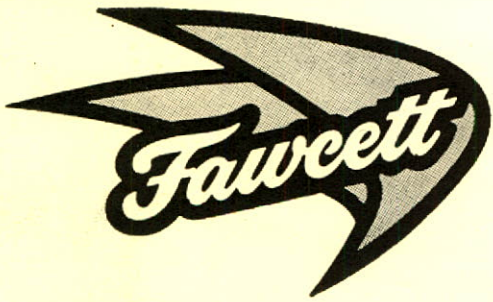


*Latest info*

Enamel & Heating Products Ltd.

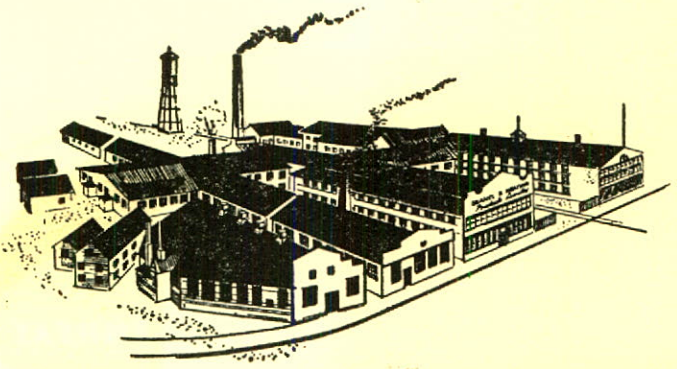
**1956**  
**ANNUAL**  
**REPORT**



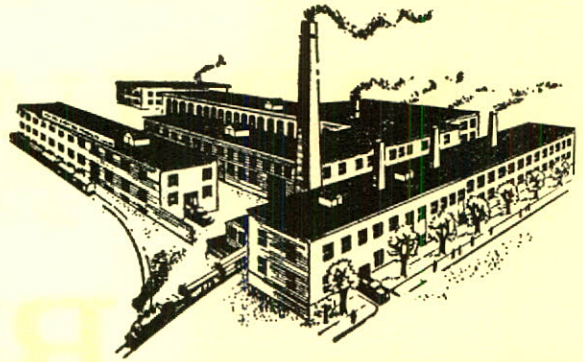
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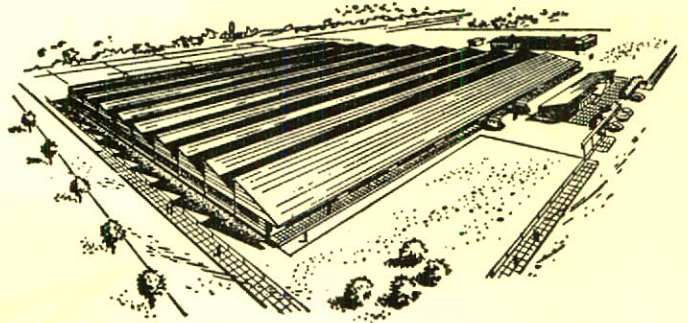
MCGILL UNIVERSITY



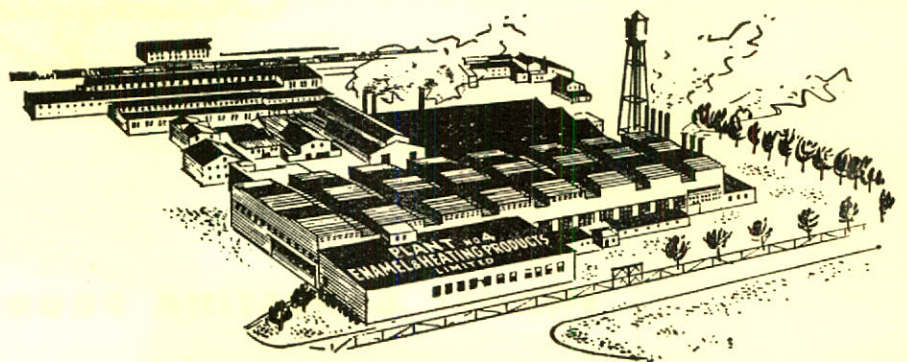
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N.B.



PLANT No. 2, AMHERST, N.S.



AFFILIATED PLANT, JOHANNESBURG, SOUTH AFRICA



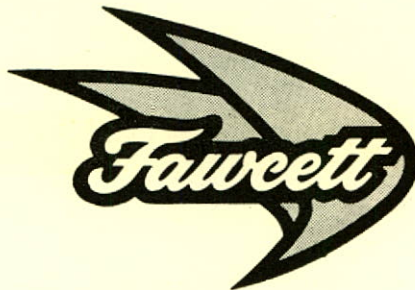
PLANT No. 4 AND AIRCRAFT DIVISION, AMHERST, N.S.



ANNUAL

REPORT

FOR THE YEAR ENDED DECEMBER 31ST 1956



**ENAMEL & HEATING PRODUCTS LIMITED**

ENAMEL & HEATING PRODUCTS LIMITED  
SACKVILLE, N.B.

**DIRECTORS**

N. A. Hesler

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

**OFFICERS**

N. A. Hesler	President and General Manager
N. T. Avard	Vice-President
A. R. French	Vice-President, Assistant General Manager Secretary and Treasurer
H. Goldstein	Vice-President in charge of Plant 1
F. R. Rand	Vice-President in charge of Plant 2
W. J. Wienand, Jr.	Vice-President in charge of Aircraft Division
E. A. Kajander	Vice-President in charge of Sales
H. G. Burnett	Advertising Manager
R. B. Fullerton	Assistant Treasurer

**AUDITORS**

P. S. Ross and Sons

**ADVERTISING AGENCY**

Collyer Advertising Limited  
Montreal, Que.

**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

Sackville, N.B.

February 28th, 1957

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, 1956, 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 \$219,986.65 which has been credited to surplus.

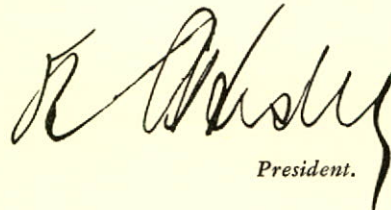
During the year we have experienced intensive competition in our Stove and Heater Division, more particularly as a result of heavy American imports, but we are glad to report as a result of an increase of 18.3% in Sales over the year 1955 we were able to show an increase in profits of \$50,980.15.

During the past year we retired our First Mortgage Bonds and Convertible Debentures and we were fortunate in being able to issue new Debentures for \$1,250,000.00 with an interest rate of 4 $\frac{3}{4}$ %. We were hoping that as a result of our operations we would be able to redeem the Preferred shares before the end of the year, but as a result of heavy investment in inventories and particularly increased cost of scrap rails for our Rolling Mill your Directors deemed it prudent to defer the redemption until a later date. In the meantime a half yearly dividend amounting to 2% was paid to the holders of Preferred shares on January 31, 1957.

In view of the fact that all our Plants are in excellent condition and our products up-to-date and widely known we anticipate increased sales for 1957.

Our Labor contracts at all Plants were conducted in an amicable atmosphere and we are happy to state that all Agreements for 1957 have been completed. We wish to record our appreciation for the co-operation received from the various Unions and for the real contribution made by the employees throughout the entire organization.

Respectfully submitted on behalf of the Board of Directors.



President.

# ENAMEL & HEATING

## Balance Sheet as at

(With Comparative Figures)

### ASSETS

CURRENT ASSETS :	1956	1955
Cash .....	\$ 184,324.96	\$ 56,597.54
Accounts Receivable .....	1,127,102.46	987,500.39
Inventories—Raw Materials, Supplies, Work in Process and Finished Goods, physically taken and valued at the lower of cost or market prices .....	2,036,369.91	1,317,351.00
	<u>3,347,797.33</u>	<u>2,361,448.93</u>
INVESTMENT SECURITIES AT COST .....	1,500.00	16,392.03
	<u>1,500.00</u>	<u>16,392.03</u>
FIXED CAPITAL ASSETS :		
Land .....	69,200.00	69,200.00
Buildings .....	2,256,406.29	2,253,198.73
Machinery and Equipment .....	1,450,091.63	1,382,772.15
Motor Vehicles .....	48,855.21	48,457.26
	<u>3,824,553.13</u>	<u>3,753,628.14</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 DEBITS :		
Prepaid Insurance .....	13,216.53	10,206.31
Other .....	31,159.70	36,090.25
	<u>44,376.23</u>	<u>46,296.56</u>
	<u>\$ 7,218,226.69</u>	<u>\$ 6,177,765.66</u>

Signed on behalf of the Board :

N. A. HESLER, Director.

N. T. AVARD, Director.

# G PRODUCTS LIMITED

December 31, 1956

as at December 31, 1955)

## LIABILITIES

CURRENT LIABILITIES :	1956	1955
Bank Loan—Secured under Section 88 of the Bank Act .....	\$ 295,000.00	—
Bills and Accounts Payable .....	669,999.59	\$ 450,469.59
Accrued Liabilities .....	72,834.30	66,646.70
Accrued Bond and Debenture Interest .....	14,255.94	12,381.24
Provision for Taxes on Income .....	113,750.56	101,810.04
Dividends on Capital Stock payable Jan. 31, 1957	17,700.00	11,800.00
	<u>1,183,540.39</u>	<u>643,107.57</u>
FUNDED DEBT (Note 1) .....	<u>1,200,500.00</u>	<u>787,500.00</u>
ACCUMULATED DEPRECIATION :		
Buildings .....	373,343.68	355,418.86
Machinery and Equipment .....	701,702.80	653,739.07
Motor Vehicles .....	28,786.19	25,605.32
	<u>1,103,832.67</u>	<u>1,034,763.25</u>
CAPITAL STOCK (Note 2) .....	734,768.71	439,768.71
EARNED SURPLUS — <i>per statement attached</i> .....	734,545.80	1,011,587.01
Increase in value of Fixed Assets over Depreciated Cost in accordance with Appraisal .....	2,261,039.12	2,261,039.12
	<u>\$ 7,218,226.69</u>	<u>\$ 6,177,765.66</u>

Submitted with our accompanying  
Report dated March 8, 1957.

P. S. ROSS & SONS,  
Chartered Accountants,  
Saint John, N.B.

# ENAMEL & HEATING PRODUCTS LIMITED

## NOTES TO FINANCIAL STATEMENTS

As at December 31, 1956

NOTE 1 :	1956	1955
<b>FUNDED DEBT :</b>		
4¾% Sinking Fund Debentures, Series A, due April 1, 1976— Authorized and Issued .....	\$ 1,250,000.00	
Less: Debentures purchased for Sinking Fund Instalment due April 1, 1957 .....	49,500.00	
	1,200,500.00	
4% First Mortgage Sinking Fund Bonds, due June 1, 1962 :		
Authorized and Issued .....		\$ 300,000.00
Less: Redeemed and Cancelled .....		70,000.00
		230,000.00
5% Convertible Debentures, due August 1, 1966 :		
Authorized and Issued .....		600,000.00
Less: Redeemed and Cancelled .....		42,500.00
		557,500.00
<b>TOTAL FUNDED DEBT</b> .....	<b>\$ 1,200,500.00</b>	<b>\$ 787,500.00</b>

The total Funded Debt outstanding at December 31, 1955 was retired during the year. The Trust Deed securing the 4¾% Sinking Fund Debentures provides for the payment of annual Sinking Fund Instalments on or before April 1, in each of the years 1957 to 1975, both years inclusive, a sum sufficient to retire \$49,500. principal amount of Series A Debentures.

NOTE 2 :	1956	1955
<b>CAPITAL STOCK :</b>		
Preferred Shares —		
Authorized — 118,000 4% non-cumulative redeemable shares of \$2.50 par value		
Issued — 118,000 shares .....	\$ 295,000.00	
Common Shares of no par value		
CLASS A —		
Authorized — 250,000 shares		
Issued — 118,000 shares .....	219,884.36	
CLASS B —		
Authorized — 250,000 shares		
Issued — 118,000 shares .....	219,884.35	
Authorized — 250,000 shares		
Issued — 118,000 shares .....		\$ 439,768.71
<b>TOTAL CAPITAL STOCK</b> .....	<b>\$ 734,768.71</b>	<b>\$ 439,768.71</b>

Supplementary Letters Patent issued to the Company on June 18, 1956 authorized :

- (1) increasing the authorized capital by the amount of \$295,000. by the creation of 118,000 4% non-cumulative, redeemable preferred shares of the par value of \$2.50 each, and
- (2) subdividing each of the existing common shares, whether issued or unissued, into one Class A share and one Class B share, all without nominal or par value.

The 118,000 shares issued and outstanding at December 31, 1955 were subdivided during the year by the issue of one Class A share and one Class B share for each common share outstanding.

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 preferred shares of the par value of \$2.50 each.



# ENAMEL & HEATING PRODUCTS LIMITED

## STATEMENT OF PROFIT AND LOSS

For the Year ended December 31, 1956

PROFIT from operations before deducting the following:		\$ 551,857.86
Depreciation .....	\$ 74,645.56	
Executive salaries .....	60,500.00	
Directors' fees and expenses .....	1,690.72	
Legal charges .....	836.50	
Bond and Debenture interest .....	47,408.64	185,081.42
		366,776.44
Non-operating income — net (after deducting depreciation \$608.56) .....		26,496.06
		393,272.50
Provision for Taxes on Income .....		173,285.85
		\$ 219,986.65

## STATEMENT OF EARNED SURPLUS

Balance at credit — January 1, 1956 .....		\$ 1,011,587.01
Add: Net Income for the Year — per statement of Profit and Loss .....	\$ 219,986.65	
Profit on Bonds and Debentures redeemed .....	1,504.02	
Profit on sale of Investments .....	466.72	
Profit on disposal of Fixed Assets .....	1,593.51	223,550.90
		1,235,137.91
Deduct:		
Debenture discount and expenses .....	81,146.66	
Tax paid pursuant to Section 105 of the Income Tax Act .....	52,827.95	
Premium on redemption of Funded Debt .....	18,517.50	
Dividends on Capital Stock:		
4% preferred shares .....	\$ 5,900.00	
Class A common shares .....	23,600.00	
Common shares (prior to sub-division) .....	23,600.00	53,100.00
Stock dividend of 118,000 shares of 4% non-cumulative, redeemable preferred shares of \$2.50 par value each .....	295,000.00	500,592.11
		\$ 734,545.80

# *Auditors' Report*

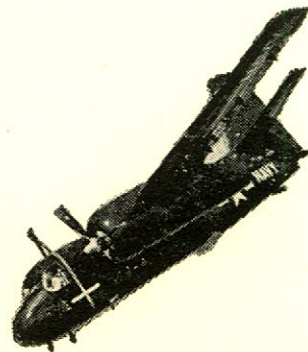
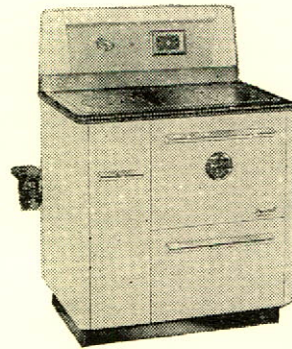
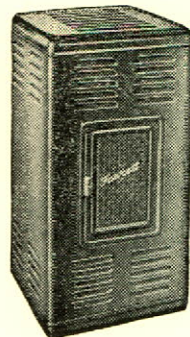
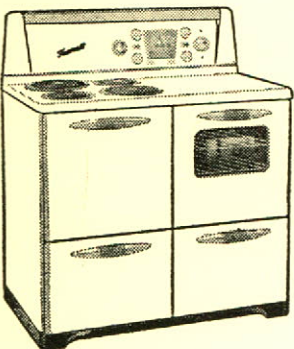
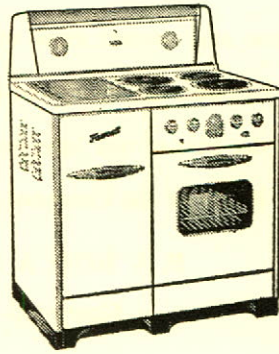
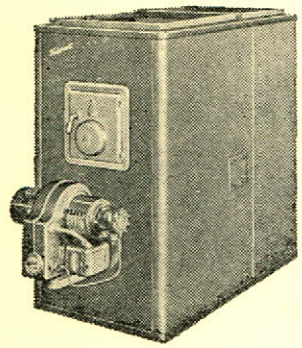
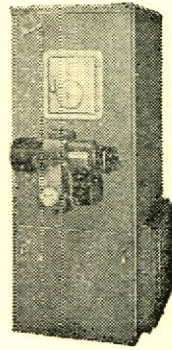
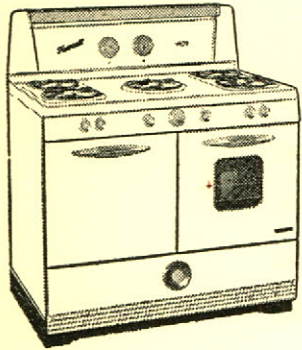
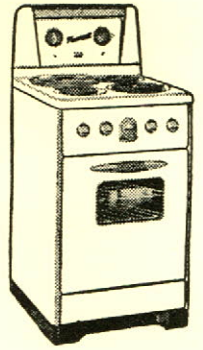
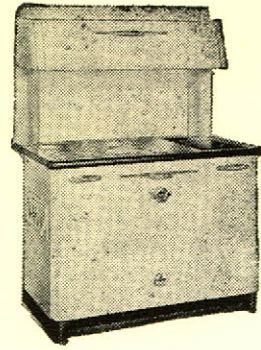
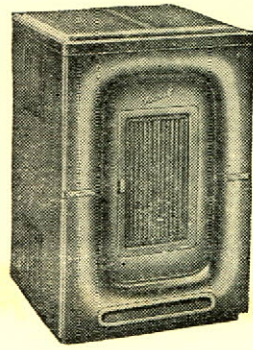
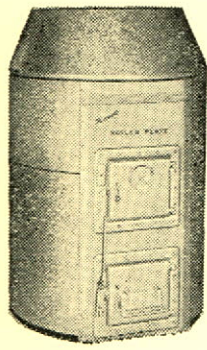
TO THE SHAREHOLDERS,  
ENAMEL & HEATING PRODUCTS LIMITED,  
SACKVILLE, N.B.

We have examined the Balance Sheet of ENAMEL & HEATING PRODUCTS, LIMITED as at December 31, 1956 and the related statements of profit and loss and earned surplus 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 the accompanying balance sheet, supplemented by the notes appended thereto, and the related statements of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at December 31, 1956, and the results of its operations for the year ended on that date according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,  
Chartered Accountants.

Saint John, N.B.  
March 8, 1957.



*Products marketed in Canada  
under the brand name*

*Fawcett*

**RANGES —**

- Oil
- Coal
- Wood
- Electric
- Gas
- Combination

**COOK AND  
BOAT STOVES —  
HEATING STOVES**

- Oil
- Coal
- Wood
- Gas

**HEATERS —**

- Oil
- Coal
- Wood
- Gas

**WARM AIR  
FURNACES —**

- Oil
- Coal
- Wood
- Gas

Air Conditioning Equipment

**ENHEAT STEEL**

Drift Bolts — Machine Bolts — Tie Rods —  
Concrete Reinforcing Steel Bars

**ENHEAT AIRCRAFT**

Maintenance — Production — Overhaul Facilities

