ANNUAL STATEMENTS
OF
THE MARTIN-SENOUR COMPANY
August 31, 1939

CONSOLIDATED BALANCE SHEET
THE MARTIN-SENOUR CO. AND SUBSIDIARIES
As At August 31, 1939

	THIS YEAR		LAST YEAR	
ASSETS				
Cash on hand and in banks	96,347.87		55,145.42	
Cash in transit		96,347.87	278.84	55,424.26
Notes receivable		7,486.80		2,963.48
Accounts receivable				
Trade	464,752.77		438,147.44	
Employees'	161.75		58.33	
Less reserve for bad debts	1,025.16	463,889.36	392.01	437,813.76
Inter Company Accounts				
S-W Co. Treasury Account	562,588.70		351,561.23	
Allied Company accounts receivable	2,078.19	564,666.89	871.44	352,432.67
Inventories				
Merchandise	521,178.70		576,344.15	
Stationery and advertising	42,134.44	563,313.14	64,435.90	640,780.05
Other Assets				
Galveston real estate	5,000.00		5,000.00	
Loans to employees	570.00		1,093.47	
Loans to customers	5,000.00			
Miscellaneous accounts receivable	279.63			
Miscellaneous	560.40		2.55	
Prepaid airline transportation	424.76	11,834.79	424.79	6,520.81
Plant depreciated		592,416.57		608,023.91
Deferred charges		355.80		691.50
		2,300,311.22		2,104,650.44
LIABILITIES				
Accounts payable		56,294.55		37,859.32
Accrued liabilities		25,318.08		15,113.03
Reserves				
Federal taxes		31,000.00		3,000.00
Capital Stock		1,650,000.00		1,650,000.00
Surplus:				
S-W Co. special plant	222,371.99		222,371.99	
Surplus prior	176,306.10		159,256.47	
Current year earnings	139,020.50	537,698.59	17,049.63	398,678.09
		2,300,311.22		2,104,650.44

STATEMENT OF SURPLUS ACCOUNT
THE MARTIN-SENOUR COMPANY
Year Ended August 31, 1939

	THIS YEAR		LAST YEAR	
Surplus balance August 31, 1938				
S-W Co. special plant	222,371.99		222,371.99	
Prior	176,306.10		239,256.47	
		398,678.09		461,628.46
Less dividends paid		-		80,000.00
				381,628.46
Add current year earnings		139,020.50		17,049.63
Surplus balance August 31, 1939		537,698.59		398,678.09

CONSOLIDATED COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
Year Ended August 31, 1939

	THIS YEAR		LAST YEAR	
Gross Sales		3,097,226.03		2,946,077.98
Less: Returns, overcharges, freight and functional allowances		333,617.84		287,242.11
Net Sales		2,763,608.19		2,658,835.87
Cost of sales		1,844,938.31		1,869,134.55
Percentage to net sales		66.76%		70.29%
Gross Trading Profit		918,669.88		789,701.32
Percentage to net sales		33.24%		29.71%
Selling Expenses				
Office & Warehouse service	88,006.35		91,369.88	
Chicago Direct	56,400.00		50,227.75	
Traveling expense	108,593.66		104,878.96	
Traveling service	144,694.42		149,977.60	
Advertising used	129,811.37		129,734.91	
General expense	75,881.82		75,748.89	
Collection & Allowances	20,248.25		20,531.36	
Stationery used	7,351.84		7,717.89	
Stamps used	5,989.49		6,524.39	
Cartage	5,704.49		5,977.10	
Mdse. cash discount	45,500.66		42,466.53	
Pay roll tax	11,199.40		10,693.69	
Suspense - bad debts	2,313.07		2,802.31	
Interest - past due	397.54		536.22	
Transportation	27,633.42		25,541.26	
Administration	30,932.68		36,900.65	
Total		759,863.38		760,556.95
Percentage to net sales		27.49%		28.61%
Operating Profit - Loss		158,806.50		29,144.37
Percentage to net sales		5.75%		1.10%
Other Income				
Railroad claims	154.66		801.44	
Rent received	420.00		420.00	
Interest earned	63.87		82.37	
Cash discount earned	9,351.32		10,255.77	
Sundries	89.29	10,079.14	1,437.90	12,997.48
		168,885.64		42,141.35
Other Deductions				
Galveston property expense	115.99		556.74	
Pensions	2,762.76		3,212.76	
Sundries	368.70	3,247.45	1,631.40	5,400.90
Net Profit from operations		165,638.19		36,740.95
Loss and Gain adjustments		4,382.31		16,691.32
Net earnings before income tax		170,020.50		20,049.63
Percentage to net sales		6.15%		.75%
Income tax provision		31,000.00		3,000.00
Net addition to surplus		139,020.50		17,049.63

COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
CENTRAL DISTRICT
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross Sales		1,027,510.94		1,124,290.72
Less: Returns, overcharges, freight and functional allowances		57,065.77		61,250.72
Net Sales		970,445.17		1,063,040.00
Cost of Sales		635,772.12		748,931.64
Percentage to net sales		65.51%		70.45%
Gross Trading Profit		334,673.05		314,108.36
Percentage to net sales		34.49%		29.55%
Selling Expenses				
Office & Warehouse service	42,505.23		46,239.81	
Chicago Direct	23,246.69		20,550.00	
Traveling expense	32,837.94		37,120.50	
Traveling service	49,739.67		58,567.19	
Advertising used	51,202.93		63,748.09	
General expense	28,779.32		30,800.82	
Collection & Allowance	9,747.39		7,494.63	
Stationery used	3,189.50		3,651.43	
Stamps used	2,010.34		2,068.94	
Cartage	1,948.41		2,561.80	
Mdse. cash discount	17,136.89		17,005.79	
Pay roll tax	4,995.28		4,882.15	
Suspense - bad debts	1,303.85		421.01	
Interest - past due	148.66		248.31	
Transportation	1,424.08		1,387.97	
Administration	9,967.85		13,355.44	
Total		279,880.71		309,607.26
Percentage to net sales		28.84%		29.13%
Operating profit - loss		54,792.34		4,501.10
Percentage to net sales		5.65%		.42%
Other Income				
Interest earned	63.87		82.37	
Cash discount earned	9,351.32		10,255.77	
Railroad claims	196.73		6.38	
Sundries	45.96	9,657.88	968.53	11,313.05
Other Deductions				
Pensions	1,881.96		1,881.96	
Sundries	256.77	2,138.73	1,021.11	2,903.07
Net Profit from Operations		62,311.49		12,911.08
Percentage to net sales		6.42%		1.21%
Loss & Gain adjustments		1,108.78		8,033.58
Net earnings before income tax		63,420.27		4,877.50
Percentage to net sales		6.54%		.46%

COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
EASTERN DISTRICT
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross Sales		535,333.42		547,869.67
Less: Returns, overcharges, freight and functional allowances		28,413.42		28,986.11
Net Sales		506,920.00		518,883.56
Cost of Sales		323,864.41		358,327.82
Percentage to net sales		63.89%		69.06%
Gross Trading Profit		183,055.59		160,555.74
Percentage to net sales		36.11%		30.94%
Selling Expenses				
Office & Warehouse service	17,139.07		18,063.96	
Chicago Direct	12,800.00		12,562.50	
Traveling Expense	17,451.05		18,371.78	
Traveling service	26,449.34		28,878.72	
Advertising used	23,500.00		25,537.18	
General expense	18,350.05		19,933.63	
Collection & Allowances	2,348.76		3,152.85	
Stationery used	1,048.10		1,154.85	
Stamps used	1,299.50		1,497.81	
Cartage	1,167.59		1,004.17	
Mdse. Cash discount	7,504.52		7,162.80	
Pay roll tax	2,287.18		2,238.44	
Suspense - bad debts	1,175.77		181.25	
Interest - past due	181.78		113.33	
Transportation	13,552.13		13,390.90	
Administration	6,522.63		9,595.31	
Total		152,413.91		162,552.83
Percentage to net sales		30.07%		31.32%
Operating profit - loss		30,641.68		1,997.09
Percentage to net sales		6.04%		.38%
Other income				
Railroad claims			813.09	
Sundries				813.09
		30,641.68		1,184.00
Other deductions				
Railroad claims	12.69			
Pensions	880.80		1,330.80	
Sundries	32.33	925.82	50.40	1,381.20
Net Profit - loss from operations		29,715.86		2,565.20
Percentage to net sales		5.86%		.49%
Loss & gain adjustments		717.45		1,409.44
Net earnings - losses before income tax		30,433.31		3,974.64
Percentage to net sales		6.00%		.77%

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COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
WESTERN DISTRICT
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross sales		447,841.19		401,367.78
Less: Returns, overcharges, freight and functional allowances		41,328.90		35,625.85
Net sales		406,512.29		365,741.93
Cost of sales		260,278.29		252,935.70
Percentage to net sales		64.03%		69.16%
Gross Trading Profit		146,234.00		112,806.23
Percentage to net sales		35.97%		30.84%
Selling Expenses				
Office & Warehouse service	12,848.24		12,502.27	
Chicago direct	7,240.81		5,725.00	
Traveling expense	16,694.25		13,695.28	
Traveling service	17,077.48		15,555.37	
Advertising used	16,766.37		14,513.46	
General expense	9,307.58		10,243.03	
Collection & Allowances	2,257.50		1,649.60	
Stationery used	1,117.32		1,277.23	
Stamps used	787.79		950.79	
Cartage	153.10		158.05	
Mdse. cash discount	6,115.96		5,652.37	
Pay roll tax	1,294.63		1,198.65	
Suspense - bad debts	199.65		266.01	
Interest - past due	17.75		99.74	
Transportation	7,301.75		6,018.88	
Administration	3,760.21		4,604.03	
Total		102,904.88		93,850.30
Percentage to net sales		25.31%		25.66%
Operating profit - loss		43,329.12		18,955.93
Percentage to net sales		10.66%		5.18%
Other Income				
Rent received	420.00		420.00	
Sundries	23.99	443.99	454.67	874.67
Other Deductions				
Galveston property expense	115.99		556.74	
Railroad claims	19.73			
Sundries	3.34	139.06	151.71	708.45
Net Profit from operations		43,634.05		19,122.15
Percentage to net sales		10.73%		5.23%
Loss & Gain adjustments		1,767.15		463.50
Net earnings before income tax		45,401.20		18,658.65
Percentage to net sales		11.17%		5.10%

COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
PACIFIC COAST DISTRICT
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross sales		215,873.98		227,447.15
Less: Returns, overcharges, freight and functional allowances		25,340.93		26,857.29
Net sales		190,533.05		200,589.86
Cost of sales		123,475.54		136,288.39
Percentage to net sales		64.81%		67.94%
Gross Trading Profit		67,057.51		64,301.47
Percentage to net sales		35.19%		32.06%
Selling Expense				
Office & Warehouse Service	7,570.38		7,281.29	
Chicago Direct	5,400.00		5,400.00	
Traveling expense	11,391.53		10,650.19	
Traveling service	15,532.84		15,107.17	
Advertising used	8,115.18		8,243.62	
General expense	6,060.67		6,624.50	
Collection & Allowances	2,075.82		3,255.12	
Stationery used	905.57		827.19	
Stamps used	658.04		825.72	
Cartage	857.90		786.41	
Mdse. cash discount	3,620.04		3,557.59	
Pay roll tax	889.27		861.04	
Suspense - bad debts	366.20		1,947.57	
Interest - past due	36.02		53.10	
Transportation	5,302.20		4,617.53	
Administration	3,606.32		2,318.18	
Total		71,583.54		72,250.02
Percentage to net sales		37.57%		36.02%
Operating profit - loss		4,526.03		7,948.55
Percentage to net sales		2.38%		3.96%
Other income				
Railroad claims			39.97	
Sundries	19.34	19.34	14.70	54.67
Other deductions				
Sundries	76.26	76.26	408.18	408.18
Net profit - loss from operations		4,582.95		8,302.06
Percentage to net sales		2.41%		4.14%
Loss & gain adjustments		508.29		477.29
Net earnings - losses before income tax		4,074.66		8,779.35
Percentage to net sales		2.14%		4.38%

COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
AUTOMOTIVE DIVISION
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross Sales		645,326.57		482,164.38
Less: Returns, overcharges, freight and functional allowances		172,681.36		128,045.89
Net sales		472,645.21		354,118.49
Cost of sales		313,440.01		241,489.73
Percentage to net sales		66.32%		68.20%
Gross trading profit		159,205.20		112,628.76
Percentage to net sales		33.68%		31.80%
Selling Expenses				
Office & Warehouse service	6,203.43		6,208.55	
Chicago Direct	7,400.00		3,600.00	
Traveling expense	28,358.54		23,729.74	
Traveling service	26,861.43		23,217.34	
Advertising used	29,954.72		17,386.46	
General expense	11,568.55		6,891.25	
Collection & Allowances	3,107.81		2,666.48	
Stationery used	935.44		633.86	
Stamps used	1,206.50		1,140.00	
Cartage	185.19		298.20	
Mdse. cash discount	8,277.18		6,707.40	
Pay roll tax	1,434.11		1,262.23	
Interest - past due	13.32		35.30	
Transportation	53.26		170.68	
Administration	4,808.88		5,892.30	
Total		130,341.72		99,649.19
Percentage to net sales		27.58%		28.14%
Operating profit - loss		28,863.48		12,979.57
Percentage to net sales		6.10%		3.66%
Other Deductions				
Railroad claims	9.65		54.99	
Sundries		9.65		54.99
Net profit from operations		28,853.83		12,924.58
Percentage to net sales		6.10%		3.65%
Loss & Gain adjustments		280.64		5,941.22
Net earnings before income tax		29,134.47		6,983.36
Percentage to net sales		6.16%		1.97%

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COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
RAILWAY AND INDUSTRIAL
YEAR ENDED AUGUST 31, 1939

	THIS YEAR		LAST YEAR	
Gross Sales		65,896.67		61,472.88
Less: Returns, overcharges, freight and functional allowances		2,846.08		4,219.12
Net Sales		63,050.59		57,253.76
Cost of Sales		46,284.39		41,612.50
Percentage to net sales		73.41%		72.68%
Gross Trading Profit		16,766.20		15,641.26
Percentage to net sales		26.59%		27.32%
Selling Expenses				
Office & Warehouse service	600.00			
Chicago Direct	312.50		1,898.75	
Traveling expense	1,860.35		1,311.47	
Traveling service	9,033.66		9,143.31	
Advertising used	192.27		306.10	
General expense	706.37		568.47	
Collection & Allowances	538.39		1,318.40	
Stationery used	87.35		134.94	
Stamps used	15.22		19.85	
Cartage	275.58		260.51	
Mdse. cash discount	654.53		507.26	
Pay roll tax	205.33		231.11	
Transportation			15.30	
Administration	1,103.31			
Total		15,584.80		15,715.47
Percentage to net sales		24.72%		27.45%
Operating Profit - Loss		1,181.40		74.21
Percentage to net sales		1.87%		.13%
Net Profit - Loss from Operations		1,181.40		74.21
Percentage to net sales		1.87%		.13%
Loss & Gain adjustments				133.93
Net earnings - losses before income tax		1,181.40		208.14
Percentage to net sales		1.87%		.36%

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COMPARATIVE TRADING & PROFIT AND LOSS STATEMENT
THE MARTIN-SENOUR COMPANY
SPECIAL LABEL & BID POOL DIVISION
YEAR ENDED AUGUST 31, 1939

		THIS YEAR		LAST YEAR
Gross Sales		159,443.26		101,465.40
Less: Returns, overcharges, freight and functional allowances		5,941.38		2,257.13
Net Sales		153,501.88		99,208.27
Cost of Sales		141,823.55		89,548.77
Percentage to net sales		92.39%		90.26%
Gross Trading Profit		11,678.33		9,659.50
Percentage to net sales		7.61%		9.74%
Selling Expenses				
Office & Warehouse service	1,140.00		1,074.00	
Chicago Direct	-		-	
Traveling expense	-		-	
Traveling service	-		-	
Advertising used	79.90		-	
General expense	1,115.28		747.19	
Collection & Allowances	172.64		994.28	
Stationery used	68.55		38.39	
Stamps used	12.10		21.28	
Cartage	1,116.72		907.96	
Misc. cash discount	2,191.54		1,873.32	
Pay roll tax	93.60		80.07	
Suspense - bad debts	-		-	
Interest - past due	-		-	
Transportation	-		-	
Administration	1,163.48		1,195.39	
Total		7,153.82		6,931.88
Percentage to net sales		4.66%		6.99%
Operating Profit - Loss		4,524.51		2,727.62
Percentage to net sales		2.95%		2.75%
Other Deductions				
Railroad claims		-		3.01
Net Profit from Operations		4,524.51		2,724.61
Percentage to net sales		2.95%		2.75%
Loss & Gain Adjustments		-		232.36
Net earnings - losses before income tax		4,524.51		2,492.25
Percentage to net sales		2.95%		2.51%

STATEMENT OF LOSS AND GAIN ADJUSTMENTS
THE MARTIN-SENOUR COMPANY
YEAR ENDED AUGUST 31, 1939

Central District			
Chicago Country			
Net profit from sale of capital assets	1,066.56		
Allowance to Hausen Glass & Paint Co. on barn paint sold during June, July, Aug., 1938	65.35		
Brushes sold below cost	123.15	878.06	
North Central			
Net profit from sale of capital assets	401.46		
Goods returned by H.A. Fuge, West Bend, Wisc. this was previously charged to Loss & Gain	18.00		
Brushes sold below cost	112.30	307.16	
South Central			
Net loss from sale of capital assets	44.46		
Brushes sold below cost	31.98	76.44	
			1,108.78
Eastern District			
Net profit from the sale of capital assets		732.16	
Merchandise sold below cost		14.71	
			717.45
Western District			
Refund for compensation paid to E.S. Manthe under Workmen's Compensation Liability for accident previous year		1,205.00	
Net profit from sale of capital assets		562.15	
			1,767.15
Pacific Coast			
Net profit from sale of capital assets		508.29	
			508.29
Automotive			
Net profit from sale of capital assets		280.64	
			280.64
			4,382.31

Recapitulation		
Net profit from sale of capital assets	3,506.80	
Refund for compensation paid to E.S. Manthe under Workmen's Compensation Liability for accident previous year	1,205.00	
Goods returned by H.A. Fuge, West Bend, Wisc.	18.00	
Allowance to Hausen Glass & Paint Co. on barn paint sold during June, July and August, 1938	65.35	
Merchandise sold below cost	282.14	
		4,382.31