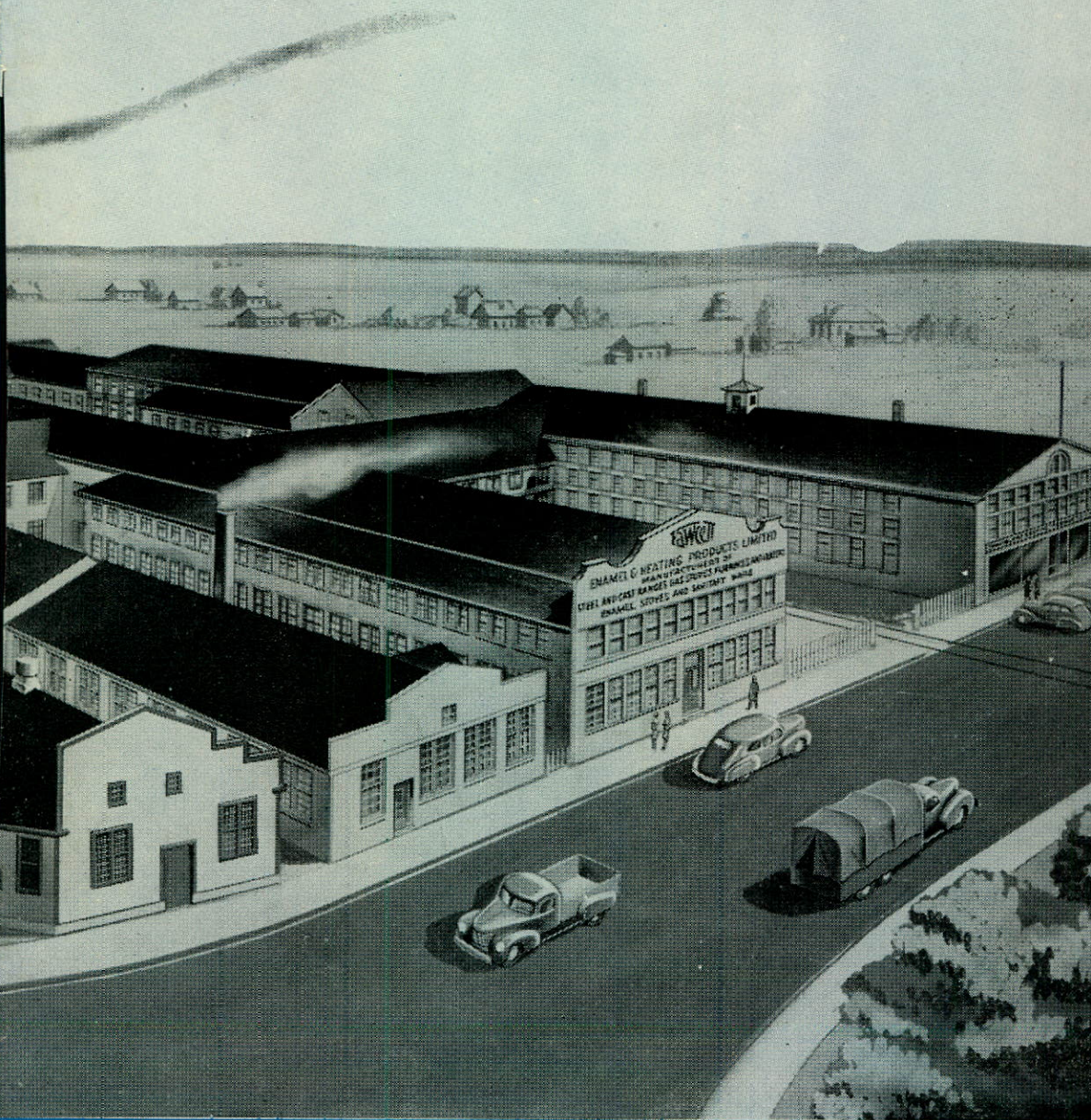


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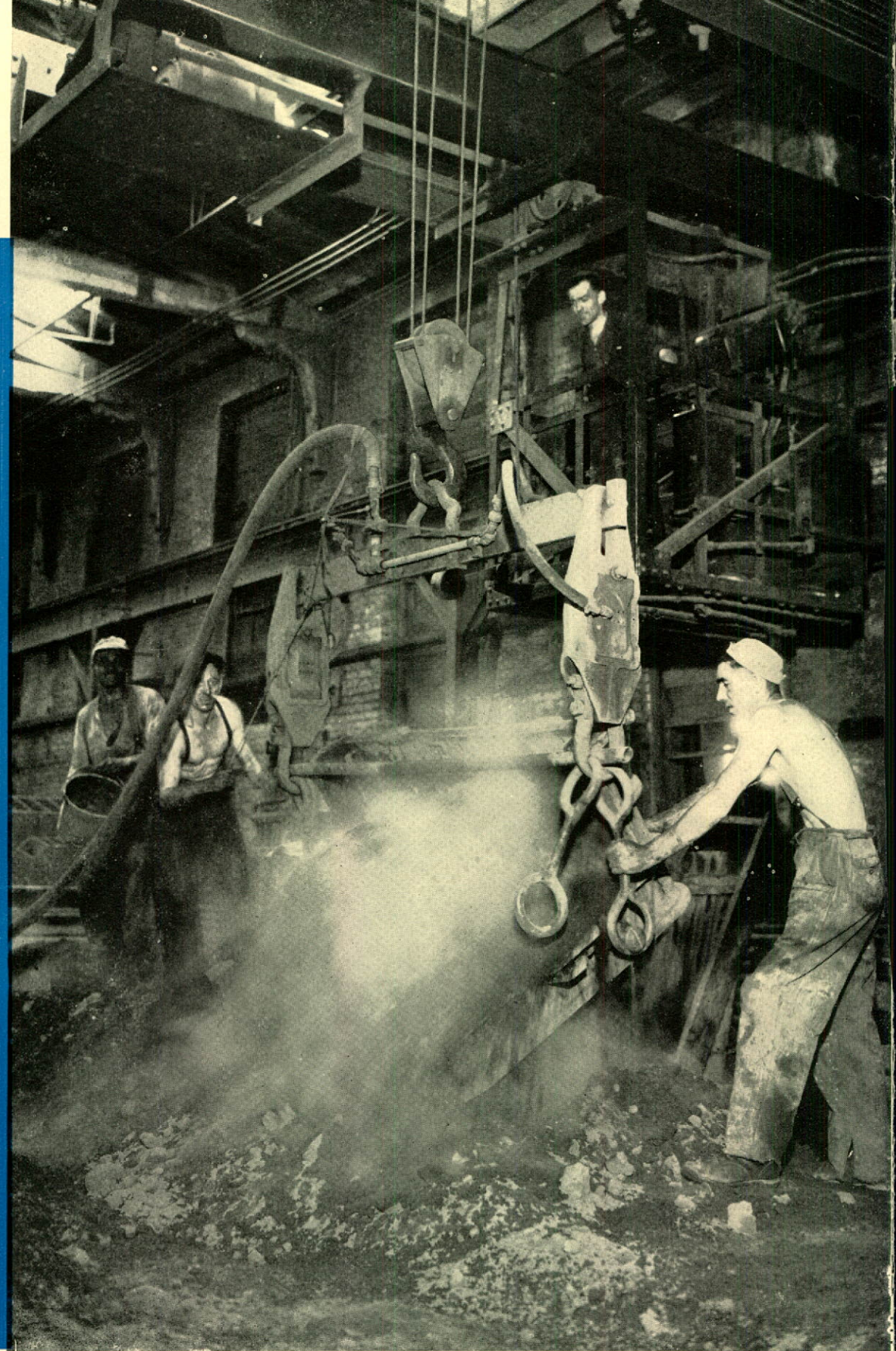


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# Annual Report

**ENAMEL & HEATING  
Products Limited**





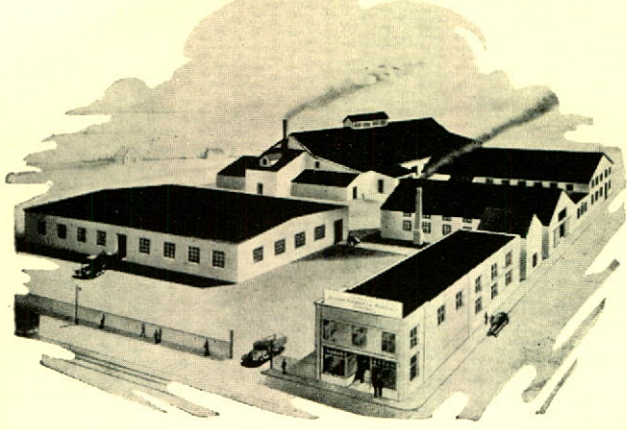


**ENAMEL & HEATING**  
*Products Limited*

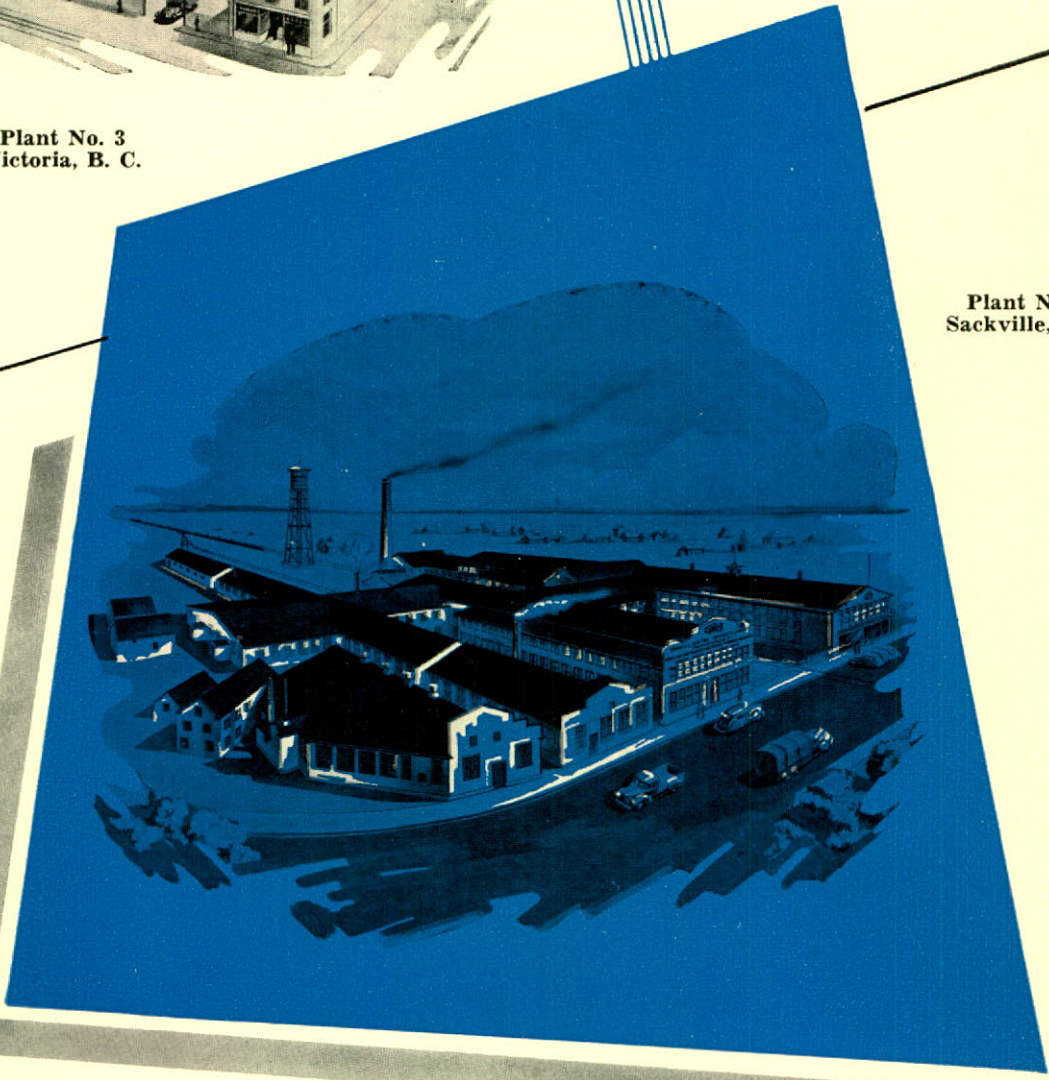
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report*

DECEMBER 31, 1948

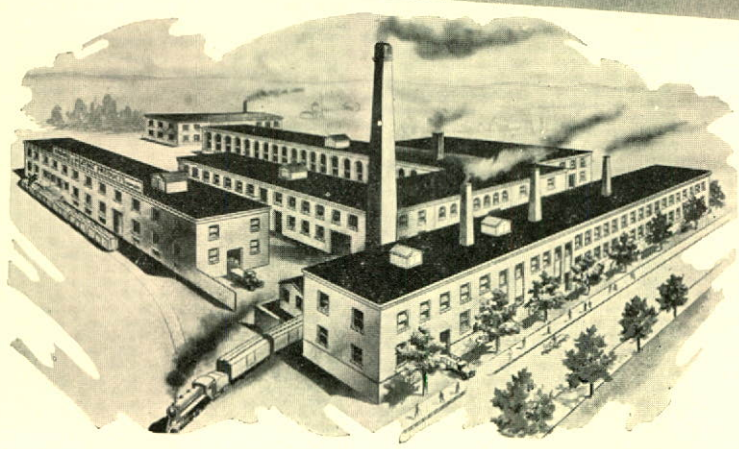




**Plant No. 3**  
Victoria, B. C.



**Plant No. 2**  
Sackville, N. S.



**Plant No. 2**  
Amherst, N. S.



# **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.
JAMES MacMURRAY.....	Saint John, N. B.
F. R. RAND.....	Sackville, 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 Co. of Canada  
Moncton, N. B. and Amherst, N. S.

# **ENAMEL & HEATING** *Products Limited*

## **TO THE SHAREHOLDERS**

Sackville, N. B.,

April 2, 1949.

The Board of Directors has pleasure in presenting its Annual Report on the operation of your Company for the year ending December 31, 1948, together with a copy of the Auditors' Report.

The net profit after provision for depreciation, taxes and all other charges, but before income tax, amounted to \$245,064.81, a reduction of \$22,972.75 as compared with the previous year, due to the increased cost of materials and labour. However, the net profit after income tax showed an increase of \$17,681.76, due to the elimination of the excess profits tax.

As a result of the past few years satisfactory operations the surplus accounts as of December 31, 1948 amounted to \$304,250.18, a figure slightly larger than the accumulated deficit at December 31, 1944, amounting to \$297,981.29, which was written off against Capital Account.

Sales for the year were within a few dollars of the previous year, notwithstanding the fact that our sales of oil burning equipment were drastically reduced as a result of the shortage of oil. The fact that we were able to overcome the loss in sales of oil burning equipment, is due to the wide acceptance of your Company's products throughout Canada and the Export Market.



# **ENAMEL & HEATING Products Limited**

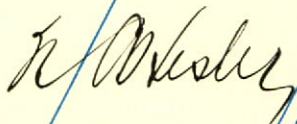
For a number of years your Company has enjoyed a substantial volume of business from South Africa, but due to the restrictions placed upon imports by the Union of South Africa to meet their exchange situation, it is not likely that our shipments to South Africa will reach the former substantial figures for some time to come. However, the improvement in the supply of oil will mean a big increase in the production of oil burning equipment, so that we do not anticipate that your Company will suffer from the loss of the South African business, at least for the present year.

Your Company's subsidiary at Amherst operated at a fair profit and reflects the capable management of this phase of your Company's activities.

Our wage agreements at all plants for the year 1949 have been completed and we are happy to report that a most harmonious relationship continues to exist between the Company and its Employees.

Our outstanding accomplishments of the past year have been due in no small measure to the very real contribution made by the employees throughout the organization. Your Directors take this opportunity of recording their appreciation of the loyal and efficient co-operation of the employees and officials of this Company.

Respectfully submitted on behalf of the Board of Directors.



**President and  
Managing Director.**

# Balance Sheet, December 31, 1948.

## CURRENT ASSETS:

	1948	1947
Cash .....	\$132,708.61	\$104,297.56
Accounts Receivable less Reserve \$2436.54.....	340,764.40	371,347.90
Due from Employees-Subscriptions to Canada Savings Bonds.....	29,906.82	Nil
Inventories—Raw Material, Supplies, Work in Process and Finished Goods physically taken, valued at the lower of cost or market prices as certified to by officials of the Company.....	582,925.01	508,516.77
	<u>\$1,086,304.84</u>	<u>\$984,162.23</u>
Investment Securites, at cost.....	10,000.00	Nil

## INVESTMENTS IN REAL ESTATE:

As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replacement Value—valued at April 1, 1927 and February 11, 1928, plus subsequent additions at cost .....	\$ 15,869.00	\$ 15,869.00
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## INVESTMENTS IN AND ADVANCES TO SUBSIDIARY COMPANY, NOT CONSOLIDATED:

Investment .....	\$ 5,000.00	\$ 5,000.00
Current Account.....	556.21	1,020.64
	<u>\$ 5,556.21</u>	<u>\$ 6,020.64</u>
Refundable Portion of Excess Profits Taxes.....	\$ 12,333.26	\$ 17,750.08

## FIXED CAPITAL ASSETS:

Land .....	\$ 45,300.37	\$ 45,300.37
Buildings .....	465,764.50	465,764.50
Machinery and Equipment.....	630,497.18	610,365.38
Motor Vehicles.....	10,136.55	10,136.55
	<u>\$1,151,698.60</u>	<u>\$1,131,566.80</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.....	\$ 3,609.82	\$ 4,589.44
Bond Issue Discount and Expense-balance.....	13,094.22	14,070.18
	<u>\$16,704.04</u>	<u>\$ 18,659.62</u>
	<u>\$2,298,465.95</u>	<u>\$2,174,028.37</u>

Approved on behalf of the Board of Directors:

N. A. HESLER, Director.

N. T. AVARD, Director.



**CURRENT LIABILITIES:**

	1948	1947
Bank Loan—Special, for Employees subscriptions to Canada Savings Bonds.....	\$ 29,906.82	Nil
Bills and Accounts Payable.....	151,287.67	\$163,375.82
Accrued Liabilities.....	48,629.31	40,955.73
Accrued Bond Interest.....	1,000.00	1,000.00
Provision for Income Taxes, less payments on account.....	54,846.06	118,350.16
Dividend on Capital Stock, payable January 31, 1949.....	14,750.00	14,750.00
	<u>\$300,419.86</u>	<u>\$338,431.71</u>
Advance payment received against shipping contract.....	\$ 50,000.00	\$ 50,000.00

**FUNDED DEBT:**

4% First Mortgage Sinking Fund Bonds due June 1, 1962—Authorized and Issued.....	\$300,000.00	\$300,000.00
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**RESERVES FOR DEPRECIATION:**

Investments—Real Estate Buildings.....	\$ 8,413.52	\$ 7,925.78
Buildings.....	250,021.46	238,774.37
Machinery and Equipment.....	360,976.17	340,799.95
Motor Vehicles.....	5,047.16	3,134.65
	<u>\$624,458.31</u>	<u>\$590,634.75</u>
Credit arising from appraisal of fixed assets.....	279,568.89	279,568.39
	<u>\$904,027.20</u>	<u>\$870,203.64</u>

**CAPITAL STOCK:**

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

**SURPLUS ACCOUNTS:**

Earned Surplus.....	\$294,687.05	\$160,547.97
Reserved Surplus— Refundable portion of Excess Profits Taxes..	12,333.26	17,750.08
	<u>\$307,020.31</u>	<u>\$178,298.05</u>
Less: Capital Deficit.....	2,770.13	2,673.74
	<u>\$304,250.18</u>	<u>\$175,624.31</u>
Note: A contingent Liability exists in respect to outstanding Letter of Credit in the amount of \$436.09 U. S.		
	<u>\$2,298,465.95</u>	<u>\$2,174,028.37</u>

Submitted with our Report to the Shareholders dated March 14, 1949.

Saint John, N. B.

P. S. ROSS & SONS,  
Chartered Accountants.



# ENAMEL & HEATING Products Limited

## SURPLUS AND CAPITAL DEFICIT ACCOUNTS DECEMBER 31, 1948

		<u>Earned Surplus</u>	
Balance at Credit December 31, 1947.....			\$160,547.97
Profit for year 1948 before provision for Income Taxes .....			
		\$244,222.50	
but after deducting—			
Depreciation—Normal	\$21,403.30		
Special	12,573.43	\$33,976.73	
Executive Salaries .....	40,500.00		
Directors' Fees and Expenses.....	1,378.00		
Legal Charges .....	140.00		
Bond Interest.....	12,000.00		
Amortization of Bond Discount and Expense.....	975.96		
Non Operating Income .....		842.31	
		\$245,064.81	
Provision for Income Taxes.....		86,842.55	
Net Income for year.....			\$158,222.26
Balance .....			\$318,770.23
Add: Transfer from Reserved Surplus—1942 Portion of Excess Profits Tax refunded in 1948.....			\$ 5,416.82
			\$324,187.05
Deduct: Dividends on Capital Stock (Including Dividend of \$14,750.00 declared November 12, 1948, Payable January 31, 1949).....			\$29,500.00
Balance at Credit December 31, 1948.....			\$294,687.05

### Reserved Surplus

#### Refundable Portion of Excess Profits Taxes

Balance at Credit December 31, 1947.....		\$17,750.08
Deduct: Transfer to Earned Surplus—1942 Portion of Excess Profits Tax refunded in 1948.....		5,416.82
Balance at Credit December 31, 1948.....		\$12,333.26

### Capital Deficit

Balance at Debit December 31, 1947.....		\$2,673.74
Add: Loss on Fixed Assets Displaced—net.....		96.39
Balance at Debit December 31, 1948.....		\$2,770.13

Submitted with our Report to the Shareholders dated March 7, 1949.

Saint John, N. B.

P. S. ROSS & SONS,  
Chartered Accountants.



# **ENAMEL & HEATING** *Products Limited*

Saint John, N. B.,  
March 7, 1949.

TO THE SHAREHOLDERS OF:  
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, 1948 and of the related statements of Surplus and Profit and Loss and of Capital Deficit 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 Sec. 114<sup>2</sup> of the Dominion Companies' Act we report that the profits for the year of the Subsidiary Company, not consolidated herein, have not been reflected in the attached statements and have been carried forward in the accounts of the Subsidiary Company.

In our opinion the accompanying Balance Sheet and related Statements of Surplus and Profit and Loss and of Capital Deficit are properly drawn up so as to exhibit a correct view of the financial affairs of the Company at December 31, 1948 and of the results of its operations for the year ended that date according to the information and explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,  
Chartered Accountants.



# The History of Enamel & Heating Products Limited

By K. A. GRANT  
Grawant Studios

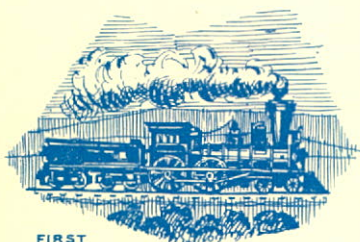


MAKING  
1ST FAWCETT STOVE IN 1852.

THE story of Enamel & Heating Products Ltd. goes back to 1852 when Charles Fawcett built a small store and tinware manufacturing plant on the present site of Plant No. 1 in Sackville. Here by the aid of a practical moulder he made his first stove and soon began manufacturing in quantity to meet popular demand. Forty years later this plant had grown to considerable size.

In 1893 a disastrous fire destroyed every building except a small warehouse. Rebuilding was started the following year and the present modern plant at Sackville stands as a constant reminder of the energy, courage and business acumen that has been passed on down through the years by such industrial pioneers.

Out in British Columbia another pioneer, Joseph Spratt, realizing the vast trade possibilities of the young country founded the Albion Iron Works at Victoria in 1861. Here he built the first locomotive to run on the West Coast and five years later began the production of cast iron stoves. From this early beginning the Albion Stove Works Limited grew to be the source for modern ranges for homes, hotels, lumber camps and steamers up and down the coast. Later furnaces, and with the increased business, a nickle plating branch was added.



FIRST  
LOCOMOTIVE ON WEST COAST BUILT BY ALBION

Back again to the Maritimes our story takes us to Amherst, Nova Scotia, just across the border from Sackville. Here in 1877 three men, Aaron Palmer, John A. Crossman and John A. Laws began manufacturing stoves, ranges, furnaces and hollowware. In 1895 an amalgamation with Knight & Black took place, increasing the sales outlets for the former company, especially for their "Cumberland" Hot Air Furnace which has retained its fine reputation to this day.

With the addition of C. A. Lusby and the purchase of another stove business, that of Thompson & Morrison, the



FAWCETT PLANT DESTROYED  
BY FIRE IN 1893



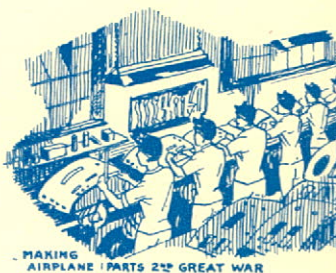
company carried on for some years until finally it became the Amherst Foundry.

In 1902 the present stone and brick structures were erected on Station Street. About this time the manufacture of sanitary enamelled ware was started. Cast iron enamelled bath tubs, lavatories, laundry tubs, sinks, etc., under the trade name "Beaver Brand" soon became famous throughout the country.

From such unrelated yet allied beginnings the present firm of Enamel & Heating Products Limited had its foundations well and truly laid and new horizons and new outlets for expansion were sought. In 1928 the Amherst Foundry was taken over, thus coupling the older Sackville stove and furnace foundry with the newer enamelling plant. In this way up-to-date enamelled range production was undertaken to meet changing market requirements.

Again in 1929 on the other side of the Dominion the Albion Stove Works was absorbed and the chain of facilities for nation-wide production was complete, each unit co-related to the whole but catering to the individual requirements of its separate and specialized market.

Through the purchase of the Canadian Rights for a well-known Oil Burning Space Heater and Oil Burning Range, coupled with modern methods in the production and marketing of its complete line of products, including coal and wood burning ranges and heaters, oil ranges and heaters, as well as an extensive line of warm air furnaces and air conditioning equipment, and cast iron sanitary enamelware, the Company has experienced remarkable expansion, due in no small measure to the very real contribution made by all workers throughout the organization and to the harmonious relationship that continues to exist between the Company and its employees.





# ENAMEL & HEATING Products Limited

## PRINCIPAL 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

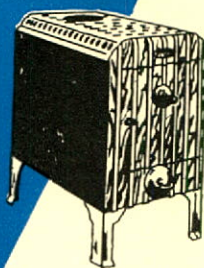
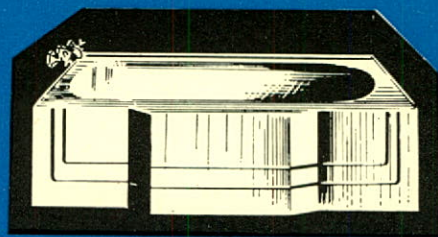
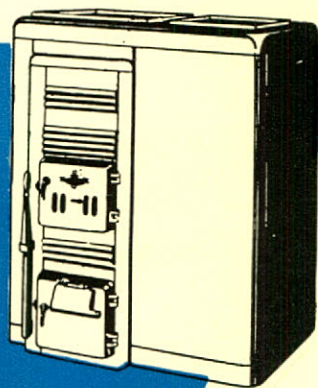
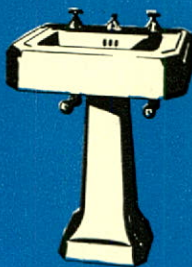
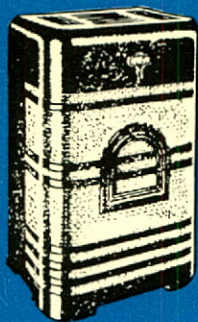
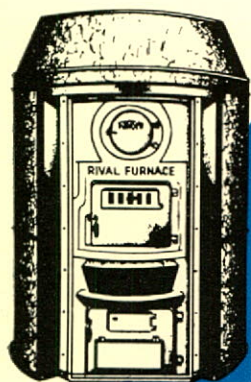
LAUNDRY TUBS

URINALS

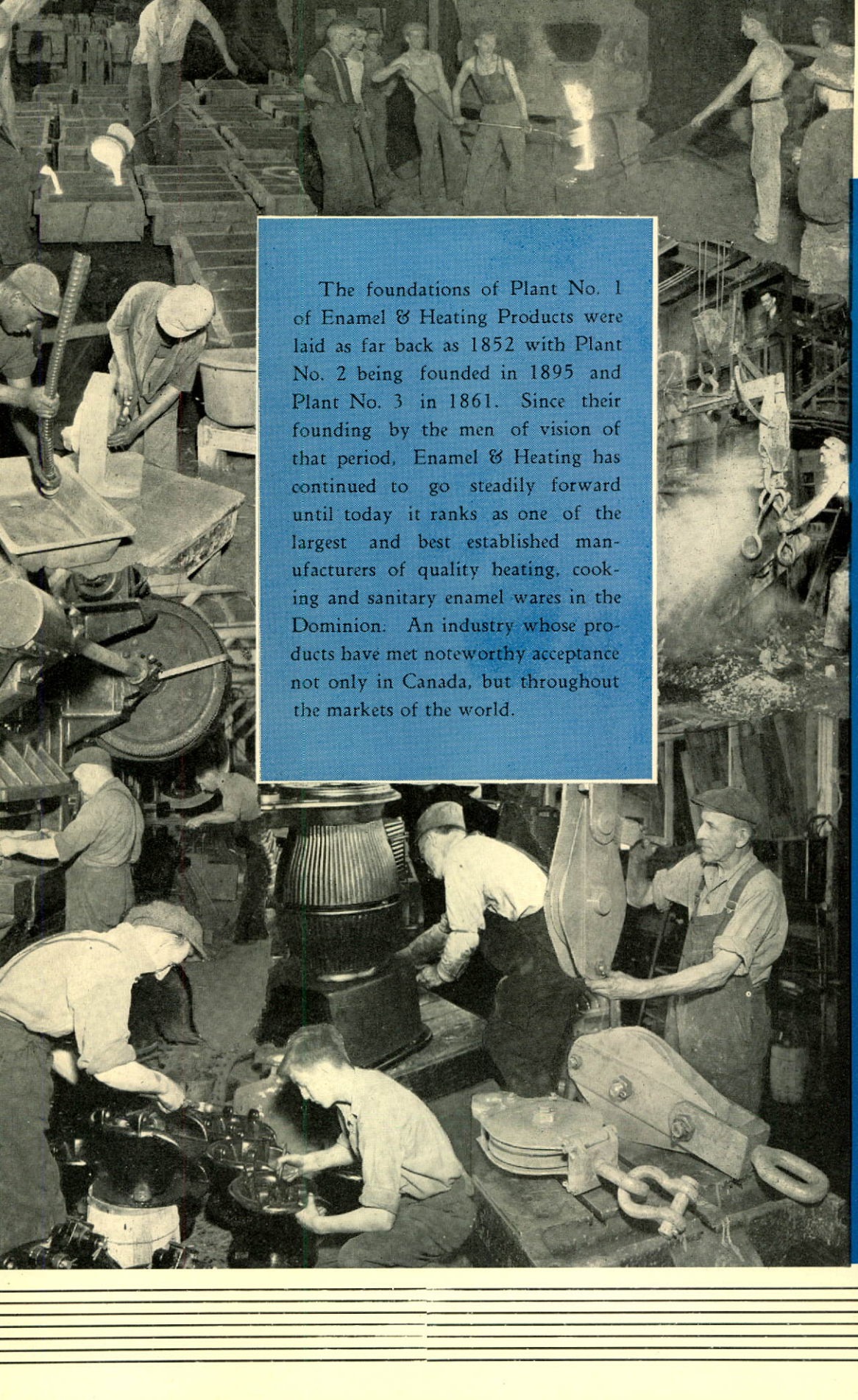
RANGE CLOSETS

HOPPERS

ETC.







The foundations of Plant No. 1 of Enamel & Heating Products were laid as far back as 1852 with Plant No. 2 being founded in 1895 and Plant No. 3 in 1861. Since their founding by the men of vision of that period, Enamel & Heating has continued to go steadily forward until today it ranks as one of the largest and best established manufacturers of quality heating, cooking and sanitary enamel wares in the Dominion. An industry whose products have met noteworthy acceptance not only in Canada, but throughout the markets of the world.



