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# *Annual Report*

FOR THE YEAR ENDED AUGUST 31

1957

***THE SHERWIN-WILLIAMS Co.***  
of Canada, Limited

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***THE SHERWIN-WILLIAMS Co.***  
**of Canada, Limited**

*Annual Report of the Board of Directors  
for the year ended August 31, 1957*

*To the Shareholders:*

The Consolidated Balance Sheet showing Assets and Liabilities of your Company and its Wholly Owned Subsidiary Companies at the close of its fiscal year ending August 31, 1957 is submitted herewith, together with the Consolidated Statement of Profit and Loss and Earned Surplus for the year.

An examination of the books and accounts of the Company has been made by your Auditors, Messrs. Ernst & Ernst, and their report is attached.

All plants and properties of your Company have been maintained in good condition as is our custom, and the sum of \$354,740.88 has been added to Allowance for Depreciation, which now stands at \$6,455,607.11.

Dollar sales volume for the year in paint and varnish products reached a new high total despite a tendency on the part of dealers to restrict buying to immediate needs as a result of credit limitations.

Profit before taxes on income stood at \$1,638,633.92 for the year as compared with a profit of \$1,948,384.53 for the previous year, and Net Profit after taxes amounted to \$838,633.92 as against \$1,149,384.53 for the previous twelve months.

However, it should be pointed out that both totals for a year ago included an amount of \$213,632.93 for profit on sale of fixed assets, so that on the basis of earnings on sales the comparison after taxes would be \$838,633.92 as shown on the statement, as against Earnings on a similar basis of a year ago amounting to \$935,751.60, a reduction of \$97,117.68 for the year. This reduction in Net

Profit results partly from a conservative valuation of year-end inventories and also from the increased cost of doing business throughout the year.

Net Earnings amounted to \$24.23 on the Preferred Stock, and after a 7% dividend thereon, to \$2.65 per share on the Common Stock. During the year dividends paid to Shareholders amounted to \$702,876.00.

Total Current Assets of the Company, as shown on the Consolidated Balance Sheet, amounted to \$16,330,937.12 and Current Liabilities to \$6,308,545.07, leaving a balance of Net Current Assets amounting to \$10,022,392.05, an improvement of \$246,753.31 during the year. The Earned Surplus of the Company stood at \$9,853,777.17 at the year end.

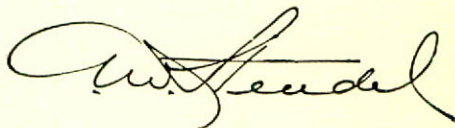
In keeping with the expanding economy of the country, we contemplate additional extensions of our manufacturing and warehousing facilities in the immediate future, in the interest of still better service to the Canadian public. Such extensions have already taken place at Leslie Street in Toronto, and plans are under way for a completely new plant and warehouse at Annacis Island in the Vancouver area, replacing the old Powell Street plant. This expansion is made necessary for further improvement in our service to the important British Columbia and Western Alberta markets.

New products and additions to, and improvements on existing lines, are the constant care and responsibility of our efficient Research and Development Departments, with continued good results.

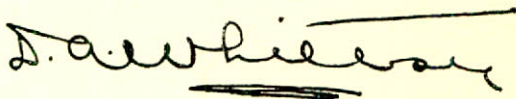
With the introduction of a new color programme and new methods of assisting consumers, both residential and commercial, in the selection of color schemes, we believe that we can look forward to expanding business during the 1957/58 fiscal year.

The employees of the Organization everywhere have discharged their duties during the year with loyalty and efficiency and the thanks of Management are gratefully extended to them.

Respectfully submitted on behalf of the Board.



Chairman.



President and Managing Director.

## Consolidated Profit and Loss and Earned Surplus

# THE SHERWIN-WILLIAMS COMPANY

*of Canada, Limited*  
and wholly-owned subsidiaries

Year ended August 31, 1957

### *Profit and Loss*

Profit from operations for the year before provision for depreciation and other items shown below . . . . .		\$ 2,641,985.72
Other Income:		
Dividends received . . . . .		14,870.00
		<u>\$ 2,656,855.72</u>
Other deductions:		
Interest on bank loans . . . . .	\$ 314,484.24	
Allowances paid to retired employees . . . . .	115,133.97	
Legal fees . . . . .	13,200.92	
Remuneration of executive officers and directors' fees . . . . .	220,661.79	
Provision for depreciation . . . . .	354,740.88	1,018,221.80
		<u>1,018,221.80</u>
PROFIT BEFORE TAXES ON INCOME		\$ 1,638,633.92
Taxes on income for the year—estimated . . . . .		800,000.00
NET PROFIT . . . . .		<u>\$ 838,633.92</u>

### *Earned Surplus*

Balance at September 1, 1956 . . . . .		\$ 9,718,019.25
Add net profit for the year . . . . .		838,633.92
		<u>\$10,556,653.17</u>
<i>Deduct:</i>		
Dividends paid during the year:		
Preferred — \$7.00 per share . . . . .	\$ 242,200.00	
Common — \$2.05 per share . . . . .	460,676.00	702,876.00
		<u>702,876.00</u>
BALANCE AT AUGUST 31, 1957 . . . . .		<u>\$ 9,853,777.17</u>

**Consolidated**

# ***THE SHERWIN-WILLIAMS CO.***

AND WHOLLY-OWNED

**August**

*Assets*

**CURRENT ASSETS**

Cash on hand . . . . .	\$	37,475.00	
Trade accounts receivable, less allowance for doubtful accounts . . . . .		7,039,554.25	
Other accounts receivable . . . . .		161,742.62	
Inventories of raw materials and supplies, in process and finished merchandise at the lower of cost or market prices . . . . .		8,642,817.64	
Insurance, taxes and other expenses prepaid . . .		225,150.32	
Advertising stock, stationery and other supplies .		224,197.29	\$16,330,937.12

**INVESTMENTS AND OTHER ASSETS**

Investment in partly-owned subsidiary companies not consolidated . . . . .	\$	127,643.13	
Capital stock of affiliated company . . . . .		200,000.00	
Miscellaneous accounts receivable . . . . .		127,634.24	455,277.37

**PROPERTY, PLANT AND EQUIPMENT**

Land, buildings, machinery and equipment — generally at cost . . . . .	\$	9,536,433.86	
Less allowances for depreciation . . . . .		6,455,607.11	3,080,826.75

**INTANGIBLE ASSETS**

Formulae, trade marks and good will . . . . .			1.00
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\$19,867,042.24

# Balance Sheet

## COMPANY OF CANADA, LIMITED

AND SUBSIDIARIES

1, 1957

### *Liabilities, Capital Stock and Surplus*

#### CURRENT LIABILITIES

Bank overdraft (net) . . . . .	\$ 1,869,347.21	
Trade accounts payable and accrued liabilities . .	3,827,202.68	
Owing to affiliated company . . . . .	119,079.79	
Income and other taxes — estimated . . . . .	492,915.39	\$ 6,308,545.07

#### RESERVE FOR ALLOWANCES TO RETIRED EMPLOYEES

20,000.00

#### CAPITAL STOCK AND SURPLUS

##### Capital Stock:

Seven per cent cumulative preferred, par  
value \$100.00 per share:

Authorized — 40,000 shares

Outstanding — 34,600 shares . . . . . \$ 3,460,000.00

No par value common:

Authorized — 225,000 shares

Outstanding — 224,720 shares . . . . . 224,720.00

Earned Surplus . . . . . 9,853,777.17 13,538,497.17

\$19,867,042.24

SIGNED ON BEHALF OF THE BOARD:

R. C. VAUGHAN, *Director*

V. M. DRURY, *Director*

# *Auditors' Report*

*To the Shareholders,*

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED,  
MONTREAL, QUEBEC.

We have examined the consolidated financial statements of The Sherwin-Williams Company of Canada, Limited and its wholly-owned subsidiaries for the year ended August 31, 1957, and have obtained all the information and explanations which we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus are 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 subsidiaries at August 31, 1957, and the consolidated results of their operations for the year then ended, according to the best of our information and the explanations given us, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and as shown by the books of the companies.

In accordance with the provision of The Companies Act, 1934, we report that earnings of subsidiary companies not consolidated are reflected in the accompanying financial statements only to the extent of dividends received.

ERNST & ERNST

MONTREAL,

*October 24, 1957.*



# **THE SHERWIN-WILLIAMS Co.** **of Canada, Limited**

## *Executive Offices*

2875 CENTRE STREET, MONTREAL 22, CANADA

*Factories, Offices and Branches in principal cities*

## *Manufacturers of*

Paints, Varnishes, Colours, Stains, Enamels, Lacquers, Beauty-Lok,  
Super Kem-Tone, Kem-Tone, Kem-Glo, Kem-Var, Kem-Krete,  
Lead Products, Dyes, Chemicals, Litharge, Linseed Oil, Dry Colours,  
Insecticides, Herbicides, Fungicides,  
Industrial, Railway, Marine, Automotive and Transportation Finishes.

## *Directors*

C. W. BAKER	WILFRID GAGNON	A. W. STEUDEL
E. C. BALDWIN	P. W. HOLLINGWORTH	R. C. VAUGHAN
V. M. DRURY	JOS. A. SIMARD	D. A. WHITTAKER

## *Officers*

A. W. STEUDEL	<i>Chairman</i>
D. A. WHITTAKER	<i>President and Managing Director</i>
E. C. BALDWIN	<i>Executive Vice-President</i>
C. W. BAKER	<i>Vice-President and Director of Sales</i>
P. W. HOLLINGWORTH	<i>Vice-President and Secretary-Treasurer</i>

### **THE CANADA PAINT COMPANY LIMITED**

*Head Office, 2859 Centre Street, Montreal, P.Q.*

*President, D. A. WHITTAKER Vice-President and General Manager, W. J. TARDIFF*

### **THE LOWE BROTHERS COMPANY LIMITED**

*Head Office, 263 Sorauren Ave., Toronto, Ont.*

*President, D. A. WHITTAKER Vice-President and Gen. Manager, R. G. MONTEITH*

### **THE MARTIN-SENOUR COMPANY LIMITED**

*Head Office, 2875 Centre Street, Montreal, P.Q.*

*President, D. A. WHITTAKER Vice-President and Gen. Manager, H. C. CULLEY*

### **THE WINNIPEG PAINT & GLASS COMPANY LIMITED**

*Head Office, 179 Notre Dame Avenue East, Winnipeg, Man.*

*President, D. A. WHITTAKER Vice-President and Gen. Manager, W. A. STAPLEY*

# *Dividends, Salaries and Wages*

