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ANNUAL REPORT 1·9·4·3



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THE SHERWIN-WILLIAMS Co.
of Canada, Limited

THE SHERWIN-WILLIAMS COMPANY

of Canada, Limited

2875 CENTRE STREET - MONTREAL, CANADA

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Manufacturers of

PAINTS, VARNISHES, COLORS, STAINS, ENAMELS, LACQUERS,
LEAD PRODUCTS, CHEMICALS, LITHARGE, LINSEED OIL,
OIL CAKE, DRY COLORS, INSECTICIDES, CLEANERS,
POLISHES AND LIN-X

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Main Plants and Branches

MONTREAL	SAINT JOHN	WINDSOR	SASKATOON
HALIFAX	HAMILTON	CALGARY	EDMONTON
OTTAWA	REGINA	ROUYN	BRANTFORD
MOOSE JAW	KINGSTON	BELLEVILLE	NIAGARA FALLS
FORT WILLIAM	KITCHENER	GRANBY	DRUMMONDVILLE
SOREL	LETHBRIDGE	VANCOUVER	GUELPH
CHATHAM	WINNIPEG	RED MILL	ST. HYACINTHE
TORONTO	QUEBEC	CHARLOTTETOWN	

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Directors

L. C. DE MERRALL	W. GAGNON	J. A. SIMARD
V. M. DRURY	G. A. MARTIN	P. F. SISE
W. S. FALLIS	J. C. NEWMAN	D. A. WHITTAKER

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Officers

G. A. MARTIN, *Chairman*
D. A. WHITTAKER, *President and Managing Director*
L. C. DE MERRALL, *Vice-President and Director of Manufacturing*
P. W. HOLLINGWORTH, *Secretary-Treasurer*

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Auditors

PRICE, WATERHOUSE & CO.

ANNUAL REPORT OF BOARD OF DIRECTORS

For the year ending August 31, 1943

To the Shareholders:

The Consolidated Balance Sheet of your Company showing Assets and Liabilities at the end of its fiscal year, August 31, 1943, is submitted herewith, together with the Consolidated Statement of Earned Surplus and Profits for the year.

The books and accounts have been audited by Messrs. Price, Waterhouse & Company and their certificate and report is attached.

As has been customary, the necessary renewals of and repairs to properties have been carried out and the sum of \$108,488.33 has been added to the Reserve for Depreciation which now amounts to \$2,333,371.52.

All inventories of raw materials and manufactured goods have been taken with care and have been priced on the basis of cost or market, whichever proved to be the lower.

In the face of increasing scarcities and restrictions, the volume of your Company's business obtained during the year was equal to that of the previous year, and was thus for the second year in succession the largest in the history of the Company. We have been able to devote a large portion of our output to the war effort and, in addition, public demand for our products has been continued into the current year.

During the year the Company purchased the remaining shares of the Capital Stock of The Winnipeg Paint and Glass Company, Limited, which were in other hands, and that Company accordingly becomes a wholly owned subsidiary and its Balance Sheet and Profits are included in the consolidated figures.

The Net Profit for the year, after all deductions, amounted to \$455,901.66 as compared with \$641,865.10 for the preceding year. The reduction in Net Profit arose largely from an increased provision for Excess Profits Tax and Income Tax amounting to \$733,700.00 for the year just closed as compared with \$622,000.00 for the previous year.

The Total Current Assets of the Company amounted to \$6,933,711.80 and Current Liabilities stood at \$1,814,838.61, leaving a balance of Net Current Assets amounting to \$5,118,873.19. Total Earned and Deferred Surplus at the end of the fiscal year stood at \$5,006,568.22.

Enlistments in the Armed Forces of the Dominion from our staff still continue and the total now in the Services is almost 25% of those employed. Under these conditions additional burdens have been encountered by the remainder, which they have been glad to bear, and to them is extended the grateful thanks of all for faithful service and support.

Respectfully submitted on behalf of the Board.



Chairman.

MONTREAL, QUE.
November 24, 1943.

THE SHERWIN-WILLIAMS COMPANY

of Canada, Limited

AND WHOLLY OWNED SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFITS

AUGUST 31, 1943

Combined Profit from Operations:			
After deducting all manufacturing, selling and general expenses (except those detailed below) including remuneration amounting in the aggregate to \$119,610.53 for fees of solicitors and counsel and salaries of executive officers and directors' fees, and after providing for bad debts, but before charging depreciation of buildings and equipment.....			
			\$1,290,324.23
ADD:			
	Dividends from Partly Owned Subsidiary Companies and interest on Investments...		33,059.72
			\$1,323,383.95
DEDUCT:			
	Provision for Depreciation.....	\$ 108,488.33	
	Provision for Income and Profits Taxes (including refundable portion thereof \$84,050.01)	733,700.00	
	Allowances paid to Retired Employees.....	23,668.96	
	Loss on Sale of Investments.....	1,625.00	867,482.29
			\$ 455,901.66
	NET PROFIT for the year.....		
	Earned Surplus, balance at August 31, 1942...	\$4,764,432.96	
ADD:			
	Adjustment of prior year's taxes.....	47,686.87	4,812,119.83
			\$5,268,021.49
DEDUCT:			
	Dividends of \$7.00 per share paid during the year to Preferred Shareholders of The Sherwin-Williams Company of Canada, Limited	\$ 242,200.00	
	Dividends on Common Stock.....	120,000.00	362,200.00
			\$4,905,821.49
	EARNED SURPLUS, balance at August 31, 1943.		\$4,905,821.49

THE SHERWIN - WILLIAMS CO AND WHOLLY OWNED S

CONSOLIDATED
AUGUST

Assets

PROPERTY ACCOUNT:

Balance, August 31, 1942, with subsequent additions, less deductions, at cost.....	\$9,561,755.44	
Less: Reserve for Depreciation.....	2,333,371.52	\$ 7,228,383.92

NOTE: The depreciated value as appraised by the Canadian Appraisal Company Limited at December 31, 1934, plus net additions less depreciation provided since that date is \$3,420,561.37. The balance of the book value of Property Account is represented by Formulae, Trade Marks, Processes and Goodwill.

INVESTMENTS IN AND ADVANCES TO PARTLY OWNED SUBSIDIARY COMPANIES:

Investments, at cost, less reserve.....	\$ 364,856.73	
Advances.....	51,283.00	416,139.73

CURRENT ASSETS:

Inventories as determined and certified by the management, and valued on basis of cost or market, whichever was the lower.....	\$4,352,903.99	
Trade Accounts and Bills Receivable, less reserve.....	1,864,006.78	
Other Accounts Receivable.....	148,166.68	
Amounts due from Shareholders.....	17,710.24	
Cash.....	550,924.11	6,933,711.80

REFUNDABLE PORTION OF EXCESS PROFITS TAX.. 100,746.73

INSURANCE, TAXES AND OTHER PREPAID EXPENSES..... 68,567.24

\$14,747,549.42

APPROVED ON BEHALF OF THE BOARD:

V. M. DRURY, *Director*

D. A. WHITTAKER, *Director*

COMPANY OF CANADA, LIMITED

SUBSIDIARY COMPANIES

BALANCE SHEET

31, 1943

Liabilities

CAPITAL STOCK:

Seven per cent. Cumulative Preferred—

Authorized—40,000 shares of \$100.00 each..... \$4,000,000.00

Issued —34,600 shares of \$100.00 each..... \$3,460,000.00

No par value Ordinary—

Authorized—225,000 shares

Issued —200,000 shares..... 4,000,000.00 \$ 7,460,000.00

DUE TO PARTLY OWNED SUBSIDIARY COMPANY 396,142.59

CURRENT LIABILITIES:

Bank Loan..... \$ 140,000.00

Trade Accounts Payable and Accrued Liabilities..... 1,037,347.29

Deposit Accounts..... 69,259.48

Government and Other Taxes..... 568,231.84 1,814,838.61

RESERVE FOR ALLOWANCES TO RETIRED

EMPLOYEES..... 20,000.00

RESERVE FOR FUTURE DEPRECIATION IN

INVENTORY VALUES..... 50,000.00

EARNED SURPLUS, as per statement attached..... \$4,905,821.49

DEFERRED SURPLUS:

Refundable portion of excess profits tax..... 100,746.73 5,006,568.22

\$14,747,549.42

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS, DATED NOVEMBER 24, 1943

PRICE, WATERHOUSE & CO.

Auditors

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies for the year ending August 31, 1943, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the attached Consolidated Balance Sheet at August 31, 1943, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of The Sherwin-Williams Company of Canada, Limited and its Wholly Owned Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these Companies.

In accordance with Section 114 of the Companies' Act 1934, we also report that in respect to two partly owned Subsidiary Companies the profits for the year were taken up in these accounts to the extent that dividends were declared therefrom; in respect to two other partly owned Subsidiary Companies, the profits for the year have not been taken up in these accounts, but are carried forward on the books of the respective Subsidiary Companies.

PRICE, WATERHOUSE & CO.

Auditors.

Montreal, November 24, 1943.



