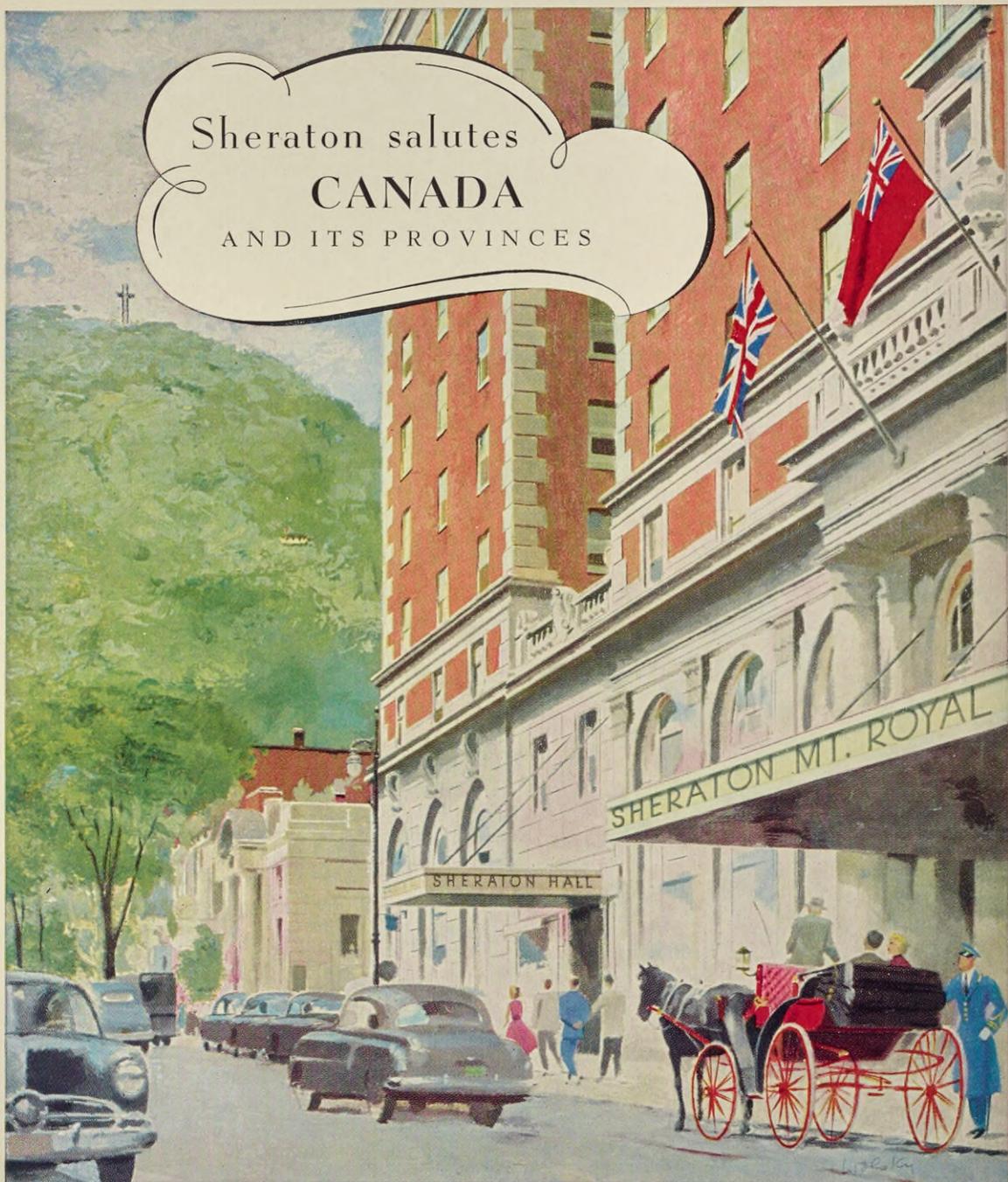




SHERATON CORPORATION OF AMERICA

Sheraton salutes  
**CANADA**  
AND ITS PROVINCES



Montreal's Sheraton-Mt. Royal Hotel

Oil Painting by Milton Wolsky

## Sheraton in Canada

In both the Sheraton-Mt. Royal, Montreal's largest hotel, and The Laurentien, Canada's newest, Sheraton offers visitors to Montreal the finest, most modern accommodations. Other Sheraton Hotels in Canada . . . all equally outstanding . . . are The Royal Connaught in Hamilton, Ontario; The King Edward in Toronto, Ontario; The Sheraton-Brock in Niagara Falls, Ontario; and The Prince Edward in Windsor, Ontario.

# 1953 Annual Report

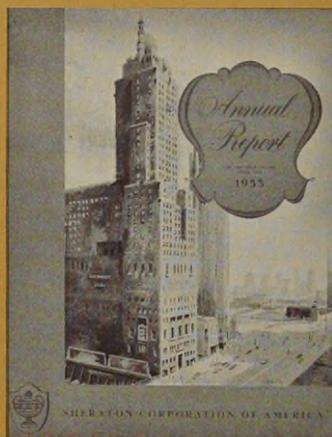
# SHERATON

CORPORATION OF AMERICA

FOR THE YEAR ENDED  
APRIL 30, 1953

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## ABOUT OUR COVER

Centrally located at the beginning of the famed "Magnificent Mile", the Chicago Sheraton, with its 42 stories, is a local landmark. Its many special facilities, as well as central location, make it popular for conventions, meetings and social functions.

## PRINCIPAL SHERATON PROPERTIES

### HOTELS IN THE UNITED STATES

Sheraton-Belvedere  
*Baltimore, Maryland*  
Sheraton Plaza  
*Boston, Massachusetts*  
Beaconsfield Hotel  
*Brookline, Massachusetts*  
Sheraton Hotel  
*Buffalo, New York*  
Sheraton Hotel  
*Chicago, Illinois*  
Sheraton-Gibson  
*Cincinnati, Ohio*  
Sinton Hotel  
*Cincinnati, Ohio*  
Sheraton-Cadillac  
*Detroit, Michigan*  
Park Sheraton  
*New York, New York*  
Sheraton-Russell  
*New York, New York*  
Penn Sheraton  
*Philadelphia, Pennsylvania*  
Sheraton Hotel  
*Pittsburgh, Pennsylvania*  
Sheraton Hotel  
*Pittsfield, Massachusetts*  
Sheraton-Biltmore  
*Providence, Rhode Island*  
Sheraton Hotel  
*Rochester, New York*  
Sheraton Hotel  
*Springfield, Massachusetts*  
Sheraton Hotel  
*St. Louis, Missouri*  
Sheraton-Carlton  
*Washington, D. C.*  
Sheraton-Park  
*Washington, D. C.*  
Sheraton Hotel  
*Worcester, Massachusetts*

### HOTELS IN CANADA

Royal Connaught  
*Hamilton, Ontario*  
Laurentien  
*Montreal, Quebec*  
Sheraton-Mt. Royal  
*Montreal, Quebec*  
Sheraton-Brock  
*Niagara Falls, Ontario*  
King Edward  
*Toronto, Ontario*  
Prince Edward  
*Windsor, Ontario*

### OFFICE BUILDINGS

The Sheraton Building  
*Boston, Massachusetts*  
Rittenhouse Square Building  
*Philadelphia, Pennsylvania*  
Sheraton Building  
*Washington, D. C.*  
Sheraton Whitehall Building  
*New York, New York*

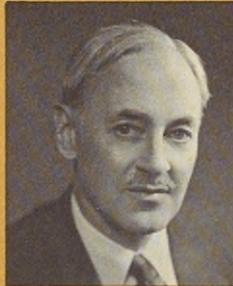
### APARTMENT BUILDING

Clairborne Apartments  
*New Orleans, Louisiana*

# BOARD OF DIRECTORS



ERNEST HENDERSON  
President  
Sheraton Corporation of  
America



ROBERT L. MOORE  
Executive Vice President  
and Treasurer  
Sheraton Corporation of  
America



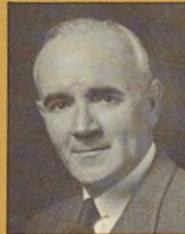
GEORGE B. HENDERSON  
Vice President and  
Secretary  
Sheraton Corporation of  
America



PAGE BROWNE  
Vice President  
Sheraton Corporation of  
America



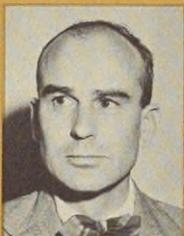
IRVINE J. SHUBERT  
Vice President and General  
Counsel  
Sheraton Corporation of  
America



ELMER E. BOSWELL  
Vice President  
Sheraton Corporation of  
America



S. ABBOT SMITH  
President  
Thomas Strahan Co.,  
Chelsea, Mass.  
Trustee—Committee for  
Economic Development



THOMAS B. ADAMS  
Assistant Secretary  
Sheraton Corporation of  
America



EUGENE C. EPPLEY  
President Eppley Hotels Co.  
Omaha, Nebraska



SAMUEL D. LUNT, Partner  
Hamlin and Lunt  
Buffalo, N. Y.



CHARLES W. BROEMAN  
Financier  
Cincinnati, Ohio



JAMES J. MINOT, Partner  
Paine, Webber, Jackson  
and Curtis  
Boston, Massachusetts



RALPH S. DAMON, President  
Trans World Airlines, Inc.  
New York



ERNEST HENDERSON, III  
Project Controller  
Sheraton Corporation of  
America

# OFFICERS

## President

ERNEST HENDERSON

## Executive Vice President and Treasurer

ROBERT L. MOORE

## Vice President and Secretary

GEORGE B. HENDERSON

## Vice President

PAGE BROWNE

## Vice President and General Counsel

IRVINE J. SHUBERT

## Vice President

ELMER E. BOSWELL

## Asst. Secretary

THOMAS B. ADAMS

## Asst. Treasurer

J. BROOKS FENNO

## Asst. Secretary

MYRON F. WELSCH

## Comptroller

ROBERT B. KELSEY

## TRANSFER AGENTS

General Fiduciary Corporation  
1 Court Street

Boston 8, Massachusetts

Colonial Trust Company  
90 Wall Street

New York 5, New York

## REGISTRARS

The National Shawmut Bank of Boston

40 Water Street,

Boston 9, Massachusetts

Empire Trust Company

120 Broadway

New York 5, New York

## EXECUTIVE OFFICES

1 Court Street

Boston 8, Massachusetts

After November 1, 1953

Sheraton Building

470 Atlantic Avenue

Boston 10, Massachusetts



# Annual Report

To the Stockholders

# SHERATON

CORPORATION OF AMERICA

## 1953

### Company Earnings

SHERATON Corporation of America completed on April 30th another successful year. Total earnings before income taxes were \$8,128,179 compared with \$7,338,238 the preceding year, an increase of \$789,941. Net earnings after Federal income taxes in the current year were \$3,922,217 as compared with \$4,182,107 the preceding year. The decrease in net earnings is accounted for by higher provision for income taxes. On a per share basis the earnings this year were \$2.48 on 1,580,554 shares outstanding, as against \$2.71 in the preceding year on 1,531,405 shares outstanding.

	1953	1952
Net Operating Earnings . . . . .	\$1.84	\$1.66
Net Profits from Sale of Properties and Securities . . . . .	.64	.78
Other Non-Recurring Items . . . . .	—	.27
	<u>\$2.48</u>	<u>\$2.71</u>
Number of Common Shares Outstanding	1,580,554	1,531,405

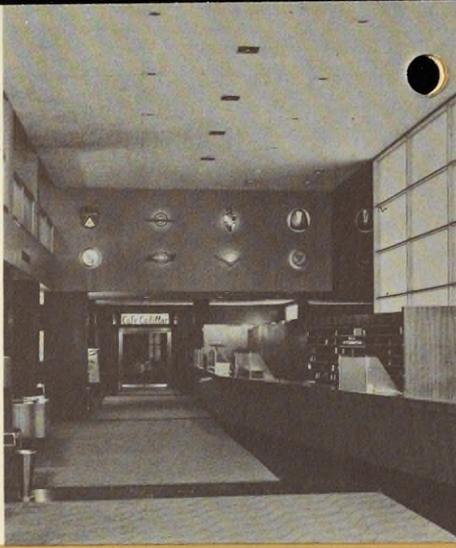
### Sales Volume

Total sales reached a new peak. Gross operating and other income (excluding profits from sales of properties and securities) of your company amounted to \$68,141,908 compared to \$62,772,723 a year ago. A further expansion of sales volume is anticipated as a result of the acquisition of additional properties subsequent to the close of the Company's fiscal year, notably in Washington, D.C.

### Noteworthy Events

Principal accomplishments of the fiscal year include the further transformation of the Park Sheraton from a hotel largely residential in character into one of New York's leading transient hotels. Many of the suites have been converted into modern air-conditioned "Rooms of Tomorrow" for transient occupancy. A number of the rooms are believed to be unsurpassed in New York City. All of the rooms and suites of this 1600-room hotel are equipped with large screen RCA television sets available to guests without extra charge.

Because of the popularity of the large screen television sets installed in the Park Sheraton Hotel, an



**THE SHERATON-CADILLAC**, completely modernized, shows the Motor City what an up-to-date hotel should be like. Incorporating the latest in decorating techniques and ideas, the result is functional, pleasing to the eye and supremely comfortable. Many inspired touches, such as the use of the

identifying medallions from different makes of automobiles to decorate the foyer wall and the amusing murals in the Boulevard Lounge, which trace the history of the automobile, combine to integrate the atmosphere of the hotel with the city of its location.

order for \$1,000,000 worth of additional RCA television sets was placed with the RCA Victor Company in order to equip a majority of the transient rooms in all the United States Sheraton hotels with modern television equipment. It is believed this order constitutes the largest single purchase of television sets for the account of a single consumer.

Another outstanding achievement of the year was the completion of the modernization of the eleven-hundred-room Sheraton-Cadillac Hotel in Detroit. A house warming cocktail party on May 8th, attended by nearly four thousand guests, served to bring to the attention of the people of the Motor City that the Sheraton-Cadillac has now become one of the world's truly fine hotels.

### ***Acquisitions and Sales***

During the fiscal year a subsidiary of Sheraton purchased a new apartment building completed not more than a year ago containing 1200 rooms, and located on Canal Street in New Orleans. Plans are being studied for transforming this air-conditioned building into a modern hotel for this growing metropolis of the South. Controlling interest in a smaller building of some 500 rooms now known as the Continental Hotel in Indianapolis also was acquired during the year. This property — pending possible extensive alterations — is not now being identified as a member of the Sheraton group of hotels.

Subsequent to the close of the Company's fiscal year two important units were added in the National Capital, where Sheraton has for several years felt the lack of proper representation. The hotels acquired were the

Carlton and the Wardman Park — two of Washington's best known hotels. In order to identify these hotels more closely with Sheraton, the names have been changed to Sheraton-Carlton and Sheraton-Park hotels.

These units were brought into the Sheraton family through the purchase in aggregate of approximately 65% of the outstanding shares of Washington Properties, Inc. which, in addition to the two hotels, owns an apartment house and an office building in the District of Columbia. The office building, present home of the FHA, is being disposed of, an agreement for the sale of this building having been signed recently.

During the year the Alms Hotel of Cincinnati was disposed of at a satisfactory price. The Company still retains ownership in two larger hotels in that city; the Sinton and the Sheraton-Gibson. The latter is the largest hotel in Cincinnati. Within the last two months the small resort hotel in Rangeley, Maine, was sold, and an offer to purchase the Company's Daytona Beach hotel has been accepted.

### ***Underlying Policy***

The general policy underlying these purchases and sales has been an aim to establish Sheraton in the principal cities of the United States and Canada, — wherever possible, with the best hotel in each city. On occasions when the Company has been able to secure a better hotel in a given city, it has been possible to sell the hotel previously acquired. As a result of this policy, hotels acquired by the Company may not always represent a permanent investment, in the event that at a later date more desirable hotels in such cities can be purchased or constructed. The carrying out of this

program has recently been illustrated in Cincinnati and Detroit where Sheraton's earlier hotels were disposed of when larger and more appropriate hotels were acquired.

Recent sales of former Sheraton Hotels in cities where Sheraton is now represented by larger properties has made possible a program of increasing the Company's holdings in hotels where a substantial minority interest existed. An indication of the increase in Sheraton's percentage ownership during the past year in subsidiary corporations which own the individual hotels, is provided by the following comparisons:

The ownership in the Copley Square Trust, owning the Sheraton Plaza Hotel in Boston, was increased from 81% to 94%.

The ownership in the Park Sheraton Hotel has been increased from 59% to 68%.

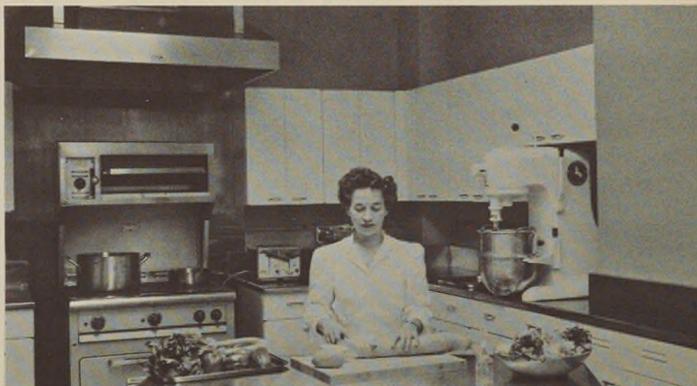
The ownership in the Pittsburgh Sheraton Hotel was increased from 62% to 65%.

The percentage of the stock of Sheraton Ltd. in Canada owning the group of hotels formerly known as the Cardy Hotels has been increased from 94% to 99%. The original acquisition nearly three years ago involved only 60% of the Class A issue. (Sheraton's original purchase included 100% of the Class B stock.)

### ***New Construction***

Based on your Company's experience with the new 1000-room postwar Laurentien Hotel in Montreal, the officers and directors of your Company believe that the construction of new hotels in the United States is desirable and will be profitable. The Laurentien was constructed by the Ford Hotels in 1948, just prior to the acquisition of that organization by Sheraton. Many of the key men identified with the construction of the Laurentien are now with Sheraton. As a result of the success of the Laurentien, a long-term lease has been negotiated with the Pennsylvania Railroad Company for close to an acre of land in the heart of Philadelphia, in the area generally known as the Penn Centre Development. On this land Sheraton proposes to build a new 1000-room hotel designed to provide Philadelphia with as fine hotel accommodations as can be found anywhere. It is hoped that plans will soon be on the drawing boards so that the new Sheraton for Philadelphia may, in the near future, become a reality.

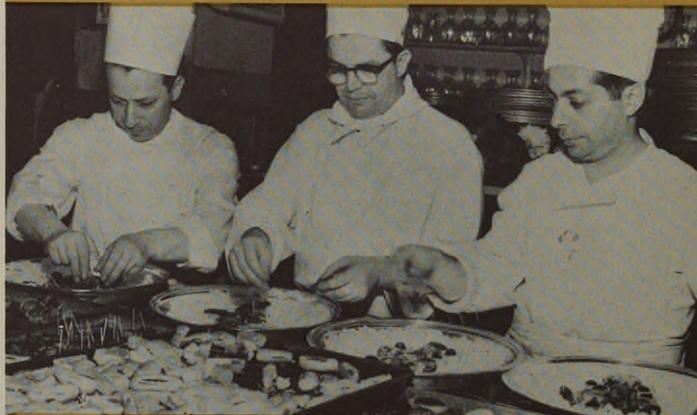
Other projects under consideration are an extension of 600 rooms for the Chicago Sheraton and the addition of some 200 rooms each for the Sheraton-Belvedere in Baltimore and the Sheraton in Rochester.



In the Research Kitchen at the Sheraton Plaza in Boston, new and tempting dishes are developed, under the watchful eye of the Director of Sheraton Food Research.



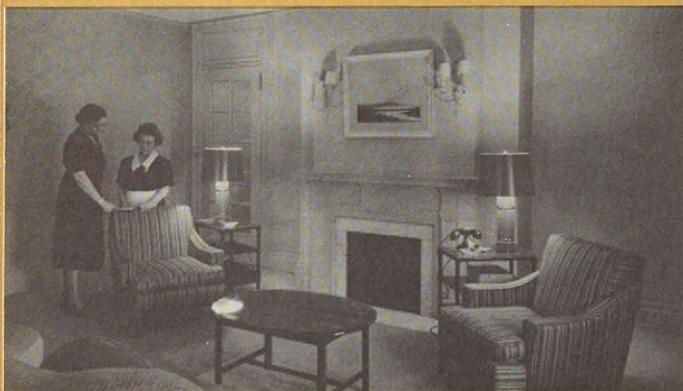
Once a new dish has met specifications, which are high, the recipe is transmitted to all the Sheraton Hotels. Here a new salad is shown to top kitchen personnel at the Sheraton-Belvedere in Baltimore.



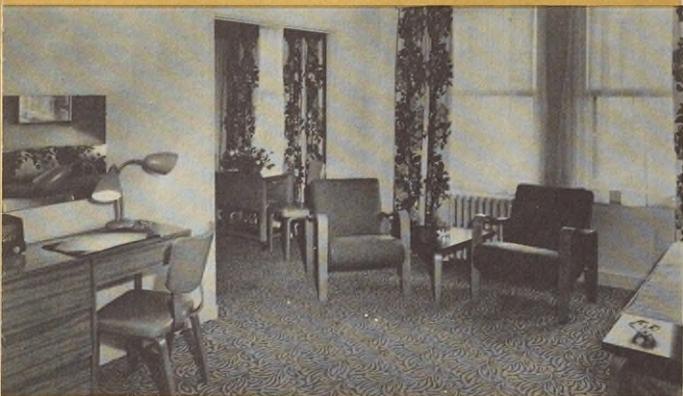
From hors d'oeuvres to French pastry, Sheraton Chefs are past masters in the art of preparing food. From its inception in the Research Kitchen to final appearance on the dining room table, each dish is an individual work of art.



The lobby of the Sheraton Hotel in Pittsburgh. Typical of Sheraton decor are the smart, modern lines, softly glowing lighting and the colors of wall and floor coverings, which subtly complement each other.



Living room of a Luxury Suite in Boston's Sheraton Plaza. Comfortable living is the keynote here, from the restful color of the walls to soft luxury of the carpeting and beautifully textured upholstery of furnishings.



A studio type guest room, complete with dining alcove, in the Sheraton Hotel, Springfield, Massachusetts. Bright, friendly and comfortable, it invites a guest to be at home.

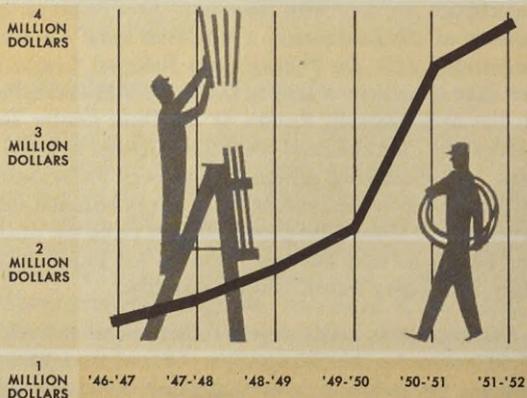
## Financial Data

Cash on hand and in banks, together with Government bonds at market value, amounted on April 30th to \$5,539,280. The Company's ratio of current assets to current liabilities at year end was 1.10 to 1 compared with 1.09 to 1 a year ago. Since hotels operate essentially on a cash basis and require only small inventories, a 1 to 1 ratio is considered adequate for most hotel requirements. The "working capital" consisting of the excess of current assets over current liabilities was \$1,112,906 compared with \$1,031,103 a year ago. The total mortgage debt of \$43,167,762 is not a direct obligation of the parent Company, Sheraton Corporation of America. It is owed by the hotels which are owned by separate companies. Sheraton owns all or a majority of the shares of these companies.

## Other Interests

Sheraton owns approximately 48% of the common stock of Thompson Industries, Inc. which is a manufacturing company and has no relation to the hotel business. Thompson has two principal divisions. The Mouldings Division with its main plant in Indianapolis and three smaller plants in the South, is primarily engaged in the manufacture of metal stampings. Principal customers include the leading automobile manufacturers. The second division turns out insulated copper wire assemblies used largely in the electronics industry. Total sales are now running at the rate of \$18,000,000 per year and earnings before income and excess profits taxes are running at a rate close to \$3,000,000 per year, a substantial increase over the preceding years. Sheraton

## REPAIRS AND MAINTENANCE



carries its holdings in Thompson as an investment. The earnings of Thompson are not reflected in Sheraton's earnings as reported to you herewith. Thompson has been paying off preferred stock, which is now reduced to a nominal amount, and has not been paying dividends on its common stock. Three of the principal officers of Sheraton are directors of Thompson and are in close touch with its affairs. It is believed that Thompson is a very valuable investment for Sheraton.

Sheraton also owns more than 97% of the preferred and 40% of the common stock of the National Cuba Hotel Corporation. This company owns the Beverly Wilshire Hotel in Beverly Hills, California, the Blackstone in Chicago, the Gotham in New York, in addition to the Hotel Nacional in Havana. There are presently approximately \$2,000,000 of interest arrearages on the outstanding issue of \$5,380,100 in income bonds. As a result the holders of the income bonds control the company. The board of directors is composed of nine members, of which five represent the bondholders and four represent Sheraton. Upon payment of the arrearages of interest, control of the company reverts to the preferred stockholders until arrearages amounting at this time to approximately \$2,000,000 on the preferred stock are paid.

When Sheraton acquired its interest in National Cuba Hotel Corporation in 1946 (through the merger with U. S. Realty), the arrearages on the debentures were \$4,700,000 and the mortgages on the three United States hotels owned by the National Cuba Company amounted to \$4,600,000. The mortgages today amount to \$3,500,000. Thus the debt ahead of the preferred has been reduced in the intervening years by approximately \$3,800,000 and the position of the preferred has improved to that extent. The National Cuba Company

does a gross volume of business of approximately \$11,000,000 annually, and it has an operating profit before depreciation, interest on the income debentures and income taxes of approximately \$1,600,000. Earnings this year after depreciation, and interest and amortization on the debentures, but before income tax approximates \$650,000.

None of the earnings are in any way reflected in Sheraton's earnings statement. Sheraton carries its shares of preferred and common of the National Cuba Company as an asset in its balance sheet at a value which is deemed to be very conservative.

### **Dividends**

On August 3, 1953, Sheraton paid, in addition to its regular dividend, a five percent stock dividend. This is the second successive stock dividend paid by the Company. Since all dividends paid by the Company, including the stock dividend are covered by earnings, the Sheraton shares received can be sold without causing a so-called "impairment of principal." Stockholders wishing to retain these shares, however, can do so without the income tax liability to which they might be subject had the 5% stock dividend been paid in cash, and reinvested in Sheraton stock. In this way each stockholder may in his own discretion elect, either to retain the shares or sell them to realize cash. Any cash thus realized is taxable as a capital gain to the extent that the proceeds received exceed the pro-rata cost basis of the shares sold, determined by dividing the total basis of shares held prior to the stock dividend by the total number of old and new shares held after the stock dividend.

**GUEST SERVICES** at every Sheraton Hotel are all that could be desired. No effort is spared to make certain that guests' wishes are fulfilled. Sheraton employees are carefully screened prior to employment and just as carefully trained in the

performance of their duties. By their efficiency, courtesy and ready spirit of service, Sheraton personnel make Sheraton guests feel that a personal interest is taken in their welfare.



## Value of Assets

In accordance with the practice of former years your officers have calculated the asset value of the Company's outstanding shares based on their estimate of the value in today's market of the Company's various properties, after deducting all known liabilities. The indicated asset value on April 30, 1953, was \$44.36 per share as compared with \$39.68 a year earlier based upon 1,580,554 shares at April 30, 1952 and 1,531,405 shares at April 30, 1951.

The book value of the shares, based not on indicated market values, but largely on the historical cost to Sheraton, was \$21.61 per share compared with \$20.53 on the preceding year end.

## Conclusion

The officers of your Company are grateful for the increased recognition of the facilities offered by Sheraton Hotels as reflected by the Company's growing sales volume. The officers are especially grateful to the nearly 10,000 employees who have worked conscientiously and effectively to make the name Sheraton a symbol for efficient and progressive American business enterprise.

*Ernest Henderson*

ERNEST HENDERSON

President

**CELEBRITIES** from all walks of life find Sheraton hospitality unequalled. Actors, authors, statesmen, nobility can be found under Sheraton roof tops at one time or another. A guest may find himself in

the dining room with Joan Crawford, brush shoulders in the lobby with Jimmy Durante, or recognize at any moment a face well-known around the world.



A president-to-be visits Boston. General "Ike" receives the good wishes of the Sheraton-Plaza's Manager, Lloyd B. Carswell, at the height of last year's campaign.



Comedian George Jessel and Sheraton-Biltmore Hotel General Manager William P. Gorman engage in a serious conversation about "hotel business" during Mr. Jessel's visit to the Providence hotel.



His Majesty Nordon Sihanouk, King of Cambodia, recently visited Niagara Falls, Ontario, Canada. Gathered here at the Sheraton-Brock, left to right, Premier Leslie Frost, His Majesty, General Manager Leonard Gorrell and Robert H. Saunders, H.E.P.C. Chairman.



Sheraton Hotel officials are welcomed to Washington by U. S. Senator from Massachusetts, Leverett Saltonstall. Shown shaking hands with Senator Saltonstall is Sheraton President Ernest Henderson.

The King of Comedy, Jimmy Durante, cutting up as usual. This time it's a cake being sliced at the Sheraton 15th Anniversary Party. The interested onlooker, Lloyd Carswell of Boston's Sheraton Plaza.



"Another cup of coffee, please," is what famous movie star Joan Crawford seems to be asking. And Room Service Waiter Rogelio Novarro of the Sheraton-Cadillac is happy to oblige.



# SHERATON'S GROWTH-CONSOLIDATED

## IN THOUSANDS OF DOLLARS

<i>Years Ended April 30</i>	<i>Total Assets at Estimated Values (a)</i>	<i>Total Assets at Book Values</i>	<i>Gross Income</i>	<i>Net Operating Income (b)</i>	<i>Net Profits on Capital Transactions</i>	<i>Total Net Income and Net Profits (b)</i>
1953	127,270	91,313	68,141	2,914	1,007	3,922
1952	113,524	82,459	62,772	2,986	1,196	4,182
1951	101,861	74,982	56,070	3,719	1,191	4,910
1950	87,874	73,029	39,739	2,107	1,457	3,564
1949	60,279	54,541	31,605	1,903	1,470	3,373
1948	55,710	47,643	28,663	1,608	68	1,676
1947	49,860	42,332	21,511	1,013	1,161	2,174

## PER COMMON SHARE

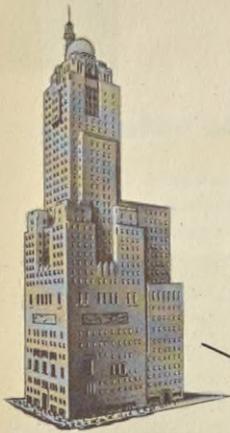
<i>Years Ended April 30</i>	<i>Estimated Asset Value (a) (c)</i>	<i>Book Asset Value (c)</i>	<i>Gross Income</i>	<i>Net Operating Income (d)</i>	<i>Net Profits on Capital Transactions</i>	<i>Total Net Income and Net Profits (d)</i>
1953	\$44.36	\$21.61	\$43.11	\$1.84	\$.64	\$2.48
1952	39.68	20.52	40.99	1.93	.78	2.71
1951	35.59	18.66	37.28	2.44	.79	3.23
1950	25.09	15.54	26.24	1.33	.96	2.29
1949	16.61	12.65	20.64	1.18	.96	2.14
1948	15.24	10.41	18.56	.97	.04	1.01
1947	14.10	9.53	13.93	.59	.75	1.34

(a) Estimated by Company Officers

(b) After Minority Interests. Includes non-recurring income of \$413 and \$816 thousands in 1952 and 1951, respectively.

(c) After Liabilities, Minority Interests and Preferred Stock

(d) After Preferred Dividends. Includes non-recurring income of \$.27 and \$.54 per share in 1952 and 1951, respectively.



SHERATON  
Chicago



SHERATON-CADILLAC  
Detroit



ROYAL CONNAUGHT  
Hamilton, Ontario



SHERATON-MT. ROYAL  
Montreal



PRINCE EDWARD  
Windsor



KING EDWARD  
Toronto

# SHERATON

*Proudest name in*

## HOTELS

IN THE U.S.A. AND  
CANADA



SHERATON  
St. Louis



SINTON  
Cincinnati



SHERATON-GIBSON  
Cincinnati



SHERATON  
Pittsburgh



SHERATON-CARLTON  
Washington, D. C.



SHERATON-PARK  
Washington, D. C.



LAURENTIEN  
Montreal ✓



SHERATON  
Rochester



SHERATON  
Pittsfield, Mass.



SHERATON-BROCK  
Niagara Falls ✓



SHERATON PLAZA  
Boston ✓



SHERATON  
Buffalo ✗



BEACONSFIELD  
Brookline, Mass. ✗



SHERATON  
Worcester, Mass. ✗



SHERATON  
Springfield, Mass. ✗



SHERATON-BILTMORE  
Providence ✓



PENN SHERATON  
Philadelphia ✗



SHERATON-RUSSELL  
New York



PARK  
D. C. ✗



SHERATON-BELVEDERE  
Baltimore



PARK SHERATON  
New York ✓

### OTHER SHERATON PROPERTIES



SHERATON WHITEHALL BUILDING  
New York ✓



SHERATON BUILDING  
Boston



SHERATON BUILDING  
Washington, D. C.



RITTENHOUSE SQUARE BUILDING  
Philadelphia



CLAIBORNE APARTMENTS  
New Orleans

**Comparative Consolidated****ASSETS**

	April 30, 1953	April 30, 1952
Current Assets		
Cash		
Demand Deposits . . . . .	\$ 3,765,408	\$ 4,108,955
Restricted Deposits . . . . .	147,655	136,995
On Hand . . . . .	548,374	584,520
	<u>4,461,437</u>	<u>4,830,470</u>
Marketable Securities — at book value (Notes 1 and 2)		
U. S. Treasury Bonds . . . . .	1,112,642	1,407,186
Other . . . . .	1,430,534	1,143,402
(Market Values \$2,903,058 and \$2,574,940)	<u>2,543,176</u>	<u>2,550,588</u>
Accounts and Notes Receivable . . . . .	3,276,893	2,589,981
Less — Estimated Uncollectible Accounts . . . . .	184,996	159,843
	<u>3,091,897</u>	<u>2,430,138</u>
Accrued Interest Receivable . . . . .	16,830	15,923
Mortgages Receivable — Payments Due Within One Year (below) . . . . .	116,904	65,127
Inventories — at cost . . . . .	1,042,795	1,605,524
Prepaid Expenses . . . . .	738,509	908,287
Total Current Assets . . . . .	<u>12,011,548</u>	<u>12,406,057</u>
Investments (Notes 1 and 2)		
Securities — Other than Marketable — at book value (Officers' Estimated Values \$810,000 and \$425,000) . . . . .	76,426	75,000
Securities of Subsidiaries Not Consolidated — at book value (Officers' Estimated Values \$266,500 and \$256,500) . . . . .	179,025	183,375
Mortgages Receivable (Officers' Estimated Values \$1,939,437 and \$881,382) . . . . .	2,219,620	1,046,522
Less — Payments Due Within One Year (above) . . . . .	116,904	65,127
	<u>2,102,716</u>	<u>981,395</u>
Fixed Assets, Less Depreciation to Date (Notes 3 and 7) . . . . .	<u>75,932,299</u>	<u>67,827,833</u>
Other Assets		
Unamortized Debt and Discount Expense . . . . .	261,341	269,933
Other Deferred Charges . . . . .	262,376	113,711
Security and Other Deposits . . . . .	233,679	365,141
Life Insurance — Cash Surrender Value . . . . .	197,525	178,129
Other . . . . .	56,692	58,461
	<u>1,011,613</u>	<u>985,375</u>
<b>TOTAL ASSETS</b> . . . . .	<u><u>\$91,313,627</u></u>	<u><u>\$82,459,035</u></u>

See Notes to Financial Statements on page 19.

**Balance Sheet****LIABILITIES, CAPITAL SHARES AND SURPLUS**

	April 30, 1953	April 30, 1952
Current Liabilities		
Notes and Contracts Payable	\$ 2,312,468	\$ 3,399,049
Less — Payments Due After One Year (below)	1,992,538	2,905,587
	<u>319,930</u>	<u>493,462</u>
Accounts Payable	2,939,505	3,382,700
Accrued Liabilities		
Interest on Notes, Contracts and Taxes	37,364	32,955
Interest on Mortgages and Bonds	149,000	147,080
Federal, Canadian and State Taxes	3,578,470	3,859,033
Other	1,799,457	1,538,312
	<u>5,564,291</u>	<u>5,577,380</u>
Mortgages and Bonds Payable — Payments Due Within One Year (below)	2,074,916	1,921,412
<b>TOTAL CURRENT LIABILITIES</b>	<u>10,898,642</u>	<u>11,374,954</u>
Long-Term Debt		
Mortgages and Bonds Payable	43,167,762	34,282,073
Less — Payments Due Within One Year (above)	2,074,916	1,921,412
	<u>41,092,846</u>	<u>32,360,661</u>
Notes and Contracts Payable — Due After One Year (above)	1,992,538	2,905,588
<b>Total Long-Term Debt</b>	<u>43,085,384</u>	<u>35,266,249</u>
Deferred Income	32,842	292,358
<b>TOTAL LIABILITIES</b>	<u>54,016,868</u>	<u>46,933,561</u>
Minority Interests	3,135,354	4,091,010
Capital Shares and Surplus		
Capital Shares (Notes 5 and 6)		
Common — Par \$1	<b>Shares</b>	
	April 30, 1953	April 30, 1952
Authorized	3,000,000	3,000,000
Issued and Issuable	1,655,448	1,581,689
Less — In Treasury	74,894	50,284
Outstanding	<u>1,580,554</u>	<u>1,531,405</u>
<b>TOTAL CAPITAL SHARES</b>	1,580,554	1,531,405
Surplus (Notes 1 and 9)		
Paid-In Surplus	10,141,727	9,806,158
Earned Surplus (since May 16, 1946)	17,550,022	15,346,533
Surplus from Consolidation (Note 7)	4,889,102	4,750,368
<b>TOTAL CAPITAL SHARES AND SURPLUS</b>	<u>34,161,405</u>	<u>31,434,464</u>
<b>TOTAL LIABILITIES, CAPITAL SHARES AND SURPLUS</b>	<u>\$91,313,627</u>	<u>\$82,459,035</u>

**Comparative Consolidated**

	For the Year ended	
	April 30, 1953	April 30, 1952
Gross Operating Income		
Hotels		
Rooms . . . . .	\$ 28,440,976	\$ 25,615,861
Food and Beverages . . . . .	29,305,653	27,391,721
Other . . . . .	6,189,382	5,492,747
	<u>63,936,011</u>	<u>58,500,329</u>
Commercial Buildings . . . . .	3,012,892	3,317,767
Other . . . . .	887,657	775,592
	<u>67,836,560</u>	<u>62,593,688</u>
Operating Costs and Expenses		
Departmental Costs and Expenses . . . . .	37,080,921	34,234,264
Administrative and General . . . . .	4,727,228	4,399,496
Officers' Salaries and Directors' Fees . . . . .	343,938	330,456
Advertising and Promotion . . . . .	1,234,715	1,060,638
Heat, Electricity and Water . . . . .	2,824,315	2,858,007
Repairs and Maintenance . . . . .	4,228,680	3,819,173
Rent . . . . .	1,052,650	965,848
Real Estate and Personal Property Taxes . . . . .	2,592,357	2,689,973
Insurance . . . . .	110,530	110,498
Bad Debt Expense . . . . .	163,787	103,897
Other . . . . .	1,157,658	1,058,691
	<u>55,516,779</u>	<u>51,630,941</u>
OPERATING INCOME	12,319,781	10,962,747
Other Income		
Dividends and Interest . . . . .	166,217	172,942
Other . . . . .	139,131	6,093
TOTAL . . . . .	<u>305,348</u>	<u>179,035</u>
Other Deductions from Income		
Depreciation . . . . .	3,856,752	3,490,436
Loss on Foreign Exchange Conversion . . . . .	—	46,101
Interest and Debt Expense . . . . .	1,778,266	1,715,799
	<u>5,635,018</u>	<u>5,252,336</u>
Ordinary Income . . . . .	<u>6,990,111</u>	<u>5,889,446</u>
Income Taxes		
Federal Income . . . . .	1,692,092	1,346,803
Federal Excess Profits . . . . .	399	21,698
Canadian . . . . .	2,017,545	1,552,207
State . . . . .	46,060	46,574
	<u>3,756,096</u>	<u>2,967,282</u>
NET INCOME BEFORE PROFIT FROM TRANSACTIONS IN SECURITIES AND REAL ESTATE (Carried Forward) . . . . .	<u>3,234,015</u>	<u>2,922,164</u>

**Income Statement**

For the Year ended  
April 30, 1953      April 30, 1952

NET INCOME BEFORE PROFIT FROM TRANSACTIONS IN SECURITIES AND REAL ESTATE (Brought forward)	\$ 3,234,015	\$ 2,922,164
Profit from Securities Transactions	6,685	91,712
Less — Income Taxes thereon	155	—
NET PROFIT FROM TRANSACTIONS IN SECURITIES	6,530	91,712
Profit from Transactions in Real Estate	1,534,766	1,969,081
Less — Discounts Allowed on Dispositions of Mortgages Received on Sales of Real Estate	84,220	261,822
	1,450,546	1,707,259
Income Taxes thereon	449,711	602,475
Net Profit from Transactions in Real Estate	1,000,835	1,104,784
Income and Profits for the Year	4,241,380	4,118,660
Net Income and Profits Applicable to Minority Interests		
Applicable to Stock Outstanding during the year	270,719	304,853
Applicable to Stock Purchased during the year	48,444	45,326
	319,163	350,179
Net Income and Profits for the Year	3,922,217	3,768,481
Other Credits		
Adjustments of Prior Years' Federal Taxes	—	413,626
<b>TOTAL ADDITIONS TO EARNED SURPLUS FOR THE YEAR</b>	<b>\$ 3,922,217</b>	<b>\$ 4,182,107</b>

See Notes to Financial Statements on page 19.

**Report of Independent Public Accountants**

To the Stockholders,  
Sheraton Corporation of America

We have examined the accompanying consolidated balance sheet of Sheraton Corporation of America as at April 30, 1953 and the related consolidated surplus and income statements for the year ended at that date.

These consolidated statements have been prepared from financial statements of Sheraton Corporation of America and Subsidiaries which have been audited by us or by other independent accountants who have submitted to us their certificates concerning the underlying statements which were examined by them.

The results of the operations of the companies purchased, sold or liquidated are included in the surplus and income statements for the periods during which they were majority owned.

Our examinations of the statements of Sheraton Corporation of America and of those subsidiaries which were examined by us were made in accordance with generally accepted auditing stand-

ards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The bases of the book values of fixed assets and securities are stated in the Notes to Financial Statements.

The unrealized net gain, representing the difference between book values and market or estimated values April 30, 1953, has not been brought into account.

On the basis of the foregoing explanations, in our opinion, the accompanying consolidated balance sheet, the related consolidated statements of surplus and income, and the explanatory notations fairly present the financial condition of Sheraton Corporation of America and Subsidiaries as at April 30, 1953 and the results of their transactions for the year then ended, in conformity with generally accepted principles of accounting applied on a basis consistent with that of the preceding year.

CHANDLER H. FOSTER & COMPANY

Boston, Massachusetts, August 10, 1953



## ***Consolidated Statements Of Surplus***

**For the Year ended April 30, 1953**

### PAID-IN SURPLUS

Consolidated Paid-In Surplus April 30, 1952 . . . . .	\$ 9,806,158
Addition	
Portion of Earned Surplus Transferred to Paid-In Surplus in connection with 5% Stock Dividend Paid August 1, 1952 (73,759 shares at \$9 per share)	663,831
	10,469,989
Deduction	
Excess of Amount Paid over Par Value of 24,610 shares of Common Stock Pur- chased (Total Cost \$352,872)	328,262
Consolidated Paid-In Surplus April 30, 1953 . . . . .	\$ 10,141,727

### EARNED SURPLUS

(since May 16, 1946)

Consolidated Earned Surplus April 30, 1952 . . . . .	\$ 15,346,533
Addition	
Total Additions to Earned Surplus for the Year ended April 30, 1953, from Income Statement . . . . .	3,922,217
	19,268,750
Deductions	
5% Stock Dividend (Note 1)	
73,759 Common Shares at \$10 per share . . . . .	\$ 737,590
Cash in Lieu of Fractions . . . . .	35,915
	773,505
Cash Dividends	
Common — \$.60 per share . . . . .	945,223
	1,718,728
Consolidated Earned Surplus April 30, 1953 (since May 16, 1946) . . . . .	\$ 17,550,022

Note 1—The charge to Earned Surplus of \$10 for each share represents the approximate average of the monthly high and low sale price of the shares on the New York Stock Exchange during the year ended April 30, 1952. The Capital Shares account was credited with \$1 per share, the par value, and the balance of \$9 per share was credited to Paid-In Surplus.

See Notes to Financial Statements on page 19.

## Notes to Financial Statements

For the Year ended April 30, 1953

**Note 1**—These statements do not reflect \$900,747 of net unrealized gain on investments and mortgages owned.

**Note 2**—The book values of investment securities have been stated on the basis of Court values if such determination was made, market values at April 30, 1946 for securities then owned by subsidiaries, market values at May 16, 1946 for securities then owned by Sheraton Corporation or United States Realty and Improvement Company, and cost for securities purchased since May 16, 1946.

Securities with a book value of \$5,870,782, which are eliminated in consolidation, are pledged to secure notes payable.

**Note 3**—Substantially all of the real estate and furniture and equipment are pledged to secure mortgages or other long-term debt.

The fixed assets have not been stated at the net values as shown by the books of the respective companies but at net values after depreciation, computed on the following bases:

- (1) values determined by the District Court of the United States for the Southern District of New York in connection with the reorganization of United States Realty and Improvement Company if such determination was made,
- (2) values determined by officers of Sheraton Corporation for properties owned at April 30, 1946 for which the Court did not make a determination,
- (3) cost for all assets acquired since that date, with the inclusion therein of the excess of the cost of investments made in subsidiaries' securities over the equity acquired by such investments as shown by the books of the subsidiaries at the dates of such acquisitions.

**Note 4**—The company is obligated to make available funds, not exceeding \$90,000, to defray expenses of litigation in connection with certain claims which may be asserted by the Trustee of United States Realty and Improvement Company in addition to \$10,000 heretofore paid.

**Note 5**—All of the preferred stock outstanding in the hands of the public was called for redemption April 30, 1952. The shares in the Treasury were cancelled and retired during the year ended April 30, 1953.

At the next annual meeting, the stockholders will vote on the elimination of the authorized preferred stock, 110,000 shares, from the capital structure of the corporation.

**Note 6**—Of the total common shares shown as issued and issuable, 5,381 shares are issuable upon surrender of old shares of United States Realty and Improvement Company, and shares of Sheraton Corporation and its predecessor corporations.

**Note 7**—The securities of 26 of the consolidated subsidiaries of Sheraton Corporation of America were acquired at costs which were in total \$4,889,102 less than the book values of the equities thus acquired. That difference is shown in the balance sheet as Surplus from Consolidation. The securities of 8 of the consolidated subsidiaries were acquired at \$4,048,563 more than the book values of the equities thus acquired. That difference has been treated in these statements as additional cost of fixed assets and allocated on a prorata basis, \$1,305,478 to land and leaseholds and \$2,743,085 to buildings. Depreciation of buildings and amortization of leaseholds is accordingly stated herein at \$110,675 more than is shown by the subsidiaries.

**Note 8**—With the exception of 2 corporations excluded in prior years, the consolidation includes all subsidiaries 50% or more owned, totalling 55.

**Note 9**—The portion of consolidated earned surplus applicable to Canadian subsidiaries is \$1,780,484, which is subject to a 5% withholding tax on dividends.

**Note 10**—The properties of Canadian subsidiaries are included at Canadian dollar cost after adjustment to United States dollar equivalents reflecting exchange rates in effect at dates of acquisitions and after adjustment to increase first mortgage bonds to par. The portion of the first mortgage bonds of the Canadian subsidiaries due after April 30, 1954 are reflected at their United States dollar equivalents using the exchange rate in effect at the date the indebtedness was incurred, but not less than par. The current assets and liabilities are reflected at the April 30, 1953 exchange rate.

**Note 11**—In June 1950, the office building formerly owned by Whitehall Improvement Corporation was sold and leased back under a long-term lease agreement. A subsidiary operates the building under a lease expiring June 11, 2010. The terms of the lease require the payment, in addition to local taxes assessed against the property, of an annual rental of \$750,000 to December 11, 1961, and \$130,000 thereafter. The rental to December 11, 1961 is guaranteed by Sheraton Corporation of America.

**Note 12**—A contract has been signed for the installation of television equipment, aggregating approximately \$1,000,000.

## PEOPLE MAKE A HOTEL'S GOOD



**Sheraton People:** (1) A staff committee of the Park Sheraton accepts the New York State Insurance Fund 1952 Safety Award for finishing first in a safety contest among the larger hotels in New York City. (2) Sidney Miller, Head Houseman at the Sheraton-Belvedere is presented a Defense Bond on his 35th anniversary by General Manager Albert S. Fox. (3) General Manager William P. Gorman awards prize money to Sheraton-Biltmore Suggestion Contest winners. (4) Staff members of Detroit's Sheraton-Cadillac receive checks for their money-saving suggestions from General Manager Neal Lang. (5) General Manager Wright Gibson of the Pittsfield Sheraton presents monthly safety awards to staff members.



# REPUTATION... SO DOES ITS PROMOTION

## IN MAGAZINES



**Sales and Advertising:** In the past year, Sheraton has continued its vigorous promotion program to gain and hold an increasing number of guests. Full color, full page advertising in leading magazines has been used, as well as smaller black-and-white advertisements in newspapers. In addition, each Sheraton Hotel handles its own promotion with attractive, colorful booklets and brochures which tell prospective guests everything they would want to know to make them prefer a Sheraton. Billboards along many well-traveled main approaches to Sheraton cities serve as reminders to motorists that a good meal and restful night at a Sheraton are just ahead.

## FOLDERS AND BOOKLETS



## OUTDOOR ADVERTISING



Sheraton Corporation of America

## PERSONALITY Distinguishes A Fine Hotel

Even from early Colonial days, travelers always have sought out those lodging places that offered something extra in attention and atmosphere.

Early inns that served the American traveling public were small of course, compared to the thousand-room Sheraton Hotels of today. But travel then was rough and hazardous. Not many undertook a journey if it could be avoided. Located along post roads, a day's journey on horseback from one another, these inns were welcome sights at nightfall to weary travelers.

Innkeepers along the road vied with each other to provide the best in food and good cheer. Each tried to outdo his competitors in the comfort of feather beds, as well as those other attentions that rest and relax a tired traveler.

Today, modern transportation methods have brought about mass travel for business and pleasure. And increased travel has created the need for bigger and better hotels. Now there are Sheraton Hotels in 23 cities in the United States and Canada. They range in size from around 200 up to 1,600 rooms.

Yet in spite of this growth, Sheraton never has lost the spirit of hospitality for which the early innkeepers were noted. And today you will find the same real warmth in the reception you get from the courteous, trained staff of every Sheraton. And during your Sheraton stay, you will enjoy comforts unsurpassed even in the imaginations of those early travelers.



(New York's Park Sheraton Hotel as seen from Rockefeller Center)

## Hospitality in the Heart of the City!

In whatever city Sheraton Hotels are situated, they are centrally and conveniently located to shops, theatres and the mid-town business area. So wherever you want to go while in town, you'll be just a short stroll away.

No matter at what Sheraton Hotel you stay, your address in the city is distinguished. And you're always assured of fine Sheraton service and genuine hospitality.

To add  
DISTINCTION  
to *any* Social Function

WHETHER it's Cotillion in Boston's Sheraton-Plaza Ballroom, a debutante party in the Grand Ballroom of the Sheraton-Cadillac in Detroit, or a wedding reception held at the Sheraton-Belvedere in Baltimore, the success of the occasion is assured. And it is the same when invitations to functions at any Sheraton Hotel read "... to take place at the Sheraton."

Of course, there are good reasons for the popularity of Sheraton Hotels for special events. Among them are the convenience of central location, beautiful settings, excellent catering and skillful service. But most of all the reason is . . . A Sheraton Hotel is correct.

**SHERATON**  
  
**HOTELS**

**IN THE U. S. A.**

Boston  
Providence  
New York  
Baltimore  
Philadelphia  
Washington  
Chicago  
Cincinnati

Buffalo  
Pittsburgh  
Rochester  
Detroit  
St. Louis  
Warcester  
Springfield, Mass.  
Pittsfield, Mass.

**IN CANADA**

Montreal  
Toronto  
Windsor  
Hamilton  
Niagara Falls

SHERATON PLAZA BALLROOM

