

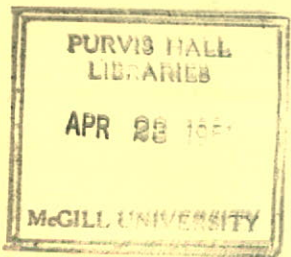
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Langley's
LIMITED

ANNUAL REPORT

For the year ended December 31st

1950



Langley's LIMITED

EXECUTIVE OFFICES

Second Street at Lakeshore Road, Toronto 14



Directors

GEORGE S. LANGLEY

D. R. MORTON

E. R. JARMAIN

J. R. MOONEY

G. H. HAND

Executive Officers

GEORGE 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

W. A. SNYDER

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, HINTON & WELCH
Toronto, Ont.

TO THE SHAREHOLDERS:

Your Directors submit herewith the Twenty-second Annual Report, presenting a statement of the affairs and the financial position of your Company for the fiscal year ended December 31, 1950.

The year 1950 was a most unusual one for your Company and the following is a review:

At the end of the first quarter, due to a serious drop in sales, which was industry wide, our operating loss was \$15,245.00 as compared to a profit of \$3,565.00 at the end of the first quarter in 1949. Notwithstanding this, and the fact that our combined sales for Toronto and Hamilton during the first three-quarters of the year's operation were down \$58,368.00 from 1949, at the end of September 1950 our operating profit was \$12,180.00 in excess of our operating profit at the same time in 1949.

This reflects the improved methods of operation instituted by management towards the end of 1949 and early in 1950, along with drastic measures of economy wherever possible.

Then, as reported to you in my letter of February 5, 1951, after months of negotiations, culminating with our agreement to accept the recommendations of a Conciliation Board, convened at the request of the Union, we were faced, without any notice on October 4, 1950, with a general strike in our Toronto plant. This strike was called at a time when our plant was crowded with work and just when about 35,000 garments in storage were starting to go out.

It would serve no useful purpose to record here all the events leading up to the strike, nor those which followed. Suffice to say, that after several further attempts to settle the disagreement had failed, your Directors unanimously decided at a meeting held on October 18th that to continue operations at the Toronto plant on the basis of Union demands would be most unprofitable and that the operation at the Spadina Road plant should cease and the property be offered for sale.

Tribute should be paid to two separate and distinct groups of people who rallied to our assistance at this critical time. First of all to our many customers who were seriously inconvenienced because of garments that were in our plant and could not be delivered. These people, without exception, were most patient and understanding. Secondly, to the employees of our organization who continued to work, the store personnel, the Hamilton plant, the Danforth plant, the office and maintenance staffs, and the foremen and departmental heads who put in many long and difficult hours keeping us from getting bogged down.

In January the sale of the Spadina Road property was completed at a satisfactory price. The building was officially turned over to the purchaser on March 1st.

We were fortunate to purchase a suitable, well located building in New

Toronto, to which our Head Office has been moved. The equipment we wished to keep was also moved to this plant and to our garage. The remainder of the equipment was sold. This New Toronto property has available space, which is being leased to Langley's Lakeshore Limited for a "Drive-In" type of package unit. This has been fitted out and is now ready to operate in accordance with our policy of decentralization which was announced at the last general meeting.

Our profit for the year under review was \$4,021.00. Had it not been for the strike, we believe that the results for the year would have been quite satisfactory.

Submitted on behalf of the Board,

GEO. S. LANGLEY,
President.

LANGLEY'S

(Incorporated under the

AND SUBSIDIARIES

CONSOLIDATED

December 31, 1950

(With comparative balances December 31, 1949)

ASSETS

	Dec. 31st 1950	Dec. 31st 1949
CURRENT:		
Cash on hand and in banks	\$ 54,693.43	\$ 84,082.66
Dominion of Canada bonds	116,268.75	50,000.00
(Market value December 31st, 1950, \$115,830.00)		
Accounts receivable — trade — less reserve	6,259.75*	12,414.23
Accounts receivable — Sundry	21,217.06
Dominion of Canada refund of income tax	9,392.09
Undelivered work at plants and stores	12,729.16	27,447.79
Inventories of materials and supplies as determined and certified by the management and valued at lower of cost or market	32,758.41	52,181.17
Life Insurance — cash surrender value	37,950.91	37,138.87
(Paid up value December 31st, 1950, \$50,625.00)		
TOTAL CURRENT ASSETS	<u>\$ 281,877.47</u>	<u>\$ 272,656.81</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	1,483,001.15	1,469,019.41
Less: Reserve for depreciation	704,164.51	654,365.49
	<u>\$ 778,836.64</u>	<u>\$ 814,653.92</u>
PREPAID AND DEFERRED:		
Prepaid expenses	\$ 8,353.69	\$ 9,232.14
Deferred charges	7,827.60
Expenditure on leasehold premises not yet written off	39,124.51	37,030.09
Expenditure on plant alterations not yet written off	16,737.00
	<u>\$ 47,478.20</u>	<u>\$ 70,826.83</u>
Organization expense	\$ 1,422.66	\$ 1,422.66
	<u>\$1,118,504.47</u>	<u>\$1,171,239.77</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 Toronto and Hamilton Auditors of Langley's of Hamilton Limited for the year ended November 25th, 1950. We hereby certify in view of the state of the Companies' affairs as at December 31st, 1950, according to the best of our information and belief that Preference dividends of Langley's Limited, amounting to \$523,272.50, are in arrears.

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

Toronto, March 29th, 1951.

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(Ontario Companies Act)

SUBSIDIARIES

BALANCE SHEET

31st, 1950

(as at December 31st, 1949)

LIABILITIES

	Dec. 31st 1950	Dec. 31st 1949
CURRENT:		
Accounts payable and accrued charges	\$ 28,995.10	\$ 56,237.64
Reserves for income and corporation taxes	3,739.15	10,081.16
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TOTAL CURRENT LIABILITIES	\$ 32,734.25	\$ 66,318.80
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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, 1950, \$523,272.50.)		
Common — Authorized 21,000 shares of No Par Value. Outstanding 20,793 shares	219,032.00	219,032.00
	<hr/>	<hr/>
	\$ 784,732.00	\$ 784,732.00
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<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 sub- sidiaries.		
Balance December 31st, 1950 — Statement of Consolidated Earned Surplus	61,348.26	80,499.01
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	\$1,118,504.47	\$1,171,239.77
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Ontario Subsidiaries for the year ended December 31st, 1950, and have accepted the Certificate of the
 certify that the annexed Balance Sheet is, in our opinion, drawn up so as to exhibit a true and correct
 formation and the explanations given us and as shown by the books of the Companies, subject to the

LANGLEY'S LIMITED

AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year ended December 31st, 1950

Balance at beginning of year	\$80,499.01
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Add:

Net Profit for the year, Langley's Limited and operating subsidiaries	1,702.89
Net Profit inactive subsidiaries	115.00
Sundry adjustments (net)	642.07
Adjustment on consolidation for inter company transactions	792.06
 TOTAL ADDITIONS	 <u>\$ 3,252.02</u>
	 <u>\$83,751.03</u>

Deduct:

Langley's Limited —	
Dividends paid at \$1.00 on preference shares	\$ 5,657.00
Write-off of Deferred Charges and Plant Alterations as at December 31st, 1949, in accordance with changed policy of Tax Department under new Income Tax Act	\$24,481.89
<i>Less:</i> Refund of 1949 Income Taxes resulting from above adjustment	7,736.12
	<u>16,745.77</u>
 TOTAL DEDUCTIONS	 <u>\$22,402.77</u>
 Balance at December 31st, 1950	 <u>\$61,348.26</u>

LANGLEY'S LIMITED
AND OPERATING SUBSIDIARIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

Year ended December 31st, 1950

Net Profit from operations for the year after charging directors' fees
and before depreciation and Income Taxes \$55,762.55

Add:

Sundry income 5,844.84

\$61,607.39

Deduct:

Provision for depreciation on buildings, machinery and equipment \$46,346.46
Provision for depreciation on trucks and automobiles 11,239.27

\$57,585.73

NET PROFIT before provision for Income Taxes \$ 4,021.66

Deduct:

Provision for Income Taxes 2,318.77

NET PROFIT FOR THE YEAR \$ 1,702.89

(Carried to Statement of Consolidated Earned Surplus)

Langley's LIMITED

Service Stores in the Toronto Area

DOWNTOWN

14 Temperance Street

EAST

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

NORTH

355 Eglinton 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
471 Parliament Street
848 Yonge Street

HEAD OFFICE

Second Street at Lake Shore Road, Toronto 14



LANGLEY'S DANFORTH LIMITED

FAST SERVICE PLANT and STORE

1534 Danforth Avenue, Toronto



LANGLEY'S OF HAMILTON LIMITED

Service Stores in the Hamilton Area

431 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

