Annual Report
1931

THE SHERWIN-WILLIAMS CO.

THE SHERWIN-WILLIAMS CO.
GEORGE A. MARTIN
PRESIDENT

To the Stockholders:

Herewith you will find the Annual Report of the Company for the fiscal year ended August 31, 1931.

The Balance Sheet shows the Company in good financial condition, having in cash and United States Government Securities $6,550,-148.68, and no indebtedness to banks. Cash resources alone exceed by $3,366,570.95 all liabilities.

Net Earnings, after deducting all charges and reserves for depreciation and taxes, amount to $3,222,732.93.

Consolidated Sales were 16.4% under last year.

Operating Expenses, covering Administration, Selling and Production, showed a saving of $2,318,685.

Our Organization has been adjusted to meet conditions and is so under control and well balanced as will admit of our being able to cope with any situation.

In the month of June, 1931, the Company acquired controlling interest, through purchase of Common Stock, of The Sherwin-Williams Company of Canada, Ltd., which Company with all of its allied connections stands in name and reputation in Canada on a parity with that of The Sherwin-Williams Company in the United States.

In conclusion, I cannot speak too highly of the human element that goes to make up this Organization in all sections and departments of the business, and to say that the staff has given its very best in loyal, faithful and whole-hearted service, and has left nothing undone to serve the Company in every possible way in meeting all of the conditions that have confronted it.

Respectfully submitted,

Geo. A. Martin

President

CONDENSED CONSOLIDATED BALANCE SHEET

THE SHERWIN-WILLIAMS COMPANY—CLEVELAND, AND SUBSIDIARIES

As of the close of business August 31, 1931.

Assets

CURRENT		
Cash	$ 5,702,056.68	
U. S. Government Securities	848,092.00	
Notes and Trade Acceptances Receivable	232,623.33	
Accounts Receivable	7,093,908.89	
Merchandise Inventory	11,893,127.63	
		$25,769,808.53
INVESTMENTS IN ASSOCIATED COMPANIES, ETC.		5,642,696.25
OTHER ASSETS		
Miscellaneous Notes and Accounts Receivable, Claims, etc.		379,166.93
PLANT AND EQUIPMENT		
(Book Value less Depreciation)		17,166,706.79
PATENTS AND TRADE MARKS		
(Valued at $1.00 each on books)		328.00
DEFERRED		
Advertising Stock, Stationery, etc.	$566,813.87	
Prepaid Insurance, etc.	205,180.85	
		771,994.72
		$49,730,701.22

Liabilities

CURRENT			
Accounts Payable		$ 1,012,031.01	
Preferred Dividend — Payable September 1, 1931		247,506.00	
Accrued Federal Income, State and County Taxes, etc.		790,842.11	
Deposits — Officers and Employees		1,133,198.61	
			$ 3,18
RESERVES FOR GENERAL CONTINGENCIES			81
CAPITAL STOCK OUTSTANDING			
Series "AA" 6% Cumulative Preferred (165,004 shares par value $100.00 each)	$16,500,400.00		
Less: In Treasury 778 shares	77,800.00		
		$16,422,600.00	
Common (635,583 shares — par value $25.00 each)		15,889,575.00	
		32,312,175.00	
CONSOLIDATED SURPLUS			
Balance August 31, 1931		13,416,484.50	
			45,72
			$49,73

NOTE—The Companies were reported as being contingently liable at August 31, 1931, on letters of credit and discounted items in the amount of $35,125.24.

WE HEREBY CERTIFY, that we have examined the general books of account and record pertaining to the Assets and Liabilities of THE SHERWIN-WILLIAMS COMPANY — CLEVELAND, AND SUBSIDIARIES, as of the close of business August 31, 1931, and that, in our opinion, subject to the inclusion of Permanent Assets at book value without independent appraisal, the above Consolidated Balance Sheet sets forth the combined financial condition of the Companies at the date named.

October 24, 1931.

ERNST & ERNST,
Certified Public Accountants.

CONSOLIDATED INCOME STATEMENT

For the Fiscal Year Ended August 31, 1931

Trading and Operating Profit		**$ 4,670,988.92**
Interest and Dividends from Investments and Other Miscellaneous Income		**275,364.01**
		$4,946,352.93
Deductions:		
Plant Depreciation and Maintenance	**$1,328,620.00**	
Federal Taxes	**395,000.00**	
		1,723,620.00
Final Net Profit		**$3,222,732.93**

ANALYSIS OF CONSOLIDATED SURPLUS ACCOUNT

For the Fiscal Year Ended August 31, 1931

Surplus — August 31, 1930		**$13,897,344.7**
Add — Net Profit for year ended August 31, 1931		**3,222,732.9**
		$17,120,077.7
Add:		
Premium on 20,000 Shares Preferred Stock sold at $105.00 per share		**100,000.0**
		$17,220,077.7
Deduct:		
Dividend on Preferred Stock	**$ 920,850.00**	
Dividend on Common Stock	**2,859,603.20**	
	$3,780,453.20	
Premium on Preferred Stock redeemed at $105.00 per share	**23,140.00**	
		3,803,593.2
Surplus — August 31, 1931		**$13,416,484.5**

THE SHERWIN-WILLIAMS CO.

101 Prospect Ave. N. W. | *Founded 1866* | Cleveland, Ohio

Manufacturers of

Paints, Varnishes, Colors, Stains, Enamels, Lacquers, Lead Products, Dyes, Chemicals, Lithopone, Litharge, Dry Colors, Insecticides, Coal Tar Products, Disinfectants, Cleaners, Polishes.

Main Plants

Cleveland - Chicago - Dayton - Detroit - Newark
Oakland - Bound Brook - Lincoln - Dallas
Los Angeles - Boston

Sales Offices and Warehouses in Principal Cities

Directors

C. G. BULL	H. J. HAIN	Z. E. MARTIN
W. S. COTTINGHAM	C. P. JARDEN	E. M. RICHARDSON
HARRIS CREECH	D. A. KOHR	E. T. TRIGG
CYRUS EATON	GEO. A. MARTIN	H. D. WHITTLESEY
E. M. WILLIAMS	L. W. WOLCOTT	

Officers

GEO. A. MARTIN, *President*
H. D. WHITTLESEY, *First Vice-President*
C. G. BULL, *Vice-President* | L. H. SCHROEDER, *Treasurer*
A. W. STEUDEL, *Vice-President* | T. G. MURPHEY, *Secretary*

Transfer Agents

CLEVELAND TRUST COMPANY, Cleveland, Ohio
BANKERS TRUST COMPANY, New York, N. Y.

Registrars

UNION TRUST COMPANY, Cleveland, Ohio
GUARANTY TRUST COMPANY, New York, N. Y.