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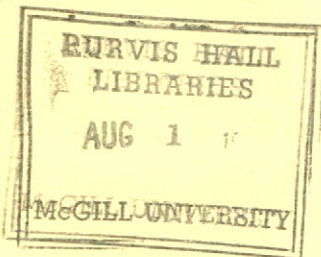
35th

Annual Report

1962

SICKS' BREWERIES LIMITED

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



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>	E. G. SICK, <i>Vice-Chairman of the Board</i>
N. A. MACPHEE, <i>President</i>	J. T. BLACK, <i>Vice-President and General Manager</i>
W. MCROBERTS, <i>Secretary-Treasurer</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 35th Annual Report of Sicks' Breweries Limited and its subsidiary companies for the year ended 30th September 1962.

Consolidated net earnings after provision for income taxes were \$3,073,108 compared with \$3,373,459 in the previous year.

Reduced earnings are attributable to lower sales due mainly to the unfavorable weather prevailing in the Western provinces during the summer months, and in part to increased competitive activity.

In December 1961 Molson's Export Ale was introduced into the Saskatchewan market by Molson's Regina Brewery Ltd. and in June 1962 Molson's Edmonton Brewery Ltd. introduced Molson's Canadian lager beer into the Alberta market.

Expenditures to improve or expand our production facilities continued at a high level during the year and included completion of the new brewhouse in Regina and major renovations to our Lethbridge brewing facilities. In addition, substantial expenditures were made on a new cellar building in Lethbridge and for new high speed bottling equipment in Vancouver, both projects being scheduled for completion during the next fiscal period.

New wage contracts were negotiated during the year with our unions in Regina and Lethbridge and at the year end negotiations were continuing with respect to our Prince Albert and Winnipeg plants.

Your Directors have enacted a by-law to change the fiscal year end of the Company from 30th September to 31st March to conform with a similar change by Molson Breweries Limited, our parent company. This by-law will be submitted to the shareholders for approval at the Annual General Meeting.

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,
21st November, 1962

SICKS' BREWERIES LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS

for the year ended September 30, 1962

PROFIT FROM OPERATIONS	
after deducting all costs of manufacturing, selling and administration	\$ 5,452,913
OTHER INCOME	
Income from investments	440,195
	<hr/> 5,893,108
PROVISION FOR INCOME TAXES (Note 3)	2,820,000
	<hr/>
NET EARNINGS FOR THE YEAR	<u>\$ 3,073,108</u>

CONSOLIDATED STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

for the year ended September 30, 1962

BALANCE — BEGINNING OF YEAR	\$14,980,868
Net earnings for the year	3,073,108
Profit on wind-up of investment holding company	208,352
Profit on sale of land	36,934
	<hr/> 18,299,262
Dividends paid	1,142,400
	<hr/>
BALANCE — END OF YEAR	<u>\$17,156,862</u>

SICKS' BREW

AND SUBSIDIARIES

CONSOLIDATED

as at September 30, 1934

ASSETS

Current Assets

Cash and short term deposits	\$ 3,337,571	
Investments (Note 1)	388,814	
Accounts receivable	2,777,602	
Inventories — at the lower of cost or market	2,460,055	\$ 8,964,042

Other Assets

Investments in shares — at cost, and advances to other companies	1,821,062	
Mortgages and secured loans	1,225,901	
Life insurance — cash surrender value	365,416	
Prepaid expenses and deferred charges	190,562	3,602,941

Fixed Assets

Land — at cost	421,950	
Buildings and equipment, including construction in progress — at cost (Note 2)	21,112,227	
Accumulated depreciation	11,690,843	
	<u>9,421,384</u>	<u>9,843,334</u>
		<u>\$22,410,317</u>

Signed on behalf of the Board:

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

N. A. MACPHEE, *Director.*

RIES LIMITED

Y COMPANIES

BALANCE SHEET

er 30, 1962

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,317,582	
Accounts payable — parent company	87,357	
Other taxes	430,633	
Income taxes	<u>1,272,590</u>	\$ 3,108,162

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>17,156,862</u>	\$19,302,155

\$22,410,317

SICKS' BREWERIES LIMITED

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended September 30, 1962

1. *Investments*

Government bonds and other marketable securities have been valued at cost less reserve and have an approximate market value of \$665,400.

2. *Construction in Progress*

An estimated amount of \$310,000 will be required to complete construction in progress.

3. *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 \$138,000. As a result the total taxes otherwise payable for the year have been reduced by \$69,000.

The net book value of fixed assets exceeds their undepreciated capital cost for federal income tax purposes by an amount of \$194,000.

4. *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	\$1,103,628
Remuneration of executive officers of the company	113,950
Fees of directors of the company	6,000
Legal fees	7,700

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Sicks' Breweries Limited and its subsidiary companies as at September 30, 1962 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 our opinion, based upon 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, 1962 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.

McDONALD, CURRIE & CO.

Chartered Accountants

Calgary, Alberta, November 7, 1962.

SUBSIDIARY COMPANIES

MOLSON'S CAPILANO BREWERY LTD.

Managing Director: T. H. ENGLISH

Brands : OLD STYLE BEER ● MOLSON'S CANADIAN LAGER
MOLSON'S EXPORT ALE

MOLSON'S EDMONTON BREWERY LTD.

Manager: JACK LAKIE

Brands : EDMONTON EXPORT BEER ● MOLSON'S CANADIAN LAGER

SICKS' LETHBRIDGE BREWERY LIMITED

Manager: E. S. NEELS

Brands : LETHBRIDGE LAGER ● PILSNER BEER
PALE ALE ● ROYAL 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

MOLSON'S FORT GARRY BREWERY LTD.

President: N. B. HOESCHEN

General Manager: L. A. WAINWRIGHT

Brands : FRONTIER BEER ● MOLSON'S CANADIAN LAGER
FRONTIER STOUT

MOLSON'S KAMLOOPS HOP FARM LTD.

Manager: J. BLANKENSHIP

