

TODHUNTER INTERNATIONAL INC
Form SC 13G/A
February 09, 2005

OMB APPROVAL

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 8)*

TODHUNTER INTL INC DEL

(Name of Issuer)

Common Stock

(Title of Class of Securities)

889050100

(CUSIP Number)

December 31, 2004

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 889050100

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).
Dimensional Fund Advisors Inc. (Tax ID: 22-2370029)

2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a)
(b) X

3. SEC Use Only

4. Citizenship or Place of Organization
Delaware Corporation

	5. Sole Voting Power	304600 **see Note 1**
Number of Shares Beneficially Owned by Each Reporting Person With	6. Shared Voting Power	0
	7. Sole Dispositive Power	304600 **see Note 1**
	8. Shared Dispositive Power	0

9. Aggregate Amount Beneficially Owned by Each Reporting Person
304600 **see Note 1**

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

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N/A

11. Percent of Class Represented by Amount in Row (9)

4.81%

12. Type of Reporting Person (See Instructions)

IA

Item 1.

(a) Name of Issuer

TODHUNTER INTL INC DEL

(b) Address of Issuer's Principal Executive Offices

222 Lakeview Ave Ste 1500, West Palm Beach, FL 33401-6174

Item 2.

(a) Name of Person Filing

Dimensional Fund Advisors Inc.

(b) Address of Principal Business Office or, if none, Residence

1299 Ocean Avenue, 11th Floor, Santa Monica, CA 90401

(c) Citizenship

Delaware Corporation

(d) Title of Class of Securities

Common Stock

(e) CUSIP Number

889050100

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8).

(e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

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- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:

304600 **see Note 1**

- (b) Percent of class:

4.81%

- (c) Number of shares as to which the person has:

- (i) Sole power to vote or to direct the vote:

304600 **see Note 1**

- (ii) Shared power to vote or to direct the vote:

0

- (iii) Sole power to dispose or to direct the disposition of:

304600 **see Note 1**

- (iv) Shared power to dispose or to direct the disposition of:

0

** Note 1 ** Dimensional Fund Advisors Inc. (Dimensional), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. These investment companies, trusts and accounts are the Funds. In its role as investment advisor or manager, Dimensional possesses investment and/or voting power over the securities of the Issuer described in this schedule that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. In addition, the filing of this Schedule 13G shall not be construed as an admission that the reporting person or any of its affiliates is the beneficial owner of any securities covered by this Schedule 13G for any other purposes than Section 13(d) of the Securities Exchange Act of 1934.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

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All securities reported in this schedule are owned by advisory clients of Dimensional Fund Advisors Inc., no one of which, to the knowledge of Dimensional Fund Advisors, Inc., owns more than 5% of the class. Dimensional Fund Advisors Inc. disclaims beneficial ownership of all such securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person.

N/A

Item 8. Identification and Classification of Members of the Group

N/A

Item 9. Notice of Dissolution of Group

N/A

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DIMENSIONAL FUND ADVISORS INC.

February 9, 2005

Date

/s/ Catherine L. Newell

Signature

Vice President and Secretary

Title

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Income for the period

56,167 56,840 **57,343** 48,635

Retained earnings, beginning of period

262,980 224,880 **264,640** 235,515

Dividends

(2,836) (2,430)

Retained earnings, end of period

\$319,147 \$281,720 **\$319,147** \$281,720

Income per common share:

Basic

\$1.18 \$1.20 **\$1.21** \$1.04

Diluted

\$1.17 \$1.19 **\$1.20** \$1.03

Weighted average number of common shares outstanding (in thousands):

Basic

47,591 47,384 **47,584** 47,299

Diluted

47,889 47,726 **47,823** 47,707

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
(in thousands of United States dollars)

	MARCH 31, 2004 (UNAUDITED)	JUNE 30, 2003 (AUDITED)
	<u> </u>	<u> </u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 97,662	\$ 126,832
Amounts receivable	131,105	126,725
Other assets	120,252	123,610
Resort properties	549,492	662,197
Future income taxes	8,464	10,619
	<u> </u>	<u> </u>
	906,975	1,049,983
Ski and resort operations	936,669	918,727
Resort properties	432,987	405,100
Amounts receivable	75,360	76,842
Investment in Leisura	30,655	
Other assets	65,616	65,070
	<u> </u>	<u> </u>
	\$2,448,262	\$2,515,722
	<u> </u>	<u> </u>
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES:		
Amounts payable	\$ 199,833	\$ 218,444
Deferred revenue	126,259	134,878
Bank and other indebtedness	306,061	287,176
	<u> </u>	<u> </u>
	632,153	640,498
Bank and other indebtedness	836,289	973,743
Due to joint venture partners	2,509	5,388
Deferred revenue	54,035	43,609
Future income taxes	97,179	94,986
Non-controlling interest in subsidiaries	47,223	46,359
	<u> </u>	<u> </u>
	1,669,388	1,804,583
SHAREHOLDERS EQUITY		
Capital stock (note 3)	462,650	460,742
Retained earnings	319,147	264,640

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Foreign currency translation adjustment	<u>(2,923)</u>	<u>(14,243)</u>
	<u>778,874</u>	<u>711,139</u>
	<u>\$2,448,262</u>	<u>\$2,515,722</u>

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
(in thousands of United States dollars)(unaudited)

	THREE MONTHS ENDED MARCH 31		NINE MONTHS ENDED MARCH 31	
	2004	2003	2004	2003
CASH PROVIDED BY (USED IN):				
OPERATIONS:				
Income from continuing operations	\$ 56,167	\$ 56,840	\$ 57,343	\$ 49,213
Items not affecting cash:				
Depreciation and amortization	33,155	34,181	54,718	52,460
Income from equity accounted investments	(846)		(846)	
Non-cash costs of senior notes redeemed			2,324	
Loss (gain) on asset disposals	(5)	(144)	671	765
Non-controlling interest	8,822	8,185	10,880	11,618
	<u>97,293</u>	<u>99,062</u>	<u>125,090</u>	<u>114,056</u>
Funds from continuing operations	97,293	99,062	125,090	114,056
Recovery of costs through real estate sales	82,891	75,713	456,923	207,251
Acquisition and development of properties held for sale	(99,189)	(142,120)	(373,743)	(432,792)
Increase in long-term amounts receivable, net	(3,068)	(4,167)	(1,893)	(8,452)
Changes in non-cash operating working capital (note 6)	(4,858)	18,923	(27,431)	44,708
	<u>73,069</u>	<u>47,411</u>	<u>178,946</u>	<u>(75,229)</u>
Cash provided by (used in) continuing operating activities	73,069	47,411	178,946	(75,229)
Cash provided by discontinued operations				140
	<u>73,069</u>	<u>47,411</u>	<u>178,946</u>	<u>(75,089)</u>
FINANCING:				
Bank and other borrowings, net	(65,047)	(82,087)	(124,007)	109,554
Issue of common shares for cash	667	2,631	1,908	2,677
Redemption and repurchase of non-resort preferred shares				(6,697)
Dividends paid			(2,836)	(2,430)
Distributions to non-controlling interest		(2,309)	(11,186)	(5,205)
	<u>(64,380)</u>	<u>(81,765)</u>	<u>(136,121)</u>	<u>97,899</u>
INVESTMENTS:				
Expenditures on:				
Ski and resort operations assets	(12,656)	(8,646)	(50,669)	(39,935)

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Investment in Leisura	(2,981)		(17,072)	
Other assets	(5,629)	(3,350)	(18,689)	(8,669)
Business acquisitions, net of cash acquired				(561)
Proceeds from asset disposals	213	397	14,435	34,888
	(21,053)	(11,599)	(71,995)	(14,277)
Increase (decrease) in cash and cash equivalents	(12,364)	(45,953)	(29,170)	8,533
Cash and cash equivalents, beginning of period	110,026	131,175	126,832	76,689
Cash and cash equivalents, end of period	\$ 97,662	\$ 85,222	\$ 97,662	\$ 85,222

(Supplemental information (note 6))

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(in thousands of United States dollars, unless otherwise indicated)

1 BASIS OF PRESENTATION:

These interim consolidated financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2003. In the opinion of Management, all adjustments necessary for a fair presentation are reflected in the interim financial statements. Such adjustments are of a normal and recurring nature. The results of operations for the interim periods reported are not necessarily indicative of the operating results expected for the year.

The significant accounting policies used in preparing these consolidated financial statements are consistent with those used in preparing the Company's consolidated financial statements for the year ended June 30, 2003.

2 SEASONALITY OF OPERATIONS:

Resort operations are highly seasonal which impacts reported quarterly earnings. The majority of the Company's resort operations revenue is generated during the period from November to April. Furthermore, during this period a significant portion of resort operations revenue is generated on certain holidays (particularly Christmas, Presidents Day and school spring breaks) and on weekends.

The Company's real estate operations tend to be somewhat seasonal as well, with construction primarily taking place during the summer and the majority of sales closing in the December to June period.

3 CAPITAL STOCK:

	MARCH 31, 2004 (UNAUDITED)	JUNE 30, 2003 (AUDITED)
Common shares	\$ 459,989	\$ 458,081
Contributed surplus	2,661	2,661
	\$ 462,650	\$ 460,742

(i) COMMON SHARES:

NUMBER OF COMMON SHARES (UNAUDITED)	2004 AMOUNT (UNAUDITED)

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Balance, June 30, 2003	47,560,062	\$ 458,081
Issued for cash under stock option plan	39,500	409
Amortization of benefit plan, net		1,499
	<hr/>	<hr/>
Balance, March 31, 2004	47,599,562	\$ 459,989
	<hr/>	<hr/>

In addition to the stock options exercised during the nine months ended March 31, 2004, 364,000 stock options were granted and 176,250 were forfeited. A total of 3,952,150 stock options remain outstanding as at March 31, 2004.

(ii) STOCK COMPENSATION:

Section 3870 of The Canadian Institute of Chartered Accountants Accounting Handbook (CICA 3870) requires a fair value-based method of accounting for certain, but not all, stock-based transactions although it allows an entity to continue to measure stock-based compensation costs using the intrinsic value-based method of accounting. Accordingly, no compensation expense has been recognized for the periods presented. Had compensation expense for stock options granted subsequent to June 30, 2001 been determined by a fair value method using the Black-Scholes option pricing model at the date of the grant, the following weighted average assumptions would be used for options granted in each of the periods presented:

	THREE AND NINE MONTHS ENDED MARCH 31	
	2004	2003
	<hr/>	<hr/>
Dividend yield (%)	0.9	0.8
Risk-free interest rate (%)	3.38	3.00
Expected option life (years)	7	5
Expected volatility (%)	35	55

Using the above assumptions, the Company's net income for each of the periods presented would have been decreased to the pro forma amounts indicated below:

	THREE MONTHS ENDED MARCH 31		NINE MONTHS ENDED MARCH 31	
	2004	2003	2004	2003
Income as reported	\$ 56,167	\$ 56,840	\$ 57,343	\$ 48,635
Estimated fair value of option grants, net of tax	(624)	(458)	(1,728)	(1,261)
Pro forma	\$ 55,543	\$ 56,382	\$ 55,615	\$ 47,374
PRO FORMA INCOME PER SHARE:				
Basic	\$ 1.17	\$ 1.19	\$ 1.17	\$ 1.01
Diluted	\$ 1.16	\$ 1.18	\$ 1.16	\$ 1.01

The estimated fair value of option grants excludes the effect of those granted before July 1, 2001.

4 EARNINGS PER SHARE:

Basic earnings per common share (EPS) is calculated by dividing net income attributable to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator). Diluted EPS reflects the potential dilution that could occur if outstanding dilutive options were exercised and the cash received was used to repurchase common shares at the average market price for the period.

The numerator for basic and diluted EPS was the same for each of the periods presented. The reconciliation of the denominators used is as follows:

	THREE MONTHS ENDED MARCH 31		NINE MONTHS ENDED MARCH 31	
	2004	2003	2004	2003
DENOMINATOR (IN THOUSANDS OF SHARES):				
Weighted average number of common shares outstanding - basic	47,591	47,384	47,584	47,299
Effect of dilutive options	152	50	93	116
Effect of shares purchased for benefit plan	146	292	146	292

Weighted average number of common shares outstanding diluted	47,889	47,726	47,823	47,707
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The computation of diluted EPS for the nine months ended March 31, 2004 and 2003 excludes the effect of the assumed exercise of options to purchase 3,451,300 and 3,675,300 common shares, respectively, because the effect would be anti-dilutive.

5 SEGMENTED INFORMATION:

The following table presents the Company's results from continuing operations by reportable segment:

THREE MONTHS ENDED MARCH 31, 2004 (UNAUDITED)	MOUNTAIN RESORT	REAL ESTATE	WARM- WEATHER	CORPORATE	TOTAL
SEGMENT REVENUE:					
Resort operations	\$ 289,271	\$	\$ 10,191	\$	\$ 299,462
Management services	33,004	10,371	2,980		46,355
Real estate development		91,509			91,509
Corporate and all other				(278)	(278)
	\$ 322,275	\$ 101,880	\$ 13,171	\$ (278)	\$ 437,048
SEGMENT OPERATING PROFIT:					
Resort operations	\$ 101,981	\$	\$ (1,063)	\$	\$ 100,918
Management services	11,579	3,051	1,119		15,749
Real estate development		9,464			9,464
Corporate and all other				(278)	(278)
	\$ 113,560	\$ 12,515	\$ 56	\$ (278)	125,853
LESS:					
Interest expense					(12,561)
Corporate general and administrative expenses					(4,179)
Depreciation and amortization					(33,155)
Income before income taxes and non-controlling interest					\$ 75,958

NINE MONTHS ENDED MARCH 31, 2004 (UNAUDITED)	MOUNTAIN RESORT	REAL ESTATE	WARM- WEATHER	CORPORATE	TOTAL
SEGMENT REVENUE:					
Resort operations	\$431,641	\$	\$33,450	\$	465,091
Management services	57,848	25,620	11,726		95,194
Real estate development		498,488			498,488
Corporate and all other				4,832	4,832
	\$489,489	\$524,108	\$45,176	\$ 4,832	\$1,063,605
SEGMENT OPERATING PROFIT:					
Resort operations	\$128,613	\$	\$ (2,800)	\$	125,813
Management services	7,466	8,908	5,450		21,824
Real estate development		42,411			42,411
Corporate and all other				4,832	4,832
	\$136,079	\$ 51,319	\$ 2,650	\$ 4,832	194,880
LESS:					
Interest expense					(34,712)
Corporate general and administrative expenses					(13,656)
Depreciation and amortization					(54,718)
Call premium and unamortized costs of senior notes redeemed					(12,074)
Income before income taxes and non-controlling interest					\$ 79,720

THREE MONTHS ENDED MARCH 31, 2003 (UNAUDITED)	MOUNTAIN RESORT	REAL ESTATE	WARM- WEATHER	CORPORATE	TOTAL
SEGMENT REVENUE:					
Resort operations	\$273,226	\$	\$10,141	\$	283,367
Management services	28,111	1,828	2,068		32,007
Real estate development		87,107			87,107
Corporate and all other				2,465	2,465

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	<u>\$301,337</u>	<u>\$88,935</u>	<u>\$12,209</u>	<u>\$ 2,465</u>	<u>404,946</u>
SEGMENT OPERATING PROFIT:					
Resort operations	\$105,359	\$	\$ (733)	\$	104,626
Management services	6,406	714	610		7,730
Real estate development		11,394			11,394
Corporate and all other				2,465	2,465
	<u>\$111,765</u>	<u>\$12,108</u>	<u>\$ (123)</u>	<u>\$ 2,465</u>	<u>126,215</u>
LESS:					
Interest expense					(12,197)
Corporate general and administrative expenses					(3,409)
Depreciation and amortization					<u>(34,181)</u>
Income before income taxes and non-controlling interest					<u>\$ 76,428</u>

NINE MONTHS ENDED MARCH 31, 2003 (UNAUDITED)	MOUNTAIN RESORT	REAL ESTATE	WARM- WEATHER	CORPORATE	TOTAL
SEGMENT REVENUE:					
Resort operations	\$398,521	\$	\$32,478	\$	\$430,999
Management services	46,774	7,450	10,621		64,845
Real estate development		233,521			233,521
Corporate and all other				2,550	2,550
	<u>\$445,295</u>	<u>\$240,971</u>	<u>\$43,099</u>	<u>\$ 2,550</u>	