

Langley's

L I M I T E D
CLEANERS - DYERS
TORONTO - ONTARIO

ANNUAL REPORT DECEMBER, 31st. 1934

TO THE SHAREHOLDERS:

Your directors have pleasure in placing before you the Balance Sheet and Profit and Loss account for the year ending December 31, 1934. After payment of all operating expenses, but before deductions for depreciation and income taxes, etc., the earnings of the Company are \$65,146.83 compared with \$35,705.23 for 1933. Net earnings are \$29,266.82 versus \$9,930.41 loss in 1933.

The amount of \$34,975.58 has been added to the reserve for depreciation of buildings, machinery and equipment. This compares with \$44,655.54 in 1933 and was decided upon after a thorough independent survey of the fixed assets of the Company had been made during the past year. The survey clearly showed that, after taking into account the reserves established to date, plus the amount in Capital Surplus Account, the net value of these fixed assets as carried on the balance sheet is very conservative. The following picture of the fixed assets and reserves will be of interest to you:

Buildings, machinery and equipment, book value	\$1,168,058.31
Depreciation reserves	252,097.38
Capital Surplus	280,064.61

The Company's liquid position is a direct reflection of the improvement in earnings, for after the payment of three quarterly dividends on the preferred shares amounting to \$29,699.25, net current assets are \$148,668.79 versus \$130,856.64 in 1933. Call loans and cash on hand total \$84,756.21.

Sales volume was better than for 1933 and 1932. A further small increase would contribute substantially to the net earnings of the Company owing to its increased operating efficiency, chiefly the result of improvements in processing methods. A quarterly dividend was paid on the preference shares in February and it is hoped that profitable trading will continue and that quarterly dividend payments will be made regularly throughout 1935.

Your directors take this occasion to express to the Management and Staff their appreciation of the splendid service rendered.

By Order of the Board of Directors,
GEO. S. LANGLEY,
President.

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Consolidated Balance Sheet

ASSETS

Current:

Cash on Hand and in Banks	\$19,876.21	
Call loan (Secured)	64,880.00	
Accounts Receivable—(less reserve)	37,111.76	
Inventories	43,107.88	
		\$164,975.85

Fixed:

Land, Buildings, Plant and Equipment	\$1,220,014.32	
Less Ottawa Plant (sold)	51,956.01	
		1,168,058.31
Motor Trucks (Less reserve)	15,984.33	
		1,184,042.64

Investments:

Life Insurance Premiums, etc.	36,417.24	
Mortgage Receivable and Accrued Interest	12,360.00	
		48,777.24

Deferred:

Deferred Charges		14,804.19
		\$1,412,599.92

TO THE SHAREHOLDERS,

LANGLEY'S LIMITED,
Toronto, Ontario.

Gentlemen:

We beg to report that we have audited the books and accounts of your Company and its subsidiary for the year ended December 31st, 1934, and certify that the attached Consolidated Balance Sheet is, in our opinion, so drawn up as to exhibit a true and correct view of the Companies' position as at December 31st, 1934, according to the best of our information, the explanations given us, and as shown by the books of the Companies, subject to the fact that seven quarterly dividends of Langley's Limited, amounting to \$69,298.25 are in arrears.

We further certify that all our requirements, as Auditors, have been complied with.

WELCH, ANDERSON & COMPANY,
Chartered Accountants.

February 25th, 1935.

S LIMITED

SUBSIDIARY

at, December 31st, 1934

LIABILITIES

Current:

Accounts Payable and Accrued Liabilities	\$ 12,986.41	
Provision for Income Taxes	3,320.65	16,307.06

Reserves for Obsolescence and Depreciation		252,097.38
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TO SHAREHOLDERS:

Capital Stock:

Preferred—Authorized 6,000 shares 7% Redeemable, Cumulative, Par Value \$100.00 each	\$600,000.00	
Issued and fully paid 5,697 shares, Par Value \$100.00 each	569,700.00	
Less: Redeemed	4,000.00	
	<u>565,700.00</u>	

Common—Authorized 21,000 shares No Par Value. Issued and Fully paid 20,793 shares. No Par Value	219,032.00	
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	784,732.00	
Capital Surplus	\$280,064.61	
Earned Surplus	79,398.87	359,463.48
		<u>1,144,195.48</u>
		\$1,412,599.92

PROFIT AND LOSS ACCOUNT

Twelve Months Period Ended December 31st, 1934

Net Operating Profit		\$ 56,909.28
Add: Miscellaneous Income, Interest, etc.	\$ 4,675.05	
Profit on sale of bonds	3,562.50	
		<u>8,237.55</u>

		\$ 65,146.83
Deduct: Interest and Exchange	444.43	
Provision for Obsolescence and Depreciation	34,975.58	
Directors' Fees	460.00	35,880.01

Net Profit for Year Ended December 31st, 1934		\$ 29,266.82
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EARNED SURPLUS ACCOUNT

December 31st, 1934

Balance at Credit—December 31st, 1933	\$ 84,682.51	
Deduct: Sundry adjustments applicable to prior years	1,451.21	
		<u>83,231.30</u>
Add: Net profit from January 1st, 1934 to December 31st, 1934		29,266.82

		\$ 112,498.12
Deduct: Dividends paid on Preferred Stock	\$ 29,699.25	
Provision for Income Taxes	3,400.00	
		<u>33,099.25</u>

Balance at Credit—December 31st, 1934		\$ 79,398.87
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BOARD OF DIRECTORS

GEORGE S. LANGLEY, PRESIDENT

C. F. MAYES, GENERAL MANAGER

F. O. MITCHELL
25 King St. W.,
Toronto, Ont.

A. E. HATFIELD
33 Whitehall Road,
Toronto, Ont.

S. R. MACKELLAR
21 Melinda Street,
Toronto, 2, Ont.