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Interest Products Ltd

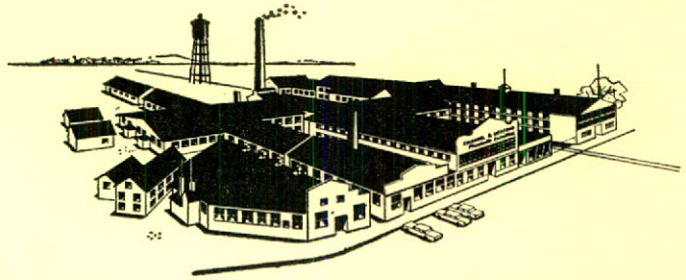
1962

ANNUAL
REPORT

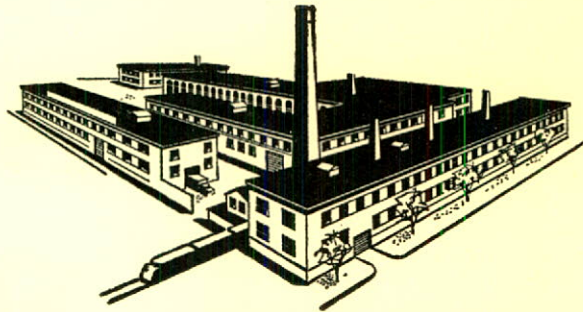


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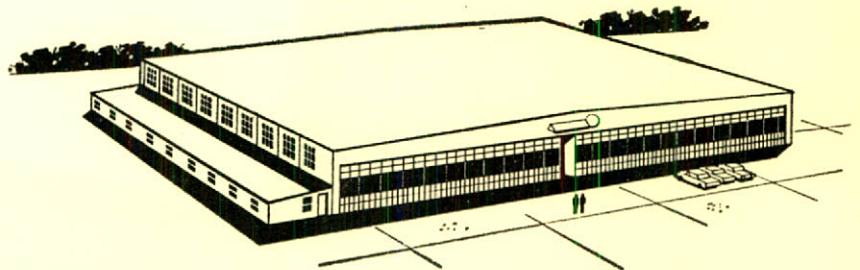




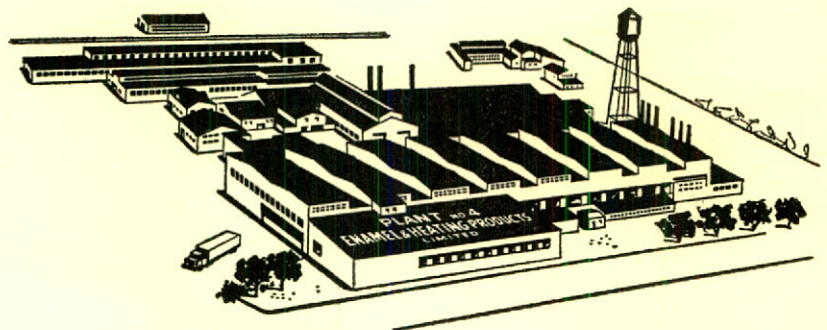
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N. B.



PLANT No. 2, AMHERST, N. S.



PLANT No. 3, CHARLOTTETOWN, P. E. I.



PLANT No. 4 AND AIRCRAFT DIVISION, AMHERST, N. S.



ANNUAL
REPORT

FOR THE YEAR ENDED DECEMBER 31ST 1962



ENAMEL & HEATING PRODUCTS LIMITED

ENAMEL & HEATING PRODUCTS LIMITED

SACKVILLE, N. B.

DIRECTORS

N. T. Avard	N. A. Hesler
S. R. Donaldson	H. G. Hesler
A. R. French	A. M. MacKay
R. B. Fullerton	F. R. Rand
H. Goldstein	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
L. A. Wilson	Sales Manager — Atlantic Division
K. Dinham	Sales Manager — Western Division
D. F. Wiley	Assistant Secretary-Treasurer
H. G. Burnett	Advertising Manager

AUDITORS

Touche, Ross, Bailey & Smart

ADVERTISING AGENCY

F. H. Hayhurst Co. Ltd.,
Montreal, P. Q.

TRANSFER AGENTS

Montreal Trust Company	The Central Trust Co. of Canada
Montreal, Que.	Moncton, N. B. — Amherst, N. S.

REGISTRARS

Canadian Trust Company	The Central Trust Co. of Canada
Montreal, Que.	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, 1962, 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 \$173,130.55.

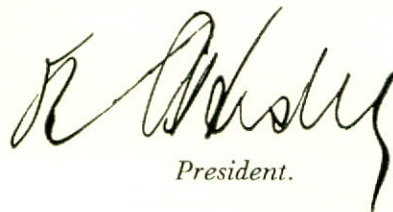
Our total sales for the year 1962 were approximately the same as 1961. At the end of June our total sales showed an increase of 28%, and by the end of September this increase had dropped to 13%, and by the end of the year our sales were within a few dollars of 1961. The decrease was due to the falling off of construction activities in the Maritime Provinces as well as a reduction in appliance sales due to highly competitive conditions.

The increase in capital expenditures was due in the main to the large building constructed to provide for expansion of our Rolling Mill and Aircraft Division. We do not anticipate any large capital expenditures for 1963, pending a more realistic appraisal of business conditions.

The increase in our inventories is mainly due to accumulation of large tonnage of scrap rails to take advantage of the low prices prevailing in the scrap market during the latter part of 1962.

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.

ENAMEL & HEATING

Balance Sheet as at

(With Comparative Figures)

ASSETS

CURRENT:	1962	1961
Cash	\$ 95,834	\$ 81,100
Accounts receivable — less reserve	1,418,289	1,746,680
Inventories — Raw materials, supplies, work in process and finished goods; physically taken and priced at the lower of cost or market value	2,345,085	1,805,440
	<u>3,859,208</u>	<u>3,633,220</u>
INVESTMENT SECURITIES AT COST	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
 FIXED:		
Land	96,700	89,200
Buildings	2,512,411	2,286,267
Machinery and equipment	1,754,516	1,688,283
Motor vehicles	78,313	69,251
	<u>4,441,940</u>	<u>4,133,001</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.		
 DEFERRED:		
Prepaid insurance	16,506	21,278
Other	10,378	10,856
	<u>26,884</u>	<u>32,134</u>
	<u>\$8,329,532</u>	<u>\$7,799,855</u>

Signed on behalf of the Board:

N. A. HESLER, Director.

N. T. AVARD, Director.

PRODUCTS, LIMITED

December 31, 1962

(figures as at December 31, 1961)

LIABILITIES

CURRENT:	1962	1961
Bank loan — secured under Section 88 of the Bank Act	\$ 540,000	\$ 185,000
Bills and accounts payable	859,727	785,151
Accrued liabilities	62,096	74,922
Accrued debenture interest	10,775	11,281
Provision for taxes on income	89,588	96,777
Dividend on capital stock payable January 31, 1963	22,120	26,550
	<u>1,584,306</u>	<u>1,179,681</u>
FUNDED DEBT:		
4 ³ / ₄ % 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	350,000	300,000
	<u>900,000</u>	<u>950,000</u>
ACCUMULATED DEPRECIATION:		
Buildings	450,741	426,923
Machinery and equipment	1,005,263	954,532
Motor vehicles	37,733	34,321
	<u>1,493,737</u>	<u>1,415,776</u>
CAPITAL STOCK:		
Preference shares — 4% non-cumulative redeemable of \$2.50 par value each:		
Authorized and issued — 236,000 shares (note)	—	590,000
Common shares of no par value:		
Class "A":		
Authorized — 250,000 shares		
Issued — 177,000 shares (note)	809,885	219,885
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	1,119,263	1,021,877
Increase in value of fixed assets over depreciated cost in accordance with appraisal	2,202,457	2,202,752
	<u>\$8,329,532</u>	<u>\$7,799,855</u>

NOTE: Supplementary letters patent dated July 3, 1962 confirmed:

- (1) the exchange of 236,000 preference shares for 59,000 Class "A" common shares, and
- (2) a reduction in the authorized capital of the company of \$590,000 being the aggregate par value of all of the preference shares.

ENAMEL & HEATING PRODUCTS LIMITED

STATEMENT OF EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1962

Income from operations before deducting the following:		\$ 530,936
Depreciation	\$ 96,175	
Executive salaries	64,500	
Directors' fees and expenses	2,008	
Legal charges	10,517	
Debenture interest	45,037	218,237
		312,699
Non-operating income		16,831
		329,530
Provision for taxes on income		156,399
Net earnings for the year		\$ 173,131

STATEMENT OF RETAINED EARNINGS

Balance — January 1, 1962		\$1,021,877
Add: Net earnings for the year	\$ 173,131	
Profit on debentures redeemed	6,406	
Profit on disposal of fixed assets	3,388	182,925
		1,204,802
Deduct: Dividends on Capital Stock:		
4% preference shares	11,800	
Class "A" common shares	73,739	85,539
Balance — December 31, 1962		\$1,119,263

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, 1962 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, 1962 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.

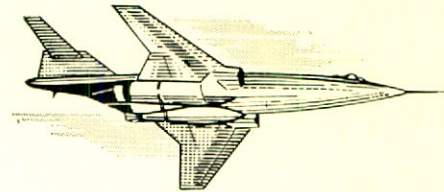
Saint John, N. B.
February 18, 1963.

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Fawcett

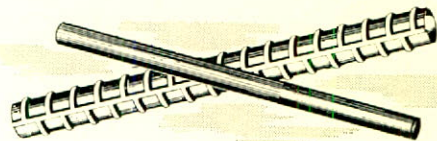
AIRCRAFT

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



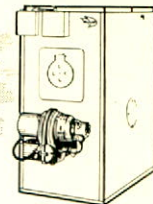
CONSTRUCTION

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



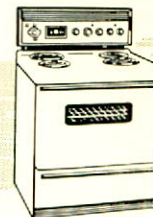
HEATING UNITS

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

Sackville, N.B. Amherst Halifax Charlottetown Montreal Vancouver



ENAMEL & HEATING PRODUCTS LIMITED

