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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.
20549

U.S. SECURITIES & EXCHANGE COMMISSION
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JAN 30 1967

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year
ended October 1, 1966

Commission file number 0-853

BERKSHIRE HATHAWAY INC.

(Exact name of registrant as specified in its charter)

MASSACHUSETTS

(State or other jurisdiction of
incorporation or organization)

04-225-4452

(I.R.S. Employer
Identification No.)

97 COVE STREET, NEW BEDFORD, MASSACHUSETTS
(Address of principal executive offices)

02741
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

NONE

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, \$5 PAR VALUE
(Title of Class)

BERKSHIRE HATHAWAY INC.

FORM 10-K

JANUARY 27, 1967

Item 1. Number of Equity Security Holders

(A)	(B)
<u>Title of class</u>	<u>Approximate number of record holders January 13, 1967</u>
Common stock, \$5 par value	2,550

Item 2. Increases and Decreases in Outstanding Equity Securities

No increase or decrease in outstanding equity securities has occurred except for the changes previously reported in Form 8-K, Current Report for the Month of December 1965, filed with the Securities and Exchange Commission pursuant to transmittal letter dated December 31, 1965, which 8-K hereby is incorporated by reference.

Item 3. Parents and Subsidiaries of Registrant

As of January 13, 1967 Buffett Partnership, Ltd , a limited partnership under Nebraska law, owned approximately 59.5% of Registrant's outstanding shares. Mr. Warren E. Buffett, a director of the Registrant, is the sole general partner of the partnership.

Items 4 to 9, inclusive

These items are not restated or inserted by the Registrant inasmuch as since the close of its fiscal year ended October 1, 1966 the Registrant has filed with the Commission a definitive Proxy Statement pursuant to Regulation 14A which involved, among other things, the election of Directors and which Proxy Statement was transmitted to the Securities and Exchange Commission by letter dated December 13, 1966.

Item 10. Financial Statements and Exhibits

(a) See financial statements and auditor's certificate attached.

(b) Exhibits ONE

Reference is made to the amendment, effective November 14, 1966, of Section 3.1 of the By-Laws, which Section 3.1 as amended is set forth on page 1 of the Proxy Statement of the Registrant dated December 13, 1966. A copy of that Proxy Statement was transmitted to the Securities and Exchange Commission by letter dated December 13, 1966, and said amended Section 3.1 hereby is incorporated by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

BERKSHIRE HATHAWAY INC.

By *Kenneth V. Chace*
Kenneth V. Chace
President

DATED: January 27, 1967

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PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
10 DORRANCE STREET
PROVIDENCE, RHODE ISLAND 02903

ACCOUNTANTS' REPORT

The Board of Directors
Berkshire Hathaway Inc.:

We have examined the consolidated financial statements and related schedules of Berkshire Hathaway Inc. and subsidiary as listed in the accompanying index. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the consolidated financial position of Berkshire Hathaway Inc. and subsidiary at October 1, 1966, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year; and the supporting schedules, in our opinion, present fairly the information set forth therein.

Providence, R. I.
October 26, 1966

Peat, Marwick, Mitchell & Co.

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Item 10(a) Financial Statements

Consolidated financial statements for the year ended October 1, 1966:

Accountants' Report

Consolidated Balance Sheet as of October 1, 1966

Consolidated Statement of Earnings and Retained Earnings for
the year ended October 1, 1966

Notes to Consolidated Financial Statements

Schedule I Marketable securities

Schedule V Property, plant and equipment

Schedule VI Accumulated depreciation of property, plant and
equipment

Schedule XII Reserves

All other schedules are omitted as the required information is
inapplicable or the information is presented in the financial
statements or related notes.

The financial statements of the registrant are omitted as it is
primarily an operating company and its subsidiary included in
the consolidated financial statements is totally held.

BERKSHIRE HATHAWAY INC.
 Consolidated Balance Sheet
 October 1, 1966

<u>Assets</u>		<u>Liabilities and Stockholders' Equity</u>	
Current assets:		Current liabilities:	
Cash	\$ 628,721	Accounts payable	\$ 2,957,565
Marketable securities, at cost which approximates market (Schedule I)	5,445,795	Accrued salaries and wages	278,599
Accounts receivable - trade, including \$4,177 due from officers and employees, net of allowance for doubtful accounts (\$299,433) (Schedule XII)	8,114,240	Accrued State and local taxes	<u>165,094</u>
Inventories (note 2)	12,239,261	Total current liabilities	3,401,258
Prepaid expenses	<u>131,428</u>	Stockholders' equity (notes 1 and 6):	
Total current assets	26,559,445	Common stock \$5 par value. Authorized 1,722,983 shares; issued 1,017,547 shares	\$ 5,087,735
Property, plant and equipment, at cost (note 3) (Schedule V):		Retained earnings	<u>24,407,185</u>
Land	\$ 118,019	Total stockholders' equity	29,494,920
Buildings	3,837,705		
Machinery and equipment	20,042,021		
Furniture and fixtures	366,037		
Leasehold improvements	26,576		
Motor vehicles	<u>35,834</u>		
	24,426,192	Commitments and contingencies (notes 7 and 8)	
Less accumulated depreciation and amortization (Schedule VI)	<u>18,119,666</u>		
Net property, plant and equipment	6,306,526		
Other assets (including mortgage note of approximately \$19,800 due from officer)	<u>30,207</u>		
	\$ <u>32,896,178</u>		<u>\$ 32,896,178</u>

See accompanying notes to financial statements.

BERKSHIRE HATHAWAY INC.

Consolidated Statement of Earnings and Retained Earnings

Year ended October 1, 1966

Net sales	\$ 49,372,328
Cost of sales (note 2)	<u>42,195,572</u>
Gross profit	7,176,756
Selling, general and administrative expenses (note 1)	<u>2,328,142</u>
Operating income	<u>4,848,614</u>
Other income:	
Interest on marketable securities	166,819
Sundry other income	<u>150,337</u>
	<u>317,156</u>
	<u>5,165,770</u>
Other deductions (note 1):	
Idle plant expense	97,689
Sundry other charges	<u>63,567</u>
	<u>161,256</u>
Earnings before provision for Federal and foreign income taxes	5,004,514
Provision for Federal and foreign income taxes (note 4)	<u>2,242,000</u>
Net earnings	2,762,514
Retained earnings at beginning of year	20,469,068
Reduction in Federal and foreign income taxes (note 5)	2,212,292
Retirement of Treasury stock (note 6)	<u>(1,036,689)</u>
Retained earnings at end of year	\$ <u>24,407,185</u>
Depreciation and amortization deducted above	\$ <u>963,081</u>

See accompanying notes to financial statements.

BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements

October 1, 1966

- (1) The consolidated financial statements include the accounts of Berkshire Hathaway Inc. and its wholly-owned Canadian subsidiary.

Canadian currency has been converted into United States dollars as follows:

- (1) current assets and liabilities at rates of exchange in effect at the close of the year, (2) properties at rates in effect when acquired, and (3) income, costs and expenses at average rates of exchange for the year, except depreciation, and amortization which are based on the dollar costs of the properties. The net unrealized loss on such conversions (not significant) has been carried to income.

The excess of the Company's cost over its equity in its subsidiary (\$95,166) representing losses since acquisition has been charged to retained earnings in consolidation.

Intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

Berkshire Hathaway Inc. had no other investments in foreign or domestic affiliates.

State income taxes amounting to \$215,000 and provision for bad debts of approximately \$43,000 are included in selling, general and administrative expenses in the accompanying consolidated statement of earnings and retained earnings. In the prior year comparable amounts were stated as other deductions.

- (2) The inventories used in the computation of cost of sales were as follows:

October 2, 1965 - \$10,277,178
 October 1, 1966 - \$12,239,261

At October 1, 1966 inventories consisted of the following:

Raw materials	\$ 2,380,722
Work in process	2,689,448
Finished goods	6,953,713
Supplies	<u>215,378</u>
	\$ <u>12,239,261</u>

Inventories are priced at the lower of cost or market. Cost for raw cotton is determined on an average basis; for raw synthetic fiber and yarns on a first-in, first-out basis; for goods in process and finished goods on a current standard basis, with the minor exception of cotton content of in-process materials at King Philip D Division for which cost represents a standard established in 1953. At October 1, 1966 the replacement cost of the cotton so valued was approximately \$114,000 in excess of the amount at which it is stated in the inventory.

BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements, Continued

- (3) Losses on disposal of idle plant and equipment were sustained in the year ended October 1, 1966, amounting to \$1,866,037. Of this amount, \$56,905 was charged to current operations. \$1,809,132 was charged to the estimated loss provision which existed for this purpose at October 2, 1965.

Upon the sale or retirement of plant and equipment, the applicable accumulated depreciation is eliminated from the accumulated allowance, and the profit or loss resulting from such sale or retirement is reflected in either earnings or estimated loss on properties to be sold.

Depreciation on acquisitions prior to fiscal year ended October 2, 1965 has been charged to operations on the straight-line method. For subsequent additions, depreciation has been computed on the double declining balance method. Leasehold improvements are being amortized over the lives of the leases. Rates used in computing the annual amount of depreciation and amortization are as follows:

	<u>Lives</u>
Buildings	10 to 27 years
Machinery and equipment	15 years
Furniture and fixtures	10 years
Leasehold improvements	3 to 5 years
Motor vehicles	4 years

Maintenance, repairs, and renewals of a minor nature are charged to income as incurred. Renewals of a major nature and betterments which extend the useful life of plant and equipment are capitalized.

No items of plant and equipment were pledged to secure any indebtedness.

- (4) No Federal income tax is payable for the year ended October 1, 1966 because of operating loss carryovers and losses sustained on disposal of plant assets. The current year net earnings have been reduced for Federal and foreign income taxes computed without regard to losses on disposal of plant assets, and without regard to availability of operating loss carryovers.
- (5) The reduction of Federal and foreign income taxes results from deductions, in computing current taxable income, of prior years' operating loss carryovers, and losses on disposal of plant assets.
- (6) At the annual meeting of stockholders held December 7, 1965, it was voted that the authorized capital stock of this Corporation be reduced to 1,722,983 shares of \$5 par value common stock by canceling and retiring the 120,231 shares held in the treasury at October 2, 1965 and that the excess of cost over par value of retired shares be charged to retained earnings.

BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements, Continued

- (7) The Company has in effect pension plans to provide eligible employees with pension and death benefits. Eligible employees consist of salaried personnel. No contributions were made during 1966 to the Company's principal pension plan, which is a trustee, noncontributing plan. The balance in this fund, accumulated from prior years' contributions, is in excess of minimum funding requirements determined on an actuarial basis.
- (8) The Company occupies office and warehouse space under long-term leases which call for total annual payments of \$75,000 and aggregate rentals of \$265,000 over the lives of such leases.

The Company has no stock option plans or profit-sharing plans in effect at October 1, 1966.

- (9) Supplementary profit and loss information:

	<u>Charged directly to profit and loss</u>		
	<u>To cost of sales</u>	<u>Other</u>	<u>Total</u>
Maintenance and repairs	\$ <u>273,249</u>	<u>11,237</u>	<u>284,486</u>
Depreciation and amortization	<u>915,364</u>	<u>47,717</u>	<u>963,081</u>
Taxes, other than income taxes:			
Payroll taxes	756,113	39,298	795,411
Real estate and personal property taxes	108,365	24,530	132,895
Other State and local taxes	<u>64,629</u>	<u>20,269</u>	<u>84,898</u>
	<u>929,107</u>	<u>84,097</u>	<u>1,013,204</u>
Rents	\$ <u>17,371</u>	<u>121,637</u>	<u>139,008</u>

There were no royalty agreements, no management or service contract fees.

BERKSHIRE HATHAWAY INC.

Marketable Securities

Year ended October 1, 1966

Schedule I

<u>Name of issuer and title of issue</u>	<u>Number of shares and principal amount of bonds and notes</u>	<u>Amount at which carried on balance sheet (Cost)</u>	<u>Value based on current market quotations at balance sheet date</u>
<u>Bonds and notes</u>			
	<u>Principal</u>		
Massachusetts Bay Transportation Authority, 3.25% due January 3, 1967	\$ 1,000,000	999,560	1,000,000
Boston, Massachusetts Temporary Note, 3.47% due November 1, 1966	2,500,000	2,500,000	2,500,000
Boston, Massachusetts Redevelopment Authority Note, 3.35% due January 20, 1967	600,000	600,000	600,000
Ford Motor Credit Co. Note, 5 5/8% due October 5, 1966	250,000	249,844	250,000
General Motors Acceptance Corporation Note, 5 5/8% due October 13, 1966	250,000	249,532	250,000
Ford Motor Credit Co. Note, 5 3/4% due October 20, 1966	200,000	199,393	200,000
<u>Stocks</u>			
	<u>Shares</u>		
John Blair & Co.	3,300	48,825	54,450
Disney Productions	3,900	168,651	175,500
Investors Diversified Services A	13,371	374,528	374,388
Massachusetts Indemnity & Life Insurance Co.	2,200	55,462	53,900
		<u>\$ 5,445,795</u>	<u>5,458,238</u>

BERKSHIRE HATHAWAY INC.

Property, Plant and Equipment

Year ended October 1, 1966

Schedule V

<u>Classification</u>	<u>Balance at beginning of period</u>	<u>Additions at cost</u>	<u>Retirements or sales (1)</u>	<u>Balance at close of period</u>
Land	\$ 142,514	-	24,495	118,019
Buildings	4,432,512	74,070	668,877	3,837,705
Machinery and equipment	23,025,457	869,114	3,852,550	20,042,021
Furniture and fixtures	355,931	16,739	6,633	366,037
Leasehold improvements	23,429	3,147	-	26,576
Motor vehicles	<u>39,899</u>	<u>7,205</u>	<u>11,270</u>	<u>35,834</u>
	<u>\$ 28,019,742</u>	<u>970,275</u>	<u>4,563,825</u>	<u>24,426,192</u>

(1) Retirements and sales includes discontinued operations having a cost of \$4,358,000 and a net book value of \$2,089,000. Of the resulting loss from disposal of these assets amounting to \$1,866,037, \$56,905 was charged to current operations and \$1,809,132 was charged to the estimated loss provision which existed for this purpose at October 2, 1965. See note 3 of notes to consolidated financial statements and Schedule XII.

BERKSHIRE HATHAWAY INC.

Accumulated Depreciation of Property, Plant and Equipment

Year ended October 1, 1966

Schedule VI

<u>Classification</u>	<u>Balance at beginning of period</u>	<u>Additions</u> Charged to profit and loss or income	<u>Deductions</u> Retirements, renewals and Replacements (1)	<u>Balance at close of period</u>
Buildings	\$ 3,138,563	95,231	459,956	2,773,838
Machinery and equipment	16,113,738	842,298	1,959,148	14,996,888
Furniture and fixtures	299,247	13,571	6,253	306,565
Leasehold improvements	6,465	7,978	-	14,443
Motor vehicles	<u>35,150</u>	<u>4,003</u>	<u>11,221</u>	<u>27,932</u>
	\$ <u>19,593,163</u>	<u>963,081</u>	<u>2,436,578</u>	<u>18,119,666</u>

(1) See note to Schedule V.

BERKSHIRE HATHAWAY INC.

Reserves

Year ended October 1, 1966

Schedule XII

	<u>Balance at beginning of period</u>	<u>Additions charged to profit and loss or income</u>	<u>Deductions</u>	<u>Balance at end of period</u>
Allowance for doubtful accounts	\$ <u>280,302</u>	<u>42,991</u>	<u>23,860</u> (1)	<u>299,433</u>
Estimated loss on prop- erties to be sold	<u>1,809,132</u>	<u>-</u>	<u>1,809,132</u> (2)	<u>-</u>

(1) Accounts written off, less recoveries.

(2) Losses on sales of idle property and equipment. See Schedule V.