

*Langley's*  
LIMITED

# ANNUAL REPORT

For the year ended December 31st

1951

PURVIS HALL  
LIBRARIES

MAY 15 1952

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.....	Chairman of the Board
J. R. MOONEY.....	President
D. R. MORTON.....	Vice-President
G. H. HAND.....	Secretary
N. W. WHEATLEY.....	Treasurer
G. B. HENNING.....	General Manager

### LANGLEY'S OF HAMILTON LIMITED

OFFICE and PLANT — 318 Dundurn St. South, Hamilton  
W. A. SNYDER — Manager

### LANGLEY'S DANFORTH LIMITED

1534 Danforth Ave., Toronto

### LANGLEY'S LAKESHORE LIMITED

738 Lakeshore Road, New Toronto

### LANGLEY'S ISLINGTON LIMITED

3590 Bloor St. West, Toronto

### LANGLEY'S LEASIDE LIMITED

600 Bayview Ave., Toronto

*Transfer Agent and Registrar*

NATIONAL TRUST CO. LIMITED

Toronto 1, Ont.

*Auditors*

WELCH, HINTON & WELCH

Toronto, Ont.

## TO THE SHAREHOLDERS:

I submit herewith on behalf of the Directors, the twenty-third Annual Report, presenting a statement of the affairs and the financial position of your Company for the fiscal year ended December 31, 1951.

In reviewing the year 1951, I believe the following are the more important factors affecting the operation of your Company.

The sale of the Spadina Road plant was completed in January, and the building turned over to the purchaser on March 1st. Dismantling, moving, selling and scrapping the equipment contained in this plant was a very large undertaking, and I am happy to report that although all the installation costs which had been capitalized were a complete loss, and though much of the older equipment in the drycleaning room had to be broken up and sold as scrap, the net profit on disposal of these assets was \$19,037.64.

As you know, our Head Office was moved to the building we purchased in New Toronto, and on May 14th a new package unit with a customers' drive-in parking space was opened in the front part of this building. This has been highly successful.

Our store operation was cut back from 18 to 14 units, and the work from those stores that could not be handled in our two package units was trucked to Hamilton to be processed on a wholesale basis. This was an expensive operation, but had to be continued until our store plant, located in the rear portion of our New Toronto building was equipped to handle this work. In October all store work was transferred to our Toronto operations, being divided between our package units and our store plant.

In December we purchased a cleaning plant in Islington and commenced converting it into another package unit with drive-in facilities. With it we acquired three store outlets. We are now equipped to give adequate service in this unit, and expect sales to increase steadily.

In January of this year we leased a building at 600 Bayview Avenue. A package unit opened here on March 28th. Initial volume of business is satisfactory.

Our combined operations now consist of — the plant, in which we do the majority of our store work, four package unit operations, plus seventeen retail stores in the Toronto area — the Hamilton plant plus six stores in the Hamilton area.

After the strike and subsequent closing of the Spadina Road plant, the volume of business in our stores dropped seriously. Because our plant facilities were reduced, we were not able to give service to our customers and it is only in the last few weeks that we have been able to attempt to build sales in our stores. However, I am glad to report that with the processing equipment now installed in our various units, we have been able as of the middle of March, 1952 to commence

advertising again, and with a satisfactory increase in store sales, your Company should be able to show profits.

The attached Balance Sheet and other statements I believe are quite clear, and need not be reviewed here, except to point out that of the provision made for necessary capital expenditure during the year 1952, \$15,000.00 has already been spent, and several package unit operations are under consideration. The loss for the year is, of course, large — but considering the difficulties we were faced with, it might have been much more were it not for very careful handling. Losses before charges for Depreciation and Leasehold Improvements were held to \$7,562.36.

Here I would like to say "Thank You" to our executive officers and employees who have through this trying year of problems been most co-operative and helpful.

Respectfully submitted on behalf of the Board.

J. R. MOONEY,  
*President.*

DATED AT NEW TORONTO, ONTARIO, THIS 10TH DAY OF APRIL, 1952.

# LANGLEY

(Incorporated under the

AND SU

CONSOLIDATED

December

(With comparative balance

## ASSETS

	Dec. 31st 1951	Dec. 31st 1950
<b>CURRENT:</b>		
Cash on hand and in banks .....	\$ 178,006.07	\$ 54,693.43
Marketable securities .....	154,668.75	116,268.75
(Market value December 31st, 1951, \$155,060.00)		
Accounts receivable — trade .....	3,613.04	6,259.75
Accounts receivable — sundry .....	15,022.01	21,217.06
Undelivered work at plants and stores .....	11,779.37	12,729.16
Inventories of materials and supplies as determined and certified by the management and valued at lower of cost or market .....	23,676.52	32,758.41
Life Insurance — cash surrender value .....	38,899.88	37,950.91
(Paid up value December 31st, 1951, \$51,121.64)		
<b>TOTAL CURRENT ASSETS</b> .....	<b>\$ 425,665.64</b>	<b>\$ 281,877.47</b>
Provision for capital expenditure in 1952 .....	\$ 124,500.00	.....
Mortgage receivable .....	3,972.75	.....
Preference Shares of Langley's Limited — held by wholly owned Subsidiary Company — at cost .....	8,889.50	8,889.50
<b>FIXED:</b>		
Land, buildings, machinery and equipment based upon appraisal made in 1943 by the Dominion Appraisal Company Limited, with subsequent net additions, at cost .....	661,733.95	1,483,001.15
Less: Reserve for depreciation .....	163,988.53	704,164.51
	<b>\$ 497,745.42</b>	<b>\$ 778,836.64</b>
<b>PREPAID AND DEFERRED:</b>		
Prepaid expenses .....	\$ 6,255.37	\$ 8,353.69
Deferred charges .....	2,738.61	.....
Expenditure on leasehold premises not yet written off .....	35,500.00	39,124.51
	<b>\$ 44,493.98</b>	<b>\$ 47,478.20</b>
Organization expense .....	\$ 419.98	\$ 1,422.66
	<b>\$1,105,687.27</b>	<b>\$1,118,504.47</b>

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 Auditors of Langley's of Hamilton Limited for the year ended November 30th, 1951. We hereby view of the state of the Companies' affairs as at December 31st, 1951, according to the best of our fact that Preference dividends of Langley's Limited, amounting to \$562,871.50, are in arrears.

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

Toronto, March 31st, 1952.

# S LIMITED

(Ontario Companies Act)

## SUBSIDIARIES

### BALANCE SHEET

as at December 31st, 1951

(as at December 31st, 1950)

#### LIABILITIES

	Dec. 31st 1951	Dec. 31st 1950
CURRENT:		
Accounts payable and accrued charges .....	\$ 31,032.89	\$ 28,995.10
Reserves for income and corporation taxes .....	3,842.42	3,739.15
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES .....	\$ 34,875.31	\$ 32,734.25
	<hr/>	<hr/>
Mortgage Payable .....	\$ 15,000.00	.....
	<hr/>	<hr/>
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, 1951, \$562,871.50)		
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
	<hr/>	<hr/>
<i>Capital Surplus Account</i> .....	\$ 258,727.60	\$ 239,689.96
<i>Earned Surplus Account</i>		
Langley's Limited and wholly owned sub- sidiaries.		
Balance December 31st, 1951 — Statement of Consolidated Earned Surplus .....	12,352.36	61,348.26
	<hr/>	<hr/>
	\$1,105,687.27	\$1,118,504.47
	<hr/>	<hr/>

Toronto Subsidiaries for the year ended December 31st, 1951, 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 information and the explanations given to us and as shown by the books of the Companies, subject to

# LANGLEY'S LIMITED

## AND SUBSIDIARIES

### STATEMENT OF CONSOLIDATED EARNED SURPLUS

*Year ended December 31st, 1951*

Balance at beginning of year .....	\$61,348.26
<i>Add:</i>	
Adjustment of prior years taxes .....	1,988.37
	<hr/>
	\$63,336.63
	<hr/>
<i>Deduct:</i>	
Net loss for the year, Langley's Limited and operating subsidiaries	\$49,561.61
Organization expense written off .....	1,422.66
	<hr/>
TOTAL DEDUCTIONS .....	\$50,984.27
	<hr/>
Balance at December 31st, 1951 .....	\$12,352.36

# LANGLEY'S LIMITED

## STATEMENT OF CAPITAL SURPLUS

*Year ended December 31st, 1951*

Balance at beginning of year .....	\$239,689.96
<i>Add:</i>	
Net profit on disposal of fixed assets .....	19,037.64
	<hr/>
Balance at December 31st, 1951 .....	\$258,727.60
	<hr/> <hr/>



**LANGLEY'S LIMITED**  
**AND OPERATING SUBSIDIARIES**

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

*Year ended December 31st, 1951*

Net Loss from operations for the year after charging directors' fees  
and before depreciation and Income Taxes ..... \$20,533.59

*Deduct:*

Sundry income ..... 10,154.51

---

\$10,379.08

*Add:*

Provision for depreciation on buildings, machinery and equipment \$28,316.00  
Provision for depreciation on trucks and automobiles ..... 6,966.53

---

\$35,282.53

NET Loss before provision for Income Taxes ..... \$45,661.61

*Add:*

Provision for Income Taxes, Subsidiary Company ..... 3,900.00

---

NET LOSS FOR THE YEAR ..... \$49,561.61

(Carried to Statement of Consolidated Earned Surplus)





