

Langley's

LIMITED

CLEANERS - DYERS - FURRIERS

Toronto, Ontario

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ANNUAL REPORT

December 31st, 1938

TO THE SHAREHOLDERS:

Enclosed you find the Balance Sheet and Profit and Loss Account for the fiscal year ending December 31st, 1938.

	1938	1937
After payment of all operating expenses, but before providing for Depreciation and Income Taxes, the earnings are.....	\$ 58,656.03	\$ 69,393.63
After deducting Depreciation of.....	33,445.75	34,346.63
and Income Taxes, etc., there remains to carry forward to Earned Surplus Account.....	20,101.06	28,510.41
This amounts to.....	3.55	5.03
per share on the outstanding Preference Stock.		
After paying dividends of.....	5.00	nil
per share on the outstanding Preference Stock, amounting to.....	28,285.00	nil
Working Capital amounted to.....	158,885.83	149,158.85
to which might properly be added Cash Surrender Value of Life Insurance of.....	26,021.04	23,978.93
The Reserve for Depreciation and Obsolescence amounts to.....	350,339.81	328,782.98
which is.....	32.2%	30%
of the book value of buildings, machinery, furniture and fixtures.		

The decline in business which set in during the last quarter of 1937 continued through the first half of the year. The European crisis which occurred in the early Fall, plus the unseasonable weather which followed, adversely affected business during the latter half. The result was a decrease of 12.5% in gross revenue from 1937. Total Operating Expenses show a drop of 12.4% to show a reduction in net Operating Profit of 12.3%.

Sales in 1939 to date have been disappointing, but if business improves this Spring, the Company, with its efficient organization, is in a position to reap full benefit.

By Order of the Board,

GEO. S. LANGLEY,
President.

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McGILL UNIVERSITY

LANGLEY'S
AND SUB
Consolidated Financial State
BALANCE

ASSETS

Current:

Cash on Hand and in Banks.....	\$	67,987.49	
Government Bonds (Par \$20,000.00).....		19,600.00	
Accounts Receivable (Less Reserve).....		33,431.78	
Stock on Hand per Inventories.....		67,015.23	
			\$ 188,034.50

Fixed:

Land, Buildings, Plant and Equipment.....	\$1,240,032.41	
Motor Trucks (Less Reserve).....	11,507.95	
		1,251,540.36

Investments:

Life Insurance Premiums, etc.....	\$	49,255.18	
(Cash Surrender Value of Life Insurance, \$26,021.04)			
Mortgage Receivable and Accrued Interest.....		13,798.74	
			63,053.92

Deferred:

Deferred Charges.....		19,417.81	
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TOTAL ASSETS.....		\$1,522,046.59
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To the Shareholders,
 LANGLEY'S LIMITED,
 Toronto, Ontario.

We beg to report that we have audited the books and accounts of your Company and its Subsidiary for the year ended December 31st, 1938, and hereby certify that the annexed Balance Sheet is, in our opinion, drawn up so as to exhibit a true and correct view of the state of the Companies' affairs as at December 31st, 1938, according to the best of our information and the explanations given us, and as shown by the books of the Companies, subject to the fact that Preferred dividends of Langley's Limited, amounting to \$149,910.50, are in arrears.

We further certify that we have received all the information and explanations that we have required.

WELCH, ANDERSON & COMPANY,
 Chartered Accountants.

Toronto, February 22nd, 1939.

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SIDIARY

ment - December 31st, 1938

SHEET

LIABILITIES

Current:

Accounts and Bills Payable and Accrued Charges.....	\$ 22,808.99
Provision for Taxes.....	6,339.68

TOTAL LIABILITIES..... \$ 29,148.67

RESERVES

Reserves for Depreciation and Obsolescence..... 350,339.81

SHAREHOLDERS' INTEREST

Capital Stock:

Preferred—Authorized 6,000 Shares, 7% Redeemable, Cumulative. Par Value \$100.00 each.....\$600,000.00

Issued and Fully Paid, 5,657 Shares. Par Value \$100.00 each.....\$565,700.00

Common—Authorized 21,000 Shares. No Par Value. Issued and Fully Paid, 20,793 Shares. No Par Value..... 219,032.00

\$784,732.00

Capital Surplus.....\$274,710.21

Earned Surplus..... 83,115.90 357,826.11

TOTAL SHAREHOLDERS' INTEREST..... 1,142,558.11

\$1,522,046.59

PROFIT AND LOSS STATEMENT

Year Ended December 31st, 1938

Net Operating Profit (Before Provision for Depreciation and Income Taxes)..... \$ 55,124.01

Add: Miscellaneous Income, Interest, etc..... 3,532.02

\$ 58,656.03

Deduct: Interest and Exchange..... \$ 453.64

Reserve for Depreciation and Obsolescence..... 25,131.50

Depreciation on Motor Trucks..... 8,314.25

Directors' Fees..... 975.00

34,874.39

Net Profit for Year Ended December 31st, 1938 (Before Provision for Income Taxes).... \$23,781.64

Deduct: Provision for Income Taxes..... 3,680.58

Net Profit for Year Ended December 31st, 1938..... \$ 20,101.06

EARNED SURPLUS STATEMENT

December 31st, 1938

Balance at Credit—December 31st, 1937..... \$ 91,320.07

Deduct: Income Tax Adjustments..... 20.23

\$ 91,299.84

Add: Net Profit for Year Ended December 31st, 1938..... 20,101.06

\$ 111,400.90

Deduct: Dividends Paid on Preferred Stock..... 28,285.00

Balance at Credit—December 31st, 1938..... \$ 83,115.90

BOARD OF DIRECTORS

GEORGE S. LANGLEY, President

C. F. MAYES
Vice-President and General Manager

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

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

B. N. BARRETT
35 Old Mill Road,
Toronto, Ont.