

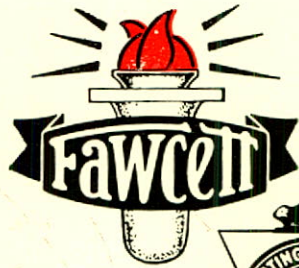
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Annual Report
for
1950

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ENAMEL & HEATING PRODUCTS LIMITED



ENAMEL & HEATING
PRODUCTS LIMITED

ANNUAL REPORT

AS AT DECEMBER 31st, 1950

Including Reports of Subsidiary Companies

ATLANTIC INDUSTRIES LIMITED

and

AMHERST STOVE & FURNACE COMPANY
LIMITED

ENAMEL & HEATING PRODUCTS LIMITED

BOARD OF DIRECTORS

N. A. HESLER.....	Sackville, N. B.
N. T. AVARD.....	Amherst, N. S.
C. C. AVARD.....	Sackville, N. B.
C. W. FAWCETT.....	Sackville, N. B.
H. GOLDSTEIN	Sackville, N. B.
F. R. RAND	Sackville, N. B.
C. N. WILSON.....	Saint John, N. B.

OFFICERS

President and Managing Director.....	N. A. HESLER
Vice-President	N. T. AVARD
Secretary and Treasurer.....	A. R. FRENCH
General Sales Manager.....	F. R. RAND
Works Manager.....	H. GOLDSTEIN

TRANSFER AGENT

Montreal Trust Company, Montreal.

REGISTRAR

Canadian Trust Company, Montreal.

TRANSFER AGENT AND REGISTRAR FOR MARITIME PROVINCES

The Central Trust Company of Canada
Moncton, N. B. and Amherst, N. S.

President's Report



Sackville, N. B.,
March 14, 1951

TO THE SHAREHOLDERS

Your Board of Directors has pleasure in presenting its Annual Report on the operations of your Company for the year ending December 31, 1950, together with a copy of the Auditors' Report. This report also includes the Annual Report of your wholly owned subsidiary companies, namely, Atlantic Industries Limited, which was purchased on October 1, 1950, and the Amherst Stove & Furnace Company, Limited, together with a copy of the Auditors' Reports covering the subsidiary companies.

The net profit of the Parent Company after provision for depreciation and taxes and all other charges, but before income taxes, amounted to \$278,418.73, a slight increase over the previous year. \$22,579.84 of the increased amount for depreciation is due to the new method of calculating depreciation, but this was offset to a great extent by the non-operating income of \$19,043.36 over the previous year chiefly due to engineering fees received from our South African operations. The Balance Sheet reflects a capital expenditure of \$74,426.70 which is in line with the policy of the Company in keeping its equipment and plants up to date.

The earnings of Atlantic Industries Limited for three months are considered quite satisfactory in view of the heavy charges incurred for incorporation and other non-recurring expenses, and the earnings of the Amherst Stove & Furnace Company Limited should be considered satisfactory in view of the difficulty in getting materials.

Our Bank Loans occasioned by the purchase of the Atlantic Industries Limited and the substantial increase in inventories will be liquidated this year just as soon as we complete arrangements for refinancing. Deferred Charges show an increase over last year and represent 50% of the total cost of constructing patterns, templates and dies for a complete new line of coal ranges, half the cost of which was charged to operations for 1950 and the balance deferred until 1951, in line with our general policy.

The shortage of steel has made it necessary for us to postpone our plans to instal additional equipment at the plant of Atlantic Industries Limited but we fully expect that contracts for defence requirements will be received in order to utilize the plant until such time as we can go ahead with the original plans.

Our wage agreements for the year 1950 have been completed and we are pleased to report again that a most harmonious relationship continues to exist between your Company and its employees. The results of the past year could not have been obtained without the real contribution made by the employees throughout the entire organization, and the Directors wish to take this opportunity to record their appreciation of the loyal and efficient co-operation of all employees of this Company.

Respectfully submitted on behalf of the Board of Directors.

A handwritten signature in cursive script, appearing to read 'R. A. ...', written in dark ink.

President.

ENAMEL & HEATING PRODUCTS LIMITED

Balance FOR

ASSETS

CURRENT

	1950	1949
Cash	\$ 8,987.84	\$ 162,867.30
Accounts Receivable less Reserve \$2,112.69.....	462,840.10	456,552.04
Due from Employees—subscriptions to Canada Savings Bonds.....	34,242.74	34,973.56
Refundable Portion of Excess Profits Taxes.....		4,790.63
Inventories— Raw Materials, Supplies, Work in Process and Finished Goods physically taken and valued at the lower of cost or market prices as certified to by officials of the Company.....	722,686.20	509,799.86
	<u>\$1,228,756.88</u>	<u>\$1,168,983.39</u>

INVESTMENT SECURITIES AT COST..... ———— \$ 10,000.00

INVESTMENTS IN REAL ESTATE

As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replacement Value—Valued at April 1, 1927, plus subsequent additions at cost..... \$ 5,760.10 \$ 15,869.00

INVESTMENTS IN AND ADVANCES TO SUBSIDIARY COMPANIES NOT CONSOLIDATED

Investments	\$ 305,000.00	\$ 5,000.00
Current Account	6,595.53	3,906.48
	<u>\$ 311,595.53</u>	<u>\$ 8,906.48</u>

FIXED CAPITAL ASSETS

Land	\$ 42,300.37	\$ 42,300.37
Buildings	496,645.66	466,265.85
Machinery & Equipment.....	739,651.61	693,721.71
Motor Vehicles.....	19,358.24	11,132.35
	<u>\$ 1,297,955.88</u>	<u>\$1,213,420.28</u>

As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replacement Value—Valued at April 1, 1927, February 11, 1928 and December 14, 1929, plus subsequent additions at cost.

DEFERRED DEBITS

Prepaid Insurance.....	\$ 8,040.15	\$ 5,036.34
Bond Issue Discount and Expense.....	11,142.30	12,118.26
Other	15,022.17	3,149.42
	<u>\$ 34,204.62</u>	<u>\$ 20,304.02</u>
	<u>\$ 2,878,273.01</u>	<u>\$2,437,483.17</u>

Approved on behalf of the Board of Directors:
N. A. HESLER, Director.
N. T. AVARD, Director.



LIABILITIES

CURRENT

	1950	1949
Bank Loan—Secured under Section 88 of the Bank Act	\$ 230,000.00	\$
Bank Loan—Special, for employees, subscriptions to Canada Savings Bonds.....	34,242.74	34,973.56
Bills and Accounts Payable.....	185,016.76	147,525.97
Accrued Liabilities	53,151.61	58,339.80
Accrued Bond Interest.....	945.00	1,000.00
Provision for Income Taxes, less payments on account	77,963.67	70,879.49
Dividend on Capital Stock, payable January 31, 1951	10,325.00	14,750.00
	<u>\$ 591,644.78</u>	<u>\$ 327,468.82</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.....	16,500.00	—
	<u>\$ 283,500.00*</u>	<u>\$ 300,000.00</u>

* Note—Sinking Fund instalment of \$11,340.00 is payable January 2, 1951.

RESERVES FOR DEPRECIATION

Investments—Real Estate Buildings.....	\$ 3,037.40	\$ 8,901.26
Buildings	272,248.24	256,926.25
Machinery & Equipment.....	424,740.40	377,674.84
Motor Vehicles.....	8,347.21	5,742.25
	<u>\$ 708,373.25</u>	<u>\$ 649,244.60</u>
Credit Arising from Appraisal of Fixed Assets.....	274,357.37	277,137.53
	<u>\$ 982,730.62</u>	<u>\$ 926,382.13</u>

CAPITAL STOCK

Authorized—50,000 shares of no par value		
Issued —29,500 shares.....	\$ 439,768.71	\$ 439,768.71

EARNED SURPLUS	<u>\$ 580,628.90</u>	<u>\$ 443,863.51</u>
	<u>\$ 2,878,273.01</u>	<u>\$ 2,437,483.17</u>

CONTINGENT LIABILITY —Guarantee of Bank Loan of Subsidiary Company.....	\$ 200,000.00	
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P. S. ROSS & SONS,
Chartered Accountants.

Submitted with our accompanying
Report dated March 12, 1951.
Saint John, N. B.

ENAMEL & HEATING PRODUCTS LIMITED

PROFIT AND LOSS AND SURPLUS ACCOUNT

Profit from operations for the year ended December 31, 1950 before deducting the following:		\$383,151.02
Depreciation (See Note below).....	\$67,430.40	
Executive Salaries.....	43,000.00	
Directors fees and expenses.....	1,562.00	
Legal charges.....	480.50	
Bond interest.....	11,491.05	
Amortization of bond discount and expense.....	975.96	124,939.91
		<hr/>
Income from Investments.....	\$ 450.00	\$258,211.11
Non-operating Income.....	19,757.62	20,207.62
		<hr/>
		\$278,418.73
Provision for Income Taxes.....		\$111,023.67
		<hr/>
Net Income for the year.....		\$167,395.06
EARNED SURPLUS:		
Balance at credit—January 1, 1950.....	\$443,863.51	
Add: Profit on Fixed Assets displaced during the year—net.....	\$3,909.72	
Prior year adjustment—Income Taxes.....	860.61	4,770.33
		<hr/>
		\$448,633.84
Deduct: Dividends on Capital Stock (including Dividend of \$10,325.00 declared December 18, 1950 payable January 31, 1951).....	35,400.00	\$413,233.84
		<hr/>
Balance at credit—December 31, 1950.....		<u>\$580,628.90</u>

NOTE: "Diminishing balance" method of providing depreciation followed in 1950 in accordance with changes in Income Tax Department Regulations; under "straight-line" method used in prior years, including depreciation allowed in excess of normal rates, the 1950 provision would have been approximately \$22,600.00 less.



AUDITORS' REPORT TO THE SHAREHOLDERS

ENAMEL & HEATING PRODUCTS LIMITED,
SACKVILLE, N. B.

We have made an examination of the accompanying Balance Sheet of ENAMEL & HEATING PRODUCTS LIMITED as at December 31, 1950 and the related Statement of Profit and Loss and Surplus for the year ended that date. In connection therewith we have examined or tested accounting records of the Company and other supporting evidence but we did not make a detailed audit of the transactions. We have received all the information and explanations we have required.

Pursuant to Section 114² of the Dominion Companies' Act we report that the profits for the year of the Subsidiary Companies, not consolidated herein, have not been reflected in the attached statements and have been carried forward in the accounts of the Subsidiary Companies.

We report, that in our opinion, the accompanying Balance Sheet and related Statement of Profit and Loss and Surplus are properly drawn up so as to exhibit a true and correct view of the affairs of the Company at December 31, 1950 and the result of its operations for the year ended 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.

ATLANTIC INDUSTRIES LIMITED

BOARD OF DIRECTORS

N. T. AVARD.....	Amherst, N. S.
N. A. HESLER.....	Sackville, N. B.
A. R. FRENCH.....	Sackville, N. B.
H. GOLDSTEIN	Sackville, N. B.
R. J. HESLER.....	Sackville, N. B.
T. F. KENNEDY.....	Amherst, N. S.
F. R. RAND.....	Sackville, N. B.

OFFICERS

President	N. T. AVARD
Vice-President and Managing Director.....	N. A. HESLER
Secretary and Treasurer.....	A. R. FRENCH
Assistant Treasurer.....	W. A. G. ROSS
Works Manager.....	W. T. CALDWELL
Sales Manager.....	J. C. MURRAY



BALANCE SHEET FOR 1950

ASSETS

BALANCE SHEET AS AT DECEMBER 31, 1950

CURRENT ASSETS

Cash	\$ 8,959.15	
Accounts Receivable.....	117,996.04	
Inventories — Raw Materials, Supplies and Finished Goods, physically taken and valued at the lower of cost or market prices as certified to by officials of the Company.....	192,006.85	\$318,962.04

FIXED CAPITAL ASSETS—AT COST

Land	\$ 3,225.00	
Buildings	224,275.00	
Machinery and Equipment.....	71,000.00	
Motor Vehicles.....	1,000.00	\$299,500.00

DEFERRED DEBITS

Prepaid Insurance.....	\$ 4,004.27	
Prepaid Taxes.....	396.50	\$ 4,400.77
		<u>\$622,862.81</u>

LIABILITIES

CURRENT LIABILITIES

Bank Loan.....	\$200,000.00	
Bills and Accounts Payable.....	84,879.44	
Accrued Liabilities.....	9,913.68	
Provision for Income Taxes.....	9,355.35	\$304,148.47

Due to Parent Company..... 2,399.45

RESERVES FOR DEPRECIATION

Buildings	2,972.91	
Machinery and Equipment.....	3,549.99	
Motor Vehicles.....	75.00	\$ 6,597.90

CAPITAL STOCK

Authorized—200,000 shares of \$10.00 par value		
Issued during the period for cash—30,000 shares.....		300,000.00

EARNED SURPLUS..... 9,716.99

\$622,862.81

Signed on behalf of the Board:
N. T. AVARD, Director.
N. A. HESLER, Director.

Submitted with our accompanying
Report dated March 12, 1951.
Saint John, N. B.

P. S. ROSS & SONS,
Chartered Accountants.



AUDITORS' REPORT TO THE SHAREHOLDERS

ATLANTIC INDUSTRIES LIMITED,
AMHERST, N. S.

We have made an examination of the accompanying Balance Sheet of ATLANTIC INDUSTRIES LIMITED as at December 31, 1950 and the related Statement of Profit and Loss and Surplus, from the commencement of operations October 1, 1950 to December 31, 1950. In connection therewith we have examined or tested accounting records of the Company and other supporting evidence but we did not make a detailed audit of the transactions. We have received all the information and explanations we have required.

We report that, in our opinion, the accompanying Balance Sheet and related Statement of Profit and Loss and surplus are properly drawn up so as to exhibit a true and correct view of the affairs of the Company as at December 31, 1950 and the results of its operations for the period ended 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.

AMHERST STOVE & FOUNDRY COMPANY LIMITED

BOARD OF DIRECTORS

N. A. HESLER.....Sackville, N. B.
A. R. FRENCH.....Sackville, N. B.
F. R. RAND.....Sackville, N. B.

OFFICERS

President and Managing Director.....N. A. HESLER
Vice-President.....F. R. RAND
Secretary and Treasurer.....A. R. FRENCH
Store Manager.....E. C. BURGESS



BALANCE SHEET FOR 1950

ASSETS

BALANCE SHEET AS AT DECEMBER 31, 1950

CURRENT ASSETS:

Cash	\$5,589.33	
Accounts Receivable, less Reserve \$107.58.....	3,379.35	
Inventories—Raw Materials, Supplies and Finished Goods, physically taken and valued at the lower of cost or market prices as certified to by officials of the Company.....	7,792.15	
Dividends Receivable.....	246.75	\$17,007.58

INVESTMENT SECURITIES, AT COST

Shares of Parent Company (Market Value \$15,510.00)	2,927.89	
Other	1,500.00	\$ 4,427.89

FIXED CAPITAL ASSETS—AT COST

Land	\$ 500.00	
Building	2,500.00	
Machinery and Equipment	1,320.39	
Motor Vehicles.....	1,343.19	\$ 5,663.53

DEFERRED DEBITS

Prepaid Insurance		\$ 236.48
		<u>\$27,335.53</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$ 220.97	
Provision for Income Taxes.....	699.80	\$ 920.77
Due to Parent Company.....		4,196.08

RESERVE FOR DEPRECIATION

Building	\$ 362.50	
Machinery and Equipment.....	364.76	
Motor Vehicles.....	1,014.11	1,741.37

CAPITAL STOCK

Authorized—50 shares of \$100.00 par value		
Issued —50 shares		5,000.00

EARNED SURPLUS.....		15,477.31
		<u>\$27,335.53</u>

Submitted with our accompanying
Report dated March 12, 1951.
Saint John, N. B.

P. S. ROSS & SONS,
Chartered Accountants.

Signed on behalf of the Board:
N. A. HESLER, Director.
A. R. FRENCH, Director.

AMHERST STOVE & FURNACE COMPANY LIMITED

PROFIT AND LOSS AND SURPLUS ACCOUNT

STATEMENT OF PROFIT AND LOSS AND SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1950

Profit from operations for the year ended December 31, 1950 before deducting the following:		\$5,399.11
Depreciation	\$ 617.44	
Executive Salary	3,305.00	3,922.44
		<hr/>
Income from Investments		\$1,476.67
		846.00
		<hr/>
Provision for Income Taxes.....		\$2,322.67
		680.03
		<hr/>
Net Income for the year.....		1,642.64
Earned Surplus:		
Balance at credit—January 1, 1950.....	\$13,780.21	
Deduct: Prior year adjustment—Income Taxes.....	19.77	
	<hr/>	
Add: Profit on Sale of Investments.....	\$13,760.44	
	74.23	13,834.67
		<hr/>
Balance at credit—December 31, 1950.....		\$15,477.31



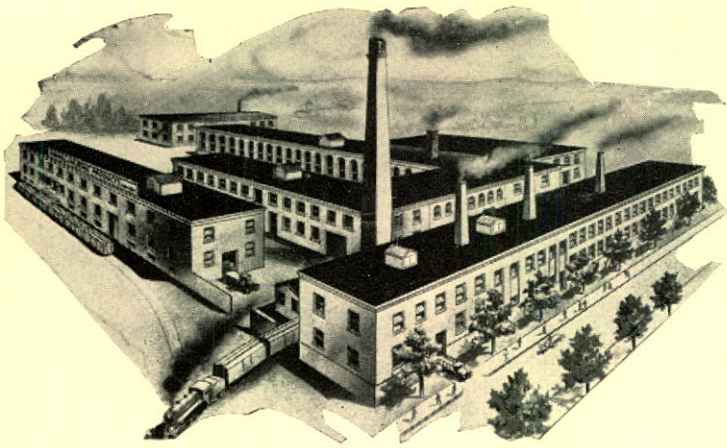
AUDITORS' REPORT TO THE SHAREHOLDERS

AMHERST STOVE & FURNACE COMPANY LIMITED,
AMHERST, NOVA SCOTIA.

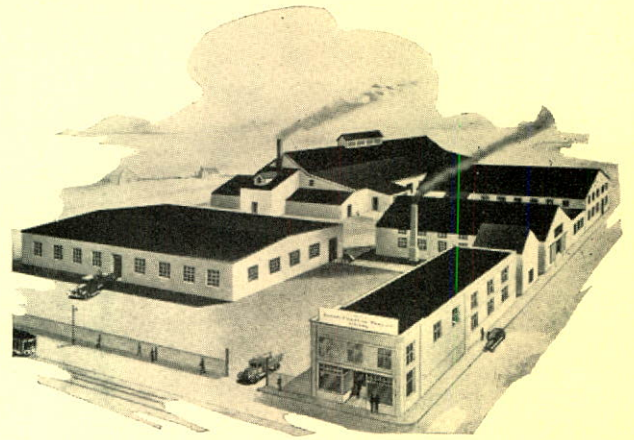
We have made an examination of the accompanying Balance Sheet of AMHERST STOVE & FURNACE COMPANY LIMITED as at December 31, 1950 and the related Statement of Profit and Loss and Surplus for the year ended that date. In connection therewith we have examined or tested accounting records of the Company and other supporting evidence but we did not make a detailed audit of the transactions. We have received all the information and explanations we have required.

We report that, in our opinion, the accompanying Balance Sheet and related Statement of Profit and Loss and Surplus are properly drawn up so as to exhibit a true and correct view of the affairs of the Company as at December 31, 1950 and the results of its operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

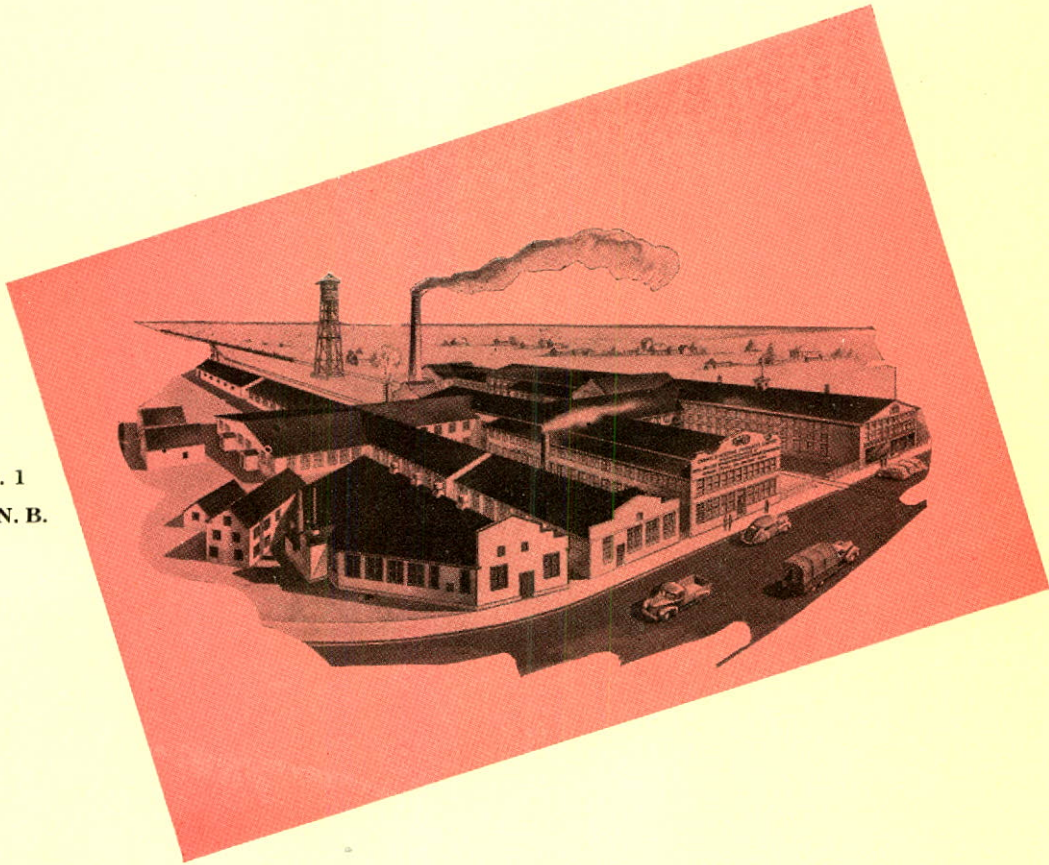
P. S. ROSS & SONS,
Chartered Accountants.



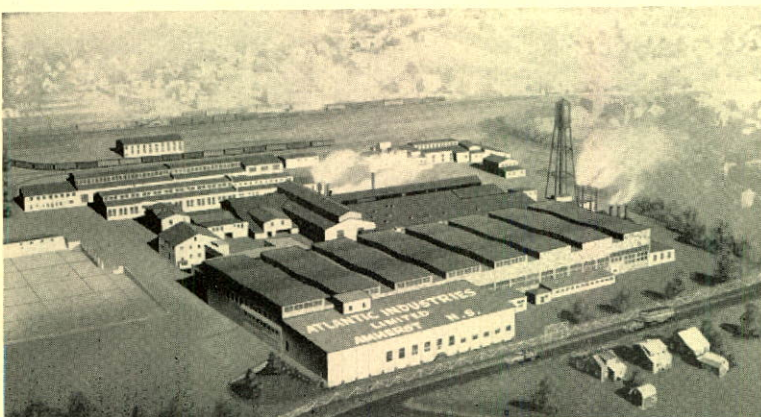
Plant No. 2, Amherst, N. S.



Plant No. 3, Vaucouver, B. C.



Plant No. 1
Sackville, N. B.



Atlantic Industries Limited
Amherst, N. S.



Amherst Stove and Furnace Co. Ltd.
Amherst, N. S.



PRODUCTS OF YOUR COMPANY

RANGES
for
OIL HARD OR SOFT COAL WOOD
and
COMBINATION RANGES FOR GAS AND COAL
COOK AND BOAT STOVES
HEATING STOVES
for
OIL COAL WOOD
WARM AIR FURNACES
for
OIL COAL WOOD
AIR CONDITIONING EQUIPMENT AND
INSTALLATIONS

CAST IRON
SANITARY
ENAMELLED WARE

APRON BATHS
REGULAR BATHS
LAVATORIES
KITCHEN SINKS
SLOP SINKS
LAUNDRY TUBS
URINALS
RANGE CLOSETS
HOPPERS
ETC.

STEEL REINFORCING BARS
RAILWAY CAR WHEELS

} **ATLANTIC INDUSTRIES LIMITED**

