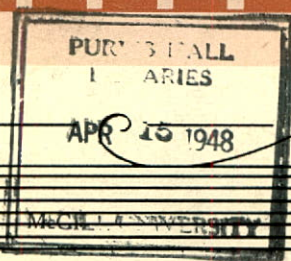
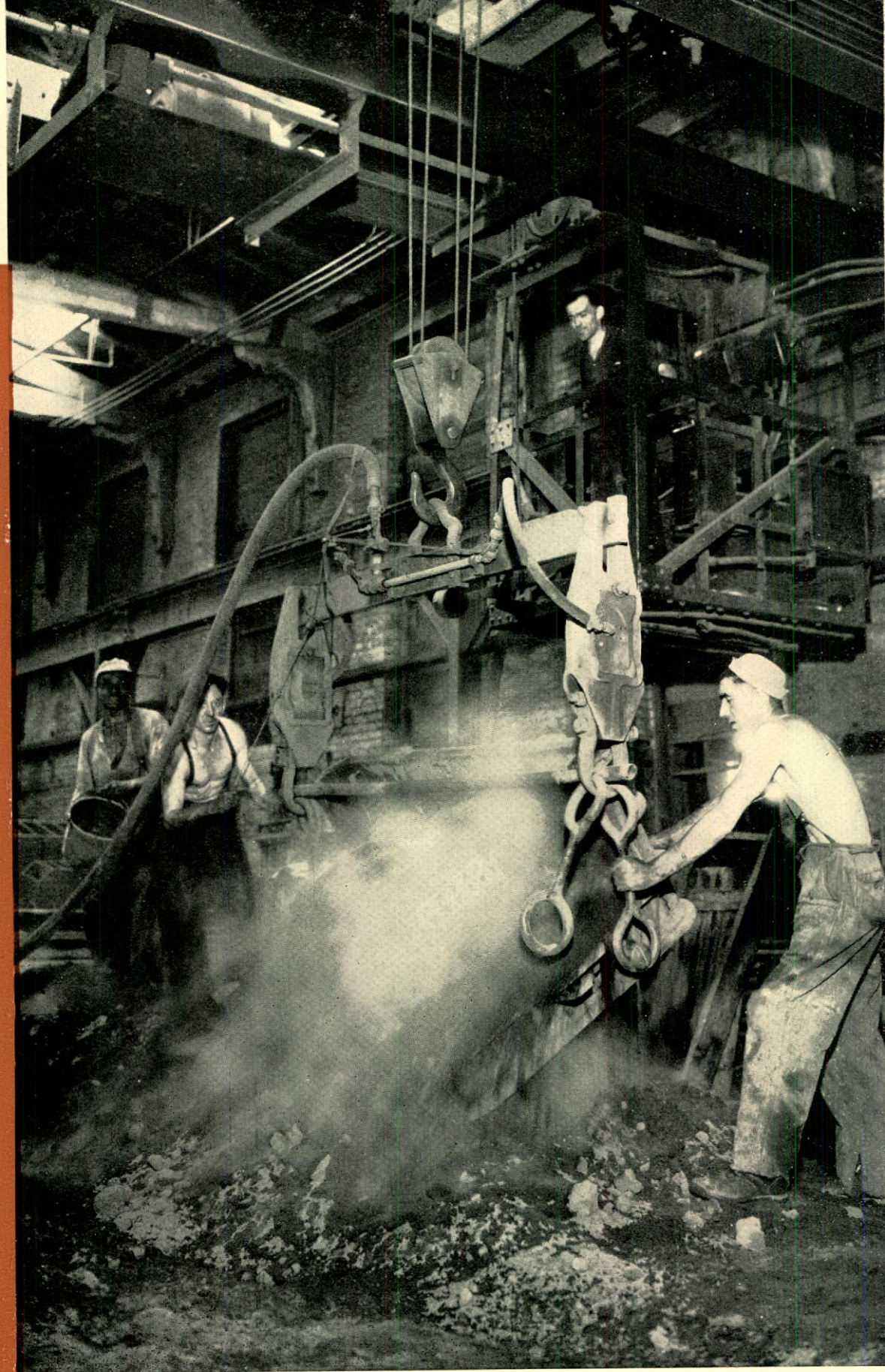


Corporation
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Annual Report

**ENAMEL & HEATING
Products Limited**

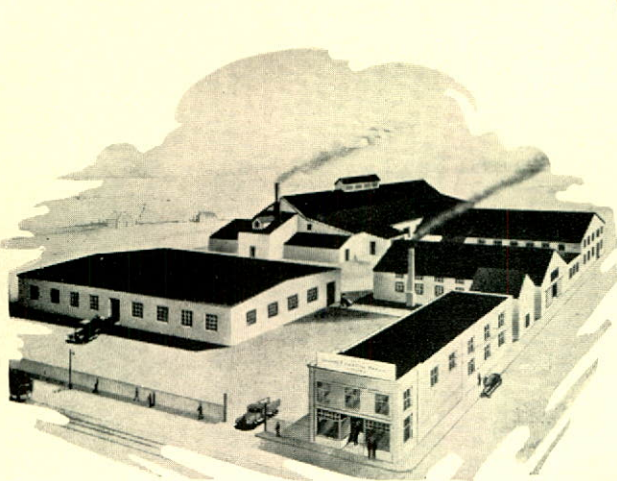


ENAMEL & HEATING *Products Limited*

*annual
report*

DECEMBER 31, 1947

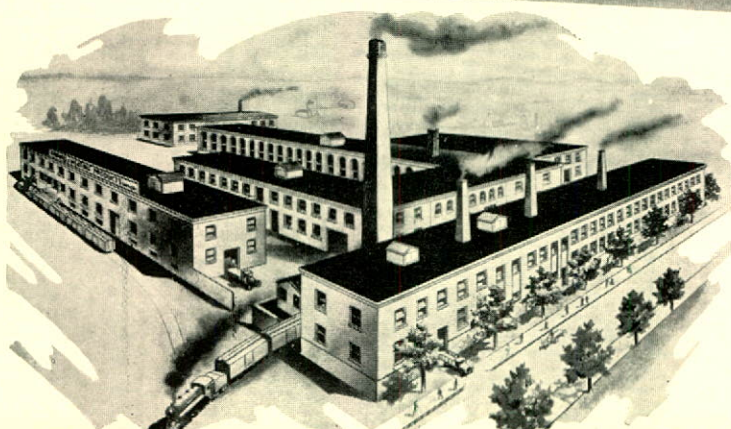




Plant No. 3
Victoria, B. C.



Plant No. 1
Sackville, N. B.



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.

ENAMEL & HEATING *Products Limited*

TO THE SHAREHOLDERS

Sackville, N. B.,

April 2, 1948.

The Board of Directors has pleasure in presenting its report on the operations of your Company for the year ending December 31st, 1947, together with a copy of the Auditors' Report.

The year 1947 was the most successful year in the history of the Company. Net profit after provision for depreciation, taxes, and all other charges amounted to \$140,540.00, an increase of \$113,919.00 over the net profits for the year 1946. As explained in our report last year, production was held up to a considerable extent as a result of the strikes in the steel plants so that we started the year 1947 with a large inventory and a huge backlog of orders, resulting in an increase in sales of 77% over the previous year. As a result of this the sales for the year 1947 were nearly three and one half times as great as the total sales for 1939.

We acknowledge that the increased earnings in 1947 were due, to some considerable extent, to sales of a new line of oil burning units, orders for which were carried over from 1946, but in addition to this there was an increase in sales of all other lines of the Company's products, as well as very satisfactory increase in the export business. We are glad to state that with orders already on hand the outlook for business in 1948 is most favourable.

Your Company's subsidiary at Amherst operated at a small profit and through certain changes inaugurated it is anticipated that further improvement in earnings will result this year.

ENAMEL & HEATING *Products Limited*

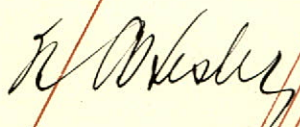
In June 1947 we sold \$300,000 4% First Mortgage Sinking Fund Bonds, due June 1, 1962, and this sale is reflected in the very substantial improvement in the working capital position of the Company. Net current assets as at December 31, 1947, including \$104,297.00 in cash, amounted to \$645,731.00, with no bank loans, an increase of \$457,939.00 over the corresponding amount as at December 31, 1946, at which time bank loans amounted to \$370,300.00. During the past year further improvements and additions were made to plant at a cost of approximately \$42,000.

Our Wage Agreements at all Plants for the year 1948 have been completed and we are happy to report that a most harmonious relationship exists between the Company and its employees. This happy relationship together with a large backlog of orders leads us to believe that we can look forward to 1948 with considerable confidence.

All the 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, 1947.

CURRENT ASSETS:

	1947	1946
Cash	\$104,297.56	\$ 31,871.90
Accounts Receivable less Reserve of \$3118.94....	371,347.90	196,679.62
Employees' Ninth Victory Loan Bonds \$13,900.00 less payment against subscriptions	NIL	2,516.46
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.....	508,516.77	529,081.37
	<u>\$984,162.23</u>	<u>\$760,149.35</u>

INVESTMENTS IN REAL ESTATE:

As appraised by Canadian Appraisal Company Limited on the basis of Depreciated Replace- ment 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.....	1,020.64	576.40
	<u>\$ 6,020.64</u>	<u>\$ 5,576.40</u>
Refundable Portion of Excess Profits Taxes.....	\$ 17,750.08	\$ 17,750.08

FIXED CAPITAL ASSETS:

Land	\$ 45,300.37	\$ 45,300.37
Buildings	465,764.50	436,351.65
Machinery and Equipment.....	610,365.38	600,212.95
Motor Vehicles.....	10,136.55	7,961.53
	<u>\$1,131,566.80</u>	<u>\$1,089,826.50</u>

As appraised by Canadian Appraisal Com-
pany 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.....	\$ 4,589.44	\$ 4,066.95
Bond Issue Discount and Expense—balance.....	14,070.18	NIL
Other	NIL	6,594.29
	<u>\$ 18,659.62</u>	<u>\$ 10,661.24</u>
	<u>\$2,174,028.37</u>	<u>\$1,899,832.57</u>

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

**CURRENT LIABILITIES:**

	1947	1946
Bills and Accounts Payable.....	\$163,375.82	\$172,339.97
Accrued Liabilities.....	40,955.73	18,637.09
Accrued Bond Interest.....	1,000.00	NIL
Provision for Income and Excess Profits Taxes, less payments on account.....	118,350.16	11,080.99
Dividend on Capital Stock, payable January 31, 1948.....	14,750.00	NIL
Advance from Bankers—secured including \$10,300.00 Dominion of Canada Bond pur- chases.....	NIL	370,300.00
	<u>\$338,431.71</u>	<u>\$572,358.05</u>
Advance Payment received against shipping contract.....	\$ 50,000.00	NIL

FUNDED DEBT:

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

Investments—Real Estate Buildings.....	\$ 7,925.78	\$ 7,438.04
Buildings.....	238,774.37	224,650.48
Machinery and Equipment.....	340,799.95	323,398.32
Motor Vehicles.....	3,134.65	4,759.29
	<u>\$590,634.75</u>	<u>\$560,246.13</u>
Credit arising from appraisal of fixed assets.....	279,568.89	279,568.89
	<u>\$870,203.64</u>	<u>\$839,815.02</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.....	\$160,547.97	\$ 34,757.47
Reserved Surplus— Refundable Portion of Excess Profits Taxes..	17,750.08	17,750.08
	<u>\$178,298.05</u>	<u>\$ 52,507.55</u>
Less: Capital Deficit.....	2,673.74	4,616.76
	<u>\$175,624.31</u>	<u>\$ 47,890.79</u>
	<u>\$2,174,028.37</u>	<u>\$1,899,832.57</u>

Submitted with our Report to the
Shareholders dated February 23, 1948.

Saint John, N. B.

P. S. ROSS & SONS,
Chartered Accountants.

ENAMEL & HEATING
Products Limited

ENAMEL & HEATING Products Limited

SURPLUS AND CAPITAL DEFICIT ACCOUNTS

DECEMBER 31, 1947

Earned Surplus

Balance at Credit December 31, 1946.....		\$ 34,757.47
Profit for year 1947 before provision for Income and Excess Profits Taxes.....	\$266,698.62	
but after deducting—		
Depreciation—Normal \$29,607.14		
Special 8,866.87	\$38,474.01	
Executive Salaries	36,100.00	
Directors' Fees and Expenses.....	384.00	
Legal Charges	455.02	
Bond Interest.....	5,816.40	
Amortization of Bond Discount and Expense.....	569.31	
Non-Operating Income	1,338.94	
	\$268,037.56	
Provision for Income and Excess Profits Taxes....	127,497.06	
Net Income for year 1947.....		\$140,540.50
Balance		\$175,297.97
Deduct: Dividends on Capital Stock (declared December 19, 1947 payable January 31, 1948)		\$14,750.00
Balance at Credit December 31, 1947.....		\$160,547.97

Reserved Surplus

Refundable Portion of Excess Profits Taxes

Balance at Credit December 31, 1946.....	\$17,750.08
Balance at Credit December 31, 1947.....	\$17,750.08

Capital Deficit

Balance at Debit December 31, 1946.....	\$ 4,616.76
Deduct: Profit on Fixed Assets displaced.....	1,943.02
Balance at Debit December 31, 1947.....	\$ 2,673.74

Submitted with our Report to the
Shareholders dated February 23, 1948.

P. S. ROSS & SONS,
Chartered Accountants.

Saint John, N. B.

ENAMEL & HEATING *Products Limited*

Saint John, N. B.,
February 23, 1948.

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, 1947 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 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.

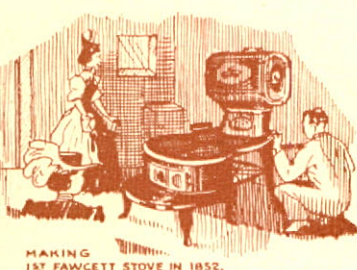
In accordance with Special By Law "B" approved by the Shareholders under date of 19th May 1947, an amount of \$300,000. of 4% Fifteen Year First Mortgage Sinking Fund Bonds due 1st June, 1962, were authorized and issued during the period.

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, 1947 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.

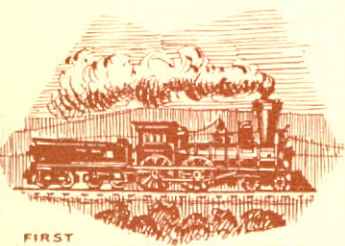
P. S. ROSS & SONS,
Chartered Accountants.

The History of Enamel & Heating Products Limited

By K. A. GRANT
Grawant Studios



MAKING
1ST FAWCETT STOVE IN 1852.



FIRST
LOCOMOTIVE ON WEST COAST BUILT BY ALBION

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.

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



FAWCETT PLANT DESTROYED
BY FIRE IN 1893



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. In 1923 Mr. N. A. Hesler accepted the management of Charles Fawcett Limited and in the formation of the present organization he became General Manager. With this introduction of new blood at the head of the Company new horizons and new outlets for expansion were sought and 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.

The success of this remarkable expansion, accomplished during periods of nation wide economic stress is indeed undeniable testimony to the foresight and courage of the man who brought it about—Mr. N. A. Hesler, President and Managing Director.



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

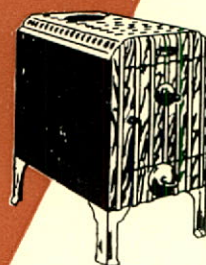
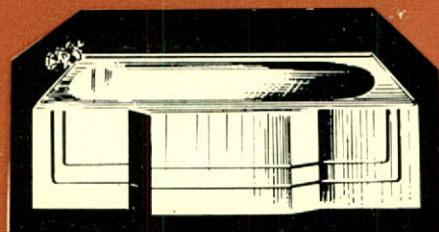
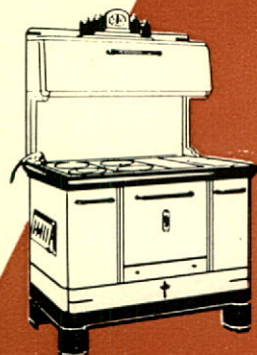
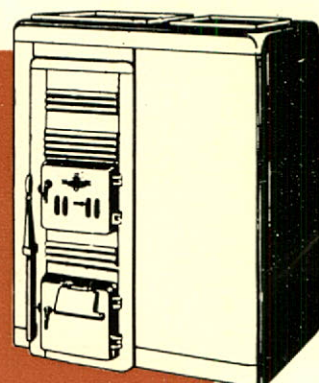
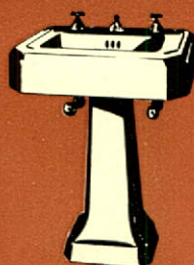
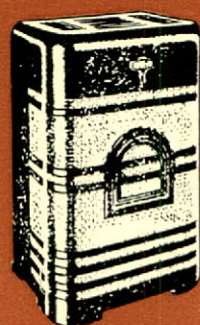
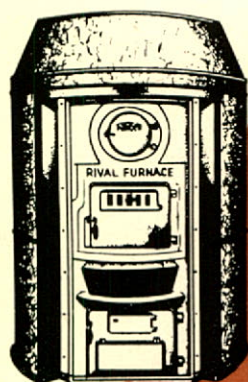
OIL COAL WOOD

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.

