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Langley's
LIMITED

ANNUAL REPORT

For the year ended December 31st

1953

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McGILL UNIVERSITY

Langley's LIMITED

EXECUTIVE OFFICES

Second Street at Lakeshore Road, Toronto 14



Directors

GEORGE S. LANGLEY

J. R. MOONEY

D. R. MORTON

C. E. MOONEY

G. H. HAND

Executive Officers

GEORGE S. LANGLEY.....	<i>Chairman of the Board</i>
J. R. MOONEY.....	<i>President</i>
D. R. MORTON.....	<i>Vice-President</i>
G. H. HAND.....	<i>Secretary</i>
N. W. WHEATLEY.....	<i>Treasurer</i>
G. B. HENNING.....	<i>General Manager</i>
W. A. SNYDER.....	<i>Mgr. Hamilton Plants</i>

OPERATING PLANTS AT THE FOLLOWING LOCATIONS

1534 Danforth Avenue	Toronto
3590 Bloor St. West	Toronto
600 Bayview Avenue	Toronto
738 Lakeshore Road	New Toronto
115 Colborne St. E.	Oakville
504 Lawrence Ave. W.	Toronto
318 Dundurn South	Hamilton
117 Queenston Road	Hamilton



Transfer Agent and Registrar
NATIONAL TRUST CO. LIMITED
Toronto 1, Ont.



Auditors
WELCH, HINTON & WELCH
Toronto, Ont.

TO THE SHAREHOLDERS:

On behalf of the Directors I submit herewith the twenty-fifth Annual Report together with a statement of the affairs and financial position of your Company for the fiscal year ended December 31, 1953.

The capital reorganization of your company as authorized by the shareholders in December, 1953 is of great importance to the future welfare of the company. The decision of your Directors to conserve the liquid assets of the company has made it possible to make all the payments to the shareholders, under the new plan, without any outside financing. Your Directors appreciate the confidence shown in them by the overwhelming support of the shareholders in connection with the financial reorganization.

The next balance sheet you will receive will indicate the effect of the new arrangements.

During 1953 three stores were closed in the Toronto area, our Oakville Package Plant was opened in April and our Lawrence Plaza Package Plant in December. In March of this year our first Hamilton Package Plant was opened at 117 Queenston Road.

Our combined operation as of April this year consist of the store plant, six package unit operations, plus fourteen stores in the Toronto area, the Hamilton plant, one package unit operation, plus six stores in the Hamilton area.

I am happy to be able to tell you that the statement of Consolidated Profit and Loss for the year ending December 31, 1953 shows a net profit after depreciation and taxes of \$22,051.13. This compares with a profit of \$7,335.09 for the year 1952.

In 1954 following the payment of some \$280,000.00 to shareholders your Company will no longer be receiving the income from the investment of these

funds. Shareholders should, therefore, look for a substantial decrease in "Sundry Income". Our volume of business during the first three months of 1954 shows a reduction and earnings are correspondingly lower for this period.

On behalf of the Board of Directors and the shareholders, I would like to thank most sincerely the Executive Officers, Plant Managers, and all employees who have helped us make the past year a profitable one.

Respectfully submitted on behalf of the Board.

J. R. MOONEY,
President.

DATED AT NEW TORONTO, THIS 7TH DAY OF APRIL, 1954

LANGLEY'

(Incorporated under the Ontario Companies Act)

AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 31st, 1953

(With comparative balances for December 31st, 1952)

ASSETS

CURRENT:

	Dec. 31st 1953	Dec. 31st 1952
Cash on hand and in banks	\$ 51,881.97	\$ 88,989.16
Marketable securities	nil	272,118.76
Accounts receivable — trade	3,292.73	3,181.46
Accounts receivable — sundry	5,241.38	4,752.45
Undelivered work at plants and stores	7,807.45	10,556.23
Inventories of materials and supplies as determined and certified by the management and valued at lower of cost or market	16,785.40	20,817.45
Life Insurance — cash surrender value	40,058.25	39,476.75
(Paid up value December 31st, 1953, \$51,277.85)		
TOTAL CURRENT ASSETS	<u>\$ 125,067.18</u>	<u>\$ 439,892.26</u>
Cash in banks and securities allocated for reduction of Preference Share Capital and Reorganization expenses	\$ 285,000.00	nil
Provision for capital expenditure in 1954	100,000.00	\$ 125,000.00
Mortgages receivable	12,034.58	2,952.44
Preference Shares of Langley's Limited — held by wholly owned Subsidiary Company — at cost	8,889.50	8,889.50
FIXED:		
Land, building, machinery and equipment — at cost	746,720.87	671,278.76
Less: Reserve for depreciation	240,333.69	199,140.53
	<u>\$ 506,387.18</u>	<u>\$ 472,138.23</u>
PREPAID AND DEFERRED:		
Prepaid expenses	\$ 7,103.25	\$ 9,098.45
Deferred charges	3,763.21	4,102.65
Expenditure on leasehold premises not yet written off	61,663.10	36,856.75
	<u>\$ 72,529.56</u>	<u>\$ 50,057.85</u>
Organization expenses	\$ 1,228.43	\$ 419.98
	<u>\$1,111,136.43</u>	<u>\$1,099,350.26</u>

To the Shareholders,

LANGLEY'S LIMITED, Toronto, Ontario.

We report that we have audited the books and accounts of your Company and its Toronto Subsidiary of Langley's of Hamilton Limited for the year ended November 30th, 1953.

Supplementary Letters Patent were issued effective December 31st, 1953, confirming the Capitalization of the Company for the year ended December 31st, 1953. To give effect to certain of the terms of Reorganization the arrears of dividends on Preference Shares having a book value of \$285,000.00 have been allocated to provide for the reduction of Preference Share Capital.

No changes have been made in the Capital of the Company as at December 31st, 1953, pending the completion of the above.

Subject to the above, we certify that, in our opinion, the annexed Balance Sheet is drawn up in accordance with the provisions of the Companies Act, 1953, according to the best of our information and the explanations given us and as shown by the books and records of the Company.

Toronto, April 2nd, 1954.

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(Ontario Companies Act)

FINANCIAL STATEMENTS

BALANCE SHEET

as at December 31st, 1953

(as at December 31st, 1952)

LIABILITIES

	Dec. 31st 1953	Dec. 31st 1952
CURRENT:		
Accounts payable and accrued charges	\$ 22,061.77	\$ 20,199.40
Reserve for income taxes	1,235.00	2,600.00
TOTAL CURRENT LIABILITIES	<u>\$ 23,296.77</u>	<u>\$ 22,799.40</u>
Mortgage Payable	nil	\$ 12,600.00

CAPITAL AND SURPLUS

Capital

Preference — authorized 6,000 shares 7% redeemable cumulative, Par Value \$100.00 each.		
Outstanding 5,657 shares	\$ 565,700.00	\$ 565,700.00
Common — authorized 31,000 shares of No Par Value.		
Outstanding 20,793 shares	219,032.00	219,032.00
	<u>\$ 784,732.00</u>	<u>\$ 784,732.00</u>

Capital Surplus Account

	\$ 258,727.60	\$ 258,727.60
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Earned Surplus Account

Langley's Limited and wholly owned subsidiaries.

Balance December 31st, 1953 — Statement of Consolidated Earned Surplus	44,380.06	20,491.26
	<u>\$1,111,136.43</u>	<u>\$1,099,350.26</u>

subsidaries for the year ended December 31st, 1953, and have accepted the Certificate of the Auditors

Capital Reorganization plan agreed to by the Preference and Common Shareholders on December 16th,
Shares have been cancelled as at December 31st, 1953, and cash in banks and securities of a total
and Reorganization expenses.

pending completion in 1954 of the Capital Reorganization.

map so as to exhibit a true and correct view of the state of the Companies' Affairs as at December 31st,
books of the Companies. We further certify that all our requirements as Auditors have been complied

WELCH, HINTON & WELCH
Chartered Accountants

LANGLEY'S LIMITED

AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year ended December 31st, 1953

(With comparative figures for 1952)

	1953	1952
Balance at beginning of year	\$ 20,491.26	\$ 12,352.36
<i>Add:</i>		
Net Profit for the year, Langley's Limited and operating Subsidiaries	22,051.13	7,335.09
Profit on disposal of fixed assets	35.00	550.00
Adjustment of prior years taxes	1,802.67	253.81
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Balance at end of year	\$ 44,380.06	\$ 20,491.26
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LANGLEY'S LIMITED

AND OPERATING SUBSIDIARIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

Year ended December 31st, 1953

(With comparative figures for 1952)

	1953	1952
Net Profit from operations for the year after charging Directors' fees and before depreciation and Income Taxes	\$ 50,538.48	\$ 31,291.76
 <i>Add:</i>		
Sundry Income	17,015.75	12,115.33
	<u>\$ 67,554.23</u>	<u>\$ 43,407.09</u>
 <i>Deduct:</i>		
Provision for depreciation on buildings, machinery and equipment	\$ 39,754.00	\$ 29,205.00
Provision for depreciation on trucks and auto- mobiles	4,514.10	4,267.00
	<u>\$ 44,268.10</u>	<u>\$ 33,472.00</u>
 NET PROFIT before provision for Income Taxes	 \$ 23,286.13	 \$ 9,935.09
 <i>Deduct:</i>		
Provision for Income Taxes, Subsidiary Company	*1,235.00	2,600.00
 NET PROFIT FOR THE YEAR	<u>\$ 22,051.13</u>	<u>\$ 7,335.09</u>

(Carried to Statement of Consolidated Earned Surplus)

*Income Tax is not payable on all of Consolidated Net Profit because of losses sustained in prior years.

