

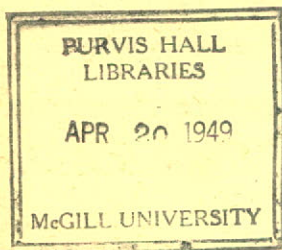
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*Langley's*  
LIMITED

ANNUAL REPORT

For the year ended December 31st

1948





# Langley's LIMITED

EXECUTIVE OFFICES AND PLANT: 253 Spadina Rd., Toronto 4



## Directors

GEO. S. LANGLEY

D. R. MORTON

E. R. JARMAIN

J. R. MOONEY

G. H. HAND

## Executive Officers

GEO. S. LANGLEY.....*President*

D. R. MORTON.....*Vice-President*

G. H. HAND.....*Secretary*

N. W. WHEATLEY.....*Treasurer*



G. B. HENNING

General Manager, Langley's Limited, Toronto

H. FOTHERINGHAM

Vice-President and General Manager, Langley's of Hamilton Limited



LANGLEY'S OF HAMILTON LIMITED

OFFICE and PLANT — 318 Dundurn St. South, Hamilton



*Transfer Agent and Registrar*

NATIONAL TRUST CO. LIMITED

Toronto 1, Ont.

## TO THE SHAREHOLDERS:

Your Directors submit herewith the Twentieth Annual Report, presenting a statement of the affairs and financial position of your Company for the fiscal year ended 31st December, 1948, with the report thereon of your Auditors.

The minority interests of the Hamilton subsidiary were purchased in 1948, and therefore the Consolidated Balance Sheet this year includes the assets and liabilities of that Company for the first time since 1942. Separate Profit and Loss Accounts are given for Langley's Limited (Toronto), and Langley's of Hamilton Limited. A consolidated earned surplus account for all your Companies is also submitted.

The reports do not give comparative figures for other years, because the operating statement for 1947 for the Hamilton subsidiary was for a nine month period and also because it was not wholly owned at that time. In future years, the principle of showing comparative figures will be followed.

The following is a comparison of earnings for the Toronto plant for the last two years.

	1948	1947
Net earnings before depreciation and income taxes .....	\$33,591	\$ 5,511
<i>Less</i>		
Depreciation on fixed assets .....	27,245	29,321
Depreciation on automotive equipment .....	2,979	1,184
NET PROFIT OR LOSS before income taxes .....	\$ 3,367	\$24,994*
Provision for income taxes .....	1,027	.....
NET PROFIT OR LOSS for year.....	\$ 2,339	\$24,994*

(\*Indicates a loss)

At the time your new Board of Directors took office on April 30, 1948, the Company showed an operating loss of \$15,282. These four months included the busy Easter season when the Company normally shows good earnings.

The following is a schedule showing the earnings for the Hamilton plant for the twelve months ending November 27, 1948, compared with the nine months ending November 29, 1947.

	1948 (12 months)	1947 (9 months)
Net earnings before depreciation and income taxes .....	\$28,351	\$19,657
<i>Less</i>		
Depreciation on fixed assets .....	15,049	10,539
Depreciation on automotive equipment .....	1,972	1,381
NET PROFIT OR LOSS before income taxes .....	\$11,330	\$ 7,737
Provision for income taxes .....	4,550	2,591
NET PROFIT OR LOSS for period .....	\$ 6,780	\$ 5,146

The earnings before taxes show an increase of \$3,593 and it should be noted that the three months (December, January and February) which are not included in the 1947 figures are months in which little or no profits are earned.

Our cash position continues to be sound, but dividends have not been declared pending a clearer view of this year's prospects.

In Toronto, labour matters have been a serious concern of your Directors and Management. Since May 1948 until the present time, negotiations have been constantly under way with the various union organizations.

Failing to reach a satisfactory agreement with the plant union in June, Conciliation was resorted to, and agreement was reached here only after the inclusion of a wage re-opener clause effective January 15, 1949. Negotiations and

Conciliation on this wage clause have broken down without agreement, and the union is resorting to arbitration in an attempt to secure a 25% increase in wages for our plant employees, in spite of the fact that our present wages compare favourably with similar plants in the Toronto area.

Late in 1948 a union was certified to represent our store personnel. Negotiations in this respect are still under way, after Conciliation. This union requested a \$5.00 weekly increase for all store clerks despite surveys showing that our wages in respect to store personnel compare very favourably with other plants in Toronto.

In spite of these and other difficulties, by establishing an aggressive merchandising policy we have been able to maintain a satisfactory volume of work in the plants even in so-called slack seasons. This has enabled us to provide regular year 'round work for practically all our employees, and we are now going into our busy spring season with our plants well manned. The volume of work obtained by this method has also enabled us to improve our operating picture during these slack periods.

A satisfactory increase in Sales has been made in both the Toronto and Hamilton operations. Since May 1st, 1948, certain beneficial changes in methods and layout have been made in both plants. These changes have not been costly and have facilitated the work flow through the plant and made certain reduction in staff possible, at the same time increasing the speed of service. This is particularly noticeable in the laundry division, where work has been going out on a regular schedule with only one delay occurring since last summer. Service on men's work was speeded up and certain economies made in the shipping department, which reduced handling, cut costs, and speeded up service.

By making a few minor changes and improving the formula of our detergent, the quality of the cleaning has been greatly improved.

In the boiler room the brick work, grates, soot blowers, etc., on one of our two boilers was almost entirely rebuilt by our own staff, and quite easily carried the increased load throughout the winter without the use of a second boiler as has heretofore been necessary. Considerable saving in fuel resulted.

This month the rug scrubbing floor has been resurfaced, and the capacity of our rug drying room increased, so that we are now able to accept rugs on a four day service basis, when arranged, instead of as formerly, allowing our service schedule to get as far behind as three weeks.

A new fast service at a premium price — "Sudden Service" (in by 9 out by 5 same day) was introduced last fall and we are enjoying a substantial volume of this work.

Handkraft Service was also introduced during the summer of 1948, and has been very well accepted by people who wear more expensive hand made garments and wish to have their cleaning done on a hand-finished basis. Handkraft Service is also a premium price service, and the additional revenue from the sale of it has been quite satisfactory.

Early in 1948 we were able to secure the service of another dyer and we are now able to handle practically all our dyeing on our own premises instead of sending it out to subcontractors. This has resulted in a much higher quality in the dye work and has enabled us to reduce our service schedule to as low as one week on dye orders.

At this point, your Directors would like to express their appreciation for the co-operation of the employees with the new management since their election.

Submitted on behalf of the Board.

GEORGE S. LANGLEY, *President*.

April 13, 1949.

# LANGLEY'S

(Incorporated under the O

AND SUBS

CONSOLIDATED I

December 31, 1949

## ASSETS

### CURRENT:

Cash on hand and in banks .....	\$	72,292.09	
Dominion of Canada Bonds .....		75,000.00	
(Market value December 31st, 1948 — \$75,125.00)			
Accounts receivable — less Reserve .....		13,514.56	
Estimated amount of income tax refundable by Dominion of Canada .....		10,000.00	
Undelivered work at plants and stores .....		32,546.78	
Inventories of materials and supplies as deter- mined and certified by the management and valued at lower of cost or market .....		57,068.55	
Life insurance — Cash Surrender Value .....		36,566.28	
(Paid up Value December 31st, 1948 — \$50,231.69)			

TOTAL CURRENT ASSETS ..... \$ 296,988.26

Shares of Company — held by Subsidiary Company — at cost ..... 8,889.50

### FIXED:

Land, buildings, machinery and equipment based upon appraisals made in 1929 and 1943 by the Dominion Appraisal Company Limited, with subsequent net additions at cost .....	\$1,385,742.95	
Less: Reserve for depreciation .....	614,611.71	771,131.24

### DEFERRED AND PREPAID

Insurance, etc. ....	\$	17,722.38	
Expenditures on leasehold premises not yet written off .....		8,843.21	
Expenditures on plant alterations not yet written off .....		24,730.00	51,295.59

Organization expense ..... 1,422.66

\$1,129,727.25

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 Subsidiaries and hereby certify that the annexed Balance Sheet is, in our opinion, drawn up so as to exhibit a true and correct statement of our information and the explanations given us and as shown by the books of the Companies, subject to the usual arrearages.

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

Toronto, March 18th, 1949.

# S LIMITED

(Ontario Companies Act)

DIARIES

BALANCE SHEET

1st, 1948

## LIABILITIES

### CURRENT:

Accounts payable and accrued charges .....	\$	41,744.28	
Reserves for income and corporation taxes .....		6,510.03	
TOTAL CURRENT LIABILITIES .....	\$		48,254.31

### CAPITAL AND SURPLUS:

#### Capital

Preference — Authorized — 6,000 shares, 7% redeemable, cumulative, Par Value \$100.00 each — outstanding 5,657 shares .....	\$	565,700.00	
(NOTE: 7% cumulative dividends in arrears \$455,388.50)			
Common — Authorized — 21,000 shares of No Par Value — outstanding 20,793 shares .....		219,032.00	784,732.00

*Capital Surplus Account* — being surplus at incorporation in-  
vested in fixed assets less adjustments since 1929 .....

			239,689.96
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#### *Earned Surplus Account*

Langley's Limited and wholly owned in- active subsidiaries .....	\$	45,462.31	
Langley's of Hamilton Limited .....		11,588.67	57,050.98

\$1,129,727.25

subsidiaries other than Langley's of Hamilton Limited for the year ended December 31st, 1948, and  
and correct view of the state of the Companies' affairs as at December 31st, 1948, according to the best  
subject to the fact that Preference dividends of Langley's Limited, amounting to \$455,388.50, are in

WELCH, ANDERSON & COMPANY  
Chartered Accountants

# LANGLEY'S LIMITED

(Incorporated under the Ontario Companies Act)

## PROFIT AND LOSS ACCOUNT

Year ended December 31st, 1948

Net profit from operations for the year after charging directors' fees, and before depreciation and income taxes .....		\$26,813.62
<i>Add:</i>		
Sundry income .....		6,777.61
		<hr/>
		\$33,591.23
<i>Deduct:</i>		
Provision for depreciation of automobiles and trucks ...	\$ 2,979.45	
Provision for depreciation of buildings, machinery and equipment .....	27,245.00	30,224.45
		<hr/>
NET PROFIT — before provision for income taxes .....		\$ 3,366.78
Provision for Income Taxes .....		1,027.26
		<hr/>
NET PROFIT for the year .....		\$ 2,339.52
(Carried to Earned Surplus)		<hr/> <hr/>

# LANGLEY'S OF HAMILTON LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended November 27th, 1948

Net profit from operations before depreciation and Income Taxes .....		\$28,003.46
<i>Add:</i>		
Sundry Income .....	\$ 222.39	
Profit on sale of Capital Assets .....	124.78	347.17
		<hr/>
		\$28,350.63
<i>Deduct:</i>		
Provision for depreciation of automobiles and trucks ...	\$ 1,971.92	
Provision for depreciation of buildings, machinery and equipment .....	15,049.02	17,020.94
		<hr/>
NET PROFIT — before provision for income taxes .....		\$11,329.69
Provision for Income Taxes — estimated .....		4,550.00
		<hr/>
NET PROFIT for the year .....		\$ 6,779.69
(Carried to Earned Surplus)		<hr/> <hr/>



# LANGLEY'S LIMITED

(Incorporated under the Ontario Companies Act)

## AND SUBSIDIARIES

### CONSOLIDATED EARNED SURPLUS ACCOUNT

December 31st, 1948

Langley's Limited and wholly owned inactive subsidiaries, December 31st, 1947 .....	\$43,800.48	
Langley's of Hamilton Limited, November 29th, 1947 .....	8,813.98	\$52,614.46
<i>Add:</i>		
Langley's Limited, profit for the year ended December 31st, 1948 .....	\$ 2,339.52	
Langley's of Hamilton Limited, profit for the year ended November 27th, 1948 .....	6,779.69	9,119.21
		<u>\$61,733.67</u>
<i>Deduct:</i>		
Langley's Limited —		
Adjustments to earned surplus on consolidation ...	\$ 637.69	
Adjustments re non-operating subsidiaries .....	40.00	
Langley's of Hamilton Limited — Dividend paid of \$3.00 per share .....	4,005.00	4,682.69
AMOUNT AS DETAILED BELOW .....		<u>\$57,050.98</u>
Langley's Limited and wholly owned inactive subsidiaries, December 31st, 1948 .....		\$45,462.31
Langley's of Hamilton Limited, November 27th, 1948 .....		11,588.67
Balance at Credit at end of year .....		<u>\$57,050.98</u>

# Langley's LIMITED

## *Service Stores in the Toronto Area*

### 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

1718 Avenue Road  
597 Bayview Avenue  
450 Eglinton West  
936 Eglinton West  
609 Mount Pleasant Road  
515 St. Clair Avenue West  
1475 Yonge Street  
2301 Yonge Street  
3404 Yonge Street

#### WEST

977 Bloor Street West  
2368 Bloor Street West  
2988 Bloor Street West  
1500 Queen Street West  
175 Roncesvalles Avenue  
1235 St. Clair Avenue 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



## *Service Stores in the Hamilton Area*

329 Barton Street East	724 Main Street East
16 King Street West	1101 Main Street East
303 King Street East	236 York Street

### LANGLEY'S OF HAMILTON LIMITED

#### OFFICE and PLANT

318 Dundurn Street South, Hamilton



