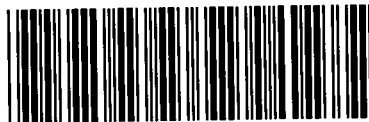


ALCOHOLS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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ALCOHOLS LIMITED

COMPANY INFORMATION

DIRECTORS	A J Wallis R H Ling
COMPANY SECRETARY	R H Ling
REGISTERED NUMBER	00547325
REGISTERED OFFICE	Charringtons House The Causeway Bishop's Stortford Hertfordshire CM23 2ER
INDEPENDENT AUDITORS	Reeves & Co LLP Statutory Auditors & Chartered Accountants Third Floor 24 Chiswell Street London EC1Y 4YX
BANKERS	National Westminster Bank plc 134 Aldersgate Street London EC1A 4LD

ALCOHOLS LIMITED

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ALCOHOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the group during the year were the distillation of gin and the sourcing, packing and distribution of solvents and alcohol products.

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,280,438 (2012: £785,769).

Ordinary dividends amounting to £120,000 (2012: £90,000) were paid during the year.

DIRECTORS

The directors who served during the year were:

A J Wallis
R H Ling

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FINANCIAL INSTRUMENTS

The group has adequate cash reserves to finance its trading activities and has no requirement for outside finance at this point in time. The level of both debtors and creditors are constantly monitored to safeguard cash reserves. Low interest rates result in poor investment returns. The group's defined benefit pension scheme is in surplus and contributions continue at a rate to ensure as far as possible that the scheme does not slip into deficit.

ALCOHOLS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

FUTURE DEVELOPMENTS

Since the year end the group has continued to concentrate on further development of its core activities of chemical distribution both in the UK and overseas and gin distillation. Future development plans for expansion would result from the marketing strategy or acquisition of any business complimentary to the core activities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *21st May 2014* and signed on its behalf.


R H Ling
Secretary

ALCOHOLS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

BUSINESS REVIEW

Group turnover for the year increased to £24,452,456 from £22,233,229 in 2012. Despite challenging economic conditions and constant pressure on operating costs our consolidated profit after taxation also increased to £1,280,438 from £785,769 in 2012. Under FRS 17 the surplus calculated by the actuary for our defined benefit pension scheme increased by £242,000 to £363,000 although the directors continue with the policy of not showing this as an asset in the Balance Sheet.

The group's Occupational Health and Safety Management System, Quality Management System and Environmental Management System support our activities and enhance customer service whilst protecting employees, the public and the environment.

Despite the many difficulties and economic uncertainty being experienced by businesses around the world all divisions performed to expectations and the directors remain optimistic about the group's future. The company continues to consider its options following the fire at our site in the West Midlands in November 2012 with the full support of our insurers.

The results for the year and the financial position at the year end demonstrate the progress being made by the group and continues to satisfy the directors.

The consolidated profit and loss account for the year is set out on page 7.

PRINCIPAL RISKS AND UNCERTAINTIES

Commercial Risks

The principal risks facing the business include volatile raw material prices and availability, currency exchange rates, competitor activity and legislation. The group continues to abide with ever changing legislation in all respects despite the burden this places on companies.

Financial Risks

Maintaining margins whilst containing operating costs are the major risks. Pressure from customers to give extended credit terms continues to increase whilst major suppliers request earlier payment. Increasing pension scheme liabilities necessitates significant ongoing scheme contributions despite the group suspending accrual of the benefit in 2003 and replacing our defined benefit scheme with a defined contribution scheme. New customers are assessed for credit risk and credit limits are applied whilst existing customers are reassessed when considered necessary. A meagre return on the group's cash reserves due to the minimal interest rates on offer does little to enhance group results.

All risks are constantly monitored and appropriate action taken when necessary. Selling prices are adjusted where possible to maintain margins, cash flow is monitored daily and professionally qualified staff employed to ensure all new legislation is complied with.

FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators for the group are turnover, gross margins, operating costs and profitability for each division all of which are regularly reported on and reviewed.

This report was approved by the board on 21st May 2014 and signed on its behalf.


R H Ling
Secretary

ALCOHOLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

We have audited the financial statements of Alcohols Limited for the year ended 31 December 2013, set out on pages 6 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALCOHOLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Reeves & Co LLP

Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)
for and on behalf of
Reeves & Co LLP
Statutory Auditors & Chartered Accountants
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date: *22nd May, 2014*

ALCOHOLS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	24,452,456	22,233,229
Cost of sales		(18,585,620)	(16,990,683)
GROSS PROFIT		5,866,836	5,242,546
Distribution costs		(4,354,899)	(3,550,495)
Administrative expenses		(1,039,045)	(819,410)
OPERATING PROFIT	3	472,892	872,641
Income from other participating interests		8,250	-
Interest receivable and similar income		36,788	18,167
Insurance income		998,954	-
Interest payable and similar charges	4	(1,507)	-
Other finance income	5	88,000	65,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,603,377	955,808
Tax on profit on ordinary activities	6	(322,939)	(170,039)
PROFIT FOR THE FINANCIAL YEAR	16	1,280,438	785,769

All amounts relate to continuing operations.

The notes on pages 10 to 25 form part of these financial statements.

ALCOHOLS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR		1,280,438	785,769
Actuarial gain/(loss) in relation to the defined benefit pension scheme	20	4,000	(156,000)
Unrealised movement in defined benefit pension scheme surplus	20	(242,000)	(59,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		1,042,438	570,769

The notes on pages 10 to 25 form part of these financial statements.

ALCOHOLS LIMITED
REGISTERED NUMBER: 00547325

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

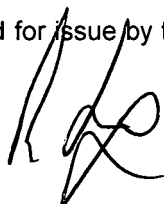
	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	7		11,072		30,072
Tangible assets	8		1,052,143		1,020,349
Investments	9		121,500		126,500
			1,184,715		1,176,921
CURRENT ASSETS					
Stocks	11	1,353,434		1,656,405	
Debtors	12	4,128,939		3,558,628	
Cash at bank and in hand		3,724,208		3,436,991	
			9,206,581		8,652,024
CREDITORS: amounts falling due within one year	13		(3,337,968)		(3,711,055)
NET CURRENT ASSETS			5,868,613		4,940,969
TOTAL ASSETS LESS CURRENT LIABILITIES			7,053,328		6,117,890
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(138,000)		(125,000)
NET ASSETS EXCLUDING PENSION SCHEME SURPLUS			6,915,328		5,992,890
CAPITAL AND RESERVES					
Called up share capital	15		1,000		1,000
Profit and loss account	16		6,914,328		5,991,890
SHAREHOLDERS' FUNDS	17		6,915,328		5,992,890

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

21st May 2014



A J Wallis
Director



R H Ling
Director

The notes on pages 10 to 25 form part of these financial statements.

ALCOHOLS LIMITED
REGISTERED NUMBER: 00547325

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	7		5		5
Tangible assets	8		1,052,143		1,020,349
Investments	9		129,500		134,500
			<u>1,181,648</u>		<u>1,154,854</u>
CURRENT ASSETS					
Stocks	11	1,333,401		1,502,027	
Debtors	12	3,593,827		3,152,408	
Cash at bank and in hand		3,496,039		3,347,990	
			<u>8,423,267</u>		<u>8,002,425</u>
CREDITORS: amounts falling due within one year	13		<u>(3,260,863)</u>		<u>(3,690,686)</u>
NET CURRENT ASSETS			<u>5,162,404</u>		<u>4,311,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,344,052</u>		<u>5,466,593</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	14		<u>(138,000)</u>		<u>(125,000)</u>
NET ASSETS EXCLUDING PENSION SCHEME SURPLUS			<u>6,206,052</u>		<u>5,341,593</u>
CAPITAL AND RESERVES					
Called up share capital	15		1,000		1,000
Profit and loss account	16		6,205,052		5,340,593
SHAREHOLDERS' FUNDS	17		<u>6,206,052</u>		<u>5,341,593</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



A J Wallis
Director



R H Ling
Director

21st May 2014

The notes on pages 10 to 25 form part of these financial statements.

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Alcohols Limited and Trithin Products Limited. The financial statements do not consolidate the accounts of the company's other subsidiary undertakings (as disclosed in Note 10 to these accounts) as they have all remained dormant during the year and any effect on the group accounts would be immaterial.

1.4 TURNOVER

Turnover represents sales at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods pass to the customer which is generally on delivery.

1.5 GOODWILL

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

1.6 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	-	over term lease
Plant & machinery	-	5%, 10%, 15%, 20% and 25% per annum
Motor vehicles	-	20%, 25% and 33 1/3% per annum
Fixtures & fittings	-	15%, 20% and 25% per annum

1.7 INVESTMENTS

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.8 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign a rental lease are recognised on a straight line basis over the period until the date of the first rent review.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs in the purchase of stock.

1.10 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.12 PENSIONS

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 1 June 2011.

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

2. **TURNOVER**

The whole of the turnover is attributable to the principal activities of the group.

A geographical analysis of turnover is as follows:

	2013 £	2012 £
United Kingdom	19,609,526	18,362,892
Rest of world	4,842,930	3,870,337
	<u>24,452,456</u>	<u>22,233,229</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2013 £	2012 £
Amortisation - intangible fixed assets	19,000	19,000
Depreciation of tangible fixed assets:		
- owned by the group	228,909	231,529
Auditors' remuneration	31,950	31,050
Operating lease rentals:		
- land and buildings	204,658	197,221
Difference on foreign exchange	(8,814)	34,075
	<u></u>	<u></u>

Auditors fees for the company were £26,250 (2012: £25,700)

4. **INTEREST PAYABLE**

	2013 £	2012 £
Other interest payable	1,507	-
	<u></u>	<u></u>

5. **OTHER FINANCE INCOME**

	2013 £	2012 £
Expected return on pension scheme assets	306,000	283,000
Interest on pension scheme liabilities	(218,000)	(218,000)
	<u>88,000</u>	<u>65,000</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. TAXATION

	2013 £	2012 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	316,500	223,800
Adjustments in respect of prior periods	(6,561)	(9,761)
TOTAL CURRENT TAX	309,939	214,039
DEFERRED TAX (see note 14)		
Origination and reversal of timing differences	13,000	(44,000)
TAX ON PROFIT ON ORDINARY ACTIVITIES	322,939	170,039

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23% (2012: 24%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	1,603,377	955,808
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012: 24%)	368,777	229,394
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,579	9,917
Capital allowances for year in excess of depreciation	(11,101)	8,872
Adjustments to tax charge in respect of prior periods	(6,561)	(9,761)
Book profit/(loss) on chargeable assets	(760)	16,173
Changes in provisions leading to an increase in the tax charge	11,500	-
Marginal relief	(2,354)	(3,015)
Pension contributions paid	(34,875)	(36,000)
Pensions scheme finance income	(20,460)	(15,600)
Other tax adjustments	4,194	14,059
CURRENT TAX CHARGE FOR THE YEAR (see note above)	309,939	214,039

There were no factors that may affect future tax charges.

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

7. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP	
COST	
At 1 January 2013 and 31 December 2013	<u>197,905</u>
AMORTISATION	
At 1 January 2013	167,833
Charge for the year	<u>19,000</u>
At 31 December 2013	<u>186,833</u>
NET BOOK VALUE	
At 31 December 2013	<u>11,072</u>
<i>At 31 December 2012</i>	<u>30,072</u>
	Goodwill
COMPANY	£
COST	
At 1 January 2013 and 31 December 2013	<u>5</u>
NET BOOK VALUE	
At 31 December 2013	<u>5</u>
<i>At 31 December 2012</i>	<u>5</u>

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

8. TANGIBLE FIXED ASSETS

GROUP	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 January 2013	161,579	2,242,580	362,363	115,186	2,881,708
Additions	-	151,408	96,505	16,486	264,399
Disposals	-	(6,352)	(43,895)	(20,243)	(70,490)
At 31 December 2013	161,579	2,387,636	414,973	111,429	3,075,617
DEPRECIATION					
At 1 January 2013	123,482	1,461,816	189,069	86,992	1,861,359
Charge for the year	2,967	122,803	89,500	13,639	228,909
On disposals	-	(3,473)	(43,163)	(20,158)	(66,794)
At 31 December 2013	126,449	1,581,146	235,406	80,473	2,023,474
NET BOOK VALUE					
At 31 December 2013	35,130	806,490	179,567	30,956	1,052,143
At 31 December 2012	38,097	780,764	173,294	28,194	1,020,349

COMPANY	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 January 2013	161,579	2,242,580	362,363	115,186	2,881,708
Additions	-	151,408	96,505	16,486	264,399
Disposals	-	(6,352)	(43,895)	(20,243)	(70,490)
At 31 December 2013	161,579	2,387,636	414,973	111,429	3,075,617
DEPRECIATION					
At 1 January 2013	123,482	1,461,816	189,069	86,992	1,861,359
Charge for the year	2,967	122,803	89,500	13,639	228,909
On disposals	-	(3,473)	(43,163)	(20,158)	(66,794)
At 31 December 2013	126,449	1,581,146	235,406	80,473	2,023,474
NET BOOK VALUE					
At 31 December 2013	35,130	806,490	179,567	30,956	1,052,143
At 31 December 2012	38,097	780,764	173,294	28,194	1,020,349

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. FIXED ASSET INVESTMENTS

GROUP	Investments in subsidiary companies £	Unlisted investments £	Total £
COST			
At 1 January 2013	125,500	68,394	193,894
Disposals	-	(5,000)	(5,000)
At 31 December 2013	<u>125,500</u>	<u>63,394</u>	<u>188,894</u>
IMPAIRMENT			
At 1 January 2013 and 31 December 2013	<u>5,000</u>	<u>62,394</u>	<u>67,394</u>
NET BOOK VALUE			
At 31 December 2013	<u>120,500</u>	<u>1,000</u>	<u>121,500</u>
<i>At 31 December 2012</i>	<u>120,500</u>	<u>6,000</u>	<u>126,500</u>
COMPANY	Investments in subsidiary companies £	Unlisted investments £	Total £
COST			
At 1 January 2013	133,500	68,394	201,894
Disposals	-	(5,000)	(5,000)
At 31 December 2013	<u>133,500</u>	<u>63,394</u>	<u>196,894</u>
IMPAIRMENT			
At 1 January 2013 and 31 December 2013	<u>5,000</u>	<u>62,394</u>	<u>67,394</u>
NET BOOK VALUE			
At 31 December 2013	<u>128,500</u>	<u>1,000</u>	<u>129,500</u>
<i>At 31 December 2012</i>	<u>128,500</u>	<u>6,000</u>	<u>134,500</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Alcohols (North West) Limited	England & Wales	100 %	100,000 Ordinary shares of £1 each
Lang-Met Distillers Limited	England & Wales	100 %	25,000 Ordinary shares of £1 each
Langley Distillery Limited	England & Wales	100 %	5,000 Ordinary shares of £1 each
Trithin Products Limited	England & Wales	100 %	100 Ordinary shares of £1 each

Company name	Principal activity
Alcohols (North West) Limited	Dormant
Lang-Met Distillers Limited	Dormant
Langley Distillery Limited	Dormant
Trithin Products Limited	Export of chemical products

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings not consolidated were as follows:

Name	Aggregate of share capital and reserves	Profit/(loss)
	£	£
Alcohols (North West) Limited	92,011	-
Lang-Met Distillers Limited	28,500	-
Langley Distillery Limited	-	-

11. STOCKS

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Finished goods and goods for resale	1,353,434	1,656,405	1,333,401	1,502,027

12. DEBTORS

	GROUP		COMPANY	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	3,777,661	3,134,885	3,331,854	2,751,555
Other debtors	14,006	33,640	10,500	10,950
Prepayments and accrued income	337,272	390,103	251,473	389,903
	4,128,939	3,558,628	3,593,827	3,152,408

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>GROUP</u>		<u>COMPANY</u>	
	2013 £	2012 £	2013 £	2012 £
Payments received on account	130,985	186,965	126,792	129,764
Trade creditors	1,797,878	1,644,987	1,697,371	1,396,433
Amounts owed to parent undertaking	203,626	198,856	278,951	631,224
Corporation tax	216,489	223,789	201,989	169,989
Other taxation and social security	151,505	526,734	151,505	526,734
Accruals and deferred income	837,485	929,724	804,255	836,542
	<u>3,337,968</u>	<u>3,711,055</u>	<u>3,260,863</u>	<u>3,690,686</u>

14. DEFERRED TAXATION

	<u>GROUP</u>		<u>COMPANY</u>	
	2013 £	2012 £	2013 £	2012 £
At beginning of year	125,000	169,000	125,000	169,000
Charge for/(released during) the year (profit and loss account)	13,000	(44,000)	13,000	(44,000)
At end of year	<u>138,000</u>	<u>125,000</u>	<u>138,000</u>	<u>125,000</u>

The provision for deferred taxation is made up as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowances	<u>138,000</u>	<u>125,000</u>	<u>138,000</u>	<u>125,000</u>

15. SHARE CAPITAL

	2013 £	2012 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

16. RESERVES

	Profit and loss account £
GROUP	
At 1 January 2013	5,991,890
Profit for the financial year	1,280,438
Dividends: Equity capital	(120,000)
Pension reserve movement	4,000
Unrealised movement in defined benefit pension scheme surplus	(242,000)
	<hr/>
At 31 December 2013	6,914,328
	<hr/> <hr/>
COMPANY	
At 1 January 2013	5,340,593
Profit for the financial year	1,222,459
Dividends: Equity capital	(120,000)
Pension reserve movement	4,000
Unrealised movement in defined benefit pension scheme surplus	(242,000)
	<hr/>
At 31 December 2013	6,205,052
	<hr/> <hr/>

The closing balance on the profit and loss account includes a £NIL (2012: £NIL) credit, stated after deferred taxation of £NIL (2012: £NIL), in respect of pension scheme liabilities of the Group and Company pension scheme.

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP	2013	2012
	£	£
Opening shareholders' funds	5,992,890	5,512,121
Profit for the financial year	1,280,438	785,769
Dividends (Note 18)	(120,000)	(90,000)
Other recognised gains and losses during the year	(238,000)	(215,000)
	<u>6,915,328</u>	<u>5,992,890</u>
	<u>6,915,328</u>	<u>5,992,890</u>
	2013	2012
	£	£
Opening shareholders' funds	5,341,593	5,042,993
Profit for the financial year	1,222,459	603,600
Dividends (Note 18)	(120,000)	(90,000)
Pension reserve movement	4,000	(156,000)
Unrealised movement in defined benefit pension scheme surplus	(242,000)	(59,000)
	<u>6,206,052</u>	<u>5,341,593</u>
	<u>6,206,052</u>	<u>5,341,593</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £1,222,459 (2012: £603,600).

18. DIVIDENDS

	2013	2012
	£	£
Final dividends paid on equity capital of £120 (2012: £90) per share	<u>120,000</u>	<u>90,000</u>

19. CONTINGENT LIABILITIES

The company forms a VAT group with Trithin Products Limited and W H Palmer & Co (Industries) Limited and as such is jointly and severally liable for any liabilities as they fall due. No provision has been made because the directors consider that all parties have the resources to meet the liability as it falls due and it is therefore unlikely that this company will incur any additional liability. The total VAT liability not recognised in the accounts is £Nil (2012: £Nil).

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in employee owned independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £129,292 (2012: £78,292). At the year end, £75,000 (2012: £25,000) remained unpaid.

The group operates a defined benefit pension scheme.

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on equities is the sum of inflation, the dividend yield, economic growth and investment expenses. The return on gilts and bonds is the current market yield on long term gilts and bonds. The expected return on property has been set equal to the expected return on equities less an allowance for liquidity. The expected return on other assets is broadly the current interest rate set by the Bank of England.

The amounts recognised in the balance sheet are as follows:

	2013 £	2012 £
Present value of funded obligations	(5,188,000)	(5,153,000)
Fair value of scheme assets	5,551,000	5,274,000
Surplus in scheme	363,000	121,000
Surplus not recognised	(363,000)	(121,000)
Net asset recognised	-	-

The amounts recognised in profit or loss are as follows:

	2013 £	2012 £
Interest on obligation	(218,000)	(218,000)
Expected return on scheme assets	306,000	283,000
Total	88,000	65,000
Actual return on scheme assets	304,000	495,000

Movements in the present value of the defined benefit obligation were as follows:

	2013 £	2012 £
Opening defined benefit obligation	5,153,000	4,674,000
Interest cost	218,000	218,000
Actuarial loss	(6,000)	368,000
Benefits paid	(177,000)	(107,000)
Closing defined benefit obligation	5,188,000	5,153,000

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

20. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2013 £	2012 £
Opening fair value of scheme assets	5,274,000	4,736,000
Expected return on assets	306,000	283,000
Actuarial (loss)/gain	(2,000)	212,000
Contributions by employer	150,000	150,000
Benefits paid	(177,000)	(107,000)
	<u>5,551,000</u>	<u>5,274,000</u>

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of total recognised gains and losses was £715,000 (2012: £719,000).

The group expects to contribute at least £60,000 to its defined benefit pension scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
European equities	20.00 %	19.00 %
European bonds	37.00 %	38.00 %
Other	43.00 %	43.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2013	2012
Discount rate at 31 December	4.40 %	4.30 %
Expected return on scheme assets at 31 December	6.01 %	5.82 %
Future salary increases	3.00 %	3.00 %
Future pension increases	3.30 %	3.00 %
Price inflation	3.50 %	3.10 %

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

20. PENSION COMMITMENTS (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2013 £	2012 £	2011 £	2010 £	2009 £
Defined benefit obligation	(5,188,000)	(5,153,000)	(4,674,000)	(4,468,000)	(4,217,000)
Scheme assets	5,551,000	5,274,000	4,736,000	4,609,000	4,017,000
Surplus/(deficit)	<u>363,000</u>	<u>121,000</u>	<u>62,000</u>	<u>141,000</u>	<u>(200,000)</u>
Experience adjustments on scheme liabilities	(3,000)	(13,000)	109,000	(60,000)	82,000
Experience adjustments on scheme assets	<u>(2,000)</u>	<u>212,000</u>	<u>(179,000)</u>	<u>239,000</u>	<u>306,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as follows:

GROUP	Land and buildings	
	2013 £	2012 £
EXPIRY DATE:		
After more than 5 years	<u>186,456</u>	<u>186,456</u>

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

COMPANY	Land and buildings	
	2013 £	2012 £
EXPIRY DATE:		
After more than 5 years	<u>186,456</u>	<u>186,456</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

22. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	1,529,335	1,405,140
Social security costs	177,527	164,182
Other pension costs (Note 20)	130,850	79,850
	<u>1,837,712</u>	<u>1,649,172</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Administration and management	7	7
Operational, selling and distribution	37	39
	<u>44</u>	<u>46</u>

23. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>271,814</u>	<u>262,370</u>
Group pension contributions to money purchase pension schemes	<u>80,213</u>	<u>19,812</u>

During the year retirement benefits were accruing to 2 directors (2012: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £147,013 (2012: £140,262).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £65,976 (2012: £10,476).

During the year retirement benefits were accruing to 2 directors (2012: 2) in respect of defined benefit pension schemes.

The accrued entitlement under defined benefit pension schemes in respect of the highest paid director amounted to £47,909 (2012: £46,763) per annum.

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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 Charringtons House, The Causeway, Bishop's Stortford, Hertfordshire, CM23 2ER.