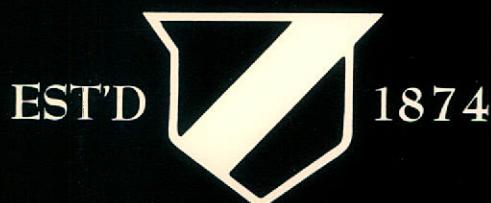


T.G. Bright & Co. Limited



Our Annual Report for 1982

T.G. Bright & Co. Limited

DIRECTORS

Edward S. Arnold	Beamsville, Ontario
H. Clifford Hatch*	Walkerville, Ontario
W. Douglas Hatch*	St. Catharines, Ontario
Meredith F. Jones	Queenston, Ontario
Jean-Guy Lord 	Montreal, Quebec
David I. Matheson	Toronto, Ontario
Charles Rathgeb*	Toronto, Ontario

(*Audit Committee)

Directors Emeriti

Victor Mollison	Port Colborne, Ontario
Earl K. Raham	Niagara Falls, Ontario
George H. Mowers	Niagara Falls, Ontario

OFFICERS AND EXECUTIVES

W. Douglas Hatch	Chairman
Edward S. Arnold B.Sc.A.	President
David G. Diston	Vice-President, General-Manager - Ontario Operations
Jean-Guy Lord	Vice-President, General-Manager - Quebec Operations
William C. Thompson, C.A.	Secretary-Treasurer

LEGAL COUNSEL

McMillan, Binch	Toronto, Ontario
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AUDITORS

Price Waterhouse	Hamilton, Ontario
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BANK

Toronto Dominion Bank	Niagara Falls, Ontario
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STOCK TRANSFER AGENTS

Canada Permanent Trust Company	Toronto, Ontario
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OFFICES

Head Office and Wine Cellars	Dorchester Road, Niagara Falls, Ontario
Subsidiary Plants and Wine Cellars	St. Hyacinthe, Lachine; Oliver, British Columbia; and St. Joseph du Lac, Quebec

RETAIL BRANCHES

Toronto	Sudbury	Peterborough
Ottawa	Kitchener	Windsor
Niagara Falls	London	Niagara-on-the-Lake

HIGHLIGHTS OF THE REPORT

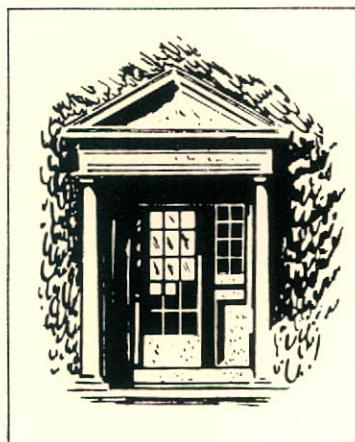
	This Year	Last Year
Sales to customers (net)	\$30,960,949	\$25,826,691
Net Income.....	\$ 1,597,161	\$ 1,302,756
Per dollar of sales.....	5.2%	5.0%
Per share.....	\$ 1.60	\$ 1.30
Current Assets	\$20,433,442	\$19,233,152
Current Liabilities.....	\$ 9,527,124	\$ 9,317,373
Working Capital.....	\$10,906,318	\$ 9,915,779
Ratio of current assets to current liabilities	2.1 to 1	2.1 to 1
Shareholders' equity.....	\$16,466,904	\$14,869,743
Equity per share	\$ 16.47	\$ 14.87

SUBSIDIARIES

Les Vins Brights Ltée, incorporated in 1933, is a wholly-owned subsidiary of T.G. Bright & Co., Limited and carries on production, bottling and marketing operations in the Province of Quebec at Lachine and St. Joseph du Lac.

Les Vins La Salle Inc., incorporated in 1972, is a wholly-owned subsidiary of T.G. Bright & Co., Limited at St. Hyacinthe, Quebec. It carries on production and bottling operations in the Province of Quebec and marketing operations in Quebec and other Provinces in Canada.

Brights Wines Limited, incorporated in 1939, is also wholly-owned and a retail subsidiary operating in Ontario.



ANNUAL MEETING

The annual meeting of shareholders will be held at
 T.G. Bright & Co., Limited, Dorchester Road, Niagara Falls, Ontario,
 at 4:00 P.M., Tuesday, June 15, 1982



REPORT OF DIRECTORS

To the shareholders, employees and friends of T.G. Bright & Co., Limited, and Subsidiary Companies for the fiscal year ended March 31, 1982.

Financial Review

Net earnings from operations have improved over the prior year by 22.6% from \$1,302,756 to \$1,597,161. This has been accomplished while absorbing the initial operating losses of our new winery in British Columbia.

Earnings for the fourth quarter were up \$207,745 over the same quarter in the prior year largely due to an increase in the latter part of the period in both of our major markets of Ontario and Quebec.

During the year, the Province of Ontario undertook two major positive steps in aiding the grape and wine industry. First, they lowered the markup structure to allow for adjustments to be made in prices of red wine and encourage the sale of these products. Secondly, they reduced the retail store tax to allow the wineries to maintain the sale of wine through winery retail outlets. Both programs have had a positive effect on our results for the year.

British Columbia Winery

The operations commenced during the summer of 1981 and we were able to successfully crush grapes in the fall of that year. The timing and fortune in being able to react and become operational so quickly is the result of many factors, but certainly primary is the efforts and dedication of the staff at the winery.

This operation during its initial fiscal year did not have a positive contribution to financial operations, but it is expected that we will soon be a major growing entrant in the wine market of the western provinces through our new facility.

New Products

During the year, several new products were introduced to allow us to grow and adapt to the changing wine market.

Once again we released a "nouveau" wine in November. Our 'Gamay Nouveau' was made from premium grapes harvested only weeks before. It was generally agreed that this year's wine was of an even higher quality and standard than that of the previous year. The continuing success and growing quality of this wine is a compliment to the abilities and efforts of our winemakers and growers.

We introduced new wines of a light "chillable" nature that we believe will meet the consumers' tastes and demands. These wines, in red and white, called 'Riuscita' are of a type that has proven very successful in other markets.

A new white, German style wine was introduced called 'LiebesHeim'. This wine has received extremely good initial sales and is growing very well.

A new red wine was prepared by our La Salle winery called 'Plaisir Divin'. This full-bodied wine has not received distribution in the grocery system, but is receiving very good recognition and acclaim at stores of the Société des Alcools.

A new product category for the wine industry was established with the January 1982 introduction of 'Club Spritz', a specially fermented sparkling white wine blended with pure spring water. Only 5% alcohol by volume and 55 calories per 100 millilitre serving, Club Spritz is positioned as a "white, light and refreshing adult beverage."

Two new sparkling wines were initiated during the year as well. One, 'President Brut

Champagne' is an extension of our President Canadian Champagne family but of a much drier character. Sales results have been extremely good and the quality is of the high standard expected for our President line. Secondly, we initiated a new light cider in Quebec utilizing the Charmat process. This pioneering step in the natural fermentation process of cider making has produced a very high quality, enjoyable product. Its success on the marketplace is limited as yet due to its late release in the year.

Employees

This year we welcomed two new entrants to our "Quarter Century Club" with the admission of Eli Orescanin, Cellarman and Margaret Gratton, Retail Manager. This group of active and retired employees continues to be a major strength in our growth and development.

During the year, Mary Ferrar retired after 38 years' service; Earl Page retired after 37 years' service; Harold Lapp retired after 34 years' service; Earl Bateman retired after 28 years' service and Mina Pare retired after 7 years' service.

We regret to inform that Lloyd Corlis of our trucking operations and retired employees, Doug Chisholm, Bill Hallett, William Bickle and Avery Miller passed away during the year.

Outlook

Despite weakening economic forces in Canada, Brights has experienced relatively good health. Prospects for a year of steady sales increases for our Company appear to be good. To a large extent, this will result from an expanding country-wide acceptance of our House Wines and other recently introduced blended table wines.



The Front View of Our New Winery in Oliver, British Columbia

Increasingly, wine purchasers insist upon consistent and high quality standards - standards which Brights has contributed to through its traditional industry leadership in research and development. We will continue our research programs in Ontario, Quebec and British Columbia both for ourselves and for the benefit of our industry. We believe this will help our Company and also help Canada continue to develop and grow in its stature as a quality wine country.

Our objective of gaining a broader marketplace for wine in Canada - against today's low per capita consumption of wine, at less than 2 gallons - is strengthened by a major North American market movement towards light, table wines. There is also a noticeable increase in home entertainment including wine for meals and refreshment.

Brights' leadership in the introduction of light, blended wines, with as little as 5 per cent alcohol by volume, meets this new marketplace challenge forcefully.

Our dedication to quality puts us in a strong competitive position as new economic pressures arise from foreign wine agents who

are implementing programs to expand share for their products across Canada. Through its membership in the Canadian Wine Institute, your Company is pursuing an investigation of the pricing policies of countries with large surpluses of wine exported at extremely low prices.

Aside from the economic pressures the Canadian wine industry is experiencing from foreign products, we believe Brights' quality leadership will continue to gain for us an even greater market share of Canadian wine in Canada.

A remaining key factor that could affect our ability to expand sales is taxation. With a Canadian wine market far from mature in size, any increase in taxation for us would lessen our ability to achieve the growth potential we know is available to us.

The support of our employees, shareholders and suppliers is allowing us to manage in these difficult times and enables us to plan and hope for continued growth. We will continue to work to improve our products, the service to our employees and customers and the financial returns to our shareholders.



E.S. Arnold
President



W. Hatch
Chairman



T.G. Bright & Co. Limited
 & SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

	March 31	
	1982	1981
ASSETS		
Current assets:		
Cash	\$ 132,995	\$ 242,055
Accounts receivable.....	3,971,284	2,252,733
Inventories (Notes 1 and 2)	15,945,192	16,237,224
Prepaid expenses	<u>383,971</u>	<u>501,140</u>
Total current assets.....	20,433,442	19,233,152
Fixed assets less accumulated depreciation (Notes 1 and 3)	<u>6,470,825</u>	<u>5,538,703</u>
	<u>\$26,904,267</u>	<u>\$24,771,855</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Bank indebtedness	\$ 7,485,654	\$ 7,854,010
Accounts payable and accrued liabilities.....	1,070,769	1,033,637
Taxes payable.....	<u>970,701</u>	<u>429,726</u>
Total current liabilities	9,527,124	9,317,373
Deferred income taxes (Note 5)	910,239	584,739
Shareholders' equity:		
Capital stock (Note 4).....	2,500,000	2,500,000
Retained earnings	<u>13,966,904</u>	<u>12,369,743</u>
	<u>16,466,904</u>	<u>14,869,743</u>
	<u>\$26,904,267</u>	<u>\$24,771,855</u>

Approved by the Board:

W.D. Hatch, Director
 E.S. Arnold, Director

T.G. Bright & Co. Limited
 & SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	For the year ended March 31	
	1982	1981
Sales	\$40,275,679	\$34,467,542
Less: Excise and sales taxes	<u>9,314,730</u>	<u>8,640,851</u>
	<u>30,960,949</u>	<u>25,826,691</u>
Cost and expenses:		
Cost of goods sold	19,526,766	15,750,786
Selling, general and administrative expenses	6,703,022	6,273,913
Interest	1,248,872	973,965
Depreciation	<u>960,028</u>	<u>927,359</u>
	<u>28,438,688</u>	<u>23,926,023</u>
Income before income taxes	2,522,261	1,900,668
Provision for income taxes:		
Current	599,600	429,473
Deferred	<u>325,500</u>	<u>168,439</u>
	<u>925,100</u>	<u>597,912</u>
Net income	1,597,161	1,302,756
Retained earnings:		
Beginning of year	12,369,743	11,066,987
End of year	<u>\$13,966,904</u>	<u>\$12,369,743</u>
Net income per share	<u>\$ 1.60</u>	<u>\$ 1.30</u>

T.G. Bright & Co. Limited
 & SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	For the year ended March 31	
	1982	1981
Financial resources were provided by:		
Net income	\$ 1,597,161	\$1,302,756
Items not involving current funds -		
Depreciation.....	960,028	927,359
Deferred income taxes.....	<u>325,500</u>	168,439
Funds provided from operations.....	<u>2,882,689</u>	2,398,554
Financial resources were used for:		
Additions to fixed assets (net)	<u>1,892,150</u>	1,251,463
Increase in working capital.....	<u>990,539</u>	1,147,091
Working capital at beginning of year.....	9,915,779	8,768,688
Working capital at end of year	<u>\$10,906,318</u>	<u>\$9,915,779</u>

AUDITORS' REPORT

To the Shareholders of
 T.G. Bright & Co., Limited:

We have examined the consolidated balance sheet of T.G. Bright & Co., Limited as at March 31, 1982 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

HAMILTON, MAY 10, 1982

T.G. Bright & Co. Limited

& SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 1982

1. SUMMARY OF ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and all of its subsidiaries.

Inventories

Inventories are valued at the lower of cost and net realizable value, cost of finished and bulk wine being at average direct cost, raw material and supplies at average laid down cost.

Fixed Assets

Land, buildings and equipment are valued at cost. Depreciation provisions are computed generally using the diminishing balance method at rates which vary from 4% to 30% per annum. All costs for repairs and maintenance are expensed as incurred.

Income Taxes

Deferred income taxes are provided for all significant timing differences in reporting income and expenses for financial statement and tax purposes. The timing differences arise substantially from differences in accounting and tax depreciation. Investment tax credits are accounted for by a reduction in the current tax provision in the year claimed.

Pension Plans

Pension costs are funded as they accrue. Based on the most recent actuarial study, there is no unfunded liability.

2. INVENTORIES

	March 31	
	1982	1981
Raw materials and supplies.....	\$ 2,503,316	\$ 2,674,562
Bulk wine.....	9,212,263	9,029,459
Finished goods.....	4,229,613	4,533,203
	<hr/> <u>\$15,945,192</u>	<hr/> <u>\$16,237,224</u>

3. FIXED ASSETS

	March 31	
	1982	1981
Land and buildings.....	\$ 4,210,868	\$ 3,936,738
Storage tanks, machinery and equipment	11,927,221	10,721,255
Automobiles and trucks	1,023,689	1,100,515
	<hr/> <u>17,161,778</u>	<hr/> <u>15,758,508</u>
Less: Accumulated depreciation	10,690,953	10,219,805
	<hr/> <u>\$ 6,470,825</u>	<hr/> <u>\$ 5,538,703</u>

4. CAPITAL STOCK

The Class A and Class B shares are inter-convertible on a share-for-share basis and the rights of each class are identical. Both classes of shares rank equally as to dividends.

Authorized number of shares without nominal or par value -

Common	1,000
Class A.....	3,000,000
Class B	1,999,000
	<u>5,000,000</u>

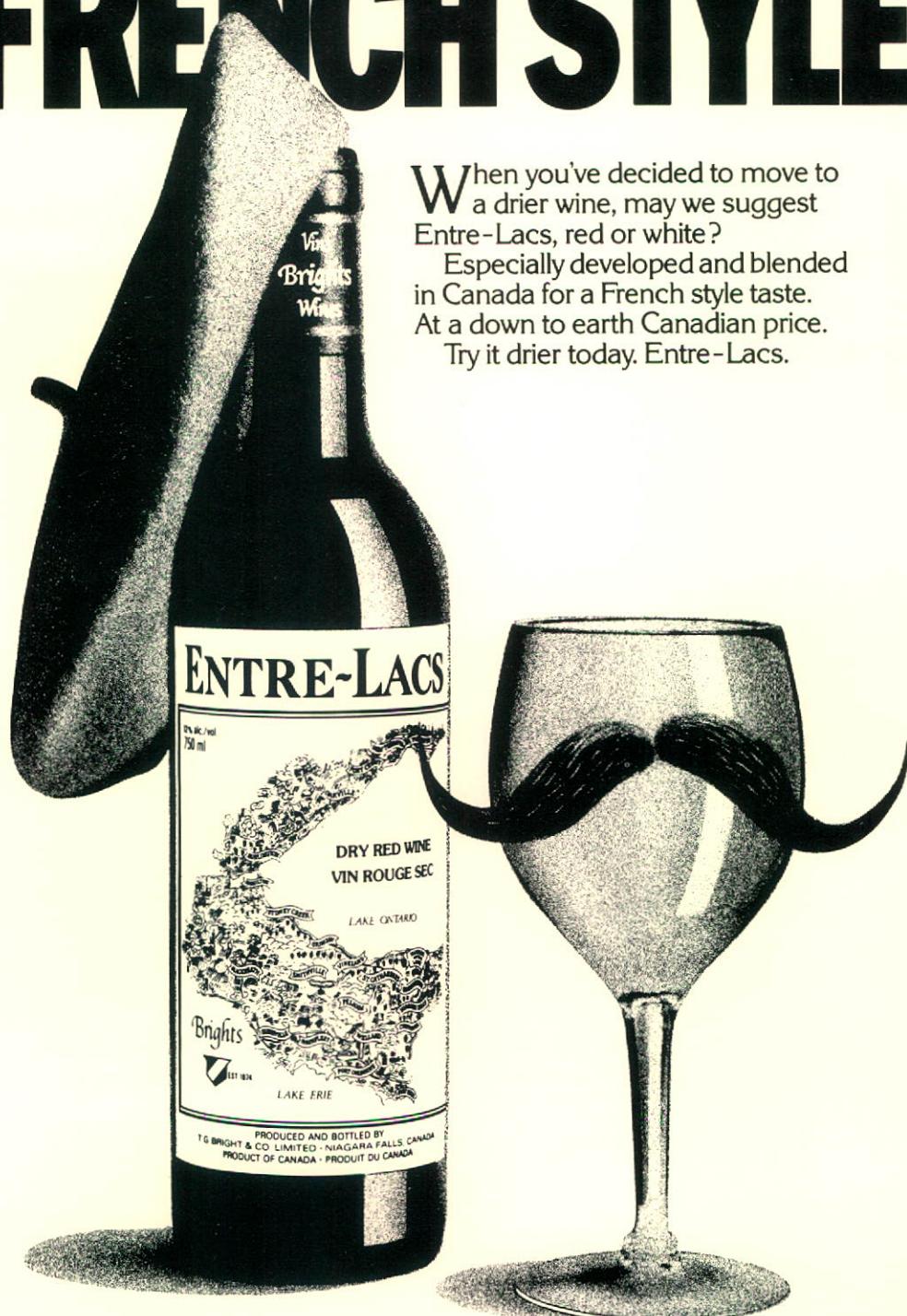
	March 31	
	1982	1981
Issued and outstanding -		
Class A.....	432,665	432,665
Class B	<u>567,335</u>	<u>567,335</u>
	<u>1,000,000</u>	<u>1,000,000</u>

5. LEASE COMMITMENT

Pursuant to lease arrangements expiring not later than December 2004 the Corporation is committed to annual rental payments of approximately \$200,000.

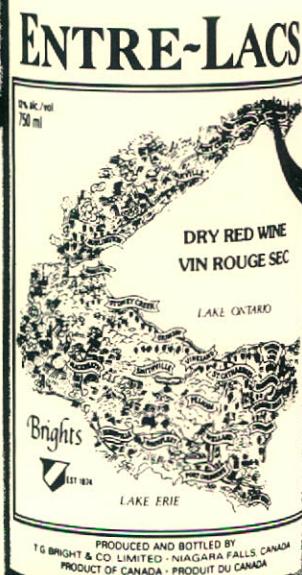
These annual rentals are subject to revision in 1986 and 1991.

IN THE FRENCH STYLE



When you've decided to move to a drier wine, may we suggest Entre-Lacs, red or white?

Especially developed and blended in Canada for a French style taste. At a down to earth Canadian price. Try it drier today. Entre-Lacs.



TEN YEAR REVIEW

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973
OPERATIONS										
Gross Income	\$40,275,679	\$34,467,542	\$27,752,370	\$25,080,275	\$19,659,026	\$17,307,930	\$17,578,939	\$16,508,596	\$14,965,234	\$14,953,618
Excise and sales taxes	9,314,730	8,640,851	5,197,813	4,799,675	3,890,013	3,483,597	3,698,991	3,971,726	3,559,551	3,739,972
Net Sales	30,960,949	25,826,691	22,554,557	20,280,600	15,769,013	13,824,333	13,879,948	12,536,870	11,405,683	11,213,646
Cost of goods sold	19,526,766	15,750,786	13,628,927	12,655,941	10,342,127	9,524,367	9,185,446	7,446,926	6,699,984	6,225,301
Selling and other expenses	7,951,894	7,247,878	6,193,523	4,696,713	3,388,963	3,637,798	3,532,430	3,306,227	2,966,264	2,871,003
Provision for depreciation	960,028	927,359	856,065	786,537	716,830	753,755	714,419	742,987	558,313	526,468
Profit (loss) before income taxes	2,522,261	1,900,668	1,876,042	2,141,409	1,321,093	(91,587)	447,653	1,040,730	1,181,122	1,590,874
Provision for income taxes	925,100	597,912	556,310	782,582	439,500	(4,500)	227,300	519,300	542,000	785,000
Net Profit (Loss)	1,597,161	1,302,756	1,319,732	\$ 1,358,827	\$ 881,593	\$ (87,087)	\$ 220,353	\$ 521,430	\$ 639,122	\$ 805,874
Profit per dollar of net sales	5.2%	5.0%	5.2%	6.7%	5.6%	(.6%)	1.6%	4.2%	5.6%	7.2%
Distribution of net profit										
Tax paid on undistributed income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,862	\$ 19,278	\$ —
Dividends paid	—	—	—	—	—	—	—	181,289	371,071	400,000
Retained in business	1,597,161	1,302,756	1,319,732	1,358,827	881,593	(87,087)	220,353	329,279	248,773	405,874
Net profit per share	\$ 1.60	\$ 1.30	\$ 1.32	\$ 1.36	\$.88	\$ (.09)	\$.22	\$.52	\$.64	\$.81

Distribution of net profit

Tax paid on undistributed income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,862	\$ 19,278	\$ —
Dividends paid	—	—	—	—	—	—	—	181,289	371,071	400,000
Retained in business	1,597,161	1,302,756	1,319,732	1,358,827	881,593	(87,087)	220,353	329,279	248,773	405,874
Net profit per share	\$ 1.60	\$ 1.30	\$ 1.32	\$ 1.36	\$.88	\$ (.09)	\$.22	\$.52	\$.64	\$.81

FINANCIAL STATUS

Current assets	\$20,433,442	\$19,233,152	\$17,071,683	\$14,081,972	\$12,439,062	\$11,820,483	\$12,676,188	\$12,064,528	\$11,636,468	\$ 9,795,838
Current liabilities	9,527,124	9,317,373	8,302,995	6,426,111	5,590,143	6,181,109	6,693,520	6,093,331	6,244,148	4,102,234
Working capital	10,906,318	9,915,779	8,768,688	7,655,861	6,848,919	5,639,374	5,982,668	5,971,197	5,392,320	5,693,604
Property, plant and equipment (net)	6,470,825	5,538,703	5,214,599	5,263,194	4,343,309	4,591,061	4,474,854	4,574,472	4,929,970	4,430,013
Less: First mortgage bonds	—	—	—	—	—	—	175,000	350,900	525,000	700,000
Deferred income taxes	910,239	584,739	416,300	671,800	303,800	223,600	188,600	322,100	253,000	128,100
Shareholders' equity	16,466,904	14,869,743	13,566,987	12,247,255	10,888,428	10,006,835	10,093,922	9,873,569	9,544,290	9,295,517
Total assets	\$26,904,267	\$24,771,855	\$22,286,282	\$19,345,166	\$16,782,371	\$16,586,544	\$17,151,042	\$16,639,000	\$16,566,438	\$14,225,851
Ratio current assets to current liabilities	2.1 to 1	2.1 to 1	2.1 to 1	2.2 to 1	2.2 to 1	1.9 to 1	1.9 to 1	1.9 to 1	2.4 to 1	2.4 to 1
Equity per share	\$ 1.647	\$ 14.87	\$ 13.57	\$ 12.25	\$ 10.89	\$ 10.01	\$ 10.09	\$ 9.87	\$ 9.54	\$ 9.30

T.G. Bright & Co. Limited

Brights Wines/Les Vins Brights

Sparkling

Pinot Champagne
President Champagne
President Champagne (Pink)
President Brut Champagne
Cold Duck
Winette
Cresta Blanca
Pussycat
Light Cold Duck
DuBarry Spumante
Brights Duck
Champers
Club Spritz

Rosé

DuBarry Sparkling
DuBarry Still
Manor St. Davids Crackling
Still Cold Duck
Rosé House Wine
Mistala

White Table

Pinot Chardonnay
President Extra Dry
President Sauterne
Manor St. Davids
Gewurztraminer
White House Wine
Seyval Blanc
Vino di Casa
White Table Wine
WarnerHof
Collina
Gentle White
Entre-Lacs
Johannisberg Riesling
Cuvée Maximilien
LiebesHeim
Riuscita

Ports

President	Hermit
‘‘74’’	‘‘67’’
Napoleon	St. Georges
House Port	

Sherries

Cream
President
Dry
Hermit
St. Georges Vin Blanc
‘‘74’’
Napoleon
‘‘67’’
House Sherry

Appetizer

Dry Vermouth
Red Vermouth
Loganvale
Duroget
Cremocha
Cremeretto
Allegro

Red Table

President Burgundy
Manor St. Davids Claret
Cresta Roja
Seibel
de Chaunac
Baco Noir
Marechal Foch
Villard Noir
Red House Wine
Vino di Casa
Red Table Wine
Collina
Gentle Red
Dry Red House
Entre-Lacs
Gamay Nouveau
Cuvée Montebello
Riuscita

Other

President Muscatel
Mazel Tov
Sacramental

Les Vins LaSalle

White Table

Sève D'Or
Griffon Blanc
Notre Vin Maison
Nouvelle France

Sherries and Ports

Mont Joli
LaSalle

Red Table

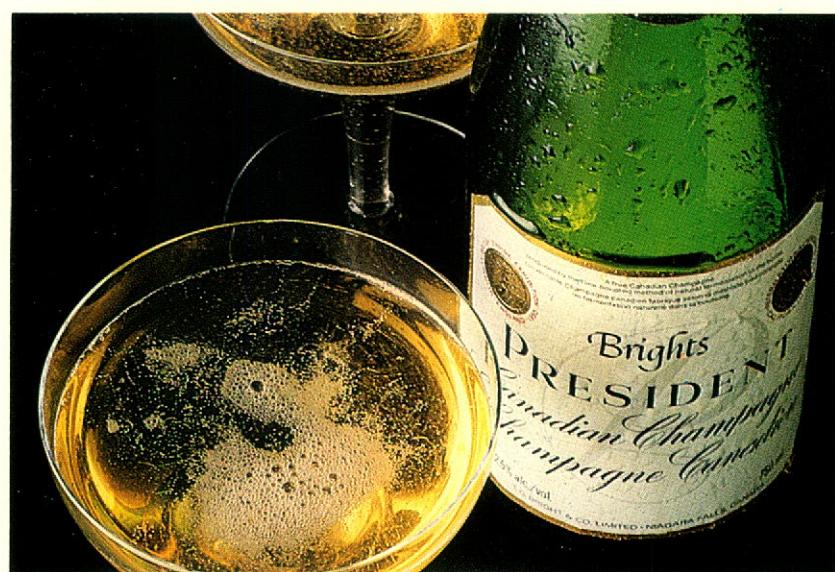
Griffon Rouge
Notre Vin Maison
de Chaunac
L'Entre-Côte
Nouvelle France
Plaisir Divin

Sparkling

Cresta Blanca

Rosé

Rosé Petillant
Rosé Nature



Brights

EST'D



1874

