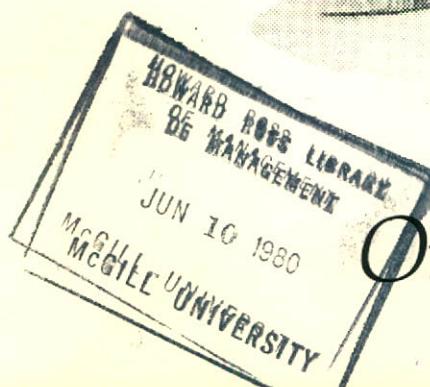
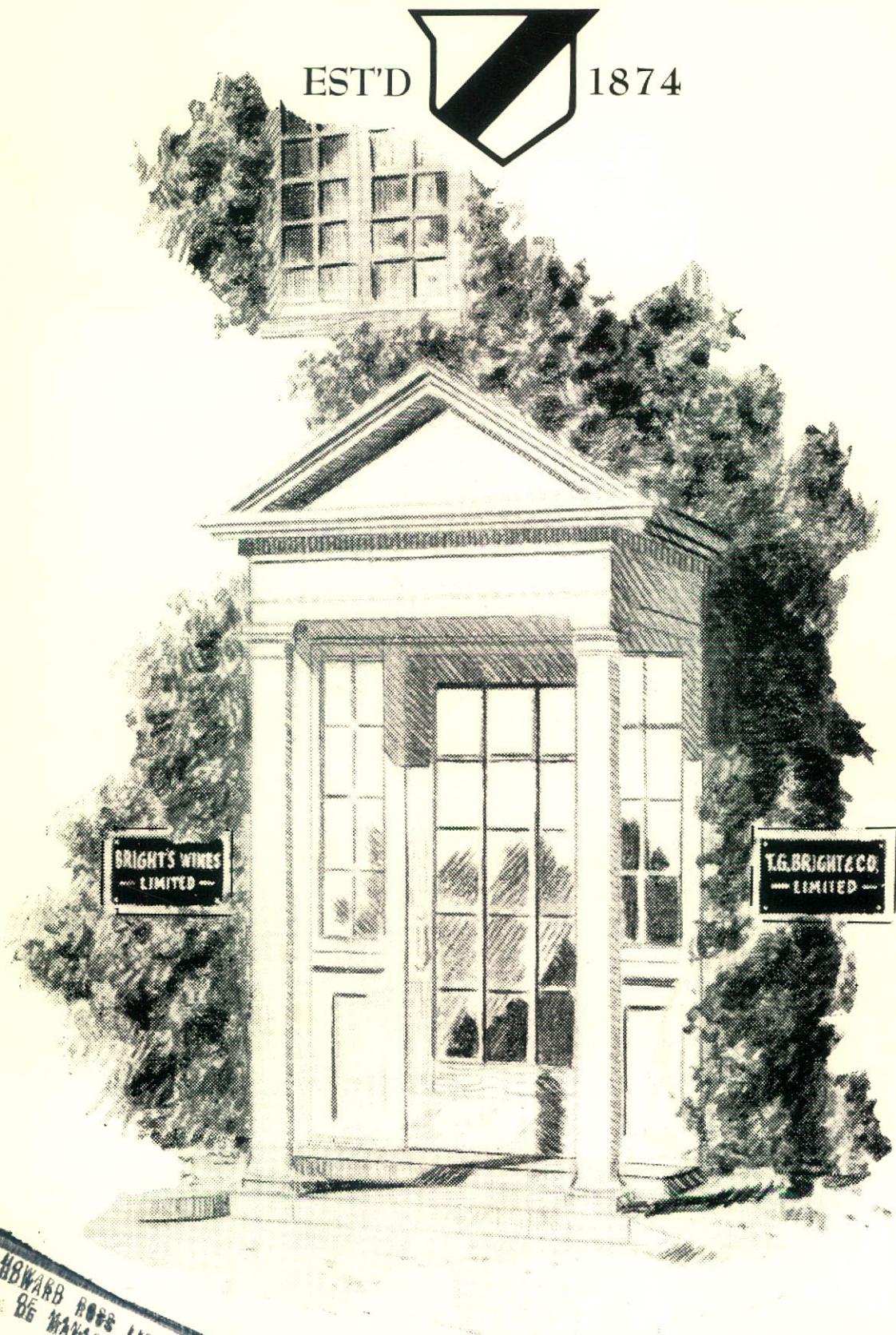


T.G. Bright & Co. Limited & Subsidiary Companies



Our Annual Report for 1980

A true Canadian Champagne
produced by the time honored method of natural fermentation in the bottle
Un véritable Champagne canadien fabriqué selon la méthode traditionnelle
de fermentation naturelle dans la bouteille.



Bright's
PRESIDENT
Canadian Champagne
Champagne Canadien

12.5% alc./vol.

750 ml

T.G. BRIGHT & CO. LIMITED • NIAGARA FALLS, CANADA

HIGHLIGHTS OF THE REPORT

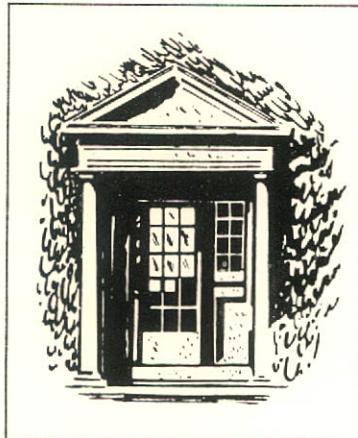
	This Year	Last Year
Sales to customers (net)	\$22,554,557	\$20,280,600
Net Income.....	\$ 1,319,732	\$ 1,358,827
Net Income before extraordinary gain.....	\$ 1,177,294	\$ 1,358,827
Per dollar of sales.....	5.2%	6.7%
Per share.....	\$ 1.18	\$ 1.36
Total payroll and benefits	\$ 5,756,167	\$ 4,462,473
Current Assets	\$17,071,683	\$14,081,972
Current Liabilities.....	\$ 8,302,995	\$ 6,426,111
Working Capital.....	\$ 8,768,688	\$ 7,655,861
Ratio of current assets to current liabilities	2.1 to 1	2.2 to 1
Shareholders' equity.....	\$13,566,987	\$12,247,255
Equity per share	\$ 13.57	\$ 12.25

SUBSIDIARIES

T.G. Bright (Quebec) Limited, 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 17, 1980

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, 1980.

Financial Review

Earnings were lower this year. They were affected by the strikes of employees of the Société des Alcools du Québec. We expect improved results in this large market over the coming years as a result of our increasing exposure in the grocery store outlets, a repositioning of our product line and the opportunity to fully utilize our new facilities in St. Joseph du Lac.

As well, the unexpected 10% Retail Store Tax imposed by the Province of Ontario on Ontario winery store sales had a negative effect on this portion of our business.

While we have had an increase in sales value, our costs continue to grow and our sales volume is materially affected by the highly competitive nature of the low price foreign products in all of our markets.

Our vintage this year was of excellent quality. The co-operation of our growers and vintage staff will ensure continuing improvement in the quality of our products which should reflect positively in the coming years' financial results.

Our operations have been aided by government recognition of our expertise and experience in wine and viticultural research. We have received a grant from the Federal Government for wine research programs and a grant from the Province of Ontario for viticulture research. These grants will help

us to continue the costly research work required to maintain and grow with the high quality standards to which we continuously subscribe.

Our operating results, as mentioned above, are lower than the previous year as a result of the mentioned strikes, higher advertising and interest costs.

The extraordinary gain shown on our statements records the sale of a parcel of land to a local government authority.

New Products

During the year, we introduced a number of new products to enhance our product line and develop new or growing markets.

Among these were three aperitif products - Duroget, Cremocha and Cremeretto. Duroget is an aperitif specially formulated to appeal to that particular market. Cremocha and Cremeretto are sherries with coffee and almond flavour respectively, which we believe will receive excellent response in a fast-growing market for wine liqueurs.

Of particular note is our new white wine, WarnerHof. This German-style wine was developed to participate in the growth of the white wine market. It reflects the long history of our Company in the growth and development of fine wines. WarnerHof was developed as a record of the origins of our original farms. Christian Warner, whose family emigrated from a Swiss German wine growing area, received a Crown grant for 600 acres in this area in 1784. This historical area is located in our Vineyard Research farms on the slope of the Niagara Escarpment near St. David's, Ontario.

Employees

This year we welcomed two members to our "Quarter Century Club" with the addition of Anne Jay, Retail Division and Stefan Czubak, Farm Division. This group of long-term employees adds a strength and knowledge to the Company that is and will be invaluable in its growth.

During the year, Philip Ellis retired after 23 years' service with the Company.

We regret to inform you that Philippe Tisseur, Lachine Operations, and James Samler, Sales Representative, passed away during the year.

Awards

In past annual reports we have highlighted

the many product awards received in various international competitions. This year, we are most pleased to bring to your attention an award to one of our long-term employees.

Mr. George B. Hostetter has become Canada's first recipient of an award of merit from the American Wine Society. Mr. Hostetter received the award for his nearly 40 years of development and improvement of wine grapes. Many of the varietal and hybrid wines resulting from his work have become internationally acclaimed.

We again were favoured with awards for our products in Belgium, England, Yugoslavia and the United States. Of particular note was that our Baco Noir won a gold medal and best of category in an international competition in the United States. Baco Noir also was the single wine chosen to represent Canadian wines at an international tasting in Washington, D.C.



W.D. Hatch, Chairman

E.S. Arnold, President

Executive Changes

On June 1, 1979, Mr. Jean-Guy Lord joined the Company as Vice-President & General Manager - Quebec Operations. Mr. Lord has had many years' experience in consumer retailing with particular experience in food products. His management and sales experience will be of particular benefit to the growth of our subsidiary companies in the Province of Quebec.

On April 23, 1980, Mr. Donald H. Lovell resigned as Vice-President, Marketing of the Company. His contribution over the last two years has helped the Company in its positioning of our product line and the introduction of new products. We wish him every success in his future endeavours.

We regret to inform you that during the year Mr. H.J. Carmichael, C.M.G., Director Emeritus passed away. Mr. Carmichael was a Director of the Company for fourteen years and a Senior Executive of General Motors of Canada for many years. His advice and counsel over the years were one of the Company's great strengths.

Outlook

We are approaching the year 1980-81 cautiously yet with a certain degree of optimism. Sales of quality wines should continue to increase and your Company is in an excellent position to continue to benefit from this segment of the market.

Through the efforts of our research and development programs, we were able to introduce new wines and packages that will have a significant impact on our future sales picture.

Our concerns with inflation, interest costs and the unpredictability of the economy are shared by most businesses in Canada. Good cost control and brand contribution programs are in effect and will benefit us this year.

The wine industry is also deeply concerned with the aggressive attitude the federal government is taking toward wine taxation. Proposed large tax increases will have a detrimental effect on sales and profits throughout the Canadian wine industry. Your Company is actively working with the Canadian Wine Institute and government officials on the entire subject of wine taxation.

Ongoing champagne litigation is proceeding in the courts in Quebec and Ontario and is being vigorously defended. In early May, positive federal legislation was announced by Ottawa with the passing of an act to repeal the Canada-France Trade Agreement.

The strength, dedication and enthusiasm of all our employees makes us confident that we will cope with the uncertainties of the future. We look also to the essential contribution of shareholders and suppliers in furthering the continuing growth of our Company.



Donald H. Lovell

President



W.A. Hatch

Chairman



T.G. Bright & Co. Limited & Subsidiary Companies

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31

	1980	1979
Cash	\$ 84,585	\$ 143,141
Accounts receivable	1,919,943	1,813,623
Inventories (Notes 1 and 2)	14,559,943	11,588,232
Expenses paid in advance	507,212	536,976
 Current Assets	 \$17,071,683	 \$14,081,972
 Bank indebtedness	 \$ 6,406,677	 \$ 4,992,000
Accounts payable and accrued liabilities	1,017,623	942,499
Taxes payable	878,695	491,612
 Current Liabilities	 \$ 8,302,995	 \$ 6,426,111
 Working Capital.....	 \$ 8,768,688	 \$ 7,655,861
 Fixed assets less depreciation 1980 - \$9,492,448		
1979 - \$8,787,979 (Notes 1 and 3)	\$ 5,214,599	\$ 5,263,194
 Working Capital and Other Assets	 \$13,983,287	 \$12,919,055
 DEDUCT:		
Deferred income tax	416,300	671,800
 Excess of Assets over Liabilities	 \$13,566,987	 \$12,247,255
 Represented by Shareholders' equity:		
Capital Stock (Note 4)	\$ 2,500,000	\$ 2,500,000
Retained earnings	11,066,987	9,747,255
 Shareholders' equity	 \$13,566,987	 \$12,247,255

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**

	1980	1979
Gross Sales	\$27,752,370	\$25,080,275
LESS: Consumer excise and sales taxes.....	<u>5,197,813</u>	<u>4,799,675</u>
Net Sales	<u>\$22,554,557</u>	\$20,280,600
DEDUCT:		
Cost of goods sold.....	13,628,927	12,656,709
Selling, general and administrative expenses	5,601,251	4,217,190
Interest	734,710	479,337
Provision for depreciation	856,065	786,537
Provision for income taxes (Note 5).....	<u>556,310</u>	782,000
	\$21,377,263	\$18,921,773
Net Income before extraordinary gain.....	1,177,294	1,358,827
Gain on disposal of land	142,438	—
 NET INCOME	\$ 1,319,732	\$ 1,358,827
Retained Earnings:		
Beginning of year.....	<u>9,747,255</u>	<u>10,388,428</u>
	11,066,987	11,747,255
Less Retained earnings capitalized (Note 4)	<u>—</u>	<u>2,000,000</u>
End of Year.....	<u>\$11,066,987</u>	<u>\$ 9,747,255</u>
 Net Income per share before extraordinary gain.....	\$ 1.18	\$ 1.36
Extraordinary gain	\$.14	\$ —
 Net Income per share.....	<u>\$ 1.32</u>	<u>\$ 1.36</u>

T.G. Bright & Co. Limited & Subsidiary Companies

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31

	1980	1979
Financial resources were provided by:		
Net income for year before extraordinary gain	\$ 1,177,294	\$1,358,827
Items not involving current funds:		
Provision for depreciation	856,065	786,537
Deferred income taxes	<u>(255,500)</u>	368,000
Funds provided from operations	1,777,859	2,513,364
Gain on disposal of land	<u>142,438</u>	—
	<u>\$ 1,920,297</u>	\$2,513,364
Financial resources were used for:		
Additions to fixed assets (net)	<u>807,470</u>	1,706,422
Increase in working capital	1,112,827	806,942
Working capital at beginning of year	<u>7,655,861</u>	6,848,919
Working capital at end of year	<u>\$8,768,688</u>	<u>\$7,655,861</u>

AUDITORS' REPORT

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

We have examined the consolidated statement of financial position of T.G. Bright & Co., Limited as at March 31, 1980 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.

HAMILTON, MAY 9, 1980

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at March 31, 1980 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 & Co.
Chartered Accountants

T.G. Bright & Co. Limited & Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 1980

1. SUMMARY OF ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of all 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.

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, the Company's unfunded past service obligation for pension benefits is estimated to be approximately \$880,000 and is being amortized by annual payments not to exceed thirteen years.

2. INVENTORIES

	March 31	
	1980	1979
Raw materials and supplies	\$ 2,515,356	\$ 1,863,644
Bulk wine	8,341,173	7,001,089
Finished goods.....	<u>3,703,414</u>	<u>2,723,499</u>
	<u><u>\$14,559,943</u></u>	<u><u>\$11,588,232</u></u>

3. FIXED ASSETS

	March 31, 1980			March 31, 1979
	Additions	Gross	Net	Net Investments
Land and buildings	\$ 54,150	\$ 3,759,578	\$ 1,666,143	\$ 1,728,627
Storage tanks, machinery and equipment	497,702	7,997,442	2,442,903	2,433,850
Retail property and equipment.....	37,873	495,424	348,746	359,544
Automobiles and trucks.....	174,622	924,385	360,981	339,703
Farm property and equipment.....	<u>43,123</u>	<u>1,530,218</u>	<u>395,826</u>	<u>401,470</u>
	<u><u>\$ 807,470</u></u>	<u><u>\$14,707,047</u></u>	<u><u>\$ 5,214,599</u></u>	<u><u>\$ 5,263,194</u></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. Changes in the share capital of the Company during the year were as follows:

Authorized number of shares without nominal or par value -

	March 31	
	1980	1979
Common.....	1,000	1,000
Class "A".....	3,000,000	3,000,000
Class "B".....	<u>1,999,000</u>	<u>1,999,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>

Issued and outstanding -

Common.....	—	—
Class "A".....	427,353	426,969
Class "B".....	<u>572,647</u>	<u>573,031</u>
	<u>1,000,000</u>	<u>1,000,000</u>

During 1979 the Corporation reduced its retained earnings by \$2,000,000 and transferred that amount to capital. As a result, a deemed dividend of \$2,000,000 occurred, which served to reduce tax-paid surplus on hand. Thus at March 31, 1979 and 1980, the 1,000,000 issued and outstanding shares had an assigned value of \$2,500,000.

5. INCOME TAXES

Certain subsidiary companies have accumulated losses for tax purposes amounting to \$562,000, which may be carried forward to reduce taxable income in future years. These losses may be claimed no later than:

Year ending - March 31, 1983	\$ 46,000
March 31, 1985	516,000
	\$562,000

The future tax benefit of \$253,000 relating to these losses has been recorded in the accounts and has been offset against the liability for deferred income taxes.

TEN YEAR REVIEW

OPERATIONS	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971
Gross income	\$27,752,370	\$25,080,275	\$19,659,026	\$17,307,930	\$17,578,939	\$16,508,596	\$14,965,234	\$14,953,618	\$14,850,765	\$13,999,427
Excise and sales taxes	5,197,813	4,799,675	3,890,013	3,483,597	3,698,991	3,971,726	3,559,551	3,739,972	3,766,145	3,525,157
Net Sales	22,554,557	20,280,600	15,769,013	13,824,333	13,879,948	12,536,870	11,405,683	11,213,646	11,084,620	10,474,270
Cost of goods sold	13,628,927	12,655,941	10,342,127	9,524,367	9,185,446	7,446,926	6,699,984	6,225,301	6,032,449	5,438,024
Selling and other expenses	6,193,523	4,696,713	3,388,963	3,532,430	3,637,798	3,306,227	2,966,264	2,871,003	2,517,539	2,482,843
Provision for depreciation	856,065	786,537	716,830	753,755	714,419	742,987	558,313	526,468	409,150	409,450
Profit (loss) before income taxes	1,876,042	2,141,409	1,321,093	(91,587)	447,653	1,040,730	1,181,122	1,590,874	2,125,482	2,143,953
Provision for income taxes	556,310	782,582	439,500	(4,500)	227,300	519,300	542,000	785,000	1,035,200	1,161,000
Net Profit (Loss)	1,319,732	1,358,827	\$ 881,593	\$ (87,087)	\$ 220,353	\$ 521,430	\$ 639,122	\$ 805,874	\$ 1,090,282	\$ 982,953
Profit per dollar of net sales	5.2%	6.7%	5.6%	(6.6%)	1.6%	4.2%	5.6%	7.2%	9.8%	9.4%
Distribution of net profit										
Tax paid on undistributed income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 10,862	\$ 19,278	\$ —	\$ —
Dividends paid	—	—	—	—	—	—	181,289	371,071	400,000	400,000
Retained in business	1,319,732	1,358,827	\$ 881,593	\$ (87,087)	\$ 220,353	\$ 329,279	\$ 248,773	\$ 405,874	\$ 690,282	\$ 582,953
*Net profit per share	\$ 1.32	\$ 1.36	\$.88	\$ (.09)	\$.22	\$.52	\$.64	\$.81	\$ 1.09	\$.98

FINANCIAL STATUS

Current assets	\$17,071,683	\$14,081,972	\$12,439,062	\$11,820,483	\$12,676,188	\$12,064,528	\$11,636,468	\$ 9,795,838	\$ 8,942,160	\$ 7,656,204
Current liabilities	8,302,995	6,426,111	5,590,143	6,181,109	6,693,520	6,093,331	6,244,148	4,102,234	2,172,399	1,218,053
Working capital	8,788,688	7,655,861	6,848,919	5,639,374	5,982,668	5,971,197	5,392,320	5,693,604	6,769,761	6,438,151
Property, plant and equipment (net)	5,214,599	5,263,194	4,343,309	4,591,061	4,474,854	4,574,472	4,929,970	4,430,013	3,080,982	2,918,710
Special refundable tax	—	—	—	—	—	—	—	—	—	—
Investment	—	—	—	—	—	—	—	—	—	3,000
Less: First mortgage bonds	—	—	—	—	175,000	350,900	525,000	700,000	875,000	1,050,000
Deferred income taxes	416,300	671,800	303,800	223,600	188,600	322,100	253,000	128,100	86,100	110,500
Shareholders' equity	13,566,987	12,247,255	10,888,428	10,006,835	10,093,922	9,873,569	9,544,290	9,295,517	8,889,643	8,199,361
Total assets	\$22,286,282	\$19,345,166	\$16,782,371	\$16,586,544	\$17,151,042	\$16,639,000	\$16,566,438	\$14,225,851	\$12,023,142	\$10,577,914
Ratio current assets to current liabilities	2.1 to 1	2.2 to 1	1.9 to 1	2.4 to 1	4.1 to 1	6.3 to 1				
*Equity per share	\$ 13.57	\$ 12.25	\$ 10.89	\$ 10.01	\$ 10.09	\$ 9.87	\$ 9.54	\$ 9.30	\$ 8.89	\$ 8.20

EMPLOYEES

Number of employees at year end	249	249	242	242	257	253	265	265	272	259
Total payroll and benefits	\$ 5,756,167	\$ 5,006,947	\$ 4,354,579	\$ 4,056,218	\$ 3,812,591	\$ 3,328,964	\$ 3,174,955	\$ 3,083,131	\$ 2,895,375	\$ 2,626,519
Investment per employee	\$ 89,503	\$ 77,691	\$ 68,522	\$ 67,816	\$ 67,736	\$ 65,767	\$ 62,515	\$ 53,682	\$ 44,203	\$ 40,841

* Years prior to 1971 restated to reflect
10 for 1 stock split in June, 1970

T.G. Bright & Co. Limited & Subsidiary Companies

Brights Wines/Les Vins Brights

Sparkling

Pinot Champagne
President Champagne
President Champagne (Pink)
Cold Duck
Winette
Cresta Blanca
Pussycat
Light Cold Duck
DuBarry Spumante
Sangria
Champers

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
Verdelet
Gewurztraminer
White House Wine
Seyval Blanc
Vino di Casa
White Table Wine
WarnerHof
Collina
Gentle White

Ports

President
'74"
Napoleon
Hermit
'67"
St. Georges Vin Rouge

Sherries

Cream
President
Dry
Hermit
St. Georges Vin Blanc
'74"
Napoleon
'67"

Appetizer

Dry Vermouth
Red Vermouth
Loganvale
Durogett
Cremocha
Cremeretto

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
L'Entrecote
Collina
Gentle Red

Other

President Muscatel
Mazel Tov
Sacramental

Les Vins LaSalle

White Table

Sève D'Or
Griffon Blanc
Notre Vin Maison

Sherries and Ports

Mont Joli
LaSalle

Red Table

Griffon Rouge
Notre Vin Maison
de Chaunac

Sparkling

Cresta Blanca
Petit Cadet

Rosé

Rosé Petillant
Rosé Nature



T.G. Bright & Co. Limited & Subsidiary Companies

DIRECTORS

Edward S. Arnold	Beamsville, Ontario
H. Clifford Hatch*	Walkerville, Ontario
W. Douglas Hatch*	St. Catharines, Ontario
Meredith F. Jones	Queenston, Ontario
George H. Mowers	Niagara Falls, Ontario
David I. Matheson	Toronto, Ontario
Charles Rathgeb*	Toronto, Ontario

(*Audit Committee)

Directors Emeriti

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

OFFICERS AND EXECUTIVES

W. Douglas Hatch	Chairman
Edward S. Arnold B.Sc.A.	President
David G. Diston	Vice-President - Operations
Jean-Guy Lord	Vice-President, General-Manager - Quebec Operations
William C. Thompson, C.A.	Secretary-Treasurer
G. Clifford Biggar, R.I.A.	Comptroller
George B. Hostetter, B.S.A., P. Ag.	Director of Viticultural Research

LEGAL COUNSEL

McMillan, Binch.....	Toronto, Ontario
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AUDITORS

Price Waterhouse & Co.	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, and St. Joseph du Lac, Quebec

RETAIL BRANCHES

Toronto (12)	London	Peterborough
Ottawa	Sudbury	Windsor (2)
Hamilton	Kitchener	St. Catharines
Niagara Falls		Niagara-on-the-Lake

