

Stock

ANNUAL REPORT 1·9·4·4

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THE SHERWIN-WILLIAMS Co.
of Canada, Limited

THE SHERWIN-WILLIAMS COMPANY

of Canada, Limited

2875 CENTRE STREET - MONTREAL, CANADA

‘ ‘ ‘

Manufacturers of

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

‘ ‘ ‘

Main Plants and Branches

MONTREAL	SAINTE 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	

‘ ‘ ‘

Directors

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

‘ ‘ ‘

Officers

D. A. WHITTAKER, *President and Managing Director*
A. G. PINARD, *Executive Vice-President*
L. C. DE MERRALL, *Vice-President*
P. W. HOLLINGWORTH, *Secretary-Treasurer*

‘ ‘ ‘

Auditors

PRICE, WATERHOUSE & CO.

ANNUAL REPORT OF BOARD OF DIRECTORS

For the Year Ending August 31, 1944

To the Shareholders:

On behalf of your Directors there is submitted herewith the Consolidated Balance Sheet of your Company, showing the Assets and Liabilities at the end of its fiscal year August 31, 1944, together with the Consolidated Statement of Earned Surplus and Profits for the year.

Your Auditors, Messrs. Price, Waterhouse & Company, have audited the books and accounts and their certificate and report is attached.

In accordance with our usual custom all requisite repairs to and renewals of properties have been proceeded with, and the sum of \$105,098.44 has been added to the Reserve for Depreciation, which now amounts to \$2,552,359.95.

Care has been exercised in the taking of all inventories, and these have been priced on the basis of cost or market, whichever proved to be the lower.

Scarcities of raw materials, shortages of labor, and continuing restrictions, arising out of the war effort, have been met with during the year, and general costs of operation have shown increases arising from these factors. However, the total volume of business done by the Company during the year showed a substantial gain over last year, and it was this larger volume which enabled us to increase our profit from operations. Demand for our products continued, both on behalf of the war effort and for civilian use as well.

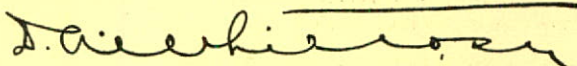
Through an exchange of stock The Lowe Brothers Co. Limited, a Canadian Company, became part of your Organization during the year, and this addition to your operating group as a wholly owned subsidiary is shown by the inclusion in the Consolidated Balance Sheet of the Assets and Liabilities of that Company.

The net profit for the year after all deductions amounted to \$459,907.98, as compared with \$455,901.66 for the preceding year. The provision for Excess Profits Tax and Income Tax amounted to \$1,159,000.00 for the year just closed, as compared with \$733,700.00 for the previous year. The total Current Assets of the Company stood at \$7,763,006.78 and Current Liabilities at \$1,982,279.96, thus leaving a balance of Net Current Assets amounting to \$5,780,726.82. Total Earned and Deferred Surplus at the end of the fiscal year was \$5,299,524.92.

In the month of June a Director and former President and Chairman of the Company, William Shepherd Fallis, passed away after a long illness, and on November 1st we suffered another great loss in the death of George A. Martin, the Chairman of the Company and a Member of the Board of Directors for many years. Our appreciation of their continued service and devotion to duty for so long a period is gratefully recorded, together with an expression of our deep sense of loss in their passing.

Many of our most valued employees still continue to serve in the Armed Forces of the country, and as a result an increased burden is placed upon the staff as a whole, which they have discharged faithfully and well, and to them the thanks of the Directors and Shareholders are extended.

Respectfully submitted on behalf of the Board.



President.

MONTREAL, QUE.
November 21, 1944.

THE SHERWIN-WILLIAMS COMPANY

of Canada, Limited

AND WHOLLY OWNED SUBSIDIARY
COMPANIES

CONSOLIDATED STATEMENT OF EARNED SURPLUS AND PROFITS

AUGUST 31, 1944

Combined Profit from Operations:

After deducting all manufacturing, selling and general expenses (except those detailed below) including remuneration amounting in the aggregate to \$121,638.25 for services of solicitors and counsel, executive officers and directors, and after providing for bad debts, but before charging depreciation of buildings and equipment.

\$1,737,453.40

ADD:

Dividends from Partly Owned Subsidiary Companies and interest on Investments.

35,606.34

\$1,773,059.74

DEDUCT:

Provision for Depreciation.	\$ 105,098.44	
Provision for Income and Profits Taxes (including refundable portion thereof \$163,653.49).	1,159,000.00	
Allowances paid to Retired Employees.	30,294.28	
Loss on sale of Property and Investments.	18,759.04	1,313,151.76

NET PROFIT for the year. \$ 459,907.98

Earned Surplus, balance at August 31, 1943. \$4,905,821.49

DEDUCT:

Adjustment of prior years' taxes. \$34,628.96

LESS:

Reserves no longer required.	21,054.73	13,574.23	4,892,247.26
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\$5,352,155.24

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

EARNED SURPLUS, balance at August 31, 1944. \$4,989,955.24

THE SHERWIN - WILLIAMS CO AND WHOLLY OWNED SUBSIDIARIES

CONSOLIDATED
AUGUST 31, 1944

Assets

PROPERTY ACCOUNT:

Balance, August 31, 1943, with subsequent additions, less deductions, at cost.....	\$9,709,108.48	
LESS: Reserve for Depreciation.....	2,552,359.95	\$ 7,156,748.53

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 \$3,465,696.46. 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.....	\$ 356,275.20	
Advances.....	52,880.73	409,155.93

CURRENT ASSETS:

Inventories as determined and certified by the management, and valued on a basis of cost or market, whichever was the lower....	\$4,027,228.92	
Trade Accounts and Bills Receivable, less reserve.....	1,960,048.54	
Other Accounts Receivable.....	145,279.75	
Amounts due from Shareholders.....	18,210.44	
Dominion of Canada Bonds at cost (market value August 31, 1944, \$250,000.00).....	250,000.00	
Cash.....	1,362,239.13	7,763,006.78

REFUNDABLE PORTION OF EXCESS PROFITS TAX.....		309,569.68
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INSURANCE, TAXES AND OTHER PREPAID EXPENSES...		63,866.37
		\$15,702,347.29

APPROVED ON BEHALF OF THE BOARD:

WILFRID GAGNON, *Director*

J. C. NEWMAN, *Director*

COMPANY OF CANADA, LIMITED

SUBSIDIARY COMPANIES

BALANCE SHEET

1, 1944

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—

At August 31, 1943—

200,000 shares..... \$4,000,000.00

Issued during the year—

24,720 shares..... 494,400.00 4,494,400.00 \$ 7,954,400.00

DUE TO PARTLY OWNED SUBSIDIARY COMPANY..... 382,014.73

CURRENT LIABILITIES:

Trade Accounts Payable and Accrued Liabilities..... \$ 931,135.58

Deposit Accounts..... 50,488.66

Government and Other Taxes..... 1,000,655.72 1,982,279.96

RESERVE FOR ALLOWANCES TO RETIRED EMPLOYEES 20,000.00

RESERVE FOR FUTURE DEPRECIATION IN
INVENTORY VALUES..... 64,127.68

EARNED SURPLUS, as per statement attached..... \$4,989,955.24

DEFERRED SURPLUS:

Refundable portion of Excess Profits Tax..... 309,569.68 5,299,524.92

\$15,702,347.29

SUBMITTED WITH OUR REPORT TO THE SHAREHOLDERS DATED NOVEMBER 20, 1944

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, 1944, 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, 1944, 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 three 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 the other partly owned Subsidiary Company, the profits for the year have not been taken up in these accounts, but are carried forward on its books.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, November 20, 1944.

THE FAMILY BUDGET

WEEKLY REPORT

The family budget is a plan for the use of money. It is a plan that helps you to know how much money you need and how to get it. It is a plan that helps you to save money and to use it wisely. It is a plan that helps you to live better and to be happy.



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THE FAMILY BUDGET

WEEKLY REPORT

