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Enamel and heating
Products limited

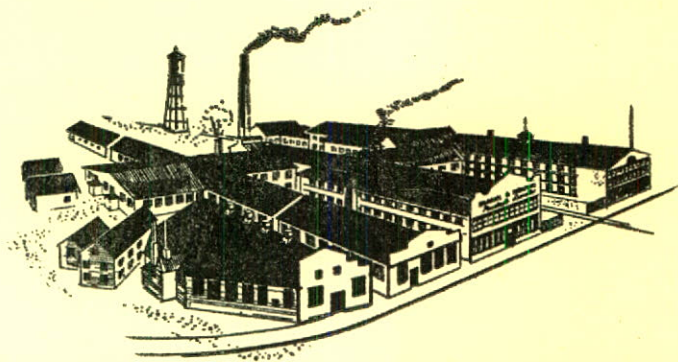
1961

ANNUAL
REPORT

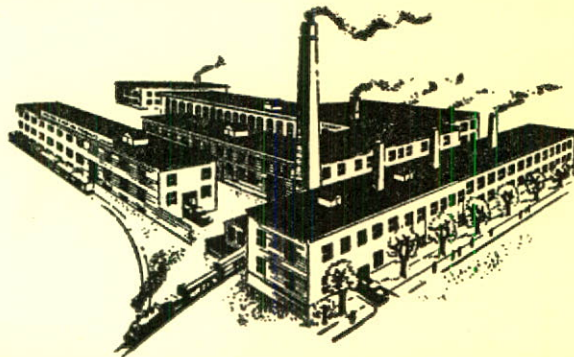


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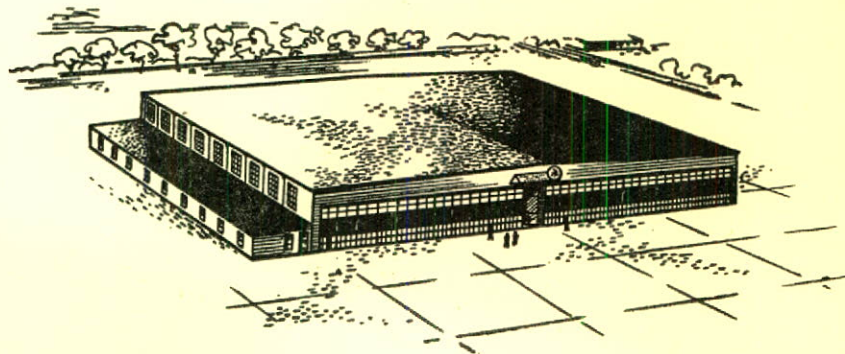




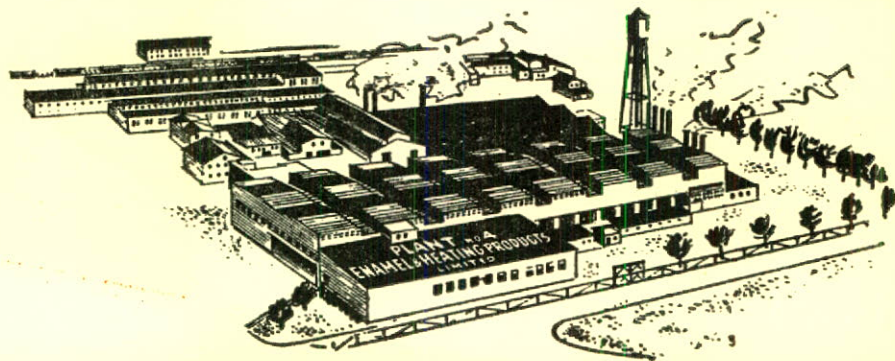
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N. B.



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 1961



ENAMEL & HEATING PRODUCTS LIMITED

ENAMEL & HEATING PRODUCTS LIMITED
SACKVILLE, N. B.

DIRECTORS

	N. A. Hesler
N. T. Avard	A. M. MacKay
A. R. French	F. R. Rand
H. Goldstein	W. J. Wienand, Jr.
H. G. Hesler	C. N. Wilson

OFFICERS

N. A. Hesler	President and General Manager
N. T. Avard	Vice-President
A. R. French	Vice-President, Finance Secretary and Treasurer
W. J. Wienand, Jr.	Vice-President in charge of Aircraft Division
S. R. Donaldson	Assistant General Manager
R. B. Fullerton	Comptroller Assistant Treasurer
A. M. Latta	General Sales Manager
H. G. Burnett	Advertising Manager

AUDITORS

Touche, Ross, Bailey & Smart

ADVERTISING AGENCY

Imperial Advertising Limited,
Halifax, N. S.

TRANSFER AGENTS

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

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



100 YEARS

factories:

SACKVILLE, N. B., AMHERST, N. S.

sales offices:

HALIFAX, N. S., MONTREAL, P. Q.,
CALGARY, ALTA., VANCOUVER, B. C.

ENAMEL & HEATING PRODUCTS LIMITED

RANGES - HEATERS - FURNACES - AIR CONDITIONING SYSTEMS

general offices:

SACKVILLE, NEW BRUNSWICK
CANADA

March 23, 1962.

In the President's Report he advised that a Special Meeting of the Shareholders would be held after the Annual Meeting for the purpose of adopting a resolution, if deemed advisable, to exchange our 4% Preference Shares for Class A Common Shares.

It has now been learned that due to certain necessary legal procedure, we are required to hold the Special Meeting prior to the Annual Meeting and therefore the Special Meeting of Shareholders will probably be held during the week of April 16, 1962.

Notice of the Meeting will be sent you in due course.

President's Report

Sackville, N. B.
February 26, 1962.

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, 1961, 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 \$176,547.77.

During 1961, we experienced a slight reduction in the sales of products of our Stove and Furnace Divisions, but the sales in our Rolling Mill and Aircraft Divisions were substantially higher so that the volume of the combined operations show an increase of 7.96% over last year.

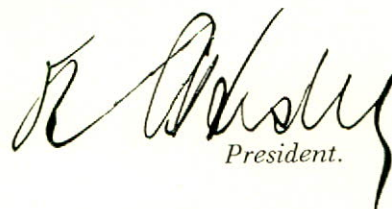
During 1962, we anticipate making Capital Expenditures of approximately \$332,000.00 to improve operations and to provide for expansion of our Rolling Mill and Aircraft Divisions.

While the durable goods industries throughout Canada and the United States have experienced severe competition, indications are that this situation will greatly improve and prices become more stable.

A special meeting of the Shareholders will be held after the Annual Meeting for the purpose of adopting a resolution, if deemed advisable, to exchange our 4% Preference Shares for Class "A" Common Shares of this Company on the basis of Four Preference Shares for One Class "A" Share. The annual dividend on Four Preference Shares amounts to 40 cents whereas Class "A" Shares are currently paying 50 cents.

We continue to experience excellent labor relations and wish to accord our appreciation for the co-operation and contributions made by all employees throughout the organization.

Respectfully submitted on behalf of the Board of Directors.


President.

ENAMEL & HEATING

Balance Sheet as at

ASSETS

(With Comparative Figures)

	1961	1960
CURRENT:		
Cash	\$ 81,100	\$ 128,206
Accounts receivable — less reserve	1,746,680	1,394,489
Inventories — Raw materials, supplies, work in process and finished goods; physically taken and priced at the lower of cost or market value	1,805,440	2,061,935
	<u>3,633,220</u>	<u>3,584,630</u>
INVESTMENT SECURITIES AT COST	1,500	1,500
	<u>1,500</u>	<u>1,500</u>
FIXED:		
Land	89,200	69,200
Buildings	2,286,267	2,248,136
Machinery and Equipment	1,688,283	1,681,547
Motor Vehicles	69,251	66,781
	<u>4,133,001</u>	<u>4,065,664</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	21,278	8,971
Other	10,856	28,820
	<u>32,134</u>	<u>37,791</u>
	<u>\$7,799,855</u>	<u>\$7,689,585</u>

Signed on behalf of the Board:

N. A. HESLER, Director.

N. T. AVARD, Director.

PRODUCTS, LIMITED

December 31, 1961

(as at December 31, 1960)

LIABILITIES

CURRENT:	1961	1960
Bank Loan — secured under Section 88 of the Bank Act	\$ 185,000	\$ 470,000
Bills and Accounts Payable	785,151	406,387
Accrued Liabilities	74,922	73,316
Accrued Debenture Interest	11,281	11,875
Provision for taxes on income	96,777	131,257
Dividend on capital stock payable January 31, 1962	26,550	20,650
	<u>1,179,681</u>	<u>1,113,485</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	300,000	250,000
	<u>950,000</u>	<u>1,000,000</u>
 ACCUMULATED DEPRECIATION:		
Buildings	426,923	413,606
Machinery and Equipment	954,532	908,256
Motor Vehicles	34,321	40,783
	<u>1,415,776</u>	<u>1,362,645</u>
 CAPITAL STOCK:		
Preference shares — 4% non-cumulative redeemable of \$2.50 par value:		
Authorized and issued — 236,000 shares	590,000	295,000
Common shares of no par value:		
Class "A":		
Authorized — 250,000 shares		
Issued — 118,000 shares	219,885	219,885
Class "B":		
Authorized — 250,000 shares		
Issued — 118,000 shares	219,884	219,884
	<u>1,029,769</u>	<u>734,769</u>
EARNINGS RETAINED IN THE BUSINESS — per statement attached	1,021,877	1,259,001
Increase in value of fixed assets over depreciated cost in accordance with appraisal	2,202,752	2,219,685
	<u>\$7,799,855</u>	<u>\$7,689,585</u>

Notes

- (1) Supplementary Letters Patent dated June 5, 1961 increased the authorized capital stock by the creation of 118,000 4% non-cumulative, redeemable preference shares of the par value of \$2.50 each.
- (2) Tax paid undistributed surplus of the company was capitalized pursuant to Section 105 of the Income Tax Act by the distribution to Common Shareholders of 118,000 4% non-cumulative, redeemable preference shares of the par value of \$2.50 each.

ENAMEL & HEATING PRODUCTS LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED DECEMBER 31, 1961

Profit from operations before deducting the following:		\$ 514,125
Depreciation	\$ 78,933	
Executive salaries	61,417	
Directors' fees and expenses	2,268	
Legal charges	270	
Debenture interest	47,279	190,167
		323,958
Non-operating income		12,339
		336,297
Provision for taxes on income		159,749
		\$ 176,548
Net income for the year		\$ 176,548

STATEMENT OF RETAINED EARNINGS

Balance at credit — January 1, 1961		\$1,259,001
Add: Net income for the year — per statement of profit and loss	\$ 176,548	
Profit on debentures redeemed	7,140	
Profit on disposal of fixed assets	4,549	1 88,237
		1,447,238
Deduct:		
Expenses relating to issue of preference shares	1,761	
Tax paid pursuant to Section 105 of the Income Tax Act	51,900	
Dividends on Capital Stock:		
4% preference shares	\$17,700	
Class "A" common shares	59,000	76,700
Stock dividend of 118,000 shares of 4% non-cumulative, redeemable preference shares of \$2.50 par value each	295,000	425,361
		\$1,021,877
Balance at credit — December 31, 1961		\$1,021,877

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, 1961 and the related statements of profit and loss 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 profit and loss 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, 1961 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 26, 1962.

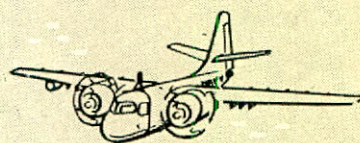
SYMBOLS OF PROGRESS

SINCE 1852

Fawcett



IN THE AIR

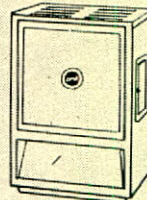


AND IN CONSTRUCTION

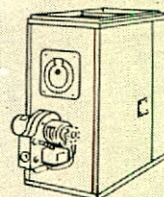
REINFORCING STEEL



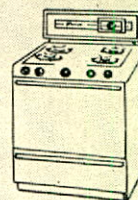
IN ROOM HEATING



IN HOME HEATING



AND IN THE KITCHEN



Enamel & Heating Products Limited have served Canadian homes and industry for more than a century . . . meeting the twin demands of higher quality and lower cost.

ENAMEL & HEATING PRODUCTS LIMITED

Sackville, N. B. • Amherst • Halifax • Montreal • Calgary • Vancouver

ENAMEL & HEATING PRODUCTS LIMITED

