

Company Registration No. 547325 (England and Wales)

**ALCOHOLS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**



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# ALCOHOLS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A J Wallis R H Ling
<b>Secretary</b>	R H Ling
<b>Company number</b>	547325
<b>Registered office</b>	10 Charterhouse Square London EC1M 6LQ
<b>Auditors</b>	F W Stephens & Co 10 Charterhouse Square London EC1M 6LQ
<b>Business address</b>	Charringtons House The Causeway Bishop's Stortford Hertfordshire CM23 2EW
<b>Bankers</b>	National Westminster Bank plc 134 Aldersgate Street London EC1A 4LD
<b>Solicitors</b>	Whitehouse Gibson & Alton 25 Bedford Row London WC1R 4HE

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# ALCOHOLS LIMITED

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# ALCOHOLS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

### Principal activities and review of the business

The principal activity of the company continued to be the manufacture of various alcohol products and the distribution of alcohols and solvents.

The company is a subsidiary of W H Palmer & Co (Industries) Limited.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £33,000. The directors recommend payment of a final dividend amounting to £62,000.

### Future developments

The company will continue to concentrate on further development of its core activities of chemical distribution and gin distillation. It also continues to explore opportunities within the speciality chemical industry.

### Year 2000

The plans put in place by the executives were successful with no problems.

### Directors

The following directors have held office since 1 January 1999:

A J Wallis  
R H Ling

In accordance with the company's Articles of Association, R H Ling retires by rotation and, being eligible, offers himself for re-election.

### Directors' interests

The directors had no interest in the shares of the company. The directors' interests in the ordinary shares of the ultimate holding company were as stated below:

	Ordinary of £ 1 each	
	31 December 1999	1 January 1999
A J Wallis	7,500	7,500
R H Ling	-	-

The directors had no interest in the shares of any other company within the group.

### Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that F W Stephens & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

# ALCOHOLS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

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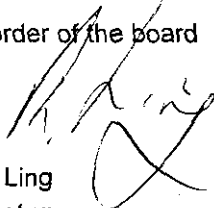
### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



R H Ling  
Director

11 May 2000

# ALCOHOLS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

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We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*F W Stephens & Co*

F W Stephens & Co

11 May 2000

Chartered Accountants  
Registered Auditor

10 Charterhouse Square  
London  
EC1M 6LQ

# ALCOHOLS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	2	9,394,333	9,904,370
Cost of sales		(6,508,154)	(7,085,499)
<b>Gross profit</b>		<u>2,886,179</u>	<u>2,818,871</u>
Distribution costs		(2,002,982)	(1,972,483)
Administrative expenses		(547,536)	(487,087)
Other operating income		513	476
<b>Operating profit</b>	3	<u>336,174</u>	<u>359,777</u>
Other interest receivable and similar income	4	69,316	71,828
Interest payable and similar charges	5	-	(127)
<b>Profit on ordinary activities before taxation</b>		<u>405,490</u>	<u>431,478</u>
Tax on profit on ordinary activities	6	(126,000)	(134,050)
<b>Profit on ordinary activities after taxation</b>		<u>279,490</u>	<u>297,428</u>
Dividends	7	(95,000)	(95,000)
<b>Retained profit for the year</b>	16	<u><u>184,490</u></u>	<u><u>202,428</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.


There are no recognised gains and losses other than those passing through the profit and loss account.

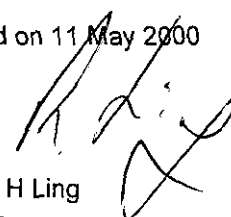
# ALCOHOLS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999		1998	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		686,676		699,496
Investments	9		121,500		121,500
			<u>808,176</u>		<u>820,996</u>
<b>Current assets</b>					
Stocks	10	870,222		795,477	
Debtors	11	1,587,022		1,477,431	
Cash at bank and in hand		1,199,271		1,126,281	
		<u>3,656,515</u>		<u>3,399,189</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,407,723)</u>		<u>(1,338,707)</u>	
<b>Net current assets</b>			<u>2,248,792</u>		<u>2,060,482</u>
<b>Total assets less current liabilities</b>			<u>3,056,968</u>		<u>2,881,478</u>
<b>Provisions for liabilities and charges</b>	13		<u>(29,000)</u>		<u>(38,000)</u>
			<u>3,027,968</u>		<u>2,843,478</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,000		1,000
Other reserves	16		150,000		150,000
Profit and loss account	16		2,876,968		2,692,478
<b>Shareholders' funds - equity interests</b>	17		<u>3,027,968</u>		<u>2,843,478</u>

The financial statements were approved by the Board on 11 May 2000

  
A J Wallis  
Director

  
R H Ling  
Director



# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary, and its results are included in the consolidated financial statements.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT, excise duties and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings short lease	over the lease term
Plant and machinery	5%, 10%, 15% and 20% per annum
Fixtures, fittings & equipment	15%, 20% and 25% per annum
Motor vehicles	20%, 25% and 33 1/3% per annum

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.8 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

#### 1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the contracted rates of exchange. Transactions in foreign currencies are recorded at the contracted rates of exchange. All differences are taken to profit and loss account.

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of W H Palmer & Co (Industries) Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

### 2 Turnover

#### Geographical market

	Turnover	
	1999	1998
	£	£
United Kingdom	8,752,632	9,101,736
Rest of the world	641,701	802,634
	9,394,333	9,904,370
	9,394,333	9,904,370
<b>3 Operating profit</b>	<b>1999</b>	<b>1998</b>
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	162,367	140,376
Operating lease rentals	152,324	167,797
Auditors' remuneration	9,000	9,000
	323,691	317,173
<b>4 Other interest receivable and similar income</b>	<b>1999</b>	<b>1998</b>
	£	£
Bank interest	69,316	71,828
	69,316	71,828
<b>5 Interest payable</b>	<b>1999</b>	<b>1998</b>
	£	£
On other loans wholly repayable within 5 years	-	127
	-	127
<b>6 Taxation</b>	<b>1999</b>	<b>1998</b>
	£	£
U.K. current year taxation		
U.K. corporation tax at 30% (1998 - 31%)	135,000	143,050
Deferred taxation	(9,000)	(9,000)
	126,000	134,050
	126,000	134,050

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

7 Dividends	1999 £	1998 £
Ordinary interim paid	33,000	33,000
Ordinary final proposed	62,000	62,000
	<u>95,000</u>	<u>95,000</u>

8 Tangible fixed assets	Land and buildings short lease £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 1999	101,911	1,149,658	184,899	237,545	1,674,013
Additions	-	83,139	30,910	64,917	178,966
Disposals	-	(3,953)	(595)	(35,675)	(40,223)
At 31 December 1999	<u>101,911</u>	<u>1,228,844</u>	<u>215,214</u>	<u>266,787</u>	<u>1,812,756</u>
<b>Depreciation</b>					
At 1 January 1999	56,576	685,928	133,845	98,168	974,517
On disposals	-	(557)	(122)	(10,125)	(10,804)
Charge for the year	4,735	74,846	30,314	52,472	162,367
At 31 December 1999	<u>61,311</u>	<u>760,217</u>	<u>164,037</u>	<u>140,515</u>	<u>1,126,080</u>
<b>Net book value</b>					
At 31 December 1999	<u>40,600</u>	<u>468,627</u>	<u>51,177</u>	<u>126,272</u>	<u>686,676</u>
At 31 December 1998	<u>45,335</u>	<u>463,730</u>	<u>51,054</u>	<u>139,377</u>	<u>699,496</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 9 Fixed asset investments

	Unlisted investments	Shares in subsidiary undertakings	Total
	£	£	£
<b>Cost</b>			
At 1 January 1999 & at 31 December 1999	15,000	125,500	140,500
<b>Provisions for diminution in value</b>			
At 1 January 1999 & at 31 December 1999	14,000	5,000	19,000
<b>Net book value</b>			
At 31 December 1999	1,000	120,500	121,500
At 31 December 1998	1,000	120,500	121,500

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Alcohols (North West) Limited	England & Wales	Ordinary	100
Lang-Met Distillers Limited	England & Wales	Ordinary	100
Langley Distillery Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Alcohols (North West) Limited	92,011	-
Lang-Met Distillers Limited	28,500	-
Langley Distillery Limited	-	-

The subsidiary undertakings did not trade during the year.

10 Stocks	1999	1998
	£	£
Finished goods and goods for resale	870,222	795,477

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

11 Debtors	1999 £	1998 £
Trade debtors	1,540,258	1,426,207
Other debtors	1,000	1,000
Prepayments and accrued income	45,764	50,224
	<u>1,587,022</u>	<u>1,477,431</u>

12 Creditors: amounts falling due within one year	1999 £	1998 £
Trade creditors	549,845	562,817
Amounts owed to parent and fellow subsidiary undertakings	551	23,516
Amounts owed to subsidiary undertakings	120,511	120,511
Corporation tax	153,023	147,575
Other taxes and social security costs	47,148	45,392
Other creditors	183	-
Accruals and deferred income	474,462	376,896
Proposed dividend	62,000	62,000
	<u>1,407,723</u>	<u>1,338,707</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 1999	38,000
Profit and loss account	(9,000)
Balance at 31 December 1999	<u>29,000</u>

Deferred tax is provided at 30% (1998 - 31%) analysed over the following timing differences:

	Fully provided	
	1999	1998
	£	£
Accelerated capital allowances	77,000	86,000
Other timing differences	(48,000)	(48,000)
	<u>29,000</u>	<u>38,000</u>

### 14 Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age funding method. The most recent valuation was at 1st June 1999.

The assumptions made by the actuary which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The actuary has reviewed these assumptions for the purposes of SSAP 24 and his best estimates are that the return on investments would be 9% per annum, that salary increases would average 6% per annum and that current employees' pensions up to pensionable age would increase with commensurate benefit. The scheme is not index-linked for those already in receipt of pensions.

The most recent actuarial valuation showed that the market value of the scheme's assets was £2.99 million and that the actuarial value of those assets represented 132% of the benefits that had accrued to members, after allowing for expected future increases in earnings. Due to the actuarial surplus within the fund, the company has not made any contributions to the fund since 1993. However, a charge of £21,392 (1998 - £19,742) has been made to the profit and loss account in order to achieve a substantially level rate of pension cost based on the actuarial assumptions for the purposes of SSAP 24. The company's normal annual contribution would amount to 15.3% of the pensionable payroll. This contribution has been reduced to 2.9% due to the amortisation of the actuarial surplus over the average remaining service lives of the current employees in the scheme. The pension scheme is non-contributory for employees.

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

<b>15 Share capital</b>	<b>1999</b>	<b>1998</b>
	£	£
<b>Authorised</b>		
1,000 Ordinary of £ 1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £ 1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>16 Statement of movements on reserves</b>		
	<b>Other reserves</b>	<b>Profit and loss account</b>
	£	£
Balance at 1 January 1999	150,000	2,692,478
Retained profit for the year	-	184,490
	<u>          </u>	<u>          </u>
Balance at 31 December 1999	150,000	2,876,968
	<u>          </u>	<u>          </u>
<b>17 Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>1998</b>
	£	£
Profit for the financial year	279,490	297,428
Dividends	(95,000)	(95,000)
	<u>          </u>	<u>          </u>
Net addition to shareholders' funds	184,490	202,428
Opening shareholders' funds	2,843,478	2,641,050
	<u>          </u>	<u>          </u>
Closing shareholders' funds	3,027,968	2,843,478
	<u>          </u>	<u>          </u>

### 18 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Expiry date:				
Within one year	2,702	-	-	-
Between two and five years	20,000	11,050	-	9,992
In over five years	114,433	130,733	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	137,135	141,783	-	9,992
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

<b>19</b>	<b>Capital commitments</b>	<b>1999</b>	<b>1998</b>
		£	£
	At 31 December 1999 the company had capital commitments as follows:		
	Contracted for but not provided in the financial statements	10,238	-
		<u>10,238</u>	<u>-</u>

<b>20</b>	<b>Directors' emoluments</b>	<b>1999</b>	<b>1998</b>
		£	£
	Emoluments for qualifying services	158,825	138,734
		<u>158,825</u>	<u>138,734</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (1998 - 2).

### 21 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	1999 Number	1998 Number
Administration and management	7	7
Operational, selling and distribution	33	32
	<u>40</u>	<u>39</u>

#### Employment costs

	£	£
Wages and salaries	795,842	754,119
Social security costs	72,321	65,877
Other pension costs	25,800	24,150
	<u>893,963</u>	<u>844,146</u>

### 22 Control

The ultimate parent company is W H Palmer & Co (Industries) Limited, a company registered in England and Wales.

W H Palmer & Co (Industries) Limited prepares group financial statements and copies can be obtained from 10 Charterhouse Square, London, EC1M 6LQ.