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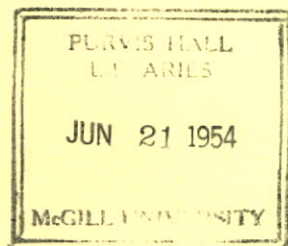
A. G. P.  
NOV 16 1950



# ANNUAL REPORT

*for the year ending August 31st*

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





# ANNUAL REPORT

*to*

*Shareholders*

for the year ending August 31 1950

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

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

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## **Officers**

A. W. STEUDEL	<i>Chairman</i>
D. A. WHITTAKER	<i>President and Managing Director</i>
A. G. PINARD	<i>Executive Vice-President</i>
L. C. de MERRALL	<i>Vice-President</i>
P. W. HOLLINGWORTH	<i>Secretary-Treasurer</i>

## **Directors**

L. C. de MERRALL	A. G. PINARD
V. M. DRURY	JOS. A. SIMARD
WILFRID GAGNON	PAUL F. SISE
J. C. NEWMAN	A. W. STEUDEL
D. A. WHITTAKER	

## Annual Report of Board of Directors

for the year ending August 31 1950

To the Shareholders:

On behalf of your Directors I am pleased to submit the Consolidated Balance Sheet showing Assets and Liabilities of your Company and its Wholly Owned Subsidiary Companies as at the close of its fiscal year August 31, 1950, together with the Consolidated Statement of Profit and Loss and Earned Surplus for that year. Your auditors, Messrs. Price, Waterhouse & Company, have examined these statements and the books and accounts and their report is attached.

The plants and equipment of your Company have been maintained in good condition throughout the year and we have provided the sum of \$544,710.08 as an addition to the Reserve for Depreciation which now stands at \$4,382,575.28.

We have exercised our usual care in the taking of all Inventories and they have been priced on the basis of cost or market, whichever was lower.

Our sales position during the year was well maintained, total sales exceeding the previous year by a considerable margin and actually the volume was the highest in the history of the Company. Prospects for the current year would normally be good were it not for the reappearance of shortages in raw material supplies as a result of international developments. It is our hope that by care and resource we may be able to provide the requisite supplies of manufactured goods for the trade.

The Consolidated Statement of Profit and Loss and Earned Surplus for the year showed a combined profit from operations, before deductions and adjustments, of \$2,416,139.42 as compared with \$2,027,838.45 a year ago. In addition, included in last year's Profit and Loss Account was an amount representing distribution of the accumulated surplus of a Partly Owned Subsidiary Company, besides which the Provision for Depreciation has been increased by an amount of \$75,588.96. Nevertheless, after making these adjustments the combined earnings after all charges, except taxes on income, amounted to \$1,423,405.86 as compared with \$1,384,695.87 for the previous year.

Provision for taxes on income for the year amounted to \$531,977.62 as against \$397,219.29 a year ago, an increase of \$134,758.33. After deduction of tax provision in both years the final net profit for the year amounted to \$891,428.24 as compared with \$987,476.58 for the same period a year ago.

The earnings for the year just ended were equivalent to \$25.76 per share on the Preferred Stock; after payment of \$7.00 per share on the Preferred Stock the earnings were equivalent to \$2.88 per share on the Ordinary Stock.

As is the case with industry generally the results were accomplished in the face of increasing taxation and operating costs, the latter represented chiefly by transportation charges, salaries and wages and higher costs in many raw materials.

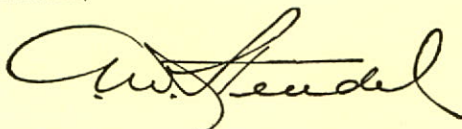
Dividends were paid for the period on the Preferred Stock in the amount of \$242,200.00 and on the Ordinary Stock in the amount of \$269,664.00.

The Total Current Assets as shown on the Consolidated Balance Sheet amounted to \$14,352,858.87 and Current Liabilities to \$6,811,446.07, leaving a balance of Net Current Assets amounting to \$7,541,412.80, an improvement of \$741,744.09 during the year.

The Earned Surplus of your Company and its Wholly Owned Subsidiary Companies at August 31, 1950 amounted to \$8,249,837.55 as compared with an Earned Surplus at August 31, 1949 of \$7,897,000.14, an increase of \$352,837.41 during the year.

Once again I desire to thank our staff in our factories, warehouses and offices for their continued and greatly appreciated loyalty and co-operation in serving the interests of the Company and its Subsidiaries.

Respectfully submitted,



Chairman.

# THE SHERWIN-WILLIAMS CO.

AND WHOLLY OWNED S

## Consolidated Balance

### ASSETS

#### CURRENT ASSETS:

Cash on hand and in bank .....	\$ 285,004.33	
Trade accounts receivable, less reserve .....	5,451,709.99	
Other accounts receivable .....	144,767.17	
Inventories of raw materials and supplies, goods in process and finished merchandise, stated on the basis of the lower of cost or market .....	7,875,066.41	
Portion of excess profits tax recoverable in 1951 .....	187,293.87	
Insurance, taxes and other prepaid expenses .....	189,001.55	
Advertising stock, stationery, etc. ....	220,015.55	
		\$14,352,858.87

#### OTHER ASSETS:

Portion of excess profits tax recoverable in 1952 .....	\$ 70,759.35	
Sundry accounts receivable, including \$5,322.34 owing by shareholders .....	57,667.94	
Unamortized royalty payment .....	37,723.16	166,150.45

#### INVESTMENTS IN AND ADVANCES TO PARTLY OWNED SUBSIDIARY COMPANIES:

Investments .....	\$ 30,775.20	
Advances .....	8,768.78	39,543.98

#### INVESTMENT IN AND ADVANCES TO AFFILIATED COMPANY:

Investment .....	\$ 200,000.00	
Advances .....	33,571.35	233,571.35

#### CAPITAL ASSETS

\$12,626,134.25

(Capital assets include land and buildings, leaseholds, machinery and equipment, together with formulae, trade-marks and goodwill (carried on the books at \$5,715,655.12) acquired in 1911, at cost measured by the par value of bonds and the stated value of shares issued as consideration for such assets; properties owned by three of the consolidated subsidiary companies are included on the basis of appraised values with subsequent additions at cost; other properties are included at cost.)

Less: Reserve for depreciation .....	4,382,575.28	8,243,558.97
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Note: The replacement value new, less depreciation, of land, buildings, machinery and equipment of one of the consolidated subsidiaries as of August 31 1948 as reported by Dominion Appraisal Company Limited was \$835,071.77; the replacement value new, less depreciation, of The Sherwin-Williams Company of Canada, Limited and the other consolidated subsidiaries as of June 30 1948 as reported by Canadian Appraisal Co. Limited was \$6,196,451.57. The total replacement value new, less depreciation, based on these 1948 appraisals was therefore \$7,031,523.34 which is \$4,503,619.49 in excess of the net amounts at which land, buildings, machinery and equipment are included under Capital Assets at August 31 1950.

\$23,035,683.62

### TO THE SHAREHOLDERS OF THE SHERWIN

We have examined the consolidated balance sheet of The Sherwin-Williams Corporation and the consolidated statement of profit and loss and earned surplus for the fiscal year ended August 31 1950 and we report that, in our opinion, the above consolidated balance sheet drawn up so as to exhibit a true and correct view of the state of the combined affairs of the subsidiary companies as at August 31 1950 and the results of operations for the year ended August 31 1950 and as shown by the books of the companies.

We also report that earnings of the subsidiary companies not consolidated are in

MONTREAL, October 31 1950.

# COMPANY OF CANADA, LIMITED

## SUBSIDIARY COMPANIES

Sheet - August 31 1950

### LIABILITIES

#### CURRENT LIABILITIES:

Bank loans .....	\$ 2,320,000.00
Trade accounts payable and accrued liabilities .....	3,577,618.44
Income and other taxes .....	913,827.63
	<hr/>
	\$6,811,446.07

#### RESERVE FOR ALLOWANCES TO RETIRED EMPLOYEES .....

20,000.00

#### CAPITAL STOCK AND SURPLUS:

##### 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 —224,720 shares..... \$4,494,400.00

Earned Surplus, per statement attached..... 8,249,837.55 12,744,237.55 16,204,237.55

#### SIGNED ON BEHALF OF THE BOARD:

V. M. DRURY, *Director*

W. GAGNON, *Director*

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\$23,035,683.62

#### WILLIAMS COMPANY OF CANADA, LIMITED:

of Canada, Limited and its wholly owned subsidiary companies as at August 31 1950 ending on that date and have obtained all the information and explanations which the related consolidated statement of profit and loss and earned surplus are properly of The Sherwin-Williams Company of Canada, Limited and its wholly owned subg on that date, according to the best of our information and the explanations given to

ded in the accompanying financial statements only to the extent of dividends received.

PRICE, WATERHOUSE & CO., Auditors

# THE SHERWIN-WILLIAMS COMPANY

## of Canada, Limited

and wholly owned subsidiary companies

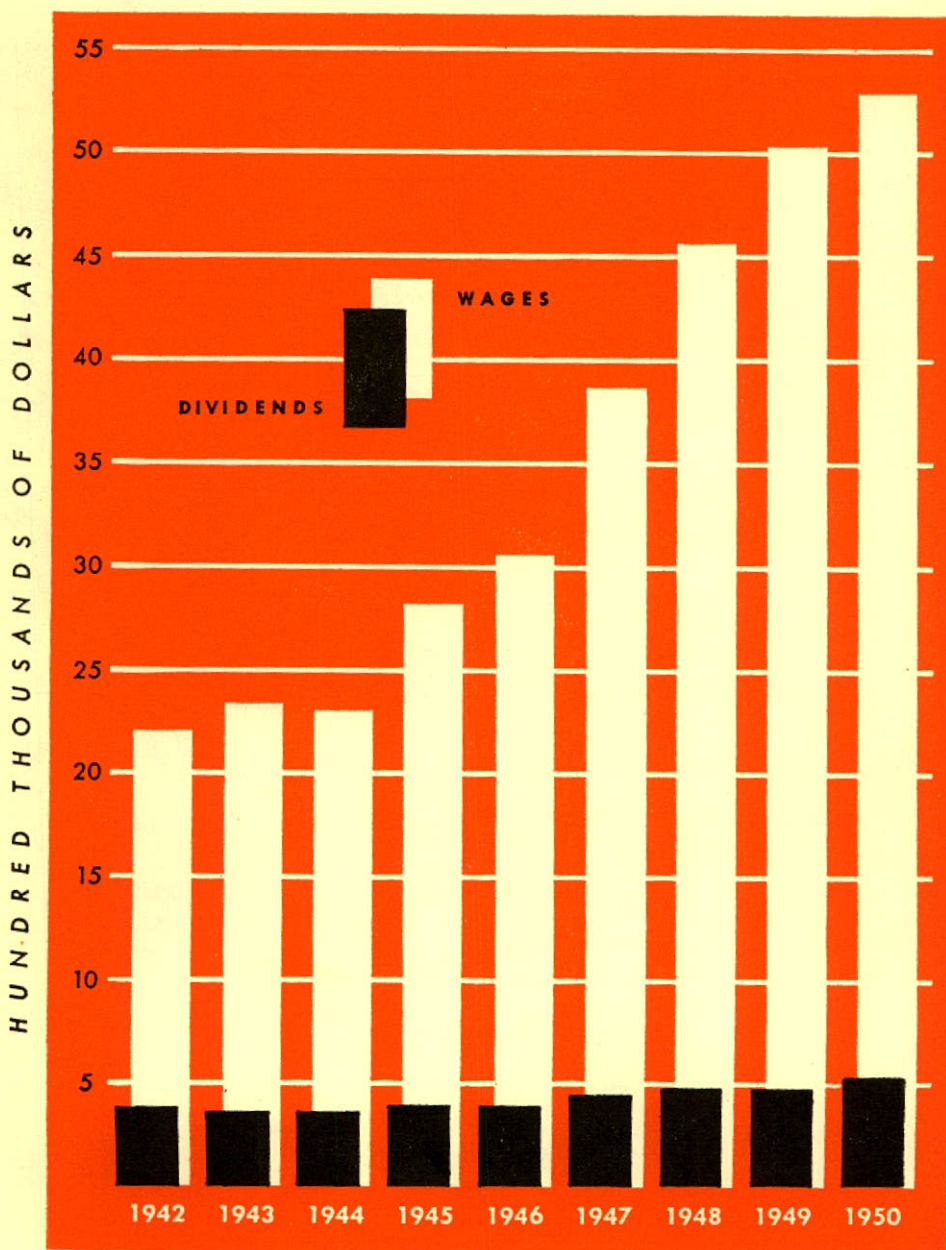
### Consolidated Statement of Profit and Loss and Earned Surplus

for the year ending August 31 1950

Combined profit from operations, before provisions for depreciation and other deductions shown below		\$2,416,139.42
<i>Add:</i> Dividends from partly owned subsidiary companies.....		8,590.00
		\$2,424,729.42
<i>Deduct:</i>		
Interest on bank loans.....	\$215,682.06	
Allowances paid to retired employees.....	59,900.30	
Legal fees.....	7,810.05	
Remuneration of executive officers and directors' fees.....	173,221.07	
Provision for depreciation.....	544,710.08	1,001,323.56
		\$1,423,405.86
<i>Deduct:</i> Provision for taxes on income.....		531,977.62
Net profit for the year.....		\$ 891,428.24
Earned surplus at August 31 1949 .....		7,897,000.14
		\$8,788,428.38
<i>Deduct:</i>		
Loss on disposal of capital assets and adjustments applicable to prior years (net).....	\$ 26,726.83	
Dividends paid during the year —		
Preferred — \$7.00 per share . . . .	\$242,200.00	
Ordinary — \$1.20 per share . . . .	269,664.00	511,864.00
		538,590.83
Earned surplus at August 31 1950 .....		\$8,249,837.55

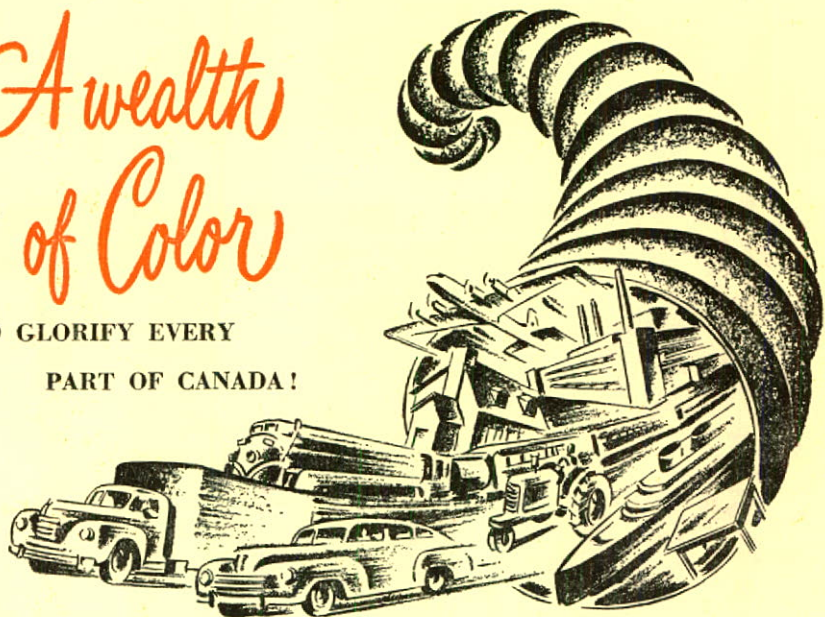


## Dividends and Wages



# A wealth of Color

TO GLORIFY EVERY  
PART OF CANADA!



SERVING THE NATION WITH THE FINEST  
PAINT PRODUCTS MODERN SCIENCE CAN PROVIDE

*No matter what the job, be it for home, maintenance, industry or  
product finishes, there is a company product of unexcelled quality  
to meet all requirements.*

HOUSE PAINTS . . . . ENAMELS . . . . INTERIOR FLAT WALL PAINTS  
INTERIOR SEMI-GLOSS ENAMELS . . . . FLOOR ENAMELS . . . . VARNISHES  
VARNISH STAINS . . . . PAINT AND VARNISH REMOVERS . . . . OIL STAINS  
SHINGLE STAINS . . . . LACQUERS . . . . LIN-X HOME BRIGHTENERS  
WHITE LEAD . . . . LINSEED OIL . . . . DRY COLORS . . . . COLORS IN OIL  
KEM-CRAFT BRUSHES . . . . GREEN CROSS INSECTICIDES

**KEM-TONE**

**KEM-GLO**



