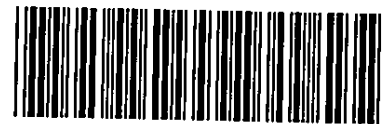


ALCOHOLS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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ALCOHOLS LIMITED

COMPANY INFORMATION

DIRECTORS	A J Wallis R H Ling
COMPANY SECRETARY	R H Ling
COMPANY NUMBER	547325
REGISTERED OFFICE	Charringtons House The Causeway Bishop's Stortford Hertfordshire CM23 2ER
AUDITORS	FW Stephens Chartered Accountants and Registered Auditors Third Floor 24 Chiswell Street London EC1Y 4YX
BANKERS	National Westminster Bank plc 134 Aldersgate Street London EC1A 4LD
SOLICITORS	Whitehouse Gibson & Alton 29 Abbeville Road Clapham London SW4 9LA

ALCOHOLS LIMITED

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ALCOHOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

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

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

BUSINESS REVIEW

Group turnover for the year decreased from £18,791,954 in 2008 to £18,656,931. Margins were maintained despite coming under constant threat throughout the year whilst operating costs where possible were controlled. This resulted in a consolidated profit for the year after taxation of £610,734 down from £611,186 in 2008. After taking into account the actuarial loss related to the pension scheme the total recognised gain for the year was £381,734 (2008 £522,186)

During the year the group's Occupational Health and Safety Management System attained full accreditation and alongside the existing Quality Management System and Environmental Management System supports our activities and enhances customer service whilst protecting employees, the public and the environment

Despite the negative outlook for the economy the directors remain optimistic about the group's future

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £610,734 (2008 . £611,186)

Ordinary dividends were paid amounting to £70,000 (2008 £60,000)

PRINCIPAL RISKS

Commercial Risks

The principal risks facing the business include volatile raw material prices and availability, currency exchange rates, competitor activity and legislation. Costs outside our immediate control such as fuel and power can also have a negative effect on the group's performance. The group continues to abide with legislation in all respects. However, the relentless onslaught of bureaucracy and regulation by the authorities appears to be with a total disregard for decent hardworking companies, their directors and managers and the problems they create with what at times appears to be for little purpose other than making life as difficult as possible whilst giving most benefit and protection to society's malingers and those least deserving

Financial Risks

Maintaining margins whilst containing operating costs are the major risks. Poor returns on pension scheme assets are also a significant risk despite the group suspending accrual of benefit in 2003 and replacing our defined benefit scheme with a defined contribution scheme. New customers are assessed for credit risk and credit limits applied where necessary. Existing customers are reassessed when considered necessary. A meagre return on the group's cash reserves due to low interest rates has resulted in a reduction of income compared to recent years

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

ALCOHOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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

FUTURE DEVELOPMENTS

The group will continue to concentrate on further development of its core activities of chemical distribution both in the UK and overseas and gin distillation by expansion resulting from its marketing strategy or acquisition of any business complimentary to its core activities

DIRECTORS

The directors who served during the year were

A J Wallis
R H Ling

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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.

ALCOHOLS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

PROVISION 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 information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

This report was approved by the board on 19th May 2010 and signed on its behalf



R H Ling
Secretary

ALCOHOLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Alcohols Limited for the year ended 31 December 2009, 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 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 Statement of directors' responsibilities, 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 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.

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 2009 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 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

Stephen Tanner BSc (Econ) FCA (Senior statutory auditor)

for and on behalf of

FW STEPHENS

Chartered Accountants and Registered Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date *21st May, 2010*

ALCOHOLS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	18,656,931	18,791,954
Cost of sales		<u>(14,377,168)</u>	<u>(14,625,170)</u>
GROSS PROFIT		4,279,763	4,166,784
Selling and distribution costs		(2,700,751)	(2,705,903)
Administrative expenses		<u>(805,557)</u>	<u>(736,847)</u>
OPERATING PROFIT	3	773,455	724,034
Interest receivable		15,571	56,419
Other finance income	4	<u>(7,000)</u>	<u>22,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		782,026	802,453
Tax on profit on ordinary activities	5	<u>(171,292)</u>	<u>(191,267)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>610,734</u></u>	<u><u>611,186</u></u>

All amounts relate to continuing operations

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

ALCOHOLS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
PROFIT FOR THE FINANCIAL YEAR		610,734	611,186
Actuarial loss related to pension scheme	19	(254,000)	(72,000)
Deferred tax attributable to actuarial loss	19	<u>25,000</u>	<u>(17,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>381,734</u>	<u>522,186</u>

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

ALCOHOLS LIMITED
REGISTERED NUMBER: 547325

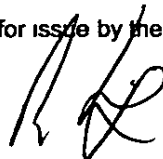
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	6		87,072		106,072
Tangible fixed assets	7		1,105,226		1,153,471
Fixed asset investments	8		126,500		126,500
			<u>1,318,798</u>		<u>1,386,043</u>
CURRENT ASSETS					
Stocks	10	1,374,058		1,422,101	
Debtors	11	2,925,021		3,050,606	
Cash at bank and in hand		2,347,261		1,657,502	
			<u>6,646,340</u>		<u>6,130,209</u>
CREDITORS: amounts falling due within one year	12		<u>(2,990,218)</u>		<u>(2,920,066)</u>
NET CURRENT ASSETS			<u>3,656,122</u>		<u>3,210,143</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,974,920</u>		<u>4,596,186</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(155,000)</u>		<u>(154,000)</u>
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>4,819,920</u>		<u>4,442,186</u>
Defined benefit pension scheme liability	19		<u>(144,000)</u>		<u>(78,000)</u>
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>4,675,920</u>		<u>4,364,186</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Profit and loss account	15		4,674,920		4,363,186
SHAREHOLDERS' FUNDS	16		<u>4,675,920</u>		<u>4,364,186</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

19th May 2010

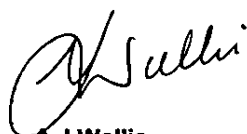
The notes on pages 10 to 25 form part of these financial statements

ALCOHOLS LIMITED
REGISTERED NUMBER: 547325

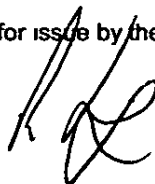
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	6		5		5
Tangible fixed assets	7		1,105,226		1,153,471
Fixed asset investments	8		134,500		134,500
			<u>1,239,731</u>		<u>1,287,976</u>
CURRENT ASSETS					
Stocks	10	1,328,156		1,378,584	
Debtors	11	2,804,267		2,633,804	
Cash at bank and in hand		2,187,765		1,581,692	
			<u>6,320,188</u>		<u>5,594,080</u>
CREDITORS: amounts falling due within one year	12		<u>(3,017,546)</u>		<u>(2,593,029)</u>
NET CURRENT ASSETS			<u>3,302,642</u>		<u>3,001,051</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,542,373</u>		<u>4,289,027</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	13		<u>(155,000)</u>		<u>(154,000)</u>
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>4,387,373</u>		<u>4,135,027</u>
Defined benefit pension scheme liability	19		<u>(144,000)</u>		<u>(78,000)</u>
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>4,243,373</u>		<u>4,057,027</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Profit and loss account	15		4,242,373		4,056,027
SHAREHOLDERS' FUNDS	16		<u>4,243,373</u>		<u>4,057,027</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

19th May 2010

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 2009

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 group, 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 8 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 comprises revenue recognised by the group in respect of goods and services supplied, exclusive of Value Added Tax, excise duties and trade discounts

1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION

Acquired goodwill is written off in equal instalments over its estimated useful 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
Furniture, fittings and equipment	-	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 2009**

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 an operating 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

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

Defined contribution pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

Defined benefit pensions

The operating costs of providing retirement benefits to employees are recognised in the accounting period in which the benefits are earned by the employees and the related finance costs of any other changes in the value of the assets and liabilities are recognised in the accounting period in which they arise in accordance with FRS17

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

2 TURNOVER

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

A geographical analysis of turnover is as follows

	2009 £	2008 £
United Kingdom	14,161,503	15,238,344
Rest of world	4,495,428	3,553,610
	<u>18,656,931</u>	<u>18,791,954</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2009 £	2008 £
Amortisation - intangible fixed assets	19,000	19,000
Depreciation of tangible fixed assets		
- owned by the group	183,295	172,506
Auditors' remuneration	30,200	28,200
Operating lease rentals		
- other operating leases	176,580	173,016
Difference on foreign exchange	16,720	(307,920)
	<u>176,580</u>	<u>173,016</u>

Auditors fees for the company were £25,100 (2008 £23,200)

4. OTHER FINANCE INCOME

	2009 £	2008 £
Expected return on pension scheme assets	216,000	254,000
Interest on pension scheme liabilities	(223,000)	(232,000)
	<u>(7,000)</u>	<u>22,000</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

5. TAXATION

	2009 £	2008 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	172,000	183,598
Adjustments in respect of prior periods	(1,708)	(331)
TOTAL CURRENT TAX	170,292	183,267
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	1,000	8,000
TAX ON PROFIT ON ORDINARY ACTIVITIES	171,292	191,267

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2008 lower than) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	782,026	802,453
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28%)	218,967	224,687
EFFECTS OF:		
Expenses not deductible for tax purposes	4,666	4,238
Depreciation for year in excess of capital allowances	4,200	(4,670)
Adjustments to tax charge in respect of prior periods	(1,708)	(331)
Pension contributions paid	(47,600)	(28,000)
Pensions Scheme Finance Income	1,960	(6,160)
Chargeable disposals	(4,181)	(3,812)
Other tax adjustments	(6,012)	(2,685)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	170,292	183,267

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

6. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP	
COST	
At 1 January 2009 and 31 December 2009	197,905
AMORTISATION	
At 1 January 2009	91,833
Charge for the year	19,000
At 31 December 2009	110,833
NET BOOK VALUE	
At 31 December 2009	87,072
At 31 December 2008	106,072
COMPANY	Goodwill £
COST	
At 1 January 2009 and 31 December 2009	5
NET BOOK VALUE	
At 31 December 2009	5
At 31 December 2008	5

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7 TANGIBLE FIXED ASSETS

GROUP	Land and buildings £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
COST					
At 1 January 2009	161,579	2,330,174	261,393	295,542	3,048,688
Additions	-	40,517	83,866	11,434	135,817
Disposals	-	(27,060)	(59,600)	-	(86,660)
At 31 December 2009	161,579	2,343,631	285,659	306,976	3,097,845
DEPRECIATION					
At 1 January 2009	103,051	1,405,797	128,131	258,238	1,895,217
Charge for the year	5,623	109,449	54,315	13,908	183,295
On disposals	-	(26,685)	(59,208)	-	(85,893)
At 31 December 2009	108,674	1,488,561	123,238	272,146	1,992,619
NET BOOK VALUE					
At 31 December 2009	52,905	855,070	162,421	34,830	1,105,226
<i>At 31 December 2008</i>	<i>58,528</i>	<i>924,377</i>	<i>133,262</i>	<i>37,304</i>	<i>1,153,471</i>
COMPANY					
COST					
At 1 January 2009	161,579	2,330,174	261,393	293,543	3,046,689
Additions	-	40,517	83,866	11,434	135,817
Disposals	-	(27,060)	(59,600)	-	(86,660)
At 31 December 2009	161,579	2,343,631	285,659	304,977	3,095,846
DEPRECIATION					
At 1 January 2009	103,051	1,405,797	128,131	256,239	1,893,218
Charge for the year	5,623	109,449	54,315	13,908	183,295
On disposals	-	(26,685)	(59,208)	-	(85,893)
At 31 December 2009	108,674	1,488,561	123,238	270,147	1,990,620
NET BOOK VALUE					
At 31 December 2009	52,905	855,070	162,421	34,830	1,105,226
<i>At 31 December 2008</i>	<i>58,528</i>	<i>924,377</i>	<i>133,262</i>	<i>37,304</i>	<i>1,153,471</i>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8. FIXED ASSET INVESTMENTS

GROUP	Shares in group undertakings £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2009	125,500	63,669	189,169
Additions	-	4,725	4,725
At 31 December 2009	<u>125,500</u>	<u>68,394</u>	<u>193,894</u>
IMPAIRMENT			
At 1 January 2009	5,000	57,669	62,669
Charge for the year	-	4,725	4,725
At 31 December 2009	<u>5,000</u>	<u>62,394</u>	<u>67,394</u>
NET BOOK VALUE			
At 31 December 2009	<u>120,500</u>	<u>6,000</u>	<u>126,500</u>
At 31 December 2008	<u>120,500</u>	<u>6,000</u>	<u>126,500</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the group

Name	Class of shares	Holding
Alcohols (North West) Limited	Ordinary	100%
Lang-Met Distillers Limited	Ordinary	100%
Langley Distillery Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2009 and of the profit or loss for the year ended on that date for the subsidiary undertakings 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	-	-
	<u>120,511</u>	<u>-</u>

The subsidiary companies listed above have remained dormant and their results have accordingly not been included within the group financial statements

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8 FIXED ASSET INVESTMENTS (continued)

COMPANY	Shares in group undertakings £	Unlisted investments £	Total £
COST OR VALUATION			
At 1 January 2009	133,500	63,669	197,169
Additions	-	4,725	4,725
At 31 December 2009	<u>133,500</u>	<u>68,394</u>	<u>201,894</u>
IMPAIRMENT			
At 1 January 2009	5,000	57,669	62,669
Charge for the year	-	4,725	4,725
At 31 December 2009	<u>5,000</u>	<u>62,394</u>	<u>67,394</u>
NET BOOK VALUE			
At 31 December 2009	<u>128,500</u>	<u>6,000</u>	<u>134,500</u>
At 31 December 2008	<u>128,500</u>	<u>6,000</u>	<u>134,500</u>

The dormant subsidiary undertakings included within the company balance sheet are detailed in Note 8 on page 16

Details of the company's other principal subsidiary undertaking is disclosed in note 9

9. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Tnthin Products Limited	England & Wales	100 00	Ordinary

The principal activity of Tnthin Products Limited is the export of chemical products

10. STOCKS

	GROUP		COMPANY	
	2009 £	2008 £	2009 £	2008 £
Finished goods and goods for resale	<u>1,374,058</u>	<u>1,422,101</u>	<u>1,328,156</u>	<u>1,378,584</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

11 DEBTORS

	<u>GROUP</u>		<u>COMPANY</u>	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	2,739,315	2,858,430	2,621,610	2,455,756
Other debtors	2,585	17,128	-	3,000
Prepayments and accrued income	183,121	175,048	182,657	175,048
	<u>2,925,021</u>	<u>3,050,606</u>	<u>2,804,267</u>	<u>2,633,804</u>

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

	<u>GROUP</u>		<u>COMPANY</u>	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	1,824,289	1,601,942	1,702,495	1,474,634
Amounts owed to group undertakings	202,908	238,615	584,733	274,639
Corporation tax	171,989	183,587	78,489	80,489
Social security and other taxes	272,889	350,568	272,889	350,568
Accruals and deferred income	518,143	545,354	378,940	412,699
	<u>2,990,218</u>	<u>2,920,066</u>	<u>3,017,546</u>	<u>2,593,029</u>

13 DEFERRED TAXATION

	<u>GROUP</u>		<u>COMPANY</u>	
	2009 £	2008 £	2009 £	2008 £
At beginning of year	154,000	146,000	154,000	146,000
Charge for the year	1,000	8,000	1,000	8,000
At end of year	<u>155,000</u>	<u>154,000</u>	<u>155,000</u>	<u>154,000</u>

The provision for deferred taxation is made up as follows

	<u>GROUP</u>		<u>COMPANY</u>	
	2009 £	2008 £	2009 £	2008 £
Accelerated capital allowances	<u>155,000</u>	<u>154,000</u>	<u>155,000</u>	<u>154,000</u>

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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14. SHARE CAPITAL

	2009 £	2008 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

15. RESERVES

	Profit and loss account £
GROUP	
At 1 January 2009	4,363,186
Profit for the year	610,734
Dividends Equity capital	(70,000)
Pension reserve movement	(229,000)
	<hr/>
At 31 December 2009	<u>4,674,920</u>
	Profit and loss account £
COMPANY	
At 1 January 2009	4,056,027
Profit for the year	485,346
Dividends Equity capital	(70,000)
Pension reserve movement	(229,000)
	<hr/>
At 31 December 2009	<u>4,242,373</u>

The closing balance on the Profit and loss account includes a £144,000 (2008 £78,000) debit, stated after deferred taxation of £56,000 (2008 £31,000), in respect of pension scheme liabilities of the Group and Company pension scheme

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
GROUP		
Opening shareholders' funds	4,364,186	3,902,000
Profit for the year	610,734	611,186
Dividends (Note 17)	(70,000)	(60,000)
Other recognised gains and losses during the year	(229,000)	(89,000)
	<u>4,675,920</u>	<u>4,364,186</u>

	2009	2008
	£	£
COMPANY		
Opening shareholders' funds	4,057,027	3,762,381
Profit for the year	485,346	443,646
Dividends (Note 17)	(70,000)	(60,000)
Other recognised gains and losses during the year	(229,000)	(89,000)
	<u>4,243,373</u>	<u>4,057,027</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 £485,346 (2008 £443,646)

17. DIVIDENDS

	2009	2008
	£	£
Dividends paid on equity capital of £70 (2008 £60) per share	<u>70,000</u>	<u>60,000</u>

18. DEFINED CONTRIBUTION PENSION COSTS

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 £47,937 (2008 £46,480)

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. DEFINED BENEFIT PENSION COSTS

The group operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the group, being invested with life assurance companies

The pension costs charge represents contributions payable by the group to the fund and amounted to £NIL (2008 £NIL)

The amounts for the year ended 31 December 2009, relating to pensions, are based on a full actuarial valuation and updated by the scheme actuary to 31 December 2009 for the purposes of FRS 17. The latest full actuarial valuation was completed as at 1 June 2008 and showed a past service surplus of £86,000

As accrual of benefit for future services was suspended from 1 September 2003 to protect benefit earned by scheme members up to that date the actuary has advised there is no further contribution rate. However, since the last valuation date the value of the scheme's assets has considerably reduced in line with the stock market. Consequently the company has agreed with the scheme's trustees to make contributions at a minimum rate of £60,000 per annum, to include the cost of Death in Service premiums, with effect from 1 January 2009

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

	2009	2008
	£	£
Present value of funded obligations	(4,217,000)	(3,527,000)
Fair value of scheme assets	4,017,000	3,418,000
	<hr/>	<hr/>
Deficit in scheme	(200,000)	(109,000)
Deficit	(200,000)	(109,000)
Related deferred tax asset	56,000	31,000
	<hr/>	<hr/>
Net liability	(144,000)	(78,000)
	<hr/> <hr/>	<hr/> <hr/>

THE AMOUNTS RECOGNISED IN THE PROFIT AND LOSS ACCOUNT ARE AS FOLLOWS

	2009	2008
	£	£
Interest on obligation	(223,000)	(232,000)
Expected return on scheme assets	216,000	254,000
	<hr/>	<hr/>
Total	(7,000)	22,000
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	522,000	(516,000)
	<hr/> <hr/>	<hr/> <hr/>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

19. DEFINED BENEFIT PENSION COSTS (continued)

CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS ARE AS FOLLOWS

	2009	2008
	£	£
Opening defined benefit obligation	3,527,000	4,078,000
Interest cost	223,000	232,000
Actuarial (Losses)/gains	560,000	(698,000)
Benefits paid	(93,000)	(85,000)
	<hr/>	<hr/>
Closing defined benefit obligation	4,217,000	3,527,000
	<hr/> <hr/>	<hr/> <hr/>

CHANGES IN THE FAIR VALUE OF SCHEME ASSETS ARE AS FOLLOWS.

	2009	2008
	£	£
Opening fair value of scheme assets	3,418,000	3,919,000
Expected return	216,000	254,000
Actuarial gains and (losses)	306,000	(770,000)
Contributions by employer	170,000	100,000
Benefits paid	(93,000)	(85,000)
	<hr/>	<hr/>
	4,017,000	3,418,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(423,000) (2008 £(169,000))

The group expects to contribute £100,000 to the scheme in 2010

THE MAJOR CATEGORIES OF SCHEME ASSETS AS A PERCENTAGE OF TOTAL SCHEME ASSETS ARE AS FOLLOWS

	2009	2008
European equities	33.00 %	53 00 %
European bonds	38.00 %	34 00 %
Other	29.00 %	13 00 %

PRINCIPAL ACTUARIAL ASSUMPTIONS AT THE BALANCE SHEET DATE (EXPRESSED AS WEIGHTED AVERAGE) ARE AS FOLLOWS

	2009	2008
Discount rate at 31 December	5.60 %	6 40 %
Expected return on scheme assets at 31 December	6.46 %	6 26 %
Future salary increases	3.00 %	3 00 %
Future pension increases	3.65 %	2 75 %
Price inflation	3.70 %	2 75 %

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

19. DEFINED BENEFIT PENSION COSTS (continued)

AMOUNTS FOR THE CURRENT AND PREVIOUS FOUR PERIODS ARE AS FOLLOWS

Defined benefit pension schemes

	2009 £	2008 £	2007 £	2006 £	2005 £
Defined benefit obligation	(4,217,000)	(3,527,000)	(4,078,000)	(4,135,000)	(4,417,000)
Scheme assets	4,017,000	3,418,000	3,919,000	3,717,000	3,494,000
Deficit	(200,000)	(109,000)	(159,000)	(418,000)	(923,000)
Experience adjustments on scheme liabilities	82,000	(71,000)	-	(59,000)	(224,000)
Experience adjustments on scheme assets	306,000	(770,000)	(36,000)	443,000	345,000

20. OPERATING LEASE COMMITMENTS

At 31 December 2009 the group had annual commitments under non-cancellable operating leases as follows

GROUP	Land and buildings	
	2009 £	2008 £
EXPIRY DATE:		
Between 2 and 5 years	93,596	93,596
After more than 5 years	72,700	72,700

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

21 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

GROUP

	2009 £	2008 £
Wages and salaries	1,171,611	1,158,040
Social security costs	135,585	131,322
Other pension costs (Note 19)	49,495	48,097
	<u>1,356,691</u>	<u>1,337,459</u>

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

	2009 No.	2008 No.
Administration and management	8	7
Operational, selling and distribution	32	32
	<u>40</u>	<u>39</u>

22 DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments	<u>239,941</u>	<u>229,171</u>
Group pension contributions to money purchase pension schemes	<u>18,487</u>	<u>17,949</u>

During the year retirement benefits were accruing to 2 directors (2008 2) in respect of money purchase pension schemes

The highest paid director received emoluments of £128,139 (2008 £122,156) per annum

The value of the group's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £9,775 (2008 £9,491)

The accrued entitlement under defined benefit pension schemes in respect of the highest paid director amounted to £43,493 (2008 £42,541) per annum

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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