

Property of
**S&C MESSINA CAPITAL
MANAGEMENT, LLC**

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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C.
20549

REC'D-S.E.C.
MAR 27 1968

68087011

FORM 10-K

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

For the fiscal year
ended September 30, 1967 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)

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BERKSHIRE HATHAWAY INC.

FORM 10-K

MARCH 26, 1968

Item 1. Number of Equity Security Holders

(A)	(B)
<u>Title of class</u>	<u>Approximate number of record holders March 8, 1968</u>
Common stock, \$5 par value	1,748

Item 2. Increases and Decreases in Outstanding Equity Securities

No increase or decrease in outstanding equity securities occurred during the fiscal year ended September 30, 1967 and none has occurred since September 30, 1967 except for the changes previously reported (a) in Form 8-K, Current Report for the Month of October 1967 filed with the Securities and Exchange Commission pursuant to transmittal letter dated November 9, 1967 and (c) in Form 8-K, Current Report for the Month of November 1967 filed with the Securities and Exchange Commission pursuant to transmittal letter dated December 7, 1967, which reports hereby are incorporated by reference.

Item 3. Parents and Subsidiaries of Registrant

(a) As of February 1, 1968 Buffett Partnership, Ltd., a limited partnership under Nebraska law, owned approximately 64.7% of Registrant's outstanding shares. Mr. Warren E. Buffett, a director of

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the Registrant, is the sole general partner of the partnership.

- (b) The following list shows the significant subsidiaries of the Registrant. Neither of these subsidiaries is included in the Registrant's consolidated statements for the period ended September 30, 1967.

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
National Fire & Marine Insurance Company	Nebraska
National Indemnity Company	Nebraska

Registrant owns all of the outstanding stock of National Fire & Indemnity Company and 99% of the outstanding stock of National Indemnity Company.

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 September 30, 1967 the Registrant has filed with the Commission a definitive Proxy Statement pursuant to Regulation 14A for the annual meeting of stockholders to be held April 23, 1968 which Proxy Statement involved, among other things, the election of Directors and which Proxy Statement was transmitted to the Securities and Exchange Commission by letter dated March 25, 1968. Mr. Linsley V. Dodge at the date hereof is a director who is not standing for reelection.

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and is not a named nominee for reelection on April 23, 1968. Mr. Dodge's present principal occupation is Consultant to the Corporation. He has been a director since 1943 and on February 1, 1968 he owned 300 shares of stock of the Registrant.

Item 10. Financial Statements and Exhibits

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has 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: March 26, 1968

RECD-S.E.C.

MAR 27 1968

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Item 10(a) Financial Statements

Consolidated financial statements for the year ended September 30, 1967:

Accountants' Report

Consolidated Balance Sheet as of September 30, 1967

Consolidated Statement of Earnings for the year ended
September 30, 1967

Consolidated Statement of Retained Earnings for the year
ended September 30, 1967

Notes to Consolidated Financial Statements

Schedule I Marketable securities

Schedule III Investments in securities of affiliates

Schedule V Properties, plants and equipment

Schedule VI Accumulated depreciation of properties, plant
and equipment

Schedule IX Bonds, mortgages, and similar debt

Schedule XIII Reserves

Schedule XVII Equity in net profit and loss of affiliates

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

Exhibit 1 National Indemnity Company
Accountants' Report - Financial Statements -
December 31, 1967

Exhibit 2 National Fire & Marine Insurance Company
Accountants' Report - Financial Statements -
December 31, 1967

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

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BERKSHIRE HATHAWAY INC.

Consolidated Statement of Earnings

Year ended September 30, 1967

Net sales	\$ 39,055,671
Cost of sales (note 3)	<u>36,669,665</u>
Gross profit	2,386,006
Selling and administrative expenses	<u>2,330,487</u>
Operating income	<u>55,519</u>
Other income:	
Dividends on marketable securities	139,295
Interest on marketable securities	112,626
Sundry other income	<u>70,270</u>
	<u>322,191</u>
Other deductions:	
Interest on long-term debt	7,864
Interest on note payable - bank	115,667
Other interest	33,246
Sundry other charges	<u>2,359</u>
	<u>159,136</u>
Earnings before provision for income taxes, equity in earnings of unconsolidated subsidiaries, and extraordinary item	218,574
Provision for Foreign income taxes (note 5)	<u>3,200</u>
Earnings before equity in earnings of unconsolidated subsidiaries, and extraordinary item	215,374
Equity in earnings of unconsolidated subsidiaries (net of Federal income taxes - \$345,000) (Schedule XVII)	<u>791,938</u>
Earnings before extraordinary item	1,007,312
Extraordinary item:	
Realized investment gains - unconsolidated subsidiaries (net of Federal income taxes - \$33,400) (Schedule XVII)	<u>100,147</u>
Net earnings	\$ <u>1,107,459</u>
Depreciation and amortization deducted above	\$ <u>979,016</u>
Per share of common stock:	
Earnings before extraordinary item	1.02
Extraordinary item, net of tax	<u>.10</u>
Net earnings	\$ <u>1.12</u>

See accompanying notes to financial statements.

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BERKSHIRE HATHAWAY INC.

Consolidated Statement of Retained Earnings

Year ended September 30, 1967

Retained earnings, beginning:	
As previously reported	\$ 24,407,185
Adjustments (note 9)	<u>226,097</u>
As restated	24,633,282
Net earnings	<u>1,107,459</u>
	25,740,741
Less dividends paid - \$.10 per share	<u>101,755</u>
Retained earnings, ending	\$ <u>25,638,986</u>

See accompanying notes to financial statements.

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BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements

September 30, 1967

(1) Basis of Consolidation

The accompanying financial statements consolidate the accounts of Berkshire Hathaway Inc. with its wholly-owned noninsurance Canadian subsidiary. In March 1967, the Company purchased for \$8,577,000 over 99% of the outstanding stock of National Indemnity Company and 100% of the outstanding stock of National Fire & Marine Insurance Company, both headquartered in Omaha, Nebraska. The accompanying financial statements reflect the Company's equity in earnings since March 31, 1967 of these insurance subsidiaries, which derive over 80% of their premium volume from automobile lines of insurance. These companies are functionally independent of the textile operations of the parent. The Company's equity in unconsolidated subsidiaries exceeded the cost plus equity in earnings by approximately \$1,100,000 at September 30, 1967.

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 Canadian subsidiary (\$51,968) 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.

(2) Marketable Securities

The market value of the securities portfolio, primarily marketable common stocks, was \$6,845,000 at September 30, 1967.

(3) Inventories

The inventories used in the computation of cost of sales were as follows:

October 1, 1966	-	\$12,239,261
September 30, 1967	-	\$11,162,106

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BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements, Continued

At September 30, 1967 inventories consisted of the following:

Raw materials and supplies	\$ 1,901,267
Stock in process	3,026,648
Cloth	<u>6,234,191</u>
	<u>\$ 11,162,106</u>

Inventories are stated at the lower of cost or market. Costs are determined, generally, on an average basis from current purchase invoices for raw materials, and from current standards for in-process inventories and cloth, with the exception of cotton content of in-process inventory at King Philip D Division (see note 10), which is priced at a standard cost established in 1933. At September 30, 1967, the replacement cost of the cotton so valued was approximately \$113,000 in excess of the amount at which it is stated in the inventory.

(4) Properties, Plants and Equipment

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.

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 earnings.

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

(5) Taxes on Income

For Federal income tax purposes, earnings of Berkshire Hathaway Inc. have been reduced by operating loss carryovers, including losses in prior years resulting from disposals of plant assets. It is not currently the intention of the Company to file a consolidated Federal income tax return with its insurance subsidiaries, and, on an individual return basis, for Berkshire Hathaway Inc. there were no Federal income taxes payable for the year ended September 30, 1967.

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BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements, Continued

Due to certain permanent differences between book and taxable income, the current year's earnings would not be subject to Federal income taxes. The foreign tax provision amounted to \$3,200.

At September 30, 1967, the Company had net operating loss carryovers of approximately \$385,000 which will expire at December 31, 1968. In addition, investment tax credit carryforwards amounted to approximately \$200,000. To the extent not utilized \$30,000 will expire at December 31, 1968 and the remainder in succeeding years. In each instance the time for the use of the carryovers is affected by the Company's changing its fiscal year to a calendar year, which was accomplished as of December 30, 1967.

Equity in earnings of insurance subsidiaries is reflected net of income tax effect upon the subsidiaries.

(6) 7 1/2% Subordinated Debentures

Debentures bear interest at the rate of 7 1/2%, payable February 1 and August 1, and will be due on August 1, 1987. The debentures are not secured by any lien and are not convertible; they are subordinated to senior indebtedness which includes indebtedness of the Company for money borrowed. The debentures may, at the Company's option, be redeemed at 105% through July 31, 1973 and thereafter at 100%. The indenture under which the debentures are issued requires the Company to provide for the retirement by redemption, through a sinking fund, on August 1, in each of the years 1973 to and including 1986, of one-fifteenth of the total amount of debentures issued. Redemption through the sinking fund shall be at principal amount plus accrued interest.

(7) Treasury Stock

The Company acquired, as of August 1, 1967, 32,065 shares of Treasury stock pursuant to its offering of 7 1/2% subordinated debentures in exchange for common stock. See note 6 for terms of the debenture offering.

(8) Pension Plan

The Company has a noncontributory pension plan for salaried employees. The total pension expense for the year was \$80,000, which amount includes normal cost of the plan plus interest on unfunded prior service costs. The Company's policy is to keep the plan substantially funded and to accrue any unfunded pension cost. The most recent actuarial report dated August 1, 1967 indicates that the unfunded prior service cost was approximately \$165,000 at that time.

(9) Prior Period Adjustment

The Company returned \$226,000 to retained earnings during the year ended September 30, 1967, which amount represents the difference between Commonwealth of Massachusetts excise taxes accrued in prior years and such taxes as were payable as determined by ruling from the Commonwealth obtained during the year.

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BERKSHIRE HATHAWAY INC.

Notes to Consolidated Financial Statements, Continued

(10) Plant Closing

The Company announced in December 1967 plans to close its King Philip D mill located in Warren, Rhode Island, because of the declining market for cotton lawns woven at this mill. The production from this mill represented less than 10% of the sales of the Company during 1967. Management anticipates the run-out loss, if any, to be immaterial in amount, although the length of time required for the run-out will be a determining factor. A loss on sale of the properties may be realized. The amount of any such loss, and the time at which it may be realized, cannot be readily estimated at this time.

(11) Long-term Leases; Stock Options and Bonus Plans

The Company occupies office and warehouse space under long-term leases which call for total annual payments of \$95,000 and aggregate rentals of \$503,000 over the lives of such leases.

The Company has no stock option plans in effect. There were no bonuses payable under employment agreements based upon the results of operations for the year ended September 30, 1967.

(12) Supplementary Profit and Loss Information:

	<u>Charged directly to profit and loss</u>		
	<u>To cost</u>		
	<u>of sales</u>	<u>Other</u>	<u>Total</u>
Maintenance and repairs	\$ 203,676	9,469	213,145
Depreciation and amortization	\$ 930,130	48,886	979,016
Taxes, other than income taxes:			
Payroll taxes	\$ 668,874	43,179	712,053
Real estate and personal property taxes	124,286	4,996	129,282
Other State and local taxes	67,386	20,963	88,349
	\$ 860,546	69,138	929,684
Rents	\$ 22,899	126,720	149,619

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

BERKSHIRE HATHAWAY INC.

Consolidated Balance Sheet

September 30, 1967

<u>Assets</u>		<u>Liabilities and Stockholders' Equity</u>	
Current assets:		Current liabilities:	
Cash	\$ 466,275	Notes payable - bank, unsecured	\$ 2,000,000
Marketable securities, at cost (note 2)(Schedule I)	3,856,517	Accounts payable and accrued expenses	4,827,079
Accounts receivable - trade, including \$2,811 due from officers and employees, net of allowance for doubtful accounts (\$329,162) (Schedule XII)	7,167,884	Accrued state and local taxes	<u>378,257</u>
Inventories (note 3)	11,162,106	Total current liabilities	7,205,336
Prepaid and deferred charges (including mortgage note of approximately \$17,800 due from officer)	<u>262,871</u>	Long-term debt:	
Total current assets	22,915,653	7 1/2% subordinated debentures (note 6) (Schedule IX)	629,120
Properties, plants and equipment, at cost (notes 4 and 10) (Schedule V):		Stockholders' equity:	
Land	\$ 116,985	Common stock, \$5 par value. Authorized 1,722,983 shares; issued 1,017,547 shares	\$ 5,087,735
Buildings	3,849,262	Retained earnings	<u>25,638,986</u>
Machinery and equipment	20,215,763		30,726,721
Furniture and fixtures	379,278	Less common stock in treasury, at cost (note 7)	<u>566,208</u>
Leasehold improvements	80,174	Total stockholders' equity	30,160,513
Motor vehicle	<u>4,022</u>	Commitments and contingencies (notes 8 and 11).	
	24,645,484		
Less accumulated depreciation and amortization (Schedule VI)	<u>19,035,033</u>		
Net properties, plants and equipment	5,610,451		
Investment in unconsolidated subsidiaries (note 1) (Schedule III)	<u>9,468,865</u>		
	\$ <u>37,994,969</u>		\$ <u>37,994,969</u>

See accompanying notes to financial statements.

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BERKSHIRE HATHAWAY INC.

Properties, Plants and Equipment

Year ended September 30, 1967

Schedule V

<u>Classification</u>	<u>Balance at beginning of period</u>	<u>Additions at cost</u>	<u>Retirements or sales</u>	<u>Balance at close of period</u>
Land	\$ 118,019	-	1,034	116,985
Buildings	3,837,705	11,557	-	3,849,262
Machinery and equipment	20,042,021	230,225	56,483	20,215,763
Furniture and fixtures	366,037	14,003	762	379,278
Leasehold improvements	26,576	53,598	-	80,174
Motor vehicles	35,834	-	31,812	4,022
	<u>\$ 24,426,192</u>	<u>309,383</u>	<u>90,091</u>	<u>24,645,484</u>

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BERKSHIRE HATHAWAY INC.

Accumulated Depreciation of Properties, Plants and Equipment

Year ended September 30, 1967

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	<u>Balance at close of period</u>
Buildings	\$ 2,773,838	35,292	-	2,809,130
Machinery and equipment	14,996,888	917,237	35,450	15,878,675
Furniture and fixtures	306,565	14,728	1,496	319,797
Leasehold improvements	14,443	9,924	-	24,367
Motor vehicles	27,932	1,835	26,703	3,064
	<u>\$ 18,119,666</u>	<u>979,016</u>	<u>63,649</u>	<u>19,035,033</u>

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BERKSHIRE HATHAWAY INC.

Marketable Securities

Year ended September 30, 1967

Schedule I

<u>Name of issuer</u>	<u>Number of shares</u>	<u>Amount at which carried on balance sheet (cost)</u>	<u>Value based on current market quotations at balance sheet date</u>
American Express Company	15,000	\$ 1,065,000	2,047,000
John Blair & Company	9,400	145,650	254,000
Walt Disney Productions	7,931	332,297	793,000
Florida Gas Company	500	6,504	8,000
Investors Diversified Services A	40,676	1,162,456	1,627,000
Investors Diversified Services B	2,100	14,962	21,000
Massachusetts Indemnity & Life Insurance Company	2,200	55,462	67,000
Rank Organization Ltd.	11,175	37,977	80,000
Sperry & Hutchinson Company	57,500	<u>1,036,209</u>	<u>1,948,000</u>
		\$ <u>3,856,517</u>	<u>6,845,000</u>

BERKSHIRE HATHAWAY INC.
Investments in Securities of Affiliates
Year ended September 30, 1967

Schedule III

<u>Name of issue and title of issue</u>	<u>Balance at beginning of period</u>		<u>Additions</u>				<u>Balance at close of period</u>	
	<u>Number of shares</u>	<u>Amount in dollars</u>	<u>Number of shares</u>	<u>Amount in dollars</u>	<u>Equity in Earning Excluding investment gains</u>	<u>Realized investment gains</u>	<u>Number of shares</u>	<u>Amount in dollars</u>
<u>Subsidiary consolidated</u>								
Bourne Mills of Canada, Ltd.	1,197	14,364	none	none	none	none	1,197	\$ 14,364
Eliminated in consolidation		(14,364)						(14,364)
		none						none
<u>Subsidiaries not consolidated</u>								
National Indemnity Company	none	none	139,921	\$ 7,001,585	706,470	(18,219)	139,921	7,689,836
National Fire & Marine Insurance Company	none	none	5,000	\$ 1,575,195	85,468	118,366	5,000	1,779,029
		none		\$ 8,576,780	791,938	100,147		\$ 9,468,865

See note 1 to financial statements; Schedule XVII; and Exhibits 1 and 2.

BERKSHIRE HATHAWAY INC.

Bonds, Mortgages, and Similar Debt

Year ended September 30, 1967

Schedule IX

Name of issuer and Title of each issue	Amount authorized by indenture	Amount issued and not retired or cancelled	Amount which is		Amount included in balance sheet	Amount in sinking fund of issuer thereof	Amount pledged by issuer thereof	Amount held by affiliates for which statements are filed herewith	
			Held by or for account of issuer thereof	Not held by or for account of issuer thereof				Included in consolidation	Others
Berkshire Hathaway Inc. 7 1/2% subordinated debentures due August 1, 1987	\$ 9,000,000	629,120	None	629,120	629,120	None (1)	None	None	None

(1) See Note 6 for provisions of sinking fund requirements beginning August 1, 1973.

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BERKSHIRE HATHAWAY INC.

Reserves

Year ended September 30, 1967

Schedule XII

	<u>Balance at beginning of period</u>	<u>Additions charged to profit and loss or income</u>	<u>Deductions(1)</u>	<u>Balance at end of period</u>
Allowance for doubtful accounts	\$ <u>299,433</u>	<u>36,424</u>	<u>6,695</u>	<u>329,162</u>

(1) Accounts written off, less recoveries.

BERKSHIRE HATHAWAY INC.

Equity in Net Profit and Loss of Affiliates

Year ended September 30, 1967

Schedule XVII

Amount of net profit and loss for the period (1)

<u>Name of Issuer and Title of Issue</u>	<u>Amount of Dividends</u>			<u>Earnings, excluding realized gains</u>	<u>Realized gains</u>	<u>Total</u>
	<u>Cash</u>	<u>Other</u>	<u>Total</u>			
National Indemnity Company, 139,921 shares	None	None	None	\$ 706,470	(18,219)	688,251
National Fire & Marine Insurance Company, 5,000 shares	None	None	None	85,468	118,366	203,834
	None	None	None	\$ 791,938	100,147	892,085

(1) In March 1967, Berkshire Hathaway Inc. purchased 99.94357% of the outstanding stock of National Indemnity Company and 100% of the outstanding stock of National Fire & Marine Insurance Company. The accompanying financial statements reflect the Company's equity in earnings since March 31, 1967.

Following is a summary of earnings of those insurance subsidiaries adjusted from the statutory basis to a generally accepted accounting principles basis:

	<u>National Indemnity Company</u>				<u>National Fire and Marine Insurance Company</u>			
	<u>January 1 to March 31, 1967</u>	<u>April 1 to September 30, 1967</u>	<u>October 1 to December 31, 1967</u>	<u>Year ended December 31, 1967</u>	<u>January 1 to March 31, 1967</u>	<u>April 1 to September 30, 1967</u>	<u>October 1 to December 31, 1967</u>	<u>Year ended December 31, 1967</u>
Net income - statutory basis	\$ 494,706	548,777	634,283	1,677,766	(74,164)	214,363	222,597	362,796
Net realized (gains) losses on investments	(331,321)	24,305	(350,769)	(657,785)	(42,276)	(157,821)	(64,699)	(264,796)
Federal income taxes applicable to net realized gains	82,830	(6,076)	87,692	164,446	10,569	39,455	16,175	66,199
Increase in estimated equity in unearned premiums	118,892	279,728	(10,065)	388,555	227,762	(21,058)	(122,557)	84,147
Federal income taxes applicable to increase in estimated equity in unearned premiums	(59,446)	(139,864)	5,032	(194,278)	(113,881)	10,529	61,278	(42,074)
Net earnings, as adjusted (excluding investment gains)	305,661	706,870	366,173	1,378,704	8,010	85,468	112,794	206,272
Percent owned by Berkshire Hathaway Inc.	None	99.94357%	99.94357%	-	None	100%	100%	-
Berkshire Hathaway Inc.'s share	\$ None	706,470	365,967	-	None	85,468	112,794	-
Net realized gains (losses)	331,321	(24,305)	350,769	657,785	42,276	157,821	64,699	264,796
Less applicable taxes	(82,830)	6,076	(87,692)	(164,446)	(10,569)	(39,455)	(16,175)	(66,199)
Realized gain	248,491	(18,229)	263,077	493,339	31,707	118,366	48,524	198,597
Percent owned by Berkshire Hathaway Inc.	None	99.94357%	99.94357%	-	None	100%	100%	-
Berkshire Hathaway Inc.'s share	\$ None	(18,219)	262,929	-	None	118,366	48,524	-

(2) See Note 1 to financial statements; Schedule III; and Exhibits 1 and 2.

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EXHIBIT 1

of Form 10K for Berkshire Hathaway Inc.
for the period ended September 30, 1967.

NATIONAL INDEMNITY COMPANY

Accountants' Report

Financial Statements - December 31, 1967

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

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PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

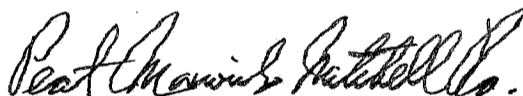
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OMAHA, NEBRASKA 68131

The Board of Directors
National Indemnity Company:

We have examined the statutory statement of assets and liabilities of National Indemnity Company as of December 31, 1967 and the related statements of income and paid-in and unassigned surplus for the year then ended. We have also examined the supplemental statements of adjusted income and stockholders' equity. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the necessary records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements present fairly the statutory financial position of National Indemnity Company at December 31, 1967 and the income and changes in paid-in and unassigned surplus for the year then ended, in conformity with insurance accounting principles prescribed or permitted under statutory authority applied on a basis consistent with that of the preceding year. These principles vary in some respects from generally accepted accounting principles, as explained in note 1 to the financial statements. Also, in our opinion, the supplemental statements of adjusted income and stockholders' equity present fairly net income for the year ended December 31, 1967 and the stockholders' equity at that date in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



February 21, 1968

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NATIONAL INDEMNITY COMPANY

Statement of Assets and Liabilities

December 31, 1967

Assets

Bonds, at admitted value (note 3)		\$ 21,837,869
Stocks, at market value (note 3):		
Preferred	\$ 53,493	
Common	<u>6,340,674</u>	6,394,167
Real estate, at cost less allowance for depreciation of \$160,300 (note 4)		1,058,212
Cash and bank deposits		464,539
Agents' balances and premiums in course of collection, less ceded reinsurance balances payable of \$721,372		1,407,001
Reinsurance recoverable on loss payments		769,442
Investment income due and accrued		330,801
Amounts due from sales of securities		325,996
Other		<u>72,531</u>
		<u>\$ 32,660,558</u>

Liabilities and Capital Stock

Mortgage and contract payable on rental property		\$ 46,520
Unearned premiums (note 5)		7,159,140
Losses (note 6)		10,247,707
Loss adjustment expenses		2,917,455
Funds held under reinsurance treaties		672,013
Contingent commissions		886,500
Other expenses		72,130
Taxes, licenses and fees		475,318
Federal income taxes (note 7)		88,000
Agents' and policyholders' deposits		387,951
Statutory reserve for bodily injury and compensation losses		487,395
Amounts due for purchases of securities		1,604,794
Other liabilities		<u>57,771</u>
		<u>25,102,694</u>
Capital stock and surplus:		
Common stock of \$10 par value per share.		
Authorized 250,000 shares; issued 140,000 shares		1,400,000
Paid-in surplus		301,250
Unassigned surplus		<u>5,856,614</u>
		<u>7,557,864</u>
		\$ 32,660,558

See accompanying notes to financial statements.

1463 113

NATIONAL INDEMNITY COMPANY

Statement of Income

Year ended December 31, 1967

Insurance income:		
Net premiums written		\$ 18,122,958
Less increase in unearned premiums		<u>1,295,184</u>
Premiums earned		16,827,774
Losses and expenses incurred:		
Losses incurred	\$ 8,549,958	
Loss expenses incurred	2,507,565	
Commissions and brokerage	3,763,414	
Salaries and other compensation	575,306	
Taxes, licenses and fees	548,837	
Other underwriting expenses	<u>572,352</u>	16,517,432
Net underwriting gain		<u>310,342</u>
Investment income:		
Interest on bonds	890,958	
Dividends on stocks	257,474	
Real estate income	117,198	
Other investment income	<u>14,485</u>	
	1,280,115	
Investment expenses	<u>124,674</u>	<u>1,155,441</u>
Profit from underwriting and investments		1,465,783
Other income		<u>68</u>
		1,465,851
Other expense		<u>44,539</u>
Income before Federal income taxes and realized gains on investments		1,421,312
Federal income taxes		<u>236,885</u>
Net income before realized gains on investments		1,184,427
Realized gains on investments	657,785	
Less Federal income taxes on gains	<u>164,446</u>	<u>493,339</u>
Net income		<u>\$ 1,677,766</u>

See accompanying notes to financial statements.

1463 114

NATIONAL INDEMNITY COMPANY

Statements of Paid-In and Unassigned Surplus

Year ended December 31, 1967

Paid-In Surplus

Beginning and end of year	\$ 301,250
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Unassigned Surplus

Beginning of year	\$ 3,907,531
Net income	1,677,766
Increase (decrease) in net unrealized appreciation of investments	184,241
Decrease in liability for unauthorized reinsurance	116,407
Increase in excess of bodily injury liability and compensation statutory and voluntary reserves over case basis and loss expense reserves (Schedule Preserve)	82,146
Increase in nonadmitted assets	<u>(111,477)</u>
End of year	\$ 5,856,614

See accompanying notes to financial statements.

1463 115

NATIONAL INDEMNITY COMPANY

Statement of Adjusted Income

Year ended December 31, 1967

Net income as shown in the accompanying statement of income - statutory basis		\$ 1,677,766
Adjustments to net income:		
Net realized gain on investments (to segregate from adjusted net earnings)	\$(657,785)	
Federal income taxes applicable to net realized gains	164,446	
Increase in estimated equity in unearned premiums	388,555	
Future income taxes applicable to increase in estimated equity in unearned premiums	<u>(194,278)</u>	<u>(299,062)</u>
Net earnings, as adjusted (excluding investment gains)		<u>\$ 1,378,704</u>
Investment gains:		
Net realized gains	657,785	
Less applicable income taxes	<u>164,446</u>	493,339
Increase in net unrealized gains	184,241	
Less allowance for future income taxes	<u>46,060</u>	<u>138,181</u>
Net investment gain		<u>\$ 631,520</u>

See accompanying notes to financial statements.

1463 116

NATIONAL INDEMNITY COMPANY

Statement of Adjusted Stockholders' Equity

December 31, 1967

Capital shares and surplus as shown in the accompanying statement of assets and liabilities - statutory basis		\$ 7,557,864
Adjustments to capital shares and surplus:		
Equity in unearned premium reserve, estimated at 30% of reserve	\$ 2,147,742	
Statement value of bonds over market value	(212,783)	
Reserve for reinsurance with unauthorized companies	57,493	
Excess bodily injury liability and compensation statutory reserves over case basis	487,395	
Nonadmitted assets (note 2)	<u>152,346</u>	<u>2,632,193</u>
Adjusted equity before income taxes applicable to equity in unearned premiums and unrealized appreciation on investments		10,190,057
Less Federal income taxes applicable to estimated equity in unearned premiums and unrealized appreciation on investments		<u>1,051,641</u>
Adjusted stockholders' equity		<u>\$ 9,138,416</u>

See accompanying notes to financial statements.

1463 117

NATIONAL INDEMNITY COMPANY

Notes to Financial Statements

December 31, 1967

(1) Basis of Presentation:

The accompanying financial statements have been prepared, except as to form, on the basis of the requirements for reporting in the annual statements filed with the Insurance Departments of the respective domiciliary states.

The financial statements have been prepared in conformity with insurance accounting principles prescribed or permitted under statutory authority which differ in some respects from generally accepted accounting principles followed by other business enterprises in determining financial position and results of operations. Pursuant to such practices (a) investment securities are carried in accordance with valuations established by the National Association of Insurance Commissioners, i.e. eligible bonds are carried at cost adjusted, where appropriate, for amortization of premium or discount, and other bonds and stocks are carried at market values with no provision for income taxes relative to unrealized appreciation in such investments; (b) premium income is taken into earnings on a pro rata basis over the periods covered by the policies, whereas related acquisition and commission costs are charged off when incurred; (c) statutory loss reserves are required on certain lines of insurance in excess of losses computed on a case basis; (d) assets are included in the statement of assets and liabilities at "admitted asset value" and "nonadmitted assets" are excluded (see note 2); and (e) a provision is made for unearned premiums and losses recoverable, in excess of funds held, on business reinsured with companies not qualified by license. The effects of such differences is shown in the accompanying supplemental statements of adjusted stockholders' equity and adjusted net income.

(2) Nonadmitted Assets:

The assets in the accompanying statement of assets and liabilities are stated at admitted asset value. The term "admitted assets" means the assets stated at values at which they are permitted to be reported to the respective domiciliary state regulatory authority for statement of asset and liability purposes in the annual report in accordance with the rules and regulations of such regulatory authority. The term "nonadmitted assets" means assets other than assets which are so permitted to be reported.

Assets which have been excluded from the statement of assets and liabilities at December 31, 1967 are as follows:

Agents' balances or uncollected premiums	\$ 9,245
Equipment and furniture	137,323
Other	<u>5,778</u>
	<u>\$ 152,346</u>

1463 118

NATIONAL INDEMNITY COMPANY

Notes to Financial Statements, Continued

(3) Bonds and Stocks:

Bonds and stocks are carried in accordance with valuations established by the National Association of Insurance Commissioners, i.e. eligible bonds are carried at cost adjusted, where appropriate, for amortization of premium or discount, and stocks and ineligible bonds are carried at National Association of Insurance Commissioners' market values. The approximate market value of all bonds and the "admitted value" of bonds on deposit with regulatory authorities at December 31, 1967 was as follows:

Aggregate market value of all bonds	\$ 21,625,086
Admitted value of bonds on deposit	<u>1,229,712</u>

Net realized gain or loss on investments reflected in the statement of income is determined on the basis of book value of investments, being amortized cost for bonds and cost of stocks.

The change in each period in the valuation between investments at book value and investments valued as set forth above is carried to surplus as unrealized gain or loss from revaluation of investments. In accordance with rules of the Insurance Department, no provision is made for the income tax that would be payable if the securities were liquidated at the values indicated.

(4) Real Estate:

Real estate consists of the home office building and related real estate owned by National Indemnity Company and is included in the statement of assets and liabilities at cost less accumulated depreciation. Provision for depreciation of real estate is based upon the estimated useful life of the building and is computed under the straight-line method.

(5) Unearned Premiums:

Unearned premiums are computed on the monthly pro rata basis and include provisions for refunds under retrospectively rated policies and are stated after deduction on account of reinsurance placed with other insurers in the amount of \$832,151.

(6) Unpaid Losses and Claims:

The net reserve for unpaid losses and claims is based upon (1) the accumulation of case estimates for losses reported prior to the close of the accounting period in respect to direct business of the company, (2) estimates received from ceding reinsurers, (3) estimates of unreported losses based on past experience and (4) the deduction of amounts for reinsurance placed with other insurers in the amount of \$2,186,506.

(7) Federal Income Taxes:

Federal income tax returns have been examined through 1966 by the Internal Revenue Service and adjustments have been proposed. The company intends to file a protest and management believes that the final determination will result in a refund due to the company.

1463 119

EXHIBIT 2

of Form 10K for Berkshire Hathaway Inc.
for the period ended September 30, 1967.

NATIONAL FIRE & MARINE INSURANCE COMPANY

Accountants' Report

Financial Statements - December 31, 1967

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

1463 120

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

KIEWIT PLAZA

OMAHA, NEBRASKA 68131

The Board of Directors
National Fire & Marine Insurance Company:

We have examined the statutory statement of assets and liabilities of National Fire & Marine Insurance Company as of December 31, 1967 and the related statements of income and paid-in and unassigned surplus for the year then ended. We have also examined the supplemental statements of adjusted income and stockholders' equity. 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 statutory financial position of National Fire & Marine Insurance Company at December 31, 1967 and the income and changes in paid-in and unassigned surplus for the year then ended, in conformity with insurance accounting principles prescribed or permitted under statutory authority on a basis consistent with that of the preceding year. These principles vary in some respects from generally accepted accounting principles, as explained in note 1 to the financial statements. Also, in our opinion, the supplemental statements of adjusted income and stockholders' equity present fairly net income for the year ended December 31, 1967 and the stockholders' equity at that date in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 21, 1968

Peat Marwick Mitchell Co.

1463 122

NATIONAL FIRE & MARINE INSURANCE COMPANY

Statement of Income

Year ended December 31, 1967

Insurance income:			
Net premiums written			\$ 3,926,501
Less increase in unearned premiums			<u>280,490</u>
Premiums earned			3,646,011
Losses and expenses incurred:			
Losses incurred	\$ 1,773,062		
Loss expenses incurred	435,467		
Commissions and brokerage	1,291,122		
Salaries and other compensation	25,537		
Taxes, licenses and fees	7,509		
Other underwriting expenses	<u>20,877</u>		<u>3,553,574</u>
Net underwriting gain			92,437
Investment income:			
Interest on bonds	85,822		
Dividends on stocks	<u>45,682</u>		
	131,504		
Investment expenses	<u>7,581</u>		<u>123,923</u>
Profit from underwriting and investments			216,360
Other expense			<u>72</u>
Income before Federal income taxes and realized gains on investments			216,288
Federal income taxes			<u>52,089</u>
Net income before realized gains on investments			164,199
Realized gains on investments	264,796		
Less Federal income taxes on gains	<u>66,199</u>		<u>198,597</u>
Net income			<u>\$ 362,796</u>

See accompanying notes to financial statements.

1463 123

NATIONAL FIRE & MARINE INSURANCE COMPANY
 Statements of Paid-In and Unassigned Surplus
 Year ended December 31, 1967

Paid-In Surplus

Beginning and end of year	\$ 50,000 <u> </u>
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Unassigned Surplus

Beginning of year	\$ 578,602
Net income	362,796
Decrease in net unrealized appreciation of investments	(65,941)
Decrease in excess of bodily injury liability and compensation statutory and voluntary reserves over case basis and loss expense reserves (Schedule Preserve)	(59,461)
End of year	\$ 815,996 <u> </u>

See accompanying notes to financial statements.

1463 124

NATIONAL FIRE & MARINE INSURANCE COMPANY

Statement of Adjusted Income

Year ended December 31, 1967

Net income as shown in the accompanying statement of income - statutory basis		\$ 362,796
Adjustments to net income:		
Net realized gain on investments (to segregate from adjusted net earnings)	\$(264,796)	
Federal income taxes applicable to net realized gains	66,199	
Increase in estimated equity in unearned premiums	84,147	
Future income taxes applicable to increase in estimated equity in unearned premiums	<u>(42,074)</u>	<u>(156,524)</u>
Net earnings, as adjusted (excluding investment gains)		\$ 206,272
Investment gains:		
Net realized gains	264,796	
Less applicable income taxes	<u>66,199</u>	198,597
Decrease in net unrealized gains	(65,941)	
Less allowance for future income taxes	<u>16,485</u>	<u>(49,456)</u>
Net investment gain		\$ 149,141

See accompanying notes to financial statements.

1463 125

NATIONAL FIRE & MARINE INSURANCE COMPANY

Statement of Adjusted Stockholders' Equity

December 31, 1967

Capital shares and surplus as shown in the accompanying statement of assets and liabilities - statutory basis		\$ 1,365,996
Adjustments to capital shares and surplus:		
Equity in unearned premium reserve, estimated at 30% of reserve	\$ 266,710	
Statement value of bonds over market value	(1,435)	
Excess bodily injury liability and compensation statutory reserves over case basis	<u>141,016</u>	<u>406,291</u>
Adjusted equity before income taxes applicable to equity in unearned premiums and unrealized appreciation on investments		1,772,287
Less Federal income taxes applicable to estimated equity in unearned premiums and unrealized appreciation on investments		<u>145,220</u>
Adjusted stockholders' equity		<u><u>\$ 1,627,067</u></u>

See accompanying notes to financial statements.

1463 126

NATIONAL FIRE & MARINE INSURANCE COMPANY

Notes to Financial Statements

December 31, 1967

(1) Basis of Presentation:

The accompanying financial statements have been prepared, except as to form, on the basis of the requirements for reporting in the annual statements filed with the Insurance Departments of the respective domiciliary states.

The financial statements have been prepared in conformity with insurance accounting principles prescribed or permitted under statutory authority which differ in some respects from generally accepted accounting principles followed by other business enterprises in determining financial position and results of operations. Pursuant to such practices (a) investment securities are carried in accordance with valuations established by the National Association of Insurance Commissioners, i.e. eligible bonds are carried at cost adjusted, where appropriate, for amortization of premium or discount, and other bonds and stocks are carried at market values with no provision for income taxes relative to unrealized appreciation in such investments; (b) premium income is taken into earnings on a pro rata basis over the periods covered by the policies, whereas related acquisition and commission costs are charged off when incurred; (c) statutory loss reserves are required on certain lines of insurance in excess of losses computed on a case basis; (d) assets are included in the statement of assets and liabilities at "admitted asset value" and "nonadmitted assets" are excluded (see note 2); and (e) a provision is made for unearned premiums and losses recoverable in excess of funds held, on business reinsured with companies not qualified by license. The effects of such differences is shown in the accompanying supplemental statements of adjusted stockholders' equity and adjusted net income.

(2) Nonadmitted Assets:

The assets in the accompanying statement of assets and liabilities are stated at admitted asset value. The term "admitted assets" means the assets stated at values at which they are permitted to be reported to the respective domiciliary state regulatory authority for statement of asset and liability purposes in the annual report in accordance with the rules and regulations of such regulatory authority. The term "nonadmitted assets" means assets other than assets which are so permitted to be reported.

There were no assets excluded from the statement of assets and liabilities at December 31, 1967.

1463 127

NATIONAL FIRE & MARINE INSURANCE COMPANY

Notes to Financial Statements, Continued

(3) Bonds and Stocks:

Bonds and stocks are carried in accordance with valuations established by the National Association of Insurance Commissioners, i.e. eligible bonds are carried at cost adjusted, where appropriate, for amortization of premium or discount, and stocks and ineligible bonds are carried at National Association of Insurance Commissioners' market values. The approximate market value of all bonds and the "admitted value" of bonds on deposit with regulatory authorities at December 31, 1967 was as follows:

Aggregate market value of all bonds	\$ 2,941,639
Admitted value of bonds on deposit	<u>56,784</u>

Net realized gain or loss on investments reflected in the statement of income is determined on the basis of book value of investments, being amortized cost for bonds and cost of stocks.

The change in each period in the valuation between investments at book value and investments valued as set forth above is carried to surplus as unrealized gain or loss from revaluation of investments. In accordance with rules of the Insurance Department, no provision is made for the income tax that would be payable if the securities were liquidated at the values indicated.

(4) Unearned Premiums:

Unearned premiums are computed on the monthly pro rata basis and include provisions for refunds under retrospectively rated policies and are stated after deduction on account of reinsurance placed with other insurers in the amount of \$365,303.

(5) Unpaid Losses and Claims:

The net reserve for unpaid losses and claims is based upon (1) the accumulation of case estimates for losses reported prior to the close of the accounting period in respect to direct business of the company, (2) estimates received from ceding reinsurers, (3) estimates of unreported losses based on past experience and (4) the deduction of amounts for reinsurance placed with other insurers in the amount of \$348,218.

(6) Federal Income Taxes:

Federal income tax returns have been examined through 1966 by the Internal Revenue Service and adjustments have been proposed. The company intends to file a protest and management believes that final determination will result in a refund due to the company.

#10

0-853-2

BERKSHIRE HATHAWAY INC.

P. O. BOX C-904

FILE

NEW BEDFORD, MASSACHUSETTS 02741

REGISTERED MAIL

January 25, 1968

RECEIVED

JAN 29 1968

Securities and Exchange Commission
500 North Capitol Street
Washington, D. C. 20549

SECURITIES & EXCHANGE
COMMISSION

Re: Berkshire Hathaway Inc., Commission File No. 0-853,
Filing of Annual Report for 1967 on Form 10-K

Gentlemen:

This corporation has registered its securities under Section 12(g) of the Securities and Exchange Act of 1934. As set forth in Form 8-K of this corporation dated December 6, 1967 and filed with you on or about December 8, 1967, the fiscal year of this corporation was changed from the Saturday nearest the 30th of September to the Saturday nearest the 30th day of December of each year, and our latest fiscal period thus ended December 30, 1967.

On the basis of the conference of our representatives with you on October 24, 1967, we understand that a Form 10-K will be required for the period ending September 30, 1967, the date prior to which it should be filed thus being January 28, 1968.

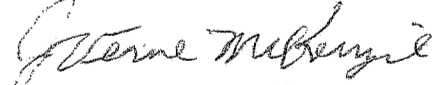
Pursuant to Rule 12(b)-25 of the Securities and Exchange Act of 1934, this corporation hereby applies for an extension of time to March 28, 1968 within which it may file Form 10-K for the fiscal year ended September 30, 1967.

The filing at this time of such Form 10-K is impracticable because we have in process an audit of our financial statements for the fifteen months ended December 30, 1967, which audit is not yet completed. At its completion we will be in a position to file the required 10-K for both periods, i. e., the year ended September 30, 1967, and the three months ended December 30, 1967.

Will you please acknowledge receipt of this request upon the enclosed carbon copy of this letter and return it to us in the enclosed stamped envelope.

Very truly yours,

BERKSHIRE HATHAWAY INC.



J. Verne McKenzie
Treasurer

JVM:or
Enc.

*ack 2-1-68
10-K 9-30-67
ack 3-28-68*