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# ANNUAL REPORT

for the year ended  
December 31st

1947

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*Langley's*  
LIMITED

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# Langley's

LIMITED

EXECUTIVE OFFICES . . . 253 Spadina Road, Toronto 4



## Directors

S. R. MACKELLAR

C. F. MAYES

B. N. BARRETT

S. G. BENNETT

G. H. HAND

## Executive Officers

President.....S. R. MACKELLAR

Vice-President and Managing Director.....C. F. MAYES

Secretary-Treasurer.....N. W. WHEATLEY

## Managers

LANGLEY'S LIMITED of Toronto.....G. B. HENNING

LANGLEY'S OF HAMILTON LIMITED.....H. FOTHERINGHAM



## LANGLEY'S OF HAMILTON LIMITED

OFFICE AND PLANT 318 Dundurn St. South, Hamilton



Transfer Agent and Registrar

NATIONAL TRUST CO. LIMITED

Toronto 1, Ont.

per. Prof. Woods Apr. 23/48

# Langley's

LIMITED



## TO THE SHAREHOLDERS:

Your Directors submit herewith the nineteenth Annual Report, presenting a statement of the affairs and financial position of your Company for the fiscal year ended 31st December, 1947, with the report thereon of your auditors. This statement does not include figures of the Hamilton subsidiary, mention of which will be made later.

These statements cover our second year of post-war operations, a year of unrest and general uncertainty. The results reflect this difficult year, showing a net loss of \*\$24,994, compared to a net profit of \$24,364 for the preceding year.

The following is a comparison of earnings for the last three years:

	1947	1946	1945
Net earnings before depreciation and income taxes.....	\$ 5,511	\$ 71,078	\$ 58,410
Less:			
Depreciation on fixed assets.....	29,321	30,865	30,570
Depreciation on automotive equipment.....	1,184	575	3,168
NET PROFIT OR LOSS before income taxes..(Def.)	* \$ 24,994	\$ 39,638	\$ 24,672
Provision for income taxes.....		15,273	185
NET PROFIT OR LOSS for the year.....(Def.)	* \$ 24,994	\$ 24,364	\$ 24,486

\*The Net Loss is reduced by an estimated amount of \$10,000.00 refundable by Dominion of Canada under Sec. 5, S.S. (1), Par. (p) of The Income War Tax Act.

And the following is a summary of the working capital position for the last two years:

	1947	1946
Cash and government bonds.....	\$129,162	\$203,280
Cash surrender value of life insurance.....	35,978	35,370
Accounts receivable and inventories.....	91,481	118,300
TOTAL QUICK ASSETS.....	\$256,621	\$356,950
Current Liabilities.....	31,813	37,878
NET WORKING CAPITAL.....	\$224,808	\$319,072

Part of the decline in the Quick Asset position is explained by a \$65,000 advance made to the Hamilton subsidiary to complete payments for their new plant.

NOTE.—The above does not include the assets, liabilities or earnings of the subsidiary company, Langley's of Hamilton Limited.

The year under review presented a number of serious problems brought about by the government decontrol of prices in Canada and the subsequent rise in the cost of supplies. An additional factor was the increase in wages granted the employees. One of the most difficult problems was the scarcity of female help. As of the first of January, 1947, the Dominion Government changed the income tax law, increasing the tax for married women, who consequently gave up their jobs,

thus accentuating an already bad situation in the Toronto area. This labour shortage prevented us from handling all the work offered during the spring and summer seasons, and caused a large loss of revenue to your Company. While the charges for our cleaning services were raised in the latter part of August, we did not receive the benefit of any increase during the busier months.

The volume of laundry processed during 1947 was about the same as during the previous year. Because of the help situation, we could not accept all the business available to us, and what we were able to process we could not have ready in the normal length of time. However, since last fall, a change has occurred in the labour supply. Our volume has improved accordingly and work is returned in four to six days.

The new plant of Langley's of Hamilton went into operation during February 1947. Business handled by the company was approximately the same as during 1946. It took some time to overcome the unsettlement and difficulties of moving, but operations are now running more smoothly. Two shirt finishing units have been installed, allowing the work to be done in Hamilton instead of in the Toronto plant as previously.

The fiscal year of the Hamilton subsidiary was changed to end with the November accounting period. The statement for the nine-month period showed a profit of \$5,145 after taxes. A dividend of \$3.00 per share was declared on the 1,335 outstanding shares, from which Langley's received \$3,750.

The fiscal year of the parent Company is being changed to end with the November accounting period, which will make the fiscal years of both companies uniform. The minority interests of the Hamilton subsidiary were taken over as of 29th November, 1947. This will permit our next Annual Report for the fiscal year of 1948 to show the combined earnings of both companies, the Hamilton company for the full twelve-month period and the Toronto company for an eleven-month period.

It is interesting to note the amounts that have been written off yearly for depreciation of fixed assets during the last eight years, compared to write-offs during previous years. This last eight years the write-offs for Hamilton and Toronto have averaged \$36,959, with \$39,860 being written off during 1947. For the previous six years the write-offs for the two companies averaged \$25,543, with \$25,000 being written off during 1939. While heavier write-offs cut into profits as shown in the Profit and Loss Account, actually they save payment of income taxes and improve accordingly the net and cash position of the Company. It should be added that the present depreciation write-offs are approved by the officials of the Dominion Income Tax Department.

During last February a change was made in the set-up of our executive officers. Mr. Mayes was appointed as Managing Director in charge of all operations, and Mr. Gordon Henning as Manager of the Toronto operation. Mr. Harry Fotheringham continues as Manager of the Hamilton company.

Your Directors are pleased to record their appreciation of the loyalty and faithful service of the officials and employees of the Company.

Submitted on behalf of the Board.

APRIL 8th, 1948

S. R. MACKELLAR, *President*

# LANGLEY'S

(Incorporated under The

AND SUBS

Other than Langley's of Hamilton

CONSOLIDATED

December

(With comparative balances

ASSETS	1947	1946
CURRENT:	\$	\$
Cash on hand and in bank.....	54,162.16	53,280.48
Dominion of Canada Bonds.....	75,000.00	150,000.00
(Market value December 31, 1947—\$75,525.00)		
Accounts receivable—less reserve.....	12,940.36	11,817.58
Estimated amount of income tax refundable by Do- minion of Canada.....	10,000.00	.....
Langley's of Hamilton Limited.....	628.66	44,872.50
Undelivered work at plant and stores.....	19,179.18	24,693.50
Inventories of materials and supplies as determined and certified by the management and valued at the lower of cost or market.....	48,733.09	36,916.12
Life insurance—cash surrender value.....	35,978.49	35,370.47
(Paid-up value December 31, 1947—\$50,170.76)		
TOTAL CURRENT ASSETS.....	256,621.94	356,950.65
Special Advance, Langley's Hamilton Limited.....	65,000.00	.....
Investment in Langley's of Hamilton Limited.....	125,000.00	125,000.00
Shares of Company—held by subsidiary company— at cost.....	8,889.50	10,041.50
FIXED:		
Land, buildings, machinery and equipment, based upon an appraisal made in 1929 by the Dominion Appraisal Company Limited, with subsequent net additions at cost.....	1,138,446.55	1,114,423.91
Less: Reserve for depreciation.....	539,265.08	508,225.79
	599,181.47	606,198.12
DEFERRED AND PREPAID:		
Insurance, etc.....	7,561.68	5,929.04
Expenditures on leasehold premises not yet written off.	9,000.00	6,388.04
Expenditures on plant alterations not yet written off.	28,781.75	33,832.32
	45,343.43	46,149.40
To the Shareholders,	1,100,036.34	1,144,339.67
LANGLEY'S LIMITED, Toronto, Ontario.		

We beg to report that we have audited the books and accounts of your Company and its Subsidiaries other than the annexed Balance Sheet is, in our opinion, drawn up so as to exhibit a true and correct view of the state of the affairs given us and as shown by the books of the Companies, subject to the fact that Preference dividends declared and paid, has been taken up for Langley's of Hamilton Limited for the period during which this is

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

TORONTO, March 5th, 1948

# S LIMITED

(Ontario Companies Act)

## SUBSIDIARIES

Hamilton Limited shown as investment

## BALANCE SHEET

December 31st, 1947

(Comparison as at December 31st, 1946)

	1947	1946
<i>LIABILITIES</i>		
CURRENT:	\$	\$
Accounts payable and accrued charges.....	31,813.90	32,594.10
Reserve for income and excess profits taxes.....	.....	5,283.97
	<u>31,813.90</u>	<u>37,878.07</u>
CAPITAL AND SURPLUS:		
<i>Capital</i>		
Preference—6,000 7% redeemable, cumulative Preference shares of \$100.00 each authorized; 5,657 shares outstanding.....	565,700.00	565,700.00
(NOTE.—7% cumulative dividends in arrears: December 31st, 1947—\$415,789.50 December 31st, 1946— 404,475.50)		
Common—21,000 Common shares of no par value authorized; 20,793 shares outstanding.....	219,032.00	219,032.00
Capital Surplus Account.....	239,689.96	239,689.96
Earned Surplus Account.....	43,800.48	82,039.64
	<u>1,068,222.44</u>	<u>1,106,461.60</u>
	<u>1,100,036.34</u>	<u>1,144,339.67</u>

WELCH, ANDERSON & COMPANY  
Chartered Accountants

# LANGLEY'S LIMITED

(Incorporated under The Ontario Companies Act)

## AND SUBSIDIARIES

Other than Langley's of Hamilton Limited

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended December 31st, 1947

(With a comparative account for the year ended December 31st, 1946)

	1947	1946
	\$	\$
Net profit or loss from operations for year, after charging directors' fees, and before depreciation and income taxes.....(Def.)	1,806.59	65,849.76
Sundry income.....	7,317.89	5,229.16
	<u>5,511.30</u>	<u>71,078.92</u>
<i>Deduct:</i>		
Provision for depreciation of automobiles and trucks....	1,184.35	575.00
Provision for depreciation of buildings, machinery and equipment.....	29,321.00	30,865.00
	<u>30,505.35</u>	<u>31,440.00</u>
NET PROFIT OR LOSS—before income and excess profits taxes.....(Def.)	24,994.05	39,638.92
Provision for income and excess profits taxes.....	Nil	15,273.97
NET PROFIT OR LOSS for year.....(Def.)	<u>24,994.05</u>	<u>24,364.95</u>
(Carried to Earned Surplus)		

### CONSOLIDATED EARNED SURPLUS ACCOUNT

December 31st, 1947

(With a comparative account for the year ended December 31st, 1946)

Balance at CREDIT—at beginning of year.....	82,039.64	65,495.35
Add: Estimated amount refundable by Dominion of Canada under Sec. 5, S.S. (1), Par. (p) of The Income War Tax Act.....	10,000.00	.....
	<u>92,039.64</u>	<u>65,495.35</u>
PROFIT OR LOSS for the year.....(Def.)	24,994.05	24,364.95
	<u>67,045.59</u>	<u>89,860.30</u>
<i>Add:</i>		
Dividend Langley's of Hamilton Limited.....	3,750.00	6,250.00
Net adjustment on disposal of fixed assets or bonds....	183.00	2,905.99
Net adjustment on revision of Battle Dress Contracts.....	1,384.45	.....
TOTAL ADDITIONS.....	<u>5,317.45</u>	<u>9,155.99</u>
<i>Deduct:</i>		
Preferred dividends paid.....	28,285.00	16,971.00
Sundry adjustments re prior years.....	.....	5.65
Net adjustments re non-operating subsidiaries.....	277.56	.....
TOTAL DEDUCTIONS.....	<u>28,562.56</u>	<u>16,976.65</u>
Balance at CREDIT—at end of year.....	<u>43,800.48</u>	<u>82,039.64</u>

### CAPITAL SURPLUS ACCOUNT—December 31st, 1947

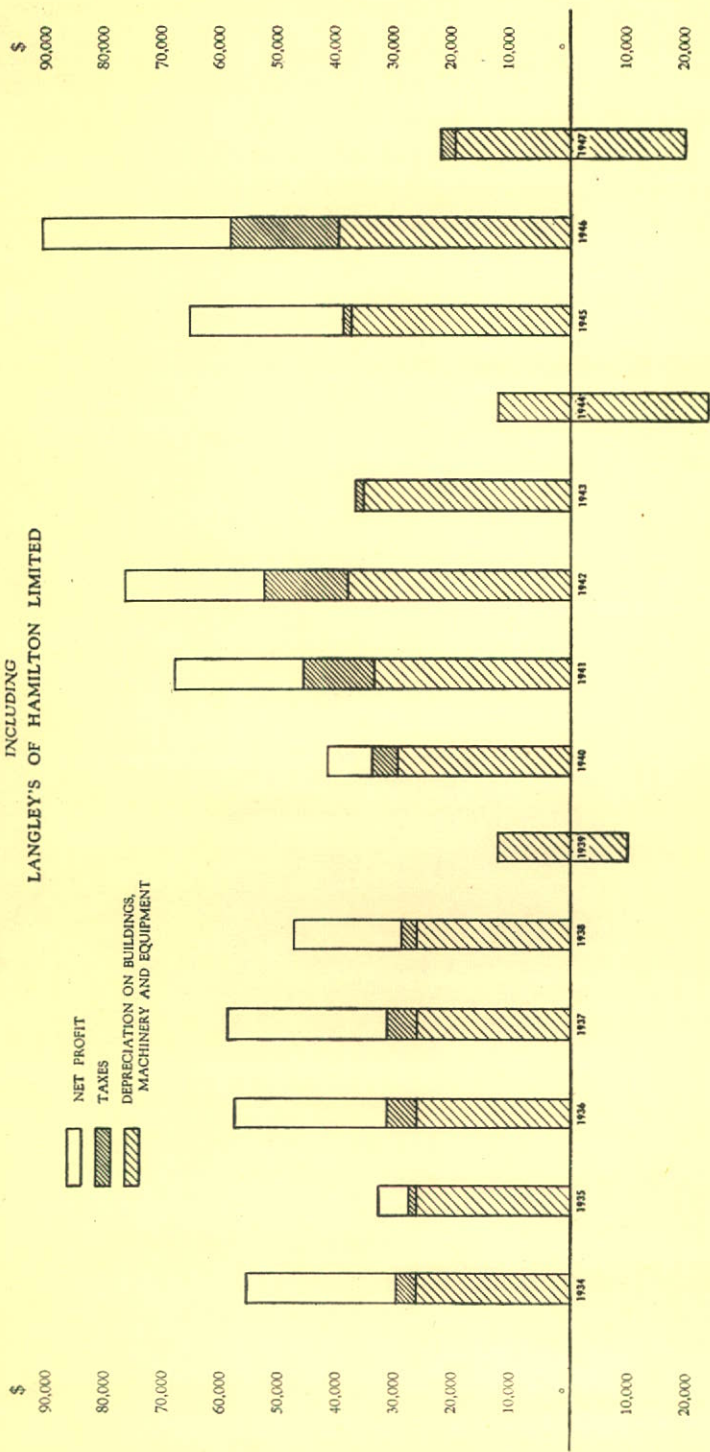
(With a comparative account for the year ended December 31st, 1946)

Balance at CREDIT—at beginning of year.....	239,689.96	239,689.96
Changes during the year.....	Nil	Nil
Balance at CREDIT—at end of year.....	<u>239,689.96</u>	<u>239,689.96</u>



# LANGLEY'S LIMITED AND SUBSIDIARIES

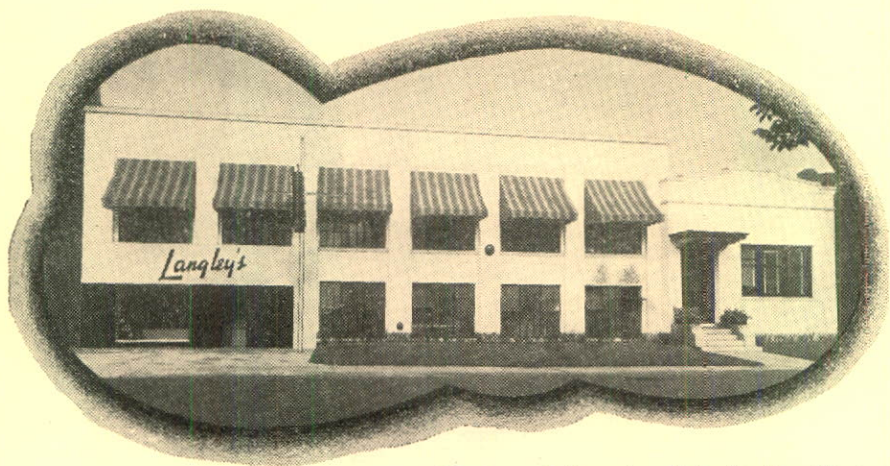
INCLUDING  
LANGLEY'S OF HAMILTON LIMITED



Year	NET PROFIT	TAXES	DEPRECIATION
1934	\$ 25,867	3,400	25,867
1935	\$ 6,085	677	26,000
1936	\$ 28,472	5,200	26,131
1937	\$ 28,510	5,382	26,131
1938	\$ 20,101	3,681	25,131
1939	\$ 11,248	4,803	25,000
1940	\$ 8,921	4,803	30,000
1941	\$ 23,982	11,969	34,000
1942	\$ 23,977	14,050	39,077
1943	\$ 250	750	36,984
1944	\$ 24,202		37,803
1945	\$ 27,256	1,480	38,150
1946	\$ 32,098	19,774	39,798
1947	\$ 19,848	2,591	39,860

## TWO VIEWS of THE HAMILTON PLANT

ONE OF CANADA'S MOST UP-TO-DATE DRYCLEANING OPERATIONS



This shows the front view of the Hamilton Plant as it faces Dundurn Street, South. The Cash & Carry store at the south end is finished in the usual Langley style with primrose and black vitrolite. The entrance at the north end is to the General Offices.



This view taken from the north shows the part of the plant facing on Homewood Street. The Garment Storage vaults are located above the garage. The up-to-date fleet of trucks is also shown.



## TORONTO Neighborhood Stores

### DOWNTOWN

14 Temperance Street

#### EAST

259 Coxwell Avenue  
541 Danforth Avenue  
1990 Danforth Avenue  
415 Donlands Avenue  
982 Kingston Road  
2024 Queen Street East

#### NORTH

597 Bayview Avenue  
450 Eglinton West  
936 Eglinton West  
609 Mount Pleasant Road  
515 St. Clair Avenue West  
1475 Yonge Street  
2478 Yonge Street  
3404 Yonge Street

#### WEST

977 Bloor Street West  
2368 Bloor Street West  
2988 Bloor Street West  
2925 Dundas Street West  
1500 Queen Street West  
175 Roncesvalles Avenue  
1222 St. Clair West

#### CENTRAL

1200 Bay Street  
487½ Church Street  
376 College Street  
471 Parliament Street  
253 Spadina Road  
757 Yonge Street

### HEAD OFFICE and PLANT

253 Spadina Road, Toronto 4



## HAMILTON Neighborhood Stores

329 Barton Street East  
16 King Street West  
301 King Street East

1101 Main Street East  
236 York Street  
318 Dundurn St. South

OFFICE and PLANT - 318 Dundurn Street South, Hamilton

LANGLEY'S of Hamilton Limited

