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Annual Report
for the
Year Ended December 31

1941

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ASSOCIATED BREWERIES OF CANADA LIMITED

Report of the Directors

For the Year ended December 31st, 1941

To the Shareholders:

The Directors have pleasure in presenting the Fourteenth Annual Consolidated Report of Associated Breweries of Canada Limited, and its wholly owned brewing subsidiaries for the fiscal year ended December 31st, 1941.

Operations of the combined Companies for the year have resulted in a profit of \$591,861.16 after charging all manufacturing, selling and administrative expenses, and taxes. All of the plants and equipment have been maintained at a high level of efficiency and depreciation has been charged at the usual rates. The surplus of liquid assets over current liabilities is \$1,391,678.18.

This statement furnishes a good example of the increasingly large sums the Company is providing in War taxes. For the year 1941 total Federal excise, sales, income and excess profits taxes were \$2,123,160.14 or over 3½ times the net remaining for the shareholders. Furthermore, these taxes do not include the revenues which the various Provincial Governments derived from the sale of our products through their respective Liquor Control Boards.

In addition to numerous contributions to organized war services and charities, our Company has also continued to play a substantial part in assisting Canada's War effort through its investments in Victory Loans and other Government securities. These totalled over \$730,000.00 at the end of the year. Further considerable investments have since been made in the Second Victory Loan and this Company will continue to do its part to the full extent of its ability.

Still more of our employees joined the country's armed forces during the year. The Company continues to make up their pay while on active service and to hold their positions open for their return.

Four quarterly dividends were paid on the 7% Preferred Shares, while common stock dividends of \$1.75 were also disbursed. During the year additional preferred shares to the par value of \$50,000.00 were redeemed and cancelled in accordance with the provisions of the Letters Patent of the Company.

We are especially appreciative of the splendid co-operation of our numerous shareholders and the thousands of customers who have manifested their goodwill and friendship in ways too numerous to recount.

We also wish to place on record our grateful appreciation of the loyal and efficient services of the management and employees.

On behalf of the Board,

E. G. SICK
President.

February 27, 1942.
Calgary, Alberta.

AUDITORS' REPORT

To the Shareholders of

ASSOCIATED BREWERIES OF CANADA LIMITED

We have examined the books and accounts of Associated Breweries of Canada Limited for the year ending December 31st, 1941, 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 Associated Breweries of Canada Limited and its constituent companies at December 31st, 1941, 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.

The dividends on the preferred shares, payable January 2nd, 1942, have been provided for in these accounts.

In accordance with Section 114 of the Dominion Companies' Act, we report that dividends of \$9,000.00 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 the non-brewing subsidiary companies resulted in an aggregate net profit of \$8,697.91, which has not been brought into the accounts of this Company.

Redemption of a further \$50,000.00 of cumulative redeemable preferred shares was effected during the year, in accordance with the Letters Patent of the Company, the reduction of capital resulting therefrom being subject to confirmation by Supplementary Letters Patent.

NASH & NASH,
Chartered Accountants.

February 16th, 1942.

ASSOCIATED BREWERIES OF CANADA LIMITED

AND WHOLLY OWNED SUBSIDIARY BREWING COMPANIES

Consolidated Profit and Loss Account

For the Year Ending December 31st, 1941

Net Operating Profits, before charging depreciation	\$1,294,854.24
<i>(A total of \$55,747.24, which includes salaries paid to brewery managers, was paid as salaries and remuneration to the executive officers and legal advisors of the company.)</i>	
Revenue from Investments	130,747.30
Other Revenue	19,954.26
	1,445,555.80
Less:	
Directors' Fees	7,000.00
Depreciation	153,826.77
Income Taxes	280,586.62
Excess Profits Taxes	379,157.45
Reserve for Contingent Losses on Investments	33,123.80
	853,694.64
Net Profits for the Year, Carried to Earned Surplus Account	\$591,861.16

Consolidated Earned Surplus Account

December 31st, 1941

Balance, January 1st, 1941	\$1,260,245.23
Net Profits for the year, from Profit and Loss Account	591,861.16
	1,852,106.39
Less:	
Four quarterly dividends, each of 1¼ per cent., on the Cumulative Preferred Shares	47,720.72
Three dividends of 25 cents per share, and one dividend of \$1.00 per share, on the issued Common Shares of no par value	416,500.00
	464,220.72
Balance, carried to Balance Sheet	\$1,387,885.67

Government Taxes Charges Against Operations For the Year 1941

Federal Excise and Sales Taxes	\$ 1,463,416.07
Income and Excess Profits Taxes	659,744.07
	\$2,123,160.14

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

Officers

E. G. SICK	President
FRITZ SICK	Chairman of the Board
R. H. B. KER	Vice-President and Secretary
W. H. SHEPPARD	Vice-President
G. R. WHITMORE	Vice-President
J. G. WALFORD	Managing Director
R. J. CHISWICK	General Manager
I. N. WILSON	Treasurer and Assistant-Secretary

Directors

R. J. CHISWICK, Calgary, Alberta.	F. L. SHOULDICE, K.C., Calgary, Alberta.
LT.-COL. E. G. HANSON, D.S.O., Montreal Quebec.	EMIL G. SICK, Seattle, Washington.
WM. HUTTON, Regina, Saskatchewan.	FRITZ SICK, Vancouver, British Columbia.
R. H. B. KER, Victoria, British Columbia.	J. A. SWALWELL, Seattle, Washington.
J. C. MALONE, K.C., Regina, Saskatchewan.	J. G. WALFORD, Calgary, Alberta.
C. E. MORRIS, Calgary, Alberta.	RT. HON. WM. DUDLEY-WARD, P.C., Vancouver, B.C.
W. H. SHEPPARD, Edmonton, Alberta.	GEORGE R. WHITMORE, Regina, Saskatchewan.

Plants and Locations

WHOLLY OWNED SUBSIDIARIES

EDMONTON BREWERIES LIMITED	Edmonton, Alta.
LETHBRIDGE BREWERIES LIMITED	Lethbridge, Alta.
PRINCE ALBERT BREWERIES LIMITED	Prince Albert, Sask.
THE REGINA BREWING COMPANY, LIMITED	Regina, Sask.
CAPILANO BREWING COMPANY, LIMITED	Vancouver, B.C.

TRANSFER AGENT:

**THE ROYAL TRUST CO., MONTREAL, CALGARY
AND CHARLOTTETOWN**