

## SIMONDS' BREWERY AT READING 1760-1960

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It has recently been announced that the brewery of Courage (Central) Ltd.—formerly Simonds' brewery—would be moving to a new site south of Reading, probably by the early 1980s. Thus it would have occupied the same site at Seven Bridges, in the centre of Reading, for a few years short of two centuries. As it happens, two centuries represented precisely the period when it was controlled by the Simonds family: from 1760 to 1960.

The new brewery will be the only one still producing in Berkshire—Morland's at Abingdon is now in Oxfordshire—and its capacity will apparently be about 1,500,000 barrels a year: over five times the production in 1938 and no less than 130 times that of a century earlier. The stated reasons for the move would have been familiar to the earlier entrepreneurs. Given the existing cramped site, there was a need for much greater space to introduce the latest techniques for continuous production, as far as was consistent with maintaining the quality required. As to distribution, the new site will be adjacent to the M4 motorway and advantage can therefore be taken of developments in transport—for both ingredients in and beer outwards—as had happened in earlier generations with the canals and railways.

The severing of this long connexion provides a suitable opportunity to recall some of the main features of the Simonds era in brewing. In particular, it seems appropriate to explore certain reasons for the continuous growth that over the years raised a small provincial brewery to equal status with two of the largest London giants, with which it eventually merged.

### I

The establishment of Simonds' brewery<sup>1</sup> arose directly out of Reading's industrial speciality during the eighteenth century: that of converting barley into malt.<sup>2</sup> Reading shared this activity with many nearby towns and villages that were close to the barley-growing areas, where large numbers of maltsters sought to meet the increasingly heavy demand for the product, partly for the large London breweries which found it convenient, if not necessarily more economical, to ship in malt rather than barley. From early that century Reading and its environs therefore became the malting centre for much of the upper Thames basin. According to the excise records, by 1760 it was the most important area for malting in Britain.<sup>3</sup> The commercial opportunities at that time no doubt led William Simonds (1733-82) to become a maltster in the town.

<sup>1</sup> The brewery's archives are patchy, e.g. there is little surviving financial information before the 1850s, and only two letter-books are extant. Some important early sources of data have been the eighteenth-century family wills, now in the Public Record Office, London. The main published source is A. Barnard, *Noted Breweries of Great Britain and Ireland*, (1889-91), IV pp. 3-27. John Pudney, *A Draught of Contentment: The Story of the Courage Group* (1971) has some interesting illustrations, but chapters 8-10 on "Simonds" are drawn from secondary sources and should be treated with caution.

<sup>2</sup> It is hoped to discuss more fully the history of local malting and brewing at this period, and the brewery's progress in relation to that of others in the county, in a later work.

<sup>3</sup> P. Mathias, *The Brewing Industry in England 1700-1830* (1959) p. 394.

He was the second son of a yeoman who owned extensive estates in the Hurst-Arborfield-Wokingham area of Berkshire. Unlike the rest of his family, he wished to leave the land, in order to set up a malting business in Reading. When his father died, his brothers or their sons shared the family landed estates while he received £550 in cash. He had already inherited from his grandfather some property in Sandhurst, which he must have let or mortgaged to provide extra funds. He probably supplied malt to the celebrated brewer Adam Smith, Mayor of Reading, whose only son Richard married William's third sister. Richard Smith died prematurely in 1773 and Adam Smith's brewery was later wound up; part of the site, to the south of Gun Street, was eventually acquired by the Simonds family.

The legacy of £550 no doubt enabled William Simonds to commence brewing, for by 1768 he was describing himself as a brewer as well as a maltster; also between 1765 and 1782 he is known to have bought four public houses, two in Reading. On his death in 1782 the business passed to his only son William Blackall Simonds (1761-1834) who had just inherited £1,000 from his maternal grandfather William Blackall (1691-1781). When the young man married in the following year, his wife's dowry amounted to £2,000. She was the daughter of Thomas May, a Basingstoke brewer whose beer output was not far short of 8,000 barrels, and whose descendants sold their business to Simonds in 1946; a cousin married another Thomas May of the same family. As these handsome marriage settlements and legacies from rich maternal relatives suggest, aspiring entrepreneurs of the day often relied on financially prudent marriages to furnish the funds they needed.

W. B. Simonds was soon putting his money to good use. Traditionally the date when he opened his first brewery in Broad Street is given as 1785, but we know nothing of this except that the site allowed no room for expansion. By 1789 he had acquired a substantially larger piece of land in Seven

Bridges Street, Reading, and had commissioned the architect Sir John Soane to design a brewhouse and family residence to be erected there.<sup>4</sup> The buildings initially cost him £6,400, which meant that he had to borrow heavily. Two years later the 25-quarter plant and malthouses were in full operation; if brewing took place twice a week, annual output would have come to about 6,000 barrels. The house was not completed until 1794, and in 1799—no doubt to satisfy increasing demand—the horse driven power system was replaced by a Boulton & Watt engine of 2 h.p., only the second to be installed in a Berkshire brewery. The cost was £224, plus 10 guineas for installation.<sup>5</sup> The offices had to be extended early in the new century.

Besides giving scope for future growth, the new site provided good wharves, since it adjoined the river Kennet. These were convenient for the inward shipment of barley to be malted on the premises and for the subsidiary trades common to large breweries, those of timber and vinegar merchants. W. B. Simonds was soon recognised as a man of substance. In 1791, shortly after his appointment as Receiver-General of Taxes for West Berkshire, he was the co-founder of Messrs Micklem, Stephens, Simonds and Harris's bank in Reading's Market Place: his

<sup>4</sup> The original designs and particulars are in the Sir John Soane's Museum, London. See Ledgers B fo. 55 ff. (1789-94), C fo. 149 ff. (1793-97), and D fo. 279 ff.

<sup>5</sup> Birmingham Public Libraries: Soho MSS, Boulton & Watt, Portfolio No. 720 (1799) and Outgoing Correspondence Oct. 1799-Mar. 1800. There may have been an element of showmanship on the part of W. B. Simonds in having a steam engine so early, as his output was only a third of the 20,000 barrels a year beyond which most brewers felt one to be worthwhile. (P. Mathias, *Brewing Industry* p. 81—it is not included in the list on p. 85). However, it was only of 2 h.p. compared with 4 h.p. at Windsor and much higher in the London breweries, of bell and crank design: a rare design for Boulton & Watt but quite suitable for brewery work on account of its compact design. It replaced the horse-driven wheel for pumping and grinding malt, and in addition provided steam for heating coppers and cleaning out barrels.

partners were a haberdasher, brewer and maltster respectively, each contributing £1,000 capital.<sup>6</sup> Since brewers and maltsters held large cash balances at certain periods of the year, it was very well worth their while to enter into banking partnerships; he himself as Receiver-General could use his tax receipts for up to six months before remitting them to London. He also acted as Town Treasurer of Reading in various years from 1793 onwards. Even in 1797—a year of grave financial crisis—his share of the bank's profits was £150, and over the years he came to regard the bank as enjoying better long-term prospects than the brewery did.

Although money was becoming more plentiful in Reading as a result of the wartime boom, Simonds' brewery did not benefit much since it had been a relative latecomer to the trade. Existing retail outlets for beer were then tightly controlled by the older established breweries, and under the strict licensing laws of the day local magistrates refused to issue any more licences. As a witness told an official enquiry in 1817, of the 68 public houses in Reading only two—the main posting inns—were not tied houses, and the proportions were comparable elsewhere in Berkshire and adjoining counties.<sup>7</sup> Since the Berkshire brewers used to meet regularly in order to fix prices, the restrictions on competition meant that inferior beer was usually being sold at exorbitant prices.

To combat this unequal competition on his own was beyond W. B. Simonds' powers. By 1805 he had 10 public houses in Reading and seven elsewhere: apart from one at Pangbourne, all were in the traditionally

"Simonds" area of Hurst-Wokingham-Arborfield. He also secured the beer contract with the Royal Military College when in 1813 it was moved to Sandhurst: the first recorded example of a connection with the army that the brewery enjoyed thereafter. Between 1805 and 1834 he was able to acquire a maximum of 20 properties, only four in Reading, on ever more onerous terms. Output between the 1790s and 1830 therefore rose by no more than 60 or 70%, despite the steam engine and his insistence on high quality. Capital and profit figures are not known; however, by 1814 he was so pessimistic about the brewery's future that he had made up his mind to sell out and concentrate entirely on banking.

He therefore withdrew from his partnership with the bank and founded one of his own in King Street. There his co-partners were his son Henry (1795–1874), Ralph Nicholson, and two cousins John and Charles Simonds.<sup>8</sup> That year also, Henry Simonds and Ralph Nicholson jointly established a wine and spirit business with a total capital of £20,000. On this capital they made an annual profit in the first few years of just over 10%. They do not seem to have provided any capital for the bank, apart from the working capital of £25,000 of its funds which passed each year through the bank's books.

The eldest son Blackall Simonds (1784–1875) dissuaded his father from disposing of the brewery, and took over its management single-handed. As soon as he felt the brewery and bank to be under secure control, W. B. Simonds retired in 1816 and served for a year as Mayor of Reading. Having divested himself of all his wealth, in return for an annuity, he went to live first of all in London and later in Pangbourne; on his death in 1834 his estate was worth less than £1,000.

Father and son differed greatly in character. W. B. Simonds had been a man of elegance, for he and his wife dressed in the height of fashion, and his handsome residence in

<sup>6</sup> R. S. Sayers, *Lloyds Bank in the History of English Banking* (1957) p. 355.

<sup>7</sup> *British Parliamentary Papers* 1817 VII (Committee on the State of the Police in the Metropolis) p. 119 ff., evidence of John Adams, a Reading distiller and hop merchant. cf. his evidence in BPP 1819 V (Committee on the Petition Respecting the Price and Quality of Beer) p. 51 ff. Simonds' must have been the "one brewer whose beer is best" *ibid.* p. 54.

<sup>8</sup> P. W. Matthews and A. W. Tuke, *A History of Barclays Bank* (1928) pp. 293–6.

Reading had the hop-leaf design—afterwards formally adopted as the brewery's trademark—on a tablet over the front door and on the wallpaper of the drawing room. Blackall Simonds, on the other hand, possessed much of the Regency robustness as well as dash. He was once restrained only at the last moment from fighting a duel after a quarrel in the Gun Street billiard room, and family anecdotes, whether true or not, suggest that he was not over-sensitive when handling members of the public who protested against his business methods.<sup>9</sup>

His vigour is seen in his two main recreations: politics and fox-hunting. Although never a member of Reading Corporation, he played a very active role in local political elections. In the unreformed days before the secret ballot was introduced, his Liberal opponents accused him of making "practical" appeals to voters, but never took him to court.<sup>10</sup> He hunted with Sir John Cope's hounds, afterwards the South Berks Hunt. In company with his groom, he is reported to have used these activities (which he pursued with "ardour") in order to reconnoitre possible sites for future public houses. The 1830 Beer Act at last allowed beer shops to be opened without the necessity of obtaining a magistrate's licence. This destroyed overnight the monopoly of the older brewers and gave more venturesome ones their long-sought opportunity. Simonds himself was not slow to take advantage of it.

## II

Contrary to traditional belief, the number of Simonds' tied houses did not rise dramatically after the Act came into operation. Their rate of increase—eight per decade—in 1830-60 was very close to the average over the previous

twenty-five years. Rather, there was now great scope for expansion through selling to newly opened beerhouses which lacked brewing facilities, so that the brewery's output rose from 11,100 barrels in 1831 to just over 15,000 barrels in 1839. By the latter year it had outstripped in size all its Reading competitors; the brewery and houses were valued at just over £10,000 and the 37 properties—12 in Reading itself—at a further £23,000.

Blackall Simonds truly deserved his reputation for great business capacity, energy and foresight. A major achievement was in helping to prevent the great London brewers from gaining a foothold in the Berkshire market. They had earlier voiced numerous complaints about being unable to sell their porter in that area. Simonds' productive capacity was of course only a fraction of theirs, and no more than half that of such nearby giants as Neville Reid's of Windsor and Wells' of Wallingford; even so, it was building up a position of strength from which it hoped eventually to expand into a very much wider market. By 1834 it had begun to brew a novel kind of beer, pale ale, for export; the first consignment overseas went as far as Melbourne in Australia, a journey taking up to six months.

Simonds' rate of growth during the 1830s was not maintained in the following decade, as output fell below 10,000 barrels in 1842, and had not recovered even to 12,900 barrels six years later. Indeed, it did not achieve an annual level of over 15,000 barrels again until 1856. This may have been due to intensified competition; yet perhaps the effort of having managed the business single-handed for three decades was telling on Blackall Simonds. At any rate, he retired in 1845 at the age of 60, when he handed over to his younger brothers, Henry the wine and spirit merchant, and George (1794-1852), and went into retirement at Ryde in the Isle of Wight. Being childless, he withdrew no capital from the business, but instead arranged to receive an annuity of £1,600 for himself and £600 for his widow

<sup>9</sup> (W. Turner), *Reading Seventy Years Ago. A Record of Events from 1813 to 1819* (1887) p. 47, Jan. 1816, copy in Reading University Library annotated from the original MS by W. M. Childs.

<sup>10</sup> W. S. Darter, *Reminiscences of Reading, by an Octogenarian* (1888) p. 143.



after his eventual death. He did not die until 1875 and she survived him for another ten years.

When George Simonds died prematurely in 1852, Blackall Simonds concluded a new agreement, so as to share the profits equally between three parties: Henry Simonds, George Simonds's widow, and the widow of a former partner George Mellish Simonds. The last-named had recently married Blackall's nephew Henry Adolphus Simonds (1823–1910), a new recruit to the firm; apart from a manager's salary of £100 a year introduced in 1856, his remuneration came entirely from his wife's dividends. Then in 1856 Henry's son Henry John Simonds (1829–96) joined the firm. Educated at Eton and King's College, Cambridge, he had been elected a fellow of King's and had practised at the Bar. He was not given a share in the profits, and his salary was no more than £300 a year. In 1866, perhaps in restitution for these under-payments, his father transferred to him a total of £21,000 undrawn profits. It should be emphasised that members of the family very seldom, if ever, withdrew large sums from the business, thus conserving capital for its steady expansion.

This accession of younger management no doubt helps to account for the substantial growth in trade which followed. The reputation overseas of its pale ale was already well established, and from the early 1850s onwards the firm began to make a feature of it at home also. Apart from a brief lull in 1860–62, physical output climbed continuously until by 1866, at 28,600 barrels it was over double the level (14,100 barrels) of 1855 and nearly three times that of 1842. New plant had to be installed in 1857 at a cost of £500, and in the following year pale ale was bottled for the first time. Net profits, just under £3,000 in 1851, dropped sharply in the mid-fifties, but rose to an average of nearly £6,000 in 1858–60.

Such a good level of profits was not maintained, for they slumped to less than £4,600 on average in 1861–64. Full profit and loss accounts are not available, but in 1861 the

quality of barley was very poor and in 1863 the firm spent out of income no less than £8,270 on additional land, stores, brewing premises and offices. The land, in nearby Gas Lane, was bought for £3,500 from Henry Simonds. The beneficial consequences of this investment were to be seen from 1868 onwards, when the firm began its most rapid continuous growth rate in the nineteenth century.

At this point some reasons may be given why the firm had by 1890 grown into one of the largest provincial breweries in the south of England, despite its relatively late start and initial handicaps. A vital factor was the size of the Simonds family, from which the partners were able to choose colleagues of more than average ability. They strove hard to remain in the forefront of technical progress. It is not known when they set up a laboratory, but it must have been one of the earliest in the industry. Under a trained chemist, raw materials, water and so on were tested and the quality of each brew of beer analysed. When new buildings were erected in the early 1880s, they introduced a new system of fermentation, known as the Burton union method. This required a very large number of relatively small vessels and an apparatus for taking off the excess yeast; although expensive in terms of labour, for cleaning and maintenance, it did enable a very high grade of pale ale to be made.

In addition to their scientific expertise, some partners at the outset of their careers made names in other, very diverse, fields. These included Henry John Simonds as an academic and barrister, Blackall Simonds junior (1839–1905) as a civil engineer, and George Blackall Simonds (1843–1929) as a sculptor.

There was, however, a reverse side to these extended family connections. The partners had to give up time in the office to private business, notably correspondence over family trusts, marriage settlements, legacies and personal quarrels. At least one case of a disputed will was taken to court. These pre-occupations were seen as part of the price to be paid for keeping capital within the firm on a long-term basis. Between 1811, when W. B.

Simonds repaid £1,000 which he had borrowed in 1798, and 1868 no money was raised from outside for investment purposes.

Although Simonds's bank was very well established in the town, and by the late 1860s had five branches (in Wokingham, Henley, High Wycombe, Yorktown and Basingstoke), the brewery prided itself on never having confided itself "to the clutches of our bankers". Indeed, it continued to exercise itself some of the rudimentary functions of a bank. It accepted deposits from outsiders; over £2,300 was on deposit at the end of 1872. It also lent money on mortgage to owners of public houses that stocked its beer.

The large volume of undrawn profits, trust funds and deposits, all paying interest, thus inflicted a burden of high prior charges on the firm. In 1851, of the £7,000 earnings nearly 60%, or £4,000, went on interest or annuity payments—including Blackall Simonds's £1,600—and only £2,925 was available for distribution. Until 1870 at least half the earnings had to be earmarked for these costs and for management salaries to members of the family in the business, before the net profit could be divided between the partners.

### III

The top management was completely reorganised in 1868 when Henry Simonds retired at the age of 73. He had had a busy career: in public affairs on Reading Council, serving as Mayor in 1824-25, and as a magistrate, and in outside business activity as one of the first directors of the Great Western Railway from 1835 onwards, for a time acting as deputy chairman. Until 1868 he also ran his wine and spirit business, which he then sold to the brewery for £10,000; the partners had to borrow this sum on mortgage from outside lenders. What happened to Ralph Nicholson and his £10,000 share is not recorded. In place of an annuity from the firm, Henry Simonds was paid £1,462 10s. a year by his son Henry John out of his large interest income.

Henry John Simonds, not yet forty, now stepped from the position of salaried manager

to that of senior partner, and the decisive tone of his letters contrasts sharply with the more querulous and unsure reactions of Henry Adolphus—in 1859-60—and Henry John—in with most of the correspondence. At the same time, George Simonds's eldest son Blackall Simonds junior became a partner. Like Henry Adolphus—in 1859-60 and Henry John—in 1866-67—he became Mayor in 1882-83. As a professional engineer, before 1876 he designed and supervised the erection of a beer and winestore of a novel method of construction. As this was of unreinforced Portland concrete for the walls and vaulting, it aroused much interest among brewers and engineers alike.

Once again, as in the 1850s, the retirement of an elderly partner heralded a period of rapid growth. Output more than doubled between 1866 and 1871, in the latter year amounting to 57,900 barrels. Profits, too, exceeded £10,000 in every year between 1868 and 1874, totalling £16,600 and £18,540 in the pre-depression years of 1870 and 1871 respectively. Admittedly, prior charges had risen by £2,000 in 1868 partly because of the extra interest payments on the £10,000 raised to pay for the wine and spirit business. However, as that business contributed over £3,300 to total profits, its acquisition had been a good bargain; in 1868, for the first time, more than merely token sums were allocated to the Sinking Fund.

As to the beer, one aspect of the leap from a local to a much more extensive market was the development of the military trade. We have already seen how W. B. Simonds had from an early date been supplying beer to the Royal Military College, and his letter of 1814, wishing to open a canteen in the vicinity of Sandhurst, is well known.<sup>11</sup> But for the brewery an important event was the establishment of nearby Aldershot in the 1850s as the home of the army. During the Crimean war of 1854-56 Simonds acquired some trade when soldiers were under training there, but prospects

<sup>11</sup> This letter is reproduced in John Pudney *op. cit.* plate No. 21.

remained uncertain until it was able to set up a permanent canteen at Aldershot in 1872. A few years later Henry John Simonds was following up some contacts in the highest official quarters about a canteen for the military hospital now established there; whether he had any success is not known.

The brewery's role as a supplier of beer to the British army soon led to its setting up overseas branches in order to deal with the requirements of garrisons in various parts of the world. The earliest branch was the one at Malta in 1875, to be followed by Gibraltar in 1881. By then the firm had 10 English branches, from Sandgate and Woolwich to Exeter and Oxford. Here, as elsewhere, the partners rigorously exercised personal supervision: the Malta and London offices were both managed by relatives of theirs, while the branches were controlled from Reading instead of being administered as separate agencies.

The other type of outlet comprised railway refreshment rooms. The firm secured the contract for the South-Eastern railway (London Bridge and seven stations in Kent) in 1877 and for the South-Western railway (Waterloo and 27 stations down as far as Hampshire and Devon) in 1883. During the two final partnership years (1883-84) the former contributed £2,630 of the firm's profit, and the latter £234. The voluminous and sometimes heated correspondence of head office with both branch and refreshment room managers kept them on their toes.

By then the lighter type of ale, known as S.B., accounted for about 56% of output. The stronger XX and XXX types, although still widely demanded, were no longer so much in demand by working men, at least in southern England. Now that nutritional standards had risen and machinery was to some extent replacing physical effort, strong beer was becoming more of a luxury and less indispensable to the labourer's diet.

All these exertions by the partners brought their just returns, for the output level of 1871, namely 57,900 barrels, was 50% higher by

1878 and had doubled to 115,000 barrels by 1885. Although the number of the firm's tied houses continued to rise steadily, alternative outlets such as the army and refreshment room (and later still seaside pier) trades were making increasing contributions to sales, as the following figures show:

	No. of tied houses	Output (ooo barrels)
1837	37	12
1872	79	65
1896	158*	112

\*120 public houses and 38 beer houses

Thus whereas in 1896 output was just nine times the level of 1837, the number of tied houses was not much over four times as great. Profits continued to rise, notably from 1876 onwards; except in 1880, after that date they never declined below £20,000 a year.

However, during this post 1868 era, the firm was clearly beginning to encounter some of the problems of size. In 1851 there had been only 32 employees, with a total annual wage and salary bill of £1,100. Forty years later there were over 200 workmen alone, their wages totalling £10,400; in addition, the salaries of the six managers, three superintending brewers, 20 clerks and five travellers came to £4,250. A further 200 were employed in branch offices at home and abroad and on the refreshment room contracts. As the firm began to "take off" to the new level of output after 1868, it had to make some difficult adjustments to the new conditions, most importantly by reinforcing the top management.

Two examples can be given of the constant and personal supervision which the three partners exercised, so as to make sure that the beer was of the highest quality. Until further expansions of 1872 they did their own brewing, but in that year they decided to employ a professional brewer at a salary of £700 a year. Nine months later they sacked him unceremoniously, exposing his deficiencies without equivocation. "Our trade was seriously crippled—many good customers lost

for ever", they wrote to him. "The prime cost of all running beers increased 2s. 7d. (13p) per barrel in the average . . . Had we presented you with a cheque for £3,000 instead of availing ourselves of your services, we should have been far better off than we were". Until the 1880s they continued to supervise the brewing themselves.

Again, malting had from the outset always taken place very largely on the spot, but in 1872 the brewery's malting space had to be converted into beer stores. The supplier then chosen—the Reading maltster H. P. Dowson—fared little better than the brewer had. His malt was often criticised for being of the wrong colour and not properly dried. The partners were convinced that he did not give enough personal attention to the malting, but never carried out their threat to take their custom elsewhere. They were equally vigilant and ruthless in maintaining standards over sales in public houses and through agencies. Since they could no longer manage on their own, they therefore recruited other members of the family, in the first instance the sons of Henry Adolphus's brother Frederick William, who had emigrated to the United States. Louis de Luze Simonds was invited back to Reading in 1872 and Frederick Simonds in 1878. Both specialised on the secretarial side, being paid salaries as managers out of the dividends of Henry Adolphus who had no children.

In addition to the managerial problem was the one of increasing unit costs; it is probably no coincidence that from about 1870 onwards the firm began to keep far more elaborate accounts, particularly of costs, than previously. The main items of expenditure were of course the malt, hops and other materials, the cost of which tended to vary according to natural conditions. In 1872, for instance, these amounted to £62,000, or about 50% of turnover. In addition were "expenses", namely overheads and such variable costs as wages, transport and cask-making. These "expenses" in that year comprised 35% of turnover, and the other 15% represented the prior charges and profits. The expenses per barrel produced,

as high as 11s. 5d. (57p) in 1852-53, fell to a minimum of 8s. 6d. (43p) in 1856, but with the large expansion in capacity and output after 1866, rose steeply to 14s. 6d. (73p) in 1873. By the early 1890s they exceeded 17s. (85p), and not until the new levels of output achieved in the period 1900-14 did they revert to 14s.-15s. (70-75p).

A related problem was that of finance. Over the years, almost the whole of the earnings had gone to family members, either as interest, annuities or trust income, or as dividends, much being retained in the business. By 1872 it was becoming the practice to draw far heavier sums than hitherto out of the firm; that year the three partners' capital and reserves combined came to £71,500, no more than 40% of the £183,000 liabilities. The firm's own sinking fund was not much over £13,500, and the question was how to secure money for expansion. To seek large sums on mortgage would involve the firm in heavy legal and survey expenses, as would-be lenders required a thorough prior investigation of the titles and structural condition of the public houses and other assets to be mortgaged. In fact, the partners had taken much trouble to maintain their properties and were convinced that they had "the best and most profitable description of house any brewer can hold". Despite their declared reluctance to become embroiled in the clutches of their kinsmen the Simonds bankers, therefore, did have to borrow from J. & C. Simonds £16,000 in 1873, which was repaid in instalments at the end of the decade.

Again, temporary difficulties necessitated a bank loan of £21,000 in 1883, most of which was repaid that same year. It was no doubt a wish to overhaul the method of raising new capital which prompted the firm to become incorporated, under the title of H. & G. Simonds Ltd., in 1885. At that time fewer than 20 out of some 2,250 breweries were limited companies, among which only Bass was of any consequence. Not until 1886, when Guinness and Ind Coope set a trend, did the incorporation of breweries in any numbers



PLATE 1. *Mrs W. B. Simonds*



PLATE 2. *W. B. Simonds (1761-1834)*





PLATE 3. *Henry Simonds (1795–1874)*

LONDON STORES: 10, GROSVENOR ROAD.

WINE AND SPIRIT MERCHANTS,  
READING.

PALE ALE & PORTER BREWERS,

District Offices and Agencies at  
Aldershot, Brighton, Dover, Exeter, Farnborough, Gibraltar, Hastings, Malaga, Malta, New-  
bury, Oxford, Sandgate, Slough, Southsea, Swindon, Tangiers, Wokingham, Woolwich, &c.

[LIMITED.]  
**H. & G. SIMONDS,**

PLATE 4. *The Brewery House: Sir John Soane's design, 1789*



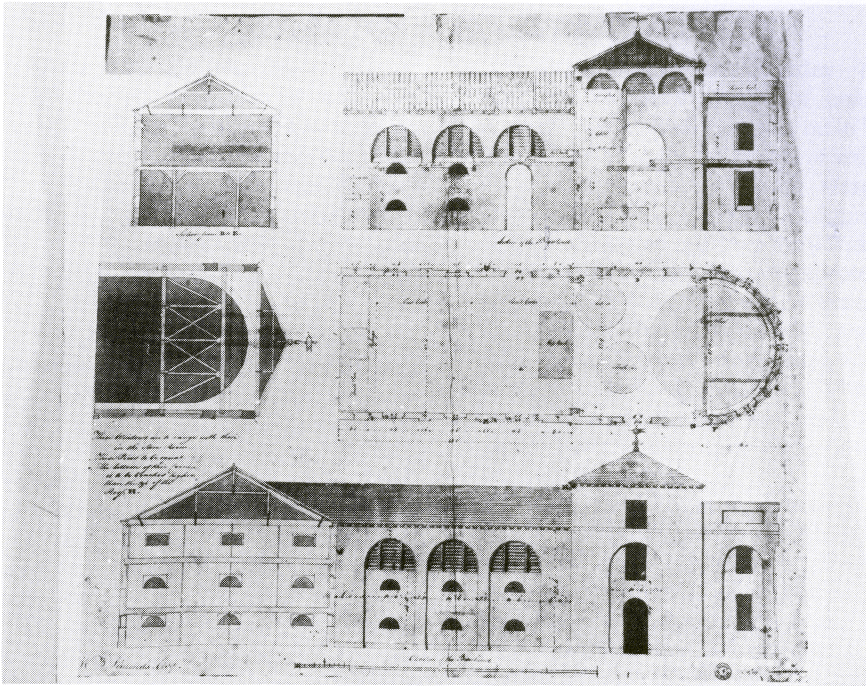


PLATE 5. *Sir John Soane's design for Simonds Brewhouse, 1789*

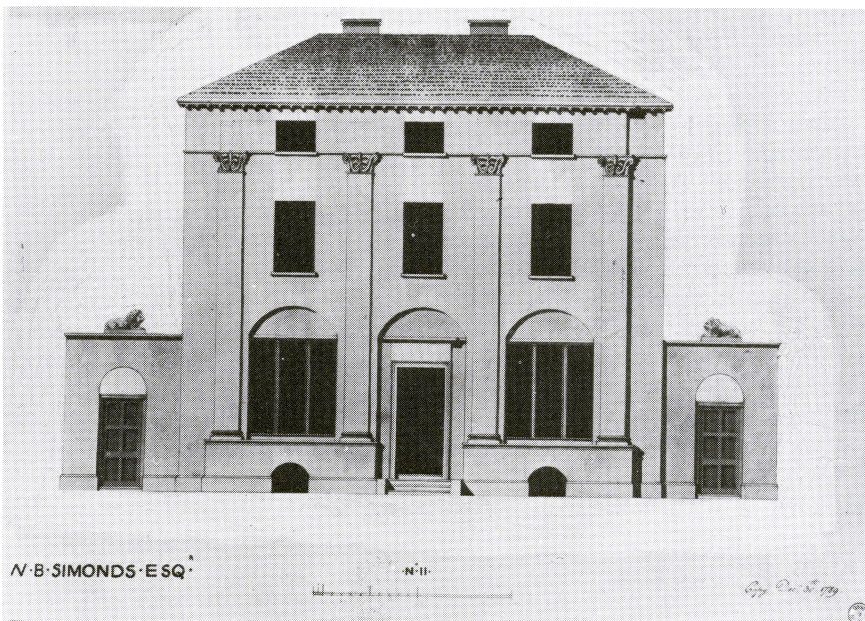


PLATE 6. *View of the Brewery 1881*

really get under way. Among the 50 largest British manufacturing companies in 1905 were 17 breweries, all of which—apart from Bass—had been incorporated in or after 1886: Courage, for instance, in 1888 and Barclay Perkins in 1896.<sup>12</sup> In terms of capitalisation, Simonds' Brewery came well below the smallest of these 50 companies.

## IV

The authorised capital of H. & G. Simonds Ltd., was £500,000, equally divided between preference and ordinary shares of £20 each. At the outset only £144,000 worth of 5% preference shares and £180,000 of ordinary shares were issued. Except for one ordinary share held by each of the four junior members of the family who were managers, all shares were owned by one or other of the three directors, Henry John (the chairman), Henry Adolphus and Blackall Simonds. £120,080 worth of these shares had been created to balance a new goodwill item of that sum, divided between them in equal third parts. The goodwill valuation was not excessive considering that the firm's annual turnover exceeded £250,000 and that over the whole period 1885–86 to 1913–14 its ordinary dividends, including bonuses, was to average more than 12% a year. The former partners all paid for the remaining shares out of the profits they had left in the business; their previous loans had thereby been converted into share capital.

The size of the issued capital remained quite unaltered until after 1920, apart from a modest creation of £24,000 worth of extra preference shares that were offered in the late 1880s to outlying members of the family. The ordinary shares were kept exclusively in the hands of successive family directors, who thus retained exactly the same kind of complete control that they and their predecessors had enjoyed as partners. Other reputable family-owned

companies, such as Huntley & Palmers adopted the same system of holding shares "round the boardroom table". Yet it contrasted sharply with the practice of most very large breweries which were—as later defined by law—"public" companies, with shareholdings owned by a very wide section of the general public. Not unexpectedly, at the end of the 1880s a rush on the Stock Exchange for brewery shares developed, and breweries were forced to seek ever higher profits and hence to improve turnover. They therefore began to compete among themselves for such public houses and other retail outlets as were still independent.<sup>13</sup>

Simonds', although it offered no shares for sale to the public, did join in the scramble to buy more outlets. In 1896 it therefore created £150,000 worth of 4% debentures, increased in two stages by 1899 to £275,000. This was a recognised method of obtaining ready cash comparatively cheaply, and without the irksome formalities mentioned above. Regrettably, many breweries—Allsopp's is a notorious example—watered down capital and made excessive debenture issues, and consequently rendered themselves extremely vulnerable to any downward movement in sales and profits. In consequence, for a time brewery shares acquired rather a bad name.

On the other hand, Simonds' pursued its usual conservative financial policy. The total of its debentures was not unreasonable at a time when the brewery buildings and machinery were valued at over £100,000 and the tied houses and other estates at an additional £250,000. In the twenty years after 1896 it doubled the number of its tied houses and up to 1913–14 increased the quantity produced by 83%.

Profits did not, however, grow in line with physical production. In 1885–86, the first year as a limited company, its profits per barrel produced were 27p but by 1913–14 they had almost exactly halved to 13½p. Even if

<sup>12</sup> P. L. Payne, "The Emergence of the Large-Scale Company in Great Britain 1870–1914", *Economic History Review* XX (New Series) 1967 pp. 539–40.

<sup>13</sup> J. Vaizey, *The Brewing Industry 1886–1951* (1960) pp. 9–10.



allowance is made for the debenture interest already paid out as a prior charge, earnings per barrel in the latter year were still down to nearly 19p. Round this declining trend were many fluctuations in absolute profits, the lowest point being in the three final years of the lengthy Great Depression, namely 1891-92 to 1893-94, when sales were at a trough and costs of certain raw materials, particularly of hops, were high. Ordinary dividends fell to 8% in those years, but thereafter the company was able to pay 12-14% dividends annually, except for the pre-war years of 1911-12 to 1913-14, when once again hop prices were high and only a 10% dividend could be paid. But in addition, by 1914 they had built up their reserves from nil to over £155,000.

Simonds' profits did not by any means follow the trend of the brewing industry generally; it was, for instance, able to achieve good results during the South African war of 1899-1902. Instead of suffering from the slump in the middle of the following decade its least satisfactory results occurred, as we have seen, immediately before the war of 1914. This was just at a time when the industry as a whole had completed its "scramble" for property and had moved into an era of equilibrium and improved profits.<sup>14</sup>

This relative long-term decline in the company's profits can be partly explained by the quality of its top management. Henry John Simonds remained chairman until he died in 1896, aged 67; he was then succeeded by the 57-year-old Blackall Simonds. On his death in 1905, the octagenarian Henry Adolphus took over the chairmanship and died five years later. The last surviving grandson of W. B. Simonds, George Blackall Simonds, then became chairman at the age of 67 and held office until 1929, when he died aged 86. One at least of these was remembered as "not having much of a head for business".

Yet such a long drawn-out succession of elderly chairmen does not necessarily mean that the company's management was

completely ossified. The chairmen were all part-timers with outside interests ranging from public service to sports of many kinds, and they tended to give the more able junior directors or managers their head over the more specialised and routine matters. Yet in common with many comparable family businesses at that time, during the period until 1914 the will to radical improvement was not as strong as it might have been.

## V

The present study does not attempt to do more than outline certain events in the brewery since 1914; yet in one respect at least, the First World War represented a watershed in its history. Until that date, it had grown internally; about its only major outside acquisition had been that of Henry Simonds' wine and spirit business in 1868. Although that had brought in some profitable complementary products, it had been purchased entirely for family reasons. As we have seen, such internal growth had been helped along by the marked increase in the number of tied houses, but the brewery had also done much to diversify its output, for instance by pioneering new types of beer such as its pale ale and S.B. brand and by expanding its bottled beer trade. Moreover, it had taken much trouble to go after new types of market, including contracts for railway refreshment rooms, and sales to army canteens and customers overseas.

Then after 1919 it began to grow by merger, and was soon being recognised as one of the most rapidly expanding breweries in the country. Its acquisitions between the wars well illustrate the way in which the development of road transport, superseding as it was those by water and rail, led to a further expansion of markets and hence in turn to new opportunities for mergers. These included in 1919 the Tamar Brewery, Devonport, in 1935 W. Rogers Ltd. of Bristol, in 1936 Ashby's Staines Brewery Ltd. and the South Berks Brewery Co. Ltd. (which had itself acquired

<sup>14</sup> *Ibid.* p. 17.

certain prominent Reading breweries including the adjoining Castle Brewery), in 1937 the Cirencester Brewery, in 1938 Lakeman's Brewery at Brixham, R. H. Stiles at Bridgend and W. J. Rogers Ltd., and in 1939 J. L. Marsh & Sons Ltd. of Blandford. As an authoritative work on the industry put it, "under the impulse of efficient management and brewing, with the use of road transport, Simonds became a leading brewer in the South and West . . . These 'regional' brewing companies became more and more typical of the industry during this period".<sup>15</sup>

It is worth illustrating the magnitude of its growth since 1830 both absolutely and in relation to changes in beer output for the country as a whole. The data given below can only be taken as indicating orders of magnitude, as there are statistical problems about relating different strengths of beer, but the trend seems clear enough.

Output of Beer (ooo barrels)

	Simonds	United Kingdom	Simonds' output as % of UK
1830	11	14,000	0.08
1860	19	20,000	0.10
1890	111	32,000	0.35
1913	195	35,000	0.56
1938	279	26,000	1.07

Thus by 1938 Simonds' brewery was of regional as well as local importance, inviting comparison with other progressive breweries, such as Greene King & Sons Ltd. of Bury St. Edmunds. Despite its status as a limited company, with a Royal Warrant issued in 1929, its direction remained in family hands. George Blackall Simonds died that same year and was succeeded by his nephew, Stephen V. Shea-Simonds, who took the second name after his predecessor's only son had been killed in the 1914-18 war. Shea-Simonds continued in office until 1938, when he was 65; he then became the first chairman to retire, although retirement had been the practice of all senior partners before 1885.

<sup>15</sup> *Ibid.* p. 30.

The new chairman was Louis de Luze Simonds' son Frederick Adolphus, known as Eric Simonds. He had joined the company as long before as 1902, and like his predecessors he had to wait until late middle age before succeeding to the chairmanship. He had no doubt been the driving force behind the company since 1914 as he now actively continued the policy of acquisition. Between 1945 and his death in 1953 he acquired six sizeable breweries, as far apart as Basingstoke, High Wycombe, Cirencester and Plymouth.

His place was taken by the first non-family chairman, General Sir Miles Dempsey, who had had a long association with the county through service in the Royal Berkshire Regiment, of which he became the Colonel. He enjoyed the distinction, unique in British industrial history, of being chairman of two major provincial breweries—Simonds' and Greene King—while holding the post of Commander-in-Chief Designate of the United Kingdom Land Forces. The brewery at Reading made further minor acquisitions, and in 1959 entered into a trading agreement with Courage and Barclay Ltd., a company formed as recently as 1955 by the amalgamation of the two great London breweries, Courage's and Barclay Perkins. By February 1960 this agreement had matured into a full-scale merger project, and in April that year the new Courage Barclay & Simonds Ltd., was registered.

On the eve of the merger Simonds' net operating assets—namely, fixed and current assets less current liabilities—were valued at £9.8 millions, as against the £21.4 millions of the Courage and Barclay combine. Simonds' assets included over 1,200 licensed houses, compared with the 300-350 houses it had owned in 1916, just before it began to acquire other breweries between the wars. It then became the headquarters of one of the three main subsidiaries, named Courage (Central) Ltd., Courage (Eastern) Ltd. being situated in London, and Courage (Western) Ltd. in the old George's Brewery at Bristol. By a strange turn of events Simonds', which had done much after 1830—when its output was only 11,000

## SIMONDS' BREWERY AT READING 1760-1960

barrels, a mere fraction of Barclay Perkins' 300,000 barrels—to keep the London breweries porter out of Berkshire, was by 1960 able to enter into a merger with two of these giants virtually as an equal third partner.

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