

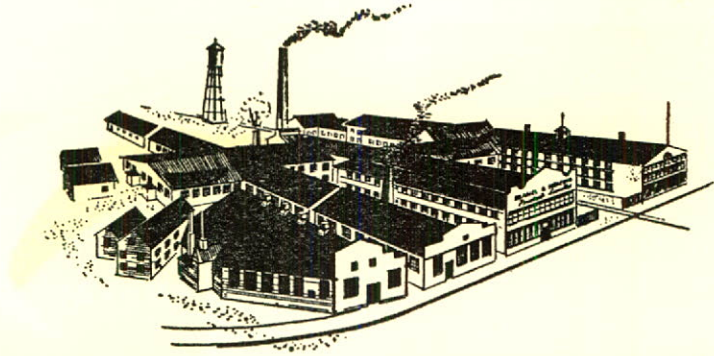
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ENAMEL AND HEATING PRODUCTS, LTD.

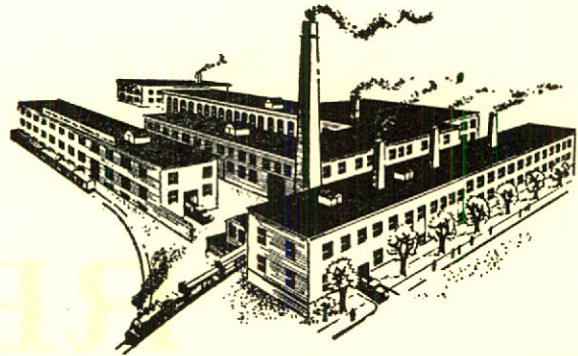
# ANNUAL REPORT

*Fawcett*

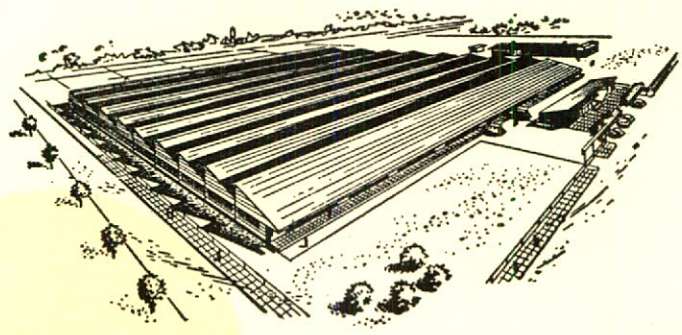
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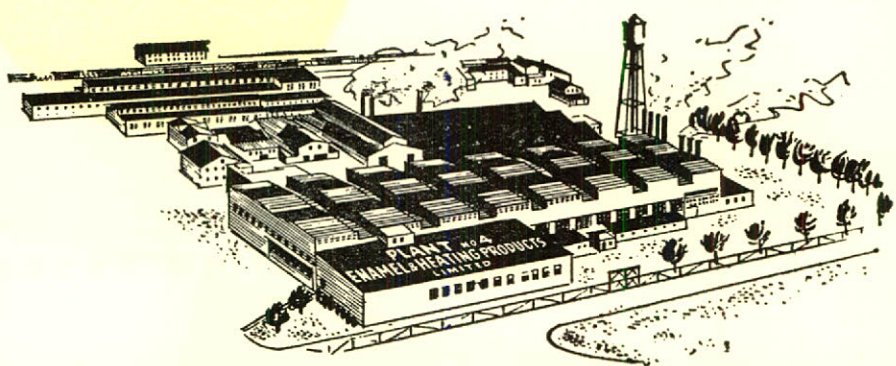
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N.B.



PLANT No. 2, AMHERST, N.S.



PLANT No. 3, JOHANNESBURG, SOUTH AFRICA



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



# ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31ST 1954



**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 Production
F. R. Rand	Vice-President in charge of Sales
W. J. Wienand, Jr.	Vice-President in charge of Aircraft Division
R. J. Hesler	Executive Assistant to the President
R. B. Fullerton	Assistant Treasurer

AUDITORS

P. S. Ross and Sons

ADVERTISING AGENCY

James Lovick & Company Limited  
Montreal, P.Q.

TRANSFER AGENTS

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

REGISTRARS

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

# *President's Report*

Sackville, N.B.,

March 15, 1955.

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, 1954, 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 amounted to \$74,815.30. The accelerated depreciation for the year 1954, amounting to \$25,876.18, has been charged to surplus. The net profits for the previous year amounted to \$105,098.48 after full provision for depreciation, including accelerated depreciation of \$12,938.09.

While our Rolling Mill showed an increased profit over the previous year this was offset by a small decline in the operation of the Aircraft Division due to the fact the contracts we have are not yet in full production, but more particularly the reduction in earnings from our range and heater division due to the intense competition and heavy importations from the United States.

During the year 1953 (latest figure available) 50% of the Gas Ranges and Oil Space Heaters sold in Canada were imported from the United States. Representations have been made to the Government by the Canadian Institute of Stove & Furnace Manufacturers to provide sufficient protection to permit domestic manufacturers to retain the majority of their home market until the increase in Canada's population provides a market large enough to permit production on a scale which will put us on equal footing with

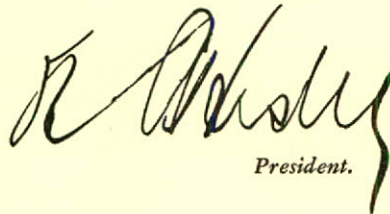
the manufacturers in the United States, and more particularly that the value for duty be established in no case less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for administration, selling cost and profit.

Until further protection is granted Canadian manufacturers, we do not anticipate any improvement in the earnings from the Stove and Heater Division, but our backlog of orders indicate a larger profit from our Rolling Mill and Aircraft Division for 1955.

The increased use of steel railway car wheels resulted in reduction in the operation of our Car Wheel Plant, with the result it was deemed advisable by your Directors to dispose of the Car Wheel Foundry to the Dominion Wheel & Foundry Co. Limited at Trenton, Nova Scotia, so that there would be sufficient volume for at least one Plant to operate profitably.

We are happy to state that our labour relations are excellent, and we wish to record our appreciation 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, 1954 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.

Pursuant to Section 118 of the Companies' Act (R.S. 1952), we report that the subsidiary company, not consolidated herein, did not operate during the year under review.

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 the affairs of the Company as at December 31, 1954 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 3, 1955.

# ENAMEL & HEATING

Balance Sheet as at

(With Comparative Figure

## ASSETS

CURRENT ASSETS :	1954	1953
Cash .....	\$ 53,488.74	\$ 57,174.09
Accounts Receivable, less provision for doubtful accounts \$3,181.12 .....	1,084,556.67	852,455.56
Due from Employees—Subscriptions to Canada Savings Bonds .....	15,969.93	18,556.57
Due from Department of National Revenue— Overpayment of Income Taxes .....	22,662.98	—
Inventories—Raw Materials, Supplies, Work in Process and Finished Goods physically taken and valued at the lower of cost or market prices .....	1,221,012.46	1,611,999.71
	<u>\$ 2,397,690.78</u>	<u>\$ 2,540,185.93</u>
INVESTMENT SECURITIES, AT COST .....	<u>\$ 16,392.03</u>	<u>\$ 21,392.03</u>
<b>INVESTMENTS IN REAL ESTATE :</b>		
As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replace- ment Value—Valued at April 1, 1927 plus subsequent additions at cost .....	\$ 4,560.10	\$ 5,760.10
INVESTMENT IN SUBSIDIARY COMPANY, NOT CONSOLIDATED .....	<u>\$ 70.00</u>	<u>\$ 70.00</u>
<b>FIXED CAPITAL ASSETS :</b>		
Land .....	\$ 27,025.37	\$ 39,525.37
Buildings .....	697,119.64	718,762.24
Machinery and Equipment .....	909,350.14	876,118.34
Motor Vehicles .....	40,478.74	40,232.85
	<u>\$ 1,673,973.89</u>	<u>\$ 1,674,638.80</u>
As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replace- ment Value—valued at April 1, 1927, February 11, 1928 and December 14, 1929, plus subse- quent additions at cost, less disposals.		
<b>DEFERRED DEBITS :</b>		
Prepaid Insurance .....	\$ 9,734.17	\$ 19,518.34
Other .....	61,500.34	40,668.49
	<u>\$ 71,234.51</u>	<u>\$ 60,186.83</u>
	<u>\$ 4,163,921.31</u>	<u>\$ 4,302,233.69</u>

Signed on behalf of the Board :

N. A. HESLER, Director.

N. T. AVARD, Director.



# PRODUCTS LIMITED

December 31, 1954

(as at December 31, 1953)

## LIABILITIES

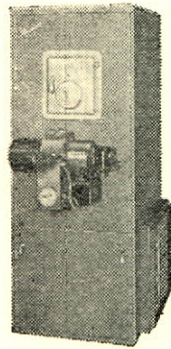
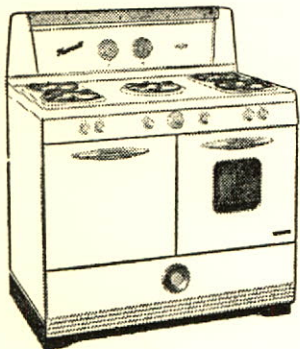
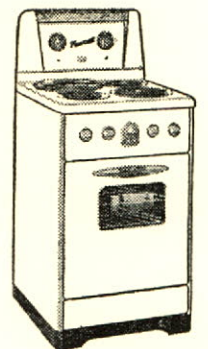
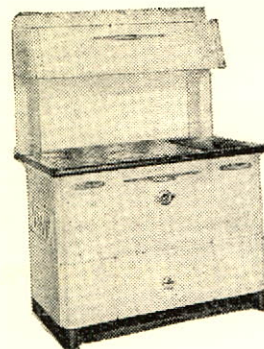
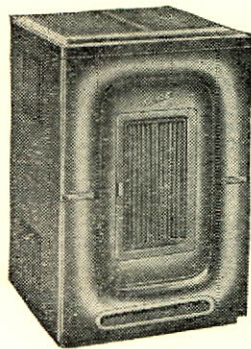
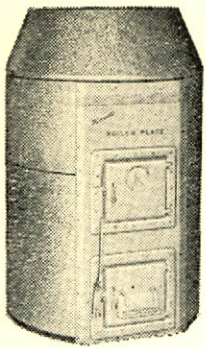
CURRENT LIABILITIES :	1954	1953
Bank Loan—Secured under Section 88 of the Bank Act .....	\$ 435,000.00	\$ 532,500.00
Bank Loan—Special for Employees' subscriptions to Canada Savings Bonds .....	15,969.93	18,556.57
Bills and Accounts Payable .....	249,000.10	387,657.60
Accrued Liabilities .....	59,462.37	51,649.63
Accrued Bond Interest .....	12,884.96	13,301.66
Provision for Income Taxes, less payments on account .....	1,130.14	31,890.40
Dividend on Capital Stock, payable January 31, 1955 .....	11,800.00	11,800.00
	<u>\$ 785,247.50</u>	<u>\$ 1,047,355.86</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 .....	59,500.00	59,500.00
	<u>\$ 240,500.00</u>	<u>\$ 240,500.00</u>
 NOTE: Sinking Fund instalment of \$10,000.00 due January 3, 1955 was paid on that date.		
5% Convertible Debentures, due August 1, 1966—Authorized and Issued .....	\$ 600,000.00	\$ 600,000.00
Less: Redeemed and Cancelled .....	20,000.00	—
	<u>\$ 580,000.00</u>	<u>\$ 600,000.00</u>
 NOTE: Sinking Fund instalment of \$20,000.00 due February 1, 1955 was paid on that date.		
	<u>\$ 820,500.00</u>	<u>\$ 840,500.00</u>
 <b>ACCUMULATED DEPRECIATION :</b>		
Investments—Real Estate Buildings .....	\$ 3,126.66	\$ 3,107.74
Buildings .....	333,115.21	331,728.00
Machinery and Equipment .....	578,012.07	501,206.84
Motor Vehicles .....	23,871.73	22,618.95
	<u>\$ 938,125.67</u>	<u>\$ 858,661.53</u>
Credit arising from appraisal of fixed assets .....	257,117.12	259,825.15
	<u>\$ 1,195,242.79</u>	<u>\$ 1,118,486.68</u>
 <b>CAPITAL STOCK :</b>		
Authorized—250,000 shares of no par value .....		
Issued —118,000 shares .....	\$ 439,768.71	\$ 439,768.71
<b>EARNED SURPLUS</b> .....	<u>\$ 923,162.31</u>	<u>\$ 856,122.44</u>
	<u>\$ 4,163,921.31</u>	<u>\$ 4,302,233.69</u>

Submitted with our accompanying  
Report dated March 3, 1955.  
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, 1954

PROFIT from operations before deducting the following :		\$235,555.92
Depreciation .....	\$ 80,538.84	
Executive Salaries .....	52,600.00	
Directors' fees and expenses .....	1,752.60	
Legal charges .....	1,027.83	
Bond and debenture interest .....	38,661.03	174,580.30
		<u>\$ 60,975.62</u>
Non-operating income—Net (after deducting depreciation \$694.12) .....		28,642.16
		<u>\$ 89,617.78</u>
Provision for Income Taxes .....		14,802.48
Net Income for the year .....		<u>74,815.30</u>
 <b>EARNED SURPLUS :</b>		
Balance at credit—January 1, 1954 .....	\$856,122.44	
Add: Profit on bonds redeemed .....	\$ 300.00	
Profit on disposal of Fixed Assets .....	65,000.75	65,300.75
		<u>\$921,423.19</u>
Deduct : Dividends on Capital Stock (including dividend of \$11,800.00 declared December 15, 1954 payable January 31, 1955 .....	\$ 47,200.00	
Accelerated Depreciation — excess depreciation allowed over normal rates .....	25,876.18	73,076.18
		848,347.01
BALANCE at credit—December 31, 1954 .....		<u><u>\$923,162.31</u></u>

NOTE: For the year ended December 31, 1954 the accelerated depreciation, amounting to \$25,876.18, has been charged to Surplus whereas, for the year ended December 31, 1953 the accelerated depreciation, amounting to \$12,938.09, was charged to the Profit and Loss Account.



*Products marketed in Canada  
under the brand name*

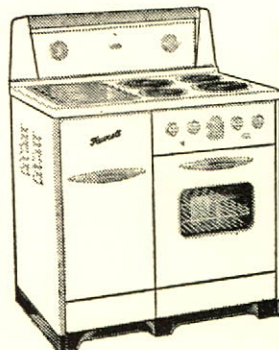
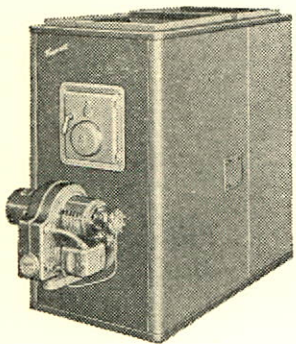
*Fawcett*

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.

