751,813	
Investments in shares — at cost, and advances to other companies	1,096,026	
Mortgages and secured loans	1,368,922	
Life insurance — cash surrender value	356,013	
Prepaid expenses and deferred charges	130,168	3,702,942

Fixed Assets

Land, buildings and equipment, including construction in progress — at cost (Note 3) ..	19,917,589	
Accumulated depreciation	11,200,374	8,717,215
		<u>\$20,720,254</u>

Signed on behalf of the Board:

T. H. P. MOLSON, *Director.*

N. A. MACPHEE, *Director.*

RIES LIMITED

BY COMPANIES

BALANCE SHEET

ber 30, 1961

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,039,544	
Accounts payable — parent company	312,445	
Other taxes	492,323	
Income taxes	<u>1,749,781</u>	\$ 3,594,093

Shareholders' Equity

Capital stock—

Authorized—

1,600,000 common shares without
nominal or par value

Issued and fully paid — 952,000 shares	2,145,293	
Earnings retained in the business	<u>14,980,868</u>	17,126,161

\$20,720,254

SICKS' BREWERIES LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended September 30, 1961

1. Consolidation

The consolidated financial statements include the accounts of all subsidiary companies except an investment holding company which has since been wound up.

2. Investments

Government bonds and other marketable securities have been valued at cost less reserve and have an approximate market value of \$836,800.

3. Construction in Progress

An estimated amount of \$600,000 will be required to complete construction in progress.

4. Depreciation

During the year, the method of computing depreciation was changed from diminishing balance to straight line. This change has had the effect of increasing the charge to operations for the year by \$52,000 compared with the amount which would have been provided under the method of the previous year.

5. Provision For Income Taxes

The provision for income taxes has been calculated after claiming maximum capital cost allowance which is in excess of depreciation recorded in the accounts by \$64,000. As a result, the total taxes otherwise payable for the year have been reduced by \$32,000.

The net book value of fixed assets exceeds their undepreciated capital cost for federal income tax purposes by an amount of \$100,000.

6. Depreciation, Executive Remuneration, Directors' and Legal Fees

The following items have been charged before determining the net earnings for the year —

Depreciation of fixed assets (Note 4)	\$1,029,870
Remuneration of executive officers of the company	113,063
Fees of directors of the company	6,000
Legal fees	16,321

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Sicks' Breweries Limited and its subsidiary companies as at September 30, 1961 and the consolidated statements of earnings and earnings retained in the business for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. The consolidated financial statements incorporate figures in respect of certain subsidiary companies which have been reported on by other auditors.

In accordance with the provisions of Section 118 of the Companies Act, we report that the profits for the year of a subsidiary company (not consolidated) have been included in income in the accompanying statements only to the extent of the dividends received.

In our opinion, based on our examination and the reports of other auditors and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and consolidated statements of earnings and earnings retained in the business, when read in conjunction with the notes appended thereto are properly drawn up so as to exhibit a true and correct view of the consolidated state of the affairs of the companies as at September 30, 1961 and the consolidated results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change in the basis of computing depreciation of fixed assets referred to in Note 4 to the financial statements.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Calgary, Alberta, November 8, 1961.

—≡ PLANTS ≡—

MOLSON'S EDMONTON BREWERY LTD.

Manager: JACK LAKIE

Brands :

EDMONTON EXPORT BEER

+

SICKS' LETHBRIDGE BREWERY LIMITED

Manager : E. S. NEILS

Brands :

LETHBRIDGE LAGER • PILSNER BEER • PALE ALE • ROYAL STOUT

+

MOLSON'S CAPILANO BREWERY LTD.

Managing Director : T. H. ENGLISH

Brands :

OLD STYLE BEER • MOLSON'S CANADIAN LAGER • MOLSON'S EXPORT ALE

+

MOLSON'S FORT GARRY BREWERY LTD.

Managing Director : N. B. HOESCHEN

Brands :

FRONTIER BEER • MOLSON'S CANADIAN LAGER • FRONTIER STOUT

+

SICKS' PRINCE ALBERT BREWERY LIMITED

Manager : J. M. LONGPRÉ

Brands :

OLD BOHEMIAN STYLE LAGER • IMPERIAL STOUT

+

MOLSON'S REGINA BREWERY LTD.

Manager: J. P. I. CLANCY

Brands :

PILSNER BEER • MOLSON'S EXPORT ALE • ROYAL STOUT

