

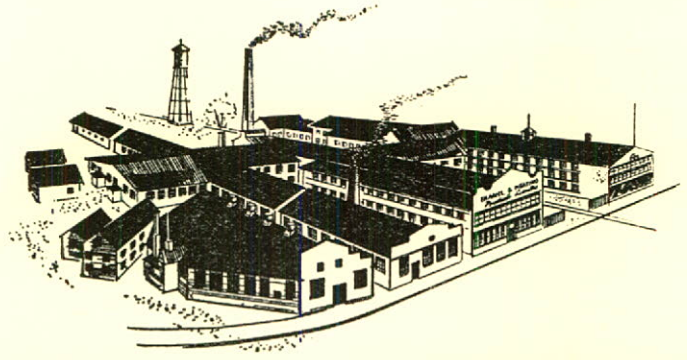
1953

ANNUAL
REPORT

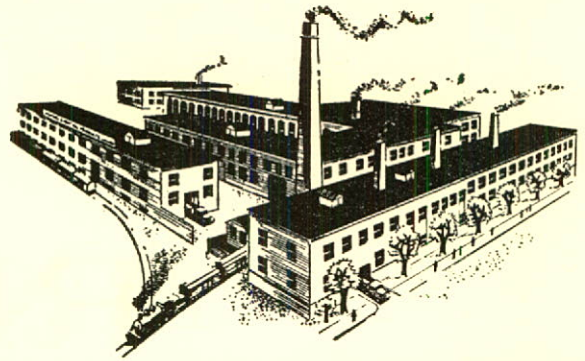
Fawcett

ENAMEL & HEATING PRODUCTS LIMITED

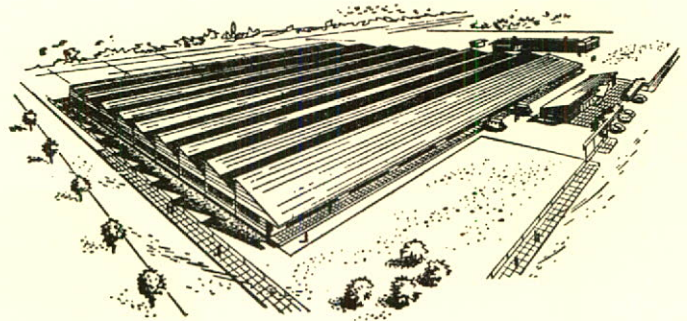




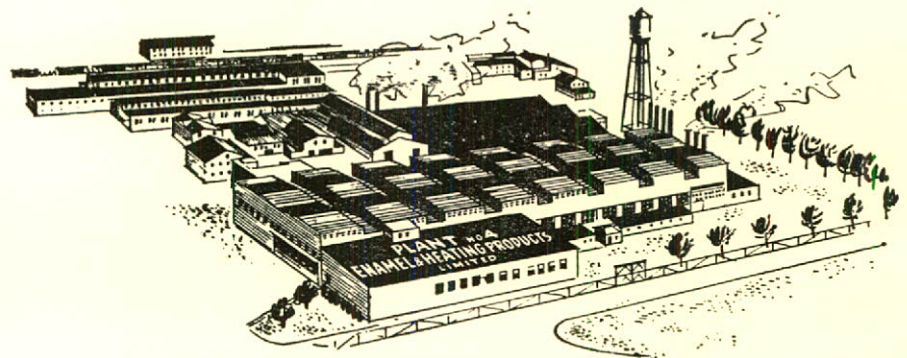
GENERAL OFFICES AND PLANT No. 1, SACKVILLE, N.B.



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 1953



ENAMEL & HEATING PRODUCTS LIMITED

ENAMEL & HEATING PRODUCTS LIMITED
SACKVILLE, N.B.

DIRECTORS

N. A. Hesler	A. R. French
N. T. Avard	H. Goldstein
H. G. Hesler	F. R. Rand
C. N. Wilson	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 31, 1954.

TO THE SHAREHOLDERS OF
ENAMEL & HEATING PRODUCTS LIMITED

Your Board of Directors has pleasure in submitting herewith Annual Report for the year ended December 31, 1953, together with a copy of the Auditors Report.

Net Profits of the Company, after provision for depreciation, which included accelerated depreciation of \$12,938.09, income taxes, and all other charges was \$105,098.48 as compared to \$109,233.38 in the previous year.

On June 12, 1953, the Government cancelled our contract for the tail assembly of the T36 aircraft and appropriate steps were taken to prepare claims and submit them to the Government for approval. These claims are still under review but we expect a satisfactory settlement very shortly. Subsequently we obtained a substantial contract for the repair and overhaul of component parts for the Lancaster Planes which has kept approximately 125 men employed and we expect another substantial contract very shortly which will greatly improve the situation at our Aircraft Division.

Due to the fact that our American associates were handicapped by strikes the arrangements we entered into with them for the manufacture in Canada of their complete line of electric ranges, gas ranges and gas heaters did not get underway as quickly as expected, with the result we ended the year with a substantial inventory of certain component parts for these lines, which explains the increased inventory over last year. However, we are now in production on all these lines and we expect to make quite an impression on the market this year, notwithstanding the fact that the sale of durable goods has now entered a highly competitive era.

In addition to abandoning the manufacture of cast iron sanitary enamelware at our Plant No. 2 your Directors decided to dispose of our Plant


No. 3 at Victoria under an arrangement whereby the foundry portion was sold to employees and arrangements were made with them to manufacture certain castings for us. The remainder of the property is under negotiation at the present time and we expect to effect an early sale at considerable profit to us.

We are happy to state that our labour relations are excellent and our wage agreements at Plants No. 1 and No. 2 were recently renewed for 1954. Our Agreements at Plant No. 4 do not expire until June 30th but we feel confident that satisfactory arrangements will be made when the agreements expire.

With increased aircraft manufacture, good prospects for our Rolling Mill and Wheel Foundry, we fully expect that the overall results for the present year will be quite satisfactory in spite of the prospects of a highly competitive market.

Again we record our appreciation for the real contribution made by the employees throughout the entire organization.

Respectfully submitted on behalf of the Board of Directors.

 *R. Wesley* 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, 1953 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 114 (2) of the Canadian Companies' Act, 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, 1953 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 15, 1954.

ENAMEL & HEATING

Balance Sheet as at

(With Comparative Figures)

ASSETS

	1953	1952
CURRENT ASSETS:		
Cash	\$ 57,174.09	\$ 51,533.05
Accounts Receivable, less provision for Doubtful Accounts \$3,896.50	852,455.56	769,867.60
Due from Employees—Subscriptions to Canada Savings Bonds	18,556.57	17,110.89
Inventories—Raw Materials, Supplies, Work in Process and Finished Goods physically taken and valued at the lower of cost or market prices	1,611,999.71	1,409,979.98
	<u>\$ 2,540,185.93</u>	<u>\$ 2,248,491.52</u>
INVESTMENT SECURITIES, AT COST	\$ 21,392.03	\$ 16,392.03
INVESTMENTS IN REAL ESTATE:		
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	\$ 5,760.10	\$ 5,760.10
	<u>5,760.10</u>	<u>5,760.10</u>
INVESTMENT IN SUBSIDIARY COMPANY, NOT CONSOLIDATED	\$ 70.00	\$ 70.00
	<u>70.00</u>	<u>70.00</u>
FIXED CAPITAL ASSETS:		
Land	\$ 39,525.37	\$ 45,525.37
Buildings	718,762.24	711,107.61
Machinery and Equipment	876,118.34	814,206.32
Motor Vehicles	40,232.85	27,436.63
	<u>\$ 1,674,638.80</u>	<u>\$ 1,598,275.93</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.		
DEFERRED DEBITS:		
Prepaid Insurance	\$ 19,518.34	\$ 19,480.28
Deferred Expenditures applicable to Aircraft Pro- duction		77,782.71
Other	40,668.49	10,735.35
	<u>\$ 60,186.83</u>	<u>\$ 107,998.34</u>
	<u>\$ 4,302,233.69</u>	<u>\$ 3,976,987.92</u>
Signed on behalf of the Board:		
N. A. HESLER, Director.		
N. T. AVARD, Director.		

PRODUCTS LIMITED

December 31, 1953

as at December 31, 1952)

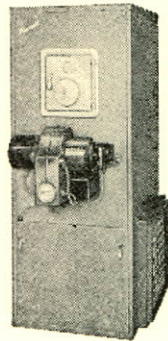
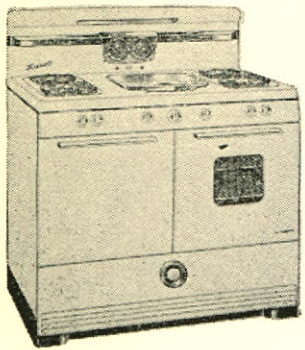
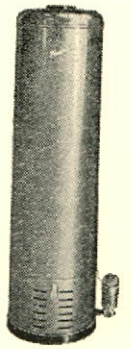
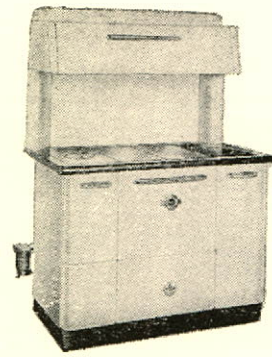
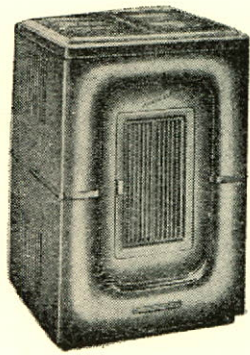
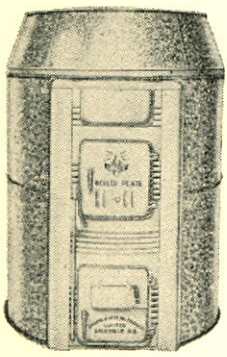
LIABILITIES

CURRENT LIABILITIES:	1953	1952
Bank Loan — Secured under Section 88 of the Bank Act	\$ 532,500.00	\$ 120,000.00
Bank Loan — Special for Employees, subscriptions to Canada Savings Bonds	18,556.57	17,110.89
Bills and Accounts Payable	387,657.60	454,372.09
Accrued Liabilities	51,649.63	68,098.83
Accrued Bond Interest	13,301.66	13,350.00
Provision for Income Taxes, less payments on account	31,890.40	77,309.12
Dividend on Capital Stock, payable January 30, 1954	11,800.00	11,800.00
	<u>\$ 1,047,355.86</u>	<u>\$ 762,040.93</u>
FUNDED DEBT:		
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	45,000.00
	<u>\$ 240,500.00</u>	<u>\$ 255,000.00</u>
Note: Sinking Fund instalment of \$10,000.00 due January 2, 1954 was paid in full in 1953 and \$10,000.00 principal amount of bonds redeemed.		
5% Convertible Debentures, due August 1, 1966....	* 600,000.00	600,000.00
	<u>\$ 840,500.00</u>	<u>\$ 855,000.00</u>
* Note: Sinking Fund instalment due February 1, 1954 — \$20,000.00		
ACCUMULATED DEPRECIATION:		
Investments — Real Estate Buildings	\$ 3,107.74	\$ 3,086.72
Buildings	331,728.00	320,687.28
Machinery and Equipment	501,206.84	514,158.73
Motor Vehicles	22,618.95	16,265.57
	<u>\$ 858,661.53</u>	<u>\$ 854,198.30</u>
Credit arising from appraisal of Fixed Assets	259,825.15	274,357.37
	<u>\$ 1,118,486.68</u>	<u>\$ 1,128,555.67</u>
CAPITAL STOCK:		
Authorized — 250,000 shares of no par value		
Issued — 118,000 shares	\$ 439,768.71	\$ 439,768.71
EARNED SURPLUS	\$ 856,122.44	\$ 791,622.61
	<u>\$ 4,302,233.69</u>	<u>\$ 3,976,987.92</u>

Submitted with our accompanying
Report dated March 15, 1954,
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, 1953

PROFIT from operations before deducting the following:		\$341,437.80
Depreciation	\$108,393.29	
Executive Salaries	48,100.00	
Directors' fees and expenses	1,738.50	
Legal charges	1,136.56	
Bond and debenture interest	39,924.23	199,292.58
		\$142,145.22
Non-operating income — Net (after deducting depreciation \$2,939.32)		37,332.59
		\$179,477.81
Provision for Income Taxes		74,379.33
		\$105,098.48
 EARNED SURPLUS :		
Balance at credit — January 1, 1953	\$791,622.61	
Add: Profit on bonds redeemed	\$ 715.00	
Profit on disposal of Fixed Assets, net	8,562.79	9,277.79
		\$800,900.40
Deduct: Prior years' income tax adjustments	\$ 2,676.44	
Dividends on Capital Stock (including dividend of \$11,800.00 declared December 15, 1953 payable January 30, 1954)	47,200.00	49,876.44
		751,023.96
 BALANCE at credit — December 31, 1953		 \$856,122.44



*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

