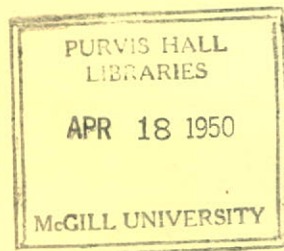


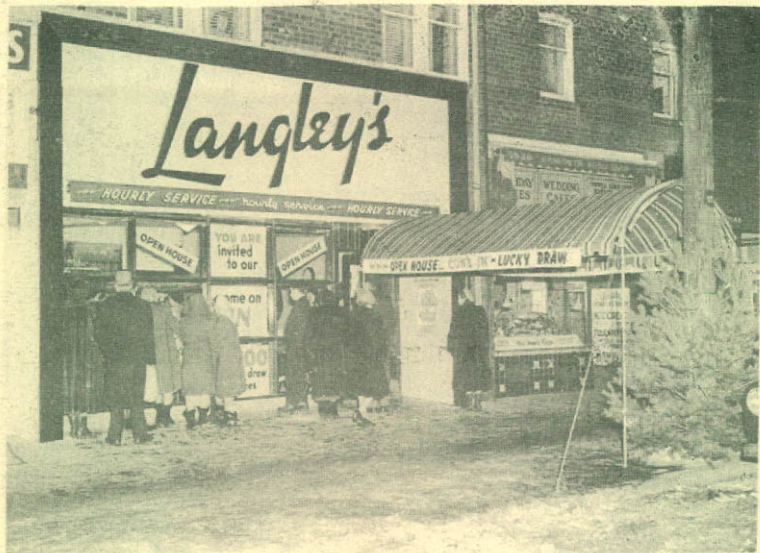
Langley's
LIMITED

ANNUAL REPORT

For the year ended December 31st

1949





NOT YET OPEN but passers-by are showing their interest.

PACKAGE PLANT

DRAWS 4,307 VISITORS

Opening by large old-line firm is significant.

Weekend crowd shows plants are big attraction.

WHEN LANGLEY'S opened their first "package plant" in Toronto last December, 4,307 people attended their open house. That was from 4 to 9 p.m. on Friday and all day Saturday.

The new plant was well publicized, attractive, and signs like this helped visitors to understand what it was all about: "Shirt

Washer—Soft water, nylon nets, pure detergents."

The opening was significant. Like many other cleaners, Langley's have a large oldtime plant—four stories high. Langley officials have visited at least one other plant, with a highly efficient layout, that was turning out almost as much work as



ENTRANCE AT RIGHT is set in 4½ feet, compared with lefthand side. Shirt unit is on constant display just inside front window.

Langley's in half the floor space and with half as many workers.

Alert management like Langley's wouldn't sit still while facing a plant handicap like that. This first package plant may be only the beginning. Some observers are wondering if Langley's won't move clear out from under their oldtime plant someday.

But a package plant *can* be just a small crowded place. To prosper, it must have these advantages, among others: Strategic location, efficient layout.

Langley's Danforth Ltd. (there

are advantages in having the new plant separately incorporated) is located on Danforth Ave., one of Toronto's important streets. The number of visitors at the open house is a pretty good indication that the location is strategic.

(How do they *know* they had exactly 4,307 visitors? They had a boy just inside the door, whisking the snow off people who entered. He had a counter in one hand, and he pressed the button every time someone came in.)

The efficiency of the layout is indicated partly by the service customers receive. Twenty-four-



COUNTER GIRL near cash register calls out order number, microphone carries it to basement where finished garments and shirts are stored.

hour service is standard. Each invoice is stamped with the time the order is received (within the nearest five minutes). If the stamp says "12:05," the counter girl tells the customers "You can have this at 12:05 tomorrow."

Usually the customer says "Oh, can I get it that soon?"

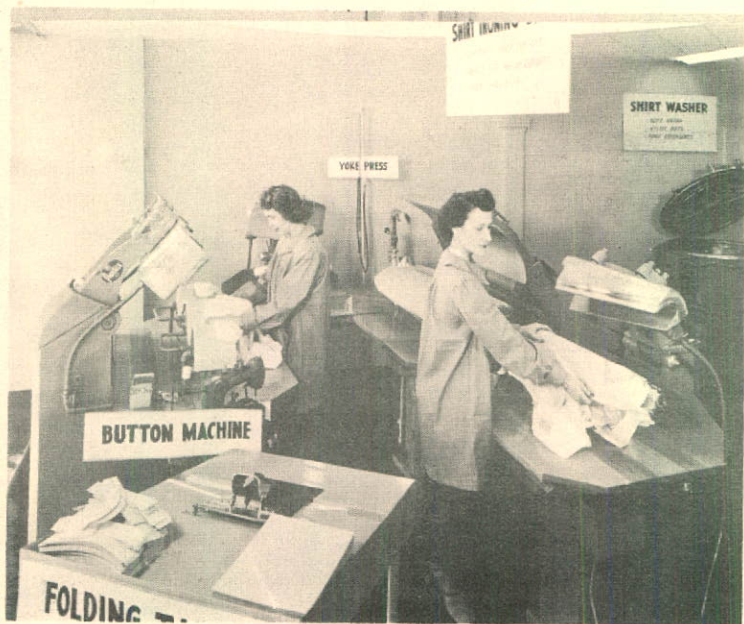
In other words the service is what customers like best about the new plant.

What impresses them next is the way the finished garments or shirt bundles come up under the counter. The girl at the counter speaks into a microphone, giving

the order number. Then she says to the customer, "It will be a few seconds."

To fill in the time she gets the order number from the next customer. Or if there is no other customer there at the moment, the girl engages the customer in conversation for a few seconds. Then she reaches under the counter and pulls out the garment or shirt bundle.

How is this done? Assembly and bagging are done in the basement. (Garments go down there on a slide rack.) Then when the girl upstairs calls out an order



SIGNS NOT IN WAY will be left up permanently. "Shirt Washer" sign also says: "Soft Water, Nylon Nets, Pure Detergents."

number, the girl in the basement puts it on the "elevator."

The "elevator" is nothing more than a tongue-and-groove arrangement in which one piece of wood slides up and down between two other pieces of wood. It has a hook on one side, and a garment is hung on this hook. A wider, longer support is used for shirt bundles.

Langley's give credit to Mel Watkins of Portland, Me. for this "elevator" idea.

When the counter girl pulls out a garment from under the counter, she hangs it on a hook

and shoves up the bag so the customer can see the garment. "Isn't that beautiful?" the girl asks. In nearly all cases the customer agrees.

Suppose, instead, the customer asks "Did you get that spot out?" If it isn't out or if the dress isn't the right one, this is certainly the time to find it out!

This package plant is geared to do about \$1200 or \$1500 a week. With a little added equipment it could perhaps handle \$2,000 a week. It cost, according to report, about \$50,000. Its progress will be closely watched.

Langley's LIMITED

EXECUTIVE OFFICES AND PLANT: 253 Spadina Road, Toronto 4



Directors

GEO. S. LANGLEY

D. R. MORTON

E. R. JARMAN

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



LANGLEY'S DANFORTH LIMITED

1534 Danforth Ave., Toronto



Transfer Agent and Registrar

NATIONAL TRUST CO. LIMITED

Toronto 1, Ont.



Auditors

WELCH, ANDERSON AND CO.

Toronto, Ont.

TO THE SHAREHOLDERS:

Your Directors submit herewith the twenty-first Annual Report, presenting a statement of the affairs and financial position of your Company for the fiscal year ended 31st December, 1949.

EARNINGS

The following is a comparison of earnings of the combined companies for the last two years, showing an increase of \$32,130, before taxes.

	1949	1948
Net earnings before depreciation and income taxes	\$ 98,478	\$ 61,901
Less		
Depreciation on fixed assets	42,938	42,294
Depreciation on automotive equipment	8,451	4,951
Loss on sale of capital assets	303
Net profit before income taxes	\$ 46,786	\$ 14,656
Provision for income taxes	15,603	5,577
Net profit for year	\$ 31,183	\$ 9,079

WORKING CAPITAL

The following is a comparison of the working capital position for the last two years.

	1949	1948
Cash and government bonds	\$134,082	\$147,292
Cash surrender value of life insurance	37,138	36,566
Accounts receivable and inventories	101,436	113,130
Total current assets	\$272,656	\$296,988
Current liabilities	66,318	48,254
Net working capital	\$206,338	\$248,734

The decrease shown, \$42,396 is due to purchases of fixed assets, the great part of which were for the new plant at 1534 Danforth Avenue, Toronto.

DIVIDEND

A Dividend of \$1.00 per share was paid on December 1, 1949, and, in addition, a Dividend of \$1.00 per share will be paid May 1, 1950, on the Preference Stock of the Company.

METHODS IMPROVEMENT

Continuing our endeavour to improve the operation, changes in methods and equipment layout were again made last year in both the Toronto and Hamilton Plants. Although these changes are costly, our operating expenses are reflecting the benefits.

MAINTENANCE

During the past year a large sum was spent on maintenance and improvement of your Company's physical assets. Because further maintenance work is urgently needed your Directors feel that maintenance will continue to be a major item of expense in 1950.

SALES VOLUME

Sales in 1949 showed a greater increase over 1948 than the general trend of the industry. For the first three months of this year however, in spite of an aggressive merchandising policy, volume of sales has not been as favourable.

PACKAGE UNIT

The new "Package Unit" plant at 1534 Danforth Avenue, Toronto, of which you were advised, was opened last December. The results of this operation have been up to our expectations. Sales continue to rise each week against the downward trend for the industry as a whole. We enclose a reprint of an interesting article published in one of the leading American trade magazines referring to this unit.

CAPITAL REORGANIZATION

Your Directors have considered several proposals for reorganization of the Company's capital structure but no definite plan is ready for presentation at this time. It is, however, hoped that a plan will be available shortly for consideration of the Shareholders.

LABOUR RELATIONS

After long and time consuming negotiations with plant and store unions in Toronto, contracts were signed granting increases to all hourly rated employees.

Your Directors would like to recognize and sincerely thank the employees for their support and co-operation during the year.

Submitted on behalf of the Board,

GEORGE S. LANGLEY,

President.

April 12, 1950.

LANGLEY'S

(Incorporated under the C

AND SUBS

CONSOLIDATED B

December 31

(With comparative balances a

ASSETS

	Dec. 31st 1949	Dec. 31st 1948
CURRENT:		
Cash on hand and in banks	\$ 84,082.66	\$ 72,292.09
Dominion of Canada Bonds	50,000.00	75,000.00
(Market value December 31st, 1949, \$50,000.00)		
Accounts receivable — less reserve	12,414.23	13,514.56
Dominion of Canada refund of income tax	9,392.09	10,000.00
Undelivered work at plants and stores	27,447.79	32,546.78
Inventories of materials and supplies as deter- mined and certified by the management and valued at lower of cost or market	52,181.17	57,068.55
Life Insurance — cash surrender value	37,138.87	36,566.28
(Paid up value December 31st, 1949, \$50,270.00)		
TOTAL CURRENT ASSETS	<u>\$ 272,656.81</u>	<u>\$ 296,988.26</u>
Current advances to wholly owned Subsidiary	\$ 2,790.05
Preference shares of Langley's Limited — held by wholly owned Subsidiary Company — at cost	8,889.50	\$ 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	1,469,019.41	1,385,742.95
Less: Reserve for depreciation	654,365.49	614,611.71
\$ 814,653.92	<u>\$ 771,131.24</u>	
PREPAID AND DEFERRED:		
Prepaid expenses	\$ 9,232.14	\$ 11,524.91
Deferred charges	7,827.60	619.46
Expenditure on leasehold premises not yet written off	37,030.09	14,421.22
Expenditure on plant alterations not yet written off	16,737.00	24,730.00
\$ 70,826.83	<u>\$ 51,295.59</u>	
Organization expense	\$ 1,422.66	\$ 1,422.66
<u>\$1,171,239.77</u>	<u>\$1,129,727.25</u>	

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 certify that the annexed Balance Sheet is, in our opinion, drawn up so as to exhibit a true and correct statement of the financial position and the explanations given us and as shown by the books of the Companies, subject to the fact that the same are true and correct.

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

Toronto, March 6th, 1950.

S LIMITED

(Ontario Companies Act)

LIABILITIES

BALANCE SHEET

As at December 31st, 1949

(As at December 31st, 1948)

LIABILITIES

	Dec. 31st 1949	Dec. 31st 1948
CURRENT:		
Accounts payable and accrued charges	\$ 56,237.64	\$ 41,744.28
Reserves for income and corporation taxes	10,081.16	6,510.03
TOTAL CURRENT LIABILITIES	\$ 66,318.80	\$ 48,254.31
CAPITAL AND SURPLUS:		
<i>Capital</i>		
Preference — Authorized 6,000 shares 7% redeemable cumulative, Par Value \$100.00 each.		
Outstanding 5,657 shares	\$ 565,700.00	\$ 565,700.00
(NOTE: 7% cumulative dividends in arrears December 31st, 1949, \$489,330.50.)		
Common — Authorized 21,000 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>
<i>Capital Surplus Account</i> — being surplus at incorporation invested in fixed assets less adjustments since 1929	\$ 239,689.96	\$ 239,689.96
<i>Earned Surplus Account</i>		
Langley's Limited and wholly owned in- active subsidiaries	63,364.25	45,462.31
Langley's of Hamilton Limited	17,134.76	11,588.67
Balance December 31st, 1949 — Statement of Consolidated Earned Surplus	\$ 80,499.01	\$ 57,050.98
	<u>\$1,171,239.77</u>	<u>\$1,129,727.25</u>

Liabilities other than Langley's of Hamilton Limited for the year ended December 31st, 1949, and hereby
view of the state of the Companies' affairs as at December 31st, 1949, according to the best of our
fact that Preference dividends of Langley's Limited, amounting to \$489,330.50, are in arrears.

WELCH, ANDERSON & COMPANY
Chartered Accountants

LANGLEY'S LIMITED

STATEMENT OF PROFIT AND LOSS

Year ended December 31st, 1949

(With comparative figures for the year ended December 31st, 1948)

	1949	1948
Net profit from operations for the year after charging directors' fees and before depreciation and income taxes	\$60,389.54	\$26,813.62
<i>Add:</i>		
Sundry income	6,344.19	6,777.61
	<u>\$66,733.73</u>	<u>\$33,591.23</u>
<i>Deduct:</i>		
Provision for depreciation on buildings, machinery and equipment	\$26,705.00	\$27,245.00
Provision for depreciation on trucks and automobiles ...	5,321.31	2,979.45
	<u>\$32,026.31</u>	<u>\$30,224.45</u>
NET PROFIT before provision for income taxes	\$34,707.42	\$ 3,366.78
<i>Deduct:</i>		
Provision for income taxes	10,802.92	1,027.26
NET PROFIT for the year	<u>\$23,904.50</u>	<u>\$ 2,339.52</u>
(Carried to Statement of Earned Surplus)		

LANGLEY'S OF HAMILTON LIMITED

STATEMENT OF PROFIT AND LOSS

Year ended November 26th, 1949

(With comparative figures for the year ended November 27th, 1948)

	1949	1948
Net profit from operations for the year before depreciation and income taxes	\$31,499.40	\$28,003.46
<i>Add:</i>		
Sundry income	129.70	222.39
Profit on sale of capital assets	124.78
	<u>\$31,629.10</u>	<u>\$28,350.63</u>
<i>Deduct:</i>		
Provision for depreciation on buildings, machinery and equipment	\$16,232.67	\$15,049.02
Provision for depreciation on trucks and automobiles ...	3,129.32	1,971.92
Loss on sale of capital assets	303.02
	<u>\$19,665.01</u>	<u>\$17,020.94</u>
NET PROFIT before provision for income taxes	\$11,964.09	\$11,329.69
<i>Deduct:</i>		
Provision for income taxes — estimated	4,800.00	4,550.00
NET PROFIT for the year	<u>\$ 7,164.09</u>	<u>\$ 6,779.69</u>
(Carried to Statement of Earned Surplus)		

LANGLEY'S LIMITED

AND SUBSIDIARIES

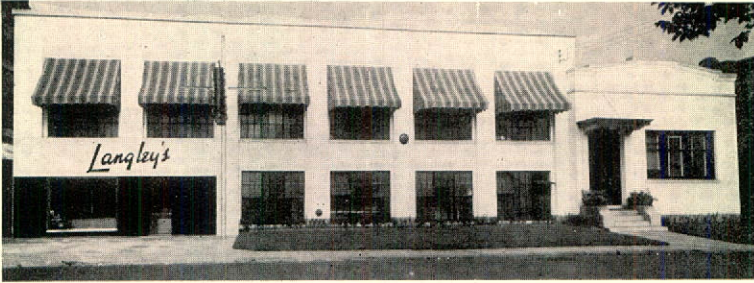
STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year ended December 31st, 1949

(With comparative figures for the year ended December 31st, 1948)

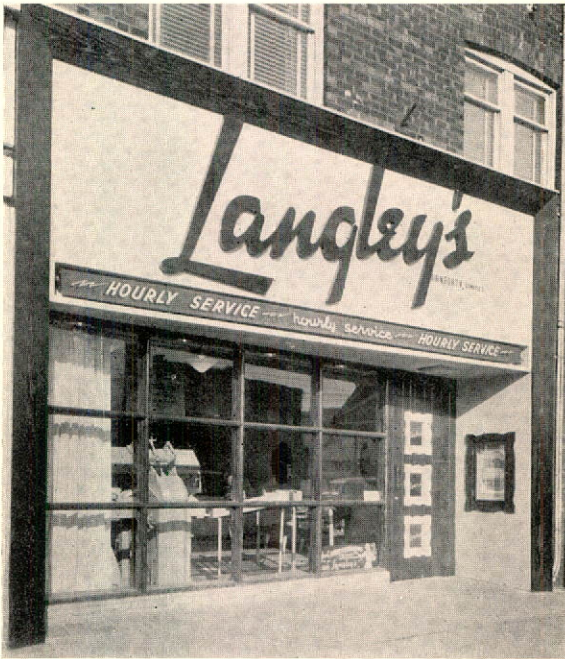
	1949	1948
Balance at beginning of year	\$57,050.98	\$52,614.46
 <i>Add: NET PROFITS FOR THE YEAR:</i>		
Langley's Limited	\$23,904.50	\$ 2,339.52
Langley's of Hamilton Limited	7,164.09	6,779.69
Wholly owned inactive subsidiaries	115.00	—40.00
Total net profits for year	<u>\$31,183.59</u>	<u>\$ 9,079.21</u>
	<u>\$88,234.57</u>	<u>\$61,693.67</u>
 <i>Deduct:</i>		
Langley's Limited —		
Dividends paid of \$1.00 on Preference shares	\$ 5,657.00
Adjustment on consolidation for inter-company transactions	460.56	637.69
Langley's of Hamilton Limited —		
Adjustment re prior years' taxes	1,618.00
Dividends paid in 1948	4,005.00
Total deductions	<u>\$ 7,735.56</u>	<u>\$ 4,642.69</u>
Balance at end of year — (details on Balance Sheet)	<u>\$80,499.01</u>	<u>\$57,050.98</u>

LANGLEY'S OF HAMILTON LTD.



This shows a front view of the Hamilton Plant. The store to the left is finished in the usual Langley style with primrose and black vitrolite. The General Offices are to the right.

LANGLEY'S DANFORTH LTD.



This is a street view of the new Danforth plant. The angle front allows easy viewing of the equipment in operation and provides a convenient shelter to the entrance at the right which leads into a very modern style store.

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

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
848 Yonge Street

HEAD OFFICE and PLANT

253 Spadina Road, Toronto 4



LANGLEY'S DANFORTH LIMITED

FAST SERVICE PLANT and STORE

1534 Danforth Avenue, Toronto



LANGLEY'S OF HAMILTON LIMITED

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
318 Dundurn Street South	

OFFICE and PLANT

318 Dundurn Street South, Hamilton

