

1955

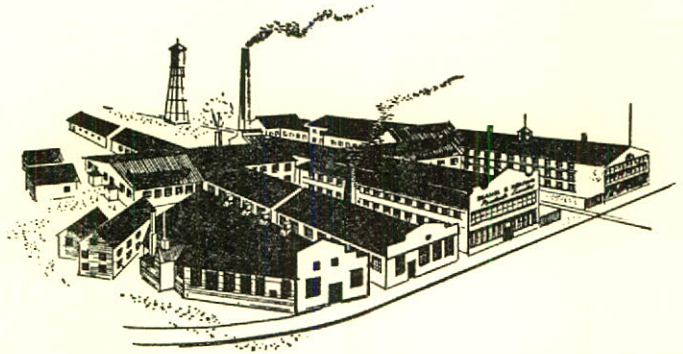
ENAMEL AND HEATING PRODUCTS LTD.

# ANNUAL REPORT

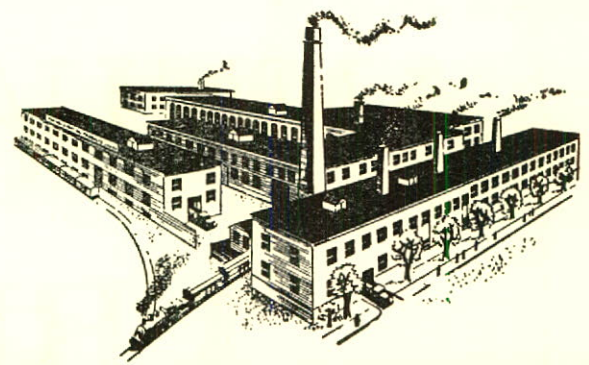
*Fawcett*

PURVIS HALL  
LIBRARIES

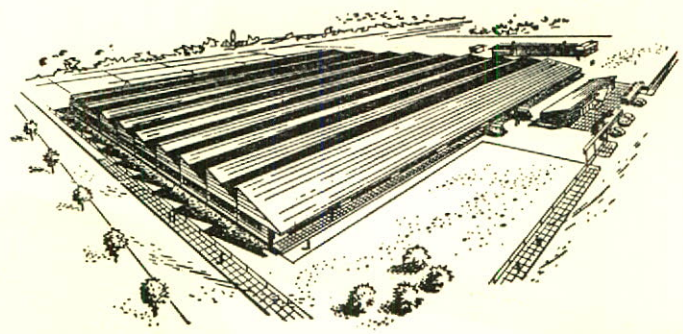




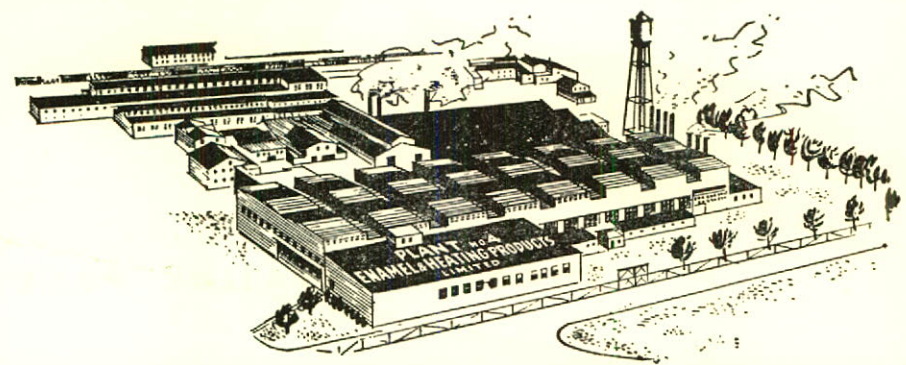
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N.B.



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 1955



**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
R. J. Hesler	Vice-President in charge of Sales
H. G. Burnett	Director of Public Relations
R. B. Fullerton	Assistant Treasurer

### AUDITORS

P. S. Ross and Sons

### ADVERTISING AGENCY

McConnell Eastman & Company 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 18, 1956.

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, 1955, 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, but before providing for accelerated depreciation for the year 1955, amounted to \$169,006.50 which has been credited to surplus.

While the Stove and Heater Division has been faced with intensive competition as a result of heavy American imports, we are glad to report that as a result of increased sales of Furnaces, Rolling Mill products and Aircraft production, our profits show an increase of \$94,191.20 over the previous year.

In order to acquaint our shareholders with the proper valuation of our properties we employed the Canadian Appraisal Company to revalue our properties and as a result of their report we have shown the increased values on our Balance Sheet.

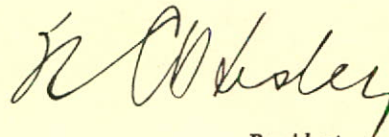
As a result of Capital expenditures during the past few years at all plants, particularly the Aircraft division, we have decided to redeem all outstanding First Mortgage Bonds as well as Convertible Debentures, and at a special meeting to be held immediately after the general meeting we will request consideration and if deemed advisable to adopt a by-law providing for the creation of a new debenture issue totalling \$1,250,000.

In order to create a wider market for our shares your Directors have decided to ask for the approval of a by-law to provide for the sub-division of our present outstanding common shares into Class "A" and Class "B" shares in equal proportions. Your Directors will also request approval of a by-law providing for the issue of redeemable preferred shares towards starting a procedure of distributing shares to shareholders by conversion of tax paid surplus into preferred shares under section 105 of the Income Tax Act. Particulars of these changes in our capital structure will be found in the special notices mailed to shareholders calling for a special general meeting.

Notwithstanding the intensive competition in Stoves and Heaters we are glad to say that as a result of increased lines in our Furnace division, increased demand for Rolling Mill products and additional Aircraft contracts, we anticipate a much larger volume of business for 1956.

Our Labor contracts at all Plants were conducted in an amicable atmosphere and we are happy to state that all Agreements for 1956 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.

# *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, 1955, and the related statements of profit and loss and 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.

Fixed capital asset values as of December 31, 1954 have been adjusted to the amounts as appraised under date of August 27, 1955 by Canadian Appraisal Company Limited on the basis of depreciated replacement values at December 31, 1954. The credit arising therefrom has been included in the balance sheet for the amount of \$2,261,039.12.

Subject to the foregoing in our opinion, the accompanying balance sheet and related statements of profit and loss and 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, 1955, 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.  
February 20, 1956.



# ENAMEL & HEATING

## Balance Sheet as at

(With Comparative Figures)

### ASSETS

CURRENT ASSETS :	1955	1954
Cash .....	\$ 56,597.54	\$ 53,488.74
Accounts Receivable .....	987,500.39	1,107,219.65
Inventories—Raw Materials, Supplies, Work in Process and Finished Goods physically taken and valued at the lower of cost or market prices .....	1,317,351.00	1,221,012.46
	<u>\$ 2,361,448.93</u>	<u>\$ 2,381,720.85</u>
INVESTMENT SECURITIES AT COST .....	\$ 16,392.03	\$ 16,392.03
 FIXED CAPITAL ASSETS :		
Land .....	69,200.00	27,025.37
Buildings .....	2,253,198.73	701,679.74
Machinery and Equipment .....	1,382,772.15	909,350.14
Motor Vehicles .....	48,457.26	40,478.74
	<u>\$ 3,753,628.14</u>	<u>\$ 1,678,533.99</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 .....	\$ 10,206.31	\$ 9,734.17
Other .....	36,090.25	61,500.34
	<u>\$ 46,296.56</u>	<u>\$ 71,234.51</u>
	 <u><u>\$ 6,177,765.66</u></u>	 <u><u>\$ 4,147,881.38</u></u>

Signed on behalf of the Board :

N. A. HESLER, Director.

N. T. AVARD, Director.



# PRODUCTS LIMITED

December 31, 1955

(as at December 31, 1954)

## LIABILITIES

CURRENT LIABILITIES :	1955	1954
Bank Loan—Secured under Section 88 of the Bank Act .....	—	\$ 435,000.00
Bills and Accounts Payable .....	\$ 450,469.59	248,930.10
Accrued Liabilities .....	66,646.70	59,462.37
Accrued Bond and Debenture Interest .....	12,381.24	12,884.96
Provision for Taxes on Income .....	101,810.04	1,130.14
Dividend on Capital Stock payable Jan. 31, 1956....	11,800.00	11,800.00
	<u>\$ 643,107.57</u>	<u>\$ 769,207.57</u>
<b>FUNDED DEBT :</b>		
4% First Mortgage Sinking Fund Bonds due June 1, 1962—Authorized and Issued .....	\$ 300,000.00	\$ 300,000.00
Less: Redeemed and Cancelled .....	70,000.00	59,500.00
	<u>\$ 230,000.00</u>	<u>\$ 240,500.00</u>
NOTE: Sinking Fund instalment of \$9,500.00 due January 3, 1956 was paid at that date.		
5% Convertible Debentures, due August 1, 1966, Authorized and Issued .....	\$ 600,000.00	\$ 600,000.00
Less: Redeemed and Cancelled .....	42,500.00	20,000.00
	<u>\$ 557,500.00</u>	<u>\$ 580,000.00</u>
NOTE: Called for Redemption on February 1, 1956.		
TOTAL FUNDED DEBT .....	<u>\$ 787,500.00</u>	<u>\$ 820,500.00</u>
<b>ACCUMULATED DEPRECIATION :</b>		
Buildings .....	\$ 355,418.86	\$ 336,241.87
Machinery & Equipment .....	653,739.07	578,012.07
Motor Vehicles .....	25,605.32	23,871.73
	<u>\$ 1,034,763.25</u>	<u>\$ 938,125.67</u>
<b>CAPITAL STOCK :</b>		
Authorized—250,000 shares of no par value .....		
Issued—118,000 shares of no par value .....	\$ 439,768.71	\$ 439,768.71
<b>EARNED SURPLUS .....</b>	<b>1,011,587.01</b>	<b>923,162.31</b>
Increase in value of Fixed Assets over Depreciated Cost in accordance with Appraisal .....	2,261,039.12	257,117.12
	<u>\$ 6,177,765.66</u>	<u>\$ 4,147,881.38</u>

Submitted with our accompanying  
Report dated February 20, 1956.

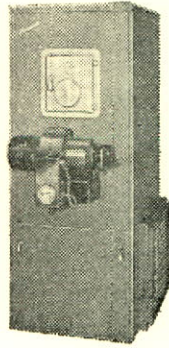
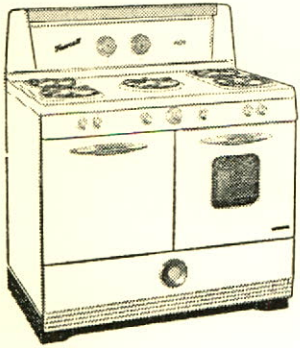
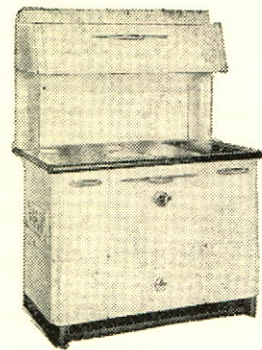
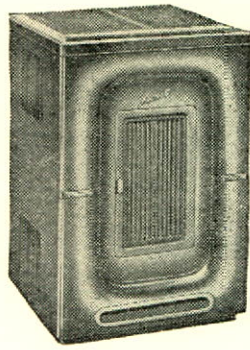
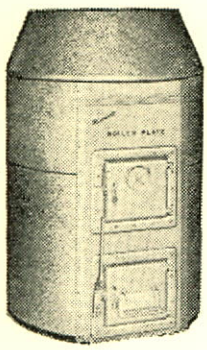
P. S. ROSS & SONS,  
Chartered Accountants,  
Saint John, N.B.

**ENAMEL & HEATING PRODUCTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS AND SURPLUS**

For the Year ended December 31, 1955

PROFIT from operations before deducting the following :	\$446,955.20
Depreciation .....	\$ 79,078.76
Executive salaries .....	55,300.00
Directors' fees and expenses .....	1,672.59
Legal charges .....	1,020.50
Bond and debenture interest .....	37,605.11
	174,676.96
	\$272,278.24
Non-operating income — net (after deducting depreciation \$784.39) .....	28,554.15
	\$300,832.39
Provision for Taxes on Income .....	131,825.89
	\$169,006.50
<b>EARNED SURPLUS :</b>	
Balance at credit — January 1, 1955 .....	\$923,162.31
Add: Profit on bonds redeemed .....	\$ 282.50
Profit on debentures redeemed .....	141.25
Profit on disposal of Fixed Assets .....	1,593.21
	2,016.96
	\$925,179.27
Deduct: Dividends on Capital Stock (including dividend of \$11,800.00 declared November 21, 1955, payable January 31, 1956.) .....	47,200.00
Accelerated Depreciation — excess depreciation allowed over normal rates .....	25,876.18
Net amount written off re:	
Termination of Contract .....	9,522.58
	82,598.76
	842,580.51
	\$ 1,011,587.01
BALANCE at credit December 31, 1955 .....	\$ 1,011,587.01





*Products marketed in Canada  
under the brand name*

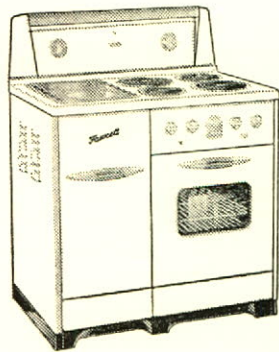
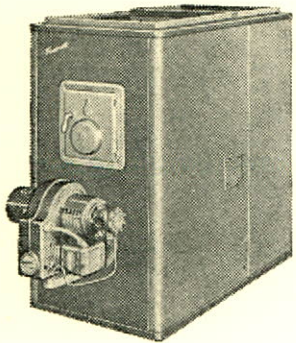
*Fawcett*

RANGES —  
Oil  
Coal  
Wood  
Electric  
Gas  
Combination

HEATERS —  
Oil  
Coal  
Wood  
Gas

COOK AND  
BOAT STOVES —  
HEATING STOVES  
Oil  
Coal  
Wood  
Gas

WARM AIR  
FURNACES —  
Oil  
Coal  
Wood  
Gas



Air Conditioning Equipment and Installations  
Oil Fired Hot Water Tanks

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

