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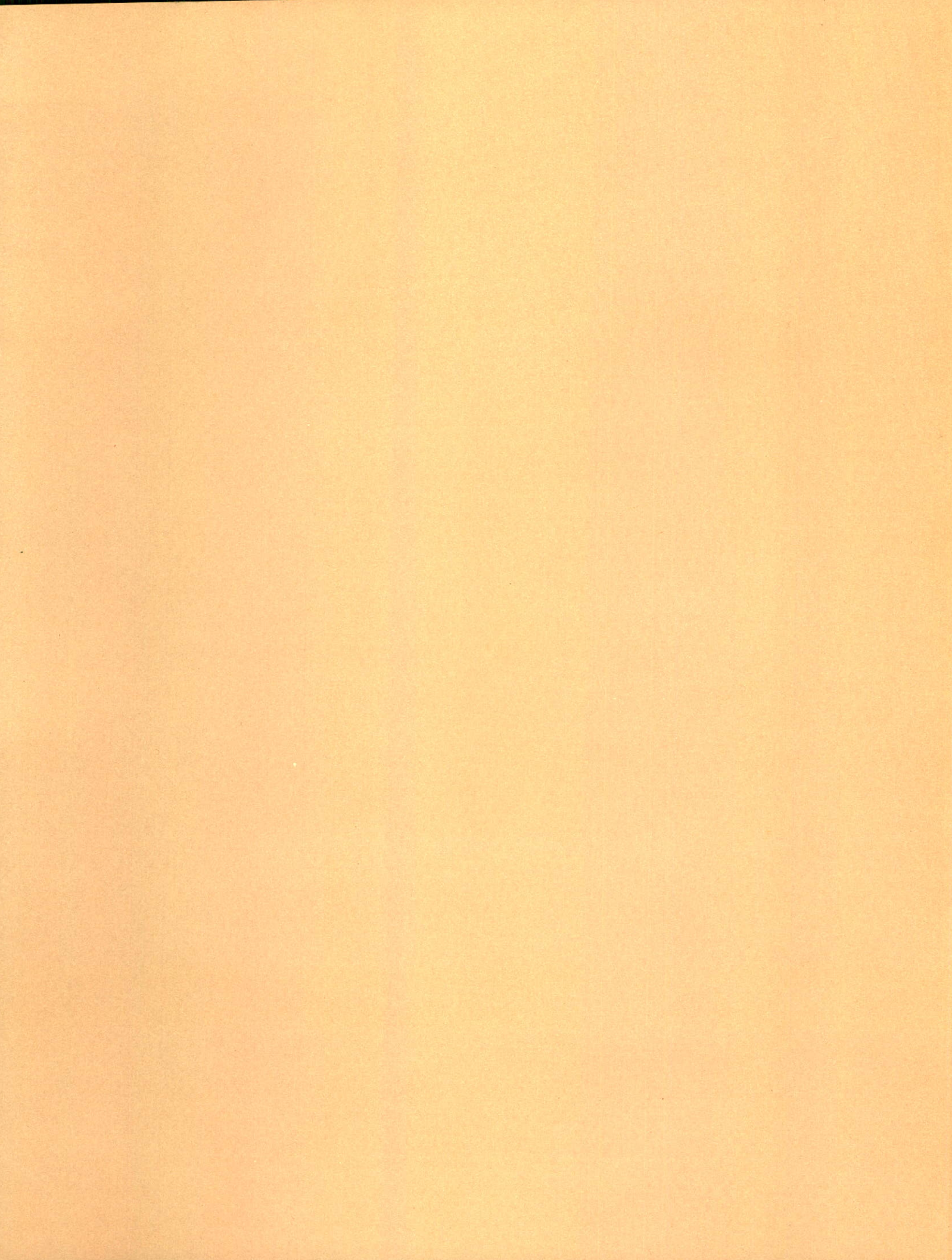


ENAMEL & HEATING PRODUCTS LIMITED

**ANNUAL  
REPORT  
1 9 6 3**

1963  
1964





# ANNUAL REPORT

FOR THE YEAR

**1963**



**ENAMEL & HEATING PRODUCTS LIMITED**



# ENAMEL & HEATING PRODUCTS LIMITED

SACKVILLE, NEW BRUNSWICK

## Board of Directors

N. A. HESLER  
N. T. AVARD  
S. R. DONALDSON  
A. R. FRENCH  
R. B. FULLERTON  
H. GOLDSTEIN  
H. G. HESLER  
A. M. MACKAY  
F. R. RAND  
W. J. WIENAND, JR.  
C. N. WILSON

## Officers

N. A. HESLER — *President*  
N. T. AVARD — *Vice President*  
R. B. FULLERTON — *Vice President and General Manager*  
A. R. FRENCH — *Vice President, Finance, Secretary-Treasurer and Comptroller*  
W. J. WIENAND, JR. — *Vice President in charge of Aircraft Division*  
S. R. DONALDSON — *Vice President — Manufacturing*  
R. J. HESLER — *Vice President — Marketing and Advertising*  
L. A. WILSON — *Sales Manager — Atlantic Division*  
K. DINHAM — *Sales Manager — Western Division*  
D. F. WILEY — *Assistant Secretary-Treasurer*

## Auditors

TOUCHE, ROSS, BAILEY & SMART

## Advertising Agency

F. H. HAYHURST CO. LTD., MONTREAL, QUE.

## Transfer Agents

MONTREAL TRUST COMPANY, MONTREAL, QUE.  
THE CENTRAL TRUST CO. OF CANADA, MONCTON, N.B., AMHERST, N.S.

## Registrars

CANADIAN TRUST COMPANY, MONTREAL, QUE.  
THE CENTRAL TRUST CO. OF CANADA, MONCTON, N.B., AMHERST, N.S.

# President's Report

To The Shareholders of  
Enamel & Heating Products Limited

Your Board of Directors has pleasure in submitting herewith the Annual Report for the year ended December 31, 1963, together with a copy of the Auditors' Report.

Net profits of the Company after provision for normal depreciation in accordance with the Income Tax Regulations, and provision for Income Taxes amounted to \$199,015.64.

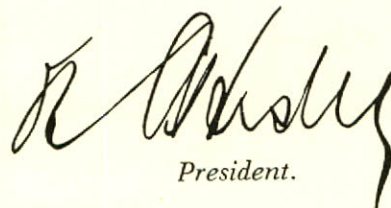
Our total sales for the year 1963 were 14.5% higher than for the previous year, but the highly competitive nature of the Appliance industry and the narrow margin of profit on foreign Aircraft contracts did not increase our profits as much as the increase in sales might indicate.

The increase in Accounts Receivable and Inventories is due primarily to the securing of large foreign Aircraft contracts which now accounts for approximately 50% of the output in our Aircraft Division.

The Directors have authorized an expenditure of approximately \$700,000.00 to provide for the installation of an electric melting furnace to enable us to meet modern specifications in steel and provide the nucleus for an expansion of our Rolling Mill products. It is expected that the new Plant will be in operation early in May 1964.

In closing this report we wish to express our appreciation for the co-operation and contribution made by all employees throughout the organization.

Respectfully submitted on behalf of the Board of Directors.



*President.*

Sackville, N.B.  
February 14, 1964.

# ENAMEL & HEATING

## Balance Sheet as at

(With Comparative Figures)

### ASSETS

	1963	1962
<b>CURRENT</b>		
Cash . . . . .	\$ 118,688	\$ 95,834
Accounts receivable — less reserve . . . . .	2,476,070	1,418,289
Inventories — Raw materials, supplies, work in process and finished goods; valued at the lower of cost or market . . . . .	2,257,463	2,345,085
	<u>4,852,221</u>	<u>3,859,208</u>
Investment securities at cost . . . . .	1,350	1,500
	<u>1,350</u>	<u>1,500</u>
<b>FIXED</b>		
Land . . . . .	96,700	96,700
Buildings . . . . .	2,529,624	2,512,411
Machinery and equipment . . . . .	1,778,663	1,754,516
Motor vehicles . . . . .	89,162	78,313
	<u>4,494,149</u>	<u>4,441,940</u>
Less: Accumulated depreciation . . . . .	1,572,996	1,493,737
	<u>2,921,153</u>	<u>2,948,203</u>
As appraised by Canadian Appraisal Company Limited under date of August 27, 1955, of fixed assets as of December 31, 1954 on basis of depreciated replacement value plus subsequent additions at cost, less disposals.		
<b>DEFERRED</b>		
Prepaid insurance . . . . .	9,197	16,506
Other . . . . .	7,151	10,378
	<u>16,348</u>	<u>26,884</u>
	<u>\$7,791,072</u>	<u>\$6,835,795</u>

Signed on behalf of the Board

N. A. HESLER, *Director.*

N. T. AVARD, *Director.*



# PRODUCTS LIMITED

December 31, 1963

as at December 31, 1962)

## LIABILITIES

	1963	1962
CURRENT		
Bank loan — secured under Section 88 of the Bank Act . . . . .	\$1,480,000	\$ 540,000
Bills and accounts payable . . . . .	846,706	859,727
Accrued liabilities . . . . .	42,411	62,096
Accrued debenture interest . . . . .	10,094	10,775
Provision for taxes on income . . . . .	73,347	89,588
Dividend on capital stock payable January 31, 1964 . . . . .	22,125	22,120
	<u>2,474,683</u>	<u>1,584,306</u>
FUNDED DEBT		
4 <sup>3</sup> / <sub>4</sub> % Sinking fund debentures, Series "A", due April 1, 1976		
Authorized and issued . . . . .	1,250,000	1,250,000
Less: Debentures purchased under Sinking Fund provisions and cancelled . . . . .	400,000	350,000
	<u>850,000</u>	<u>900,000</u>
CAPITAL STOCK		
Common shares of no par value		
Class "A"		
Authorized — 250,000 shares		
Issued — 177,000 shares . . . . .	809,885	809,885
Class "B"		
Authorized — 250,000 shares		
Issued — 118,000 shares . . . . .	219,884	219,884
	<u>1,029,769</u>	<u>1,029,769</u>
Earnings retained in the business . . . . .	1,234,163	1,119,263
Increase in value of fixed assets over depreciated cost in accordance with appraisal . . . . .	2,202,457	2,202,457
	<u>\$7,791,072</u>	<u>\$6,835,795</u>

# ENAMEL & HEATING PRODUCTS LIMITED

## STATEMENT OF EARNINGS

For The Year Ended December 31, 1963

Income from operations before deducting the following . . . . .		\$ 528,863
Depreciation . . . . .	\$ 89,480	
Executive salaries . . . . .	72,000	
Directors' fees and expenses . . . . .	1,982	
Legal charges . . . . .	850	
Debenture interest . . . . .	42,424	206,736
		<hr/>
		322,127
Non-operating income . . . . .		15,889
		<hr/>
		338,016
Provision for taxes on income . . . . .		139,000
		<hr/>
Net earnings for the year . . . . .		\$ 199,016

### NOTE

The provision for income taxes for the year has been made on the basis of claiming maximum capital cost allowances. Such provision is \$10,800 less than the amount that would have been provided had it been made on the basis of the depreciation recorded on the accounts.

## STATEMENT OF RETAINED EARNINGS

Balance — January 1, 1963 . . . . .		\$1,119,263
<i>Add:</i> Net earnings for the year . . . . .	\$ 199,016	
Profit on debentures redeemed . . . . .	4,465	203,481
		<hr/>
		1,322,744
<i>Deduct:</i> Dividends on class "A" shares . . . . .	88,495	
Loss on disposal of assets . . . . .	86	88,581
		<hr/>
Balance — December 31, 1963 . . . . .		\$1,234,163



# Auditors' Report

To the Shareholders,  
Enamel & Heating Products, Limited,  
Sackville, N.B.

We have examined the balance sheet of Enamel & Heating Products, Limited as at December 31, 1963 and the related statements of earnings and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

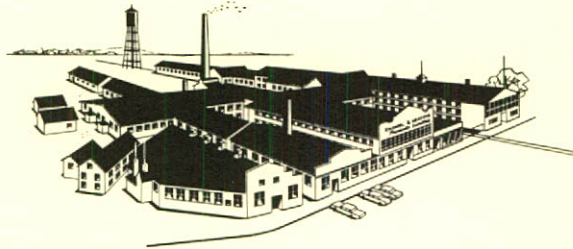
In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying balance sheet and related statements of earnings and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1963 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TOUCHE, ROSS, BAILEY & SMART  
*Chartered Accountants.*

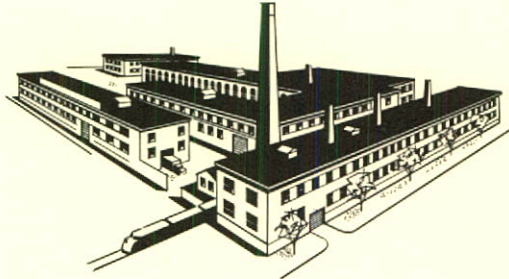
Saint John, N.B.  
February 12, 1964.



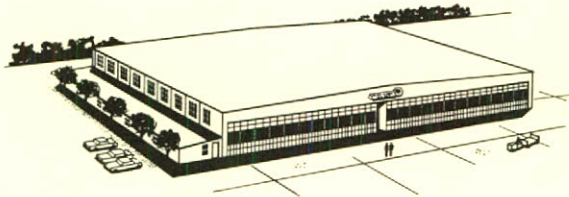
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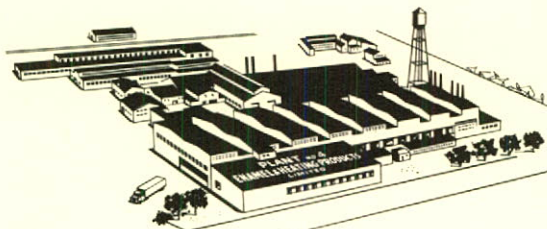
Plant No. 1 - SACKVILLE, N.B.



Plant No. 2 - AMHERST, N.S.



Plant No. 3 - CHARLOTTETOWN, P.E.I.



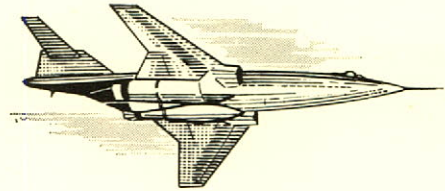
Plant No. 4 - AMHERST, N.S.



# PRODUCTS OF YOUR COMPANY

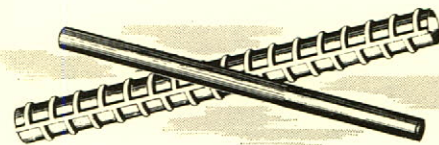
## **AIRCRAFT**

Advanced facilities for the manufacture of components and the maintenance of aircraft for National Defence.



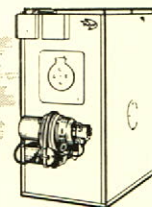
## **CONSTRUCTION**

The fabrication of concrete reinforcing steel, to custom specifications, for immediate delivery.



## **HEATING UNITS**

Oil, gas and solid fuel furnaces and heaters for home and business, engineered for top efficiency with utmost economy.



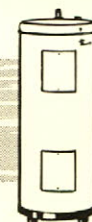
## **COOKING APPLIANCES**

Electric, gas, oil and solid fuel ranges . . . known and preferred by generations of Canadian women.



## **WATER HEATERS**

Electric or oil-fired glass lined water heaters provide a constant supply of crystal-clear hot water.



ENAMEL & HEATING PRODUCTS LIMITED . . . growing with Canada . . .  
anticipating the needs and desires of the people . . . establishing the standards of quality  
. . . serving the homes and industries of the Nation for more than a century.

**ENAMEL & HEATING PRODUCTS LIMITED**



