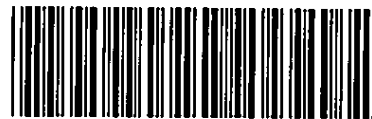


Company Registration No. 547325 (England and Wales)

**ALCOHOLS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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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>	Charringtons House The Causeway Bishop's Stortford Hertfordshire CM23 2ER
<b>Auditors</b>	FW Stephens 24 Chiswell Street London EC1Y 4YX
<b>Bankers</b>	National Westminster Bank plc 134 Aldersgate Street London EC1A 4LD
<b>Solicitors</b>	Whitehouse Gibson & Alton 29 Abbeville Road Clapham London SW4 9LA

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# ALCOHOLS LIMITED

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# ALCOHOLS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2006

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The directors present their report and financial statements for the year ended 31 December 2006

#### Principal activities and review of the business

The principal activities of the company 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

Turnover for the year increased from £10,328,848 to £11,540,107. The profit for the year after taxation was £159,614 down from £274,413 which reflects the difficulty experienced in trying to pass on increased producer prices, higher distribution and energy costs and the burden of complying with the demands put on the company by legislation. Product quality and customer service levels remain top priority which are supported by the company's quality, environmental and health and safety management systems. After taking into account the actuarial gain on pension scheme assets the total recognised gain for the year was £420,614 against a recognised loss of £208,587 in 2005. Despite difficult trading conditions the directors remain optimistic about the company's future.

The results for the year and the financial position at the year end were considered satisfactory by the directors having regard to trading conditions.

#### Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £105,000 (2005 £105,000).

#### Future developments

The company 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 complementary to its core activities.

#### Directors

The following directors have held office since 1 January 2006:

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 2006	1 January 2006
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.

# ALCOHOLS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **Auditors**

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

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

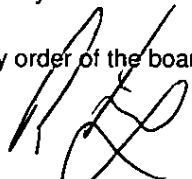
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



R H Ling  
**Secretary**  
1 May 2007

# **ALCOHOLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF ALCOHOLS LIMITED**

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We have audited the financial statements of Alcohols Limited for the year ended 31 December 2006 set out on pages 5 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# ALCOHOLS LIMITED

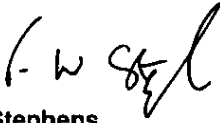
## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

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### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**FW Stephens**

1 May 2007

Chartered Accountants  
**Registered Auditor**

24 Chiswell Street  
London  
EC1Y 4YX

# ALCOHOLS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

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	Notes	2006 £	2005 £
<b>Turnover</b>	<b>2</b>	11,540,107	10,328,848
Cost of sales		(8,661,881)	(7,328,220)
<b>Gross profit</b>		2,878,226	3,000,628
Distribution costs		(2,191,555)	(2,173,030)
Administrative expenses		(690,866)	(680,722)
Other operating income		100,000	100,000
<b>Operating profit</b>	<b>3</b>	95,805	246,876
Investment income	<b>4</b>	25,000	-
Other interest receivable and similar income	<b>4</b>	55,709	75,731
<b>Profit on ordinary activities before taxation</b>		176,514	322,607
Tax on profit on ordinary activities	<b>5</b>	(16,900)	(48,194)
<b>Profit for the year</b>	<b>17</b>	159,614	274,413

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



# ALCOHOLS LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

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	Notes	2006 £	2005 £
<b>Profit for the financial year</b>		159,614	274,413
Actuarial gain/(loss) on pension scheme		413,000	(592,000)
Movement on deferred tax relating to pension liability		(152,000)	126,000
<b>Total recognised gains and losses relating to the year</b>		<u>420,614</u>	<u>(191,587)</u>
Prior year adjustment	17	-	(17,000)
<b>Total gains and losses recognised since last financial statements</b>		<u><u>420,614</u></u>	<u><u>(208,587)</u></u>

# ALCOHOLS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006		2005	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		5		5
Tangible assets	8		1,195,934		1,272,797
Investments	9		129,500		129,500
			<u>1,325,439</u>		<u>1,402,302</u>
<b>Current assets</b>					
Stocks	10	1,084,452		903,654	
Debtors	11	2,271,844		2,102,616	
Cash at bank and in hand		1,174,645		1,076,254	
		<u>4,530,941</u>		<u>4,082,524</u>	
<b>Creditors, amounts falling due within one year</b>	12	<u>(2,030,151)</u>		<u>(1,635,211)</u>	
<b>Net current assets</b>			<u>2,500,790</u>		<u>2,447,313</u>
<b>Total assets less current liabilities</b>			<u>3,826,229</u>		<u>3,849,615</u>
<b>Provisions for liabilities</b>	13		<u>(152,000)</u>		<u>(138,000)</u>
			<u>3,674,229</u>		<u>3,711,615</u>
<b>Pension scheme liability</b>			<u>(293,000)</u>		<u>(646,000)</u>
			<u>3,381,229</u>		<u>3,065,615</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss account	17		3,380,229		3,064,615
<b>Shareholders' funds</b>	18		<u>3,381,229</u>		<u>3,065,615</u>

Approved by the Board and authorised for issue on 1 May 2007

  
A J Wallis  
Director

  
R H Ling  
Director

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

---

### 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 financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

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

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

#### 1.5 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%, 20% and 25% per annum
Fixtures, fittings & equipment	15%, 20% and 25% per annum
Motor vehicles	20%, 25% and 33 1/3% per annum

#### 1.6 Leasing

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

#### 1.7 Investments

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

#### 1.8 Stock

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

#### 1.9 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

#### 1.10 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 (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 1 Accounting policies

(continued)

#### 1.11 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. This is in accordance with FRS 19.

#### 1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.13 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	
	2006	2005
	£	£
United Kingdom	10,370,542	9,099,513
Rest of the world	1,169,565	1,229,335
	<u>11,540,107</u>	<u>10,328,848</u>

### 3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	175,980	140,188
Loss on foreign exchange transactions	669	172
Operating lease rentals	174,725	168,835
Auditors' remuneration	22,400	21,700
and after crediting		
Profit on disposal of tangible assets	<u>(3,322)</u>	<u>(8,000)</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

4	Investment income	2006 £	2005 £
	Income from shares in group undertakings	25,000	-
	Bank interest	43,709	61,731
	Pension scheme finance income	12,000	14,000
		<u>55,709</u>	<u>75,731</u>
5	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U K corporation tax	2,900	-
	Adjustment for prior years	-	(42,806)
	<b>Current tax charge</b>	<u>2,900</u>	<u>(42,806)</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	14,000	91,000
		<u>16,900</u>	<u>48,194</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>176,514</u>	<u>322,607</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	<u>52,954</u>	<u>96,782</u>
	Effects of		
	Non deductible expenses	1,635	8,434
	Depreciation add back	52,794	42,056
	Capital allowances	(66,728)	(116,885)
	Tax losses utilised	-	(3,593)
	Pension contributions paid	(24,000)	(48,000)
	Pension Scheme Finance Income	(3,600)	(4,200)
	Chargeable disposals	(997)	(2,400)
	Dividends and distributions received	(7,500)	-
	Other tax adjustments	(1,658)	(15,000)
		<u>(50,054)</u>	<u>(139,588)</u>
	<b>Current tax charge</b>	<u>2,900</u>	<u>(42,806)</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

<b>6</b>	<b>Dividends</b>					<b>2006</b>	<b>2005</b>
						<b>£</b>	<b>£</b>
	Ordinary interim paid					105,000	105,000
<b>7</b>	<b>Intangible fixed assets</b>						<b>Goodwill</b>
							<b>£</b>
	<b>Cost</b>						
	At 1 January 2006 & at 31 December 2006						5
	<b>Net book value</b>						
	At 31 December 2006						5
	At 31 December 2005						5
<b>8</b>	<b>Tangible fixed assets</b>						<b>Total</b>
		<b>Land and buildings short lease</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>		<b>£</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		
	<b>Cost</b>						
	At 1 January 2006	161,579	2,128,006	248,656	242,364		2,780,605
	Additions	-	89,648	2,464	14,108		106,220
	Disposals	-	-	-	(28,847)		(28,847)
	At 31 December 2006	161,579	2,217,654	251,120	227,625		2,857,978
	<b>Depreciation</b>						
	At 1 January 2006	86,182	1,062,943	230,706	127,977		1,507,808
	On disposals	-	-	-	(21,744)		(21,744)
	Charge for the year	5,623	117,482	9,147	43,728		175,980
	At 31 December 2006	91,805	1,180,425	239,853	149,961		1,662,044
	<b>Net book value</b>						
	At 31 December 2006	69,774	1,037,229	11,267	77,664		1,195,934
	At 31 December 2005	75,397	1,065,063	17,950	114,387		1,272,797

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 9 Fixed asset investments

	Unlisted investments	Shares in group undertakings	Total
	£	£	£
<b>Cost</b>			
At 1 January 2006 & at 31 December 2006	58,669	133,500	192,169
<b>Provisions for diminution in value</b>			
At 1 January 2006 & at 31 December 2006	57,669	5,000	62,669
<b>Net book value</b>			
At 31 December 2006	1,000	128,500	129,500
At 31 December 2005	1,000	128,500	129,500

#### 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 00
Lang-Met Distillers Limited	England & Wales	Ordinary	100 00
Langley Distillery Limited	England & Wales	Ordinary	100 00
Trithin Products Limited	England & Wales	Ordinary	100 00

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
	Principal activity	2006	2006
		£	£
Alcohols (North West) Limited	Dormant	92,011	-
Lang-Met Distillers Limited	Dormant	28,500	-
Langley Distillery Limited	Dormant	-	-
Trithin Products Limited	Exporter of chemical products	78,316	42,195

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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10 Stocks	2006	2005
	£	£
Finished goods and goods for resale	1,084,452	903,654

11 Debtors	2006	2005
	£	£
Trade debtors	1,860,895	1,716,420
Amounts owed by subsidiary undertakings	247,298	177,551
Corporation tax	-	42,806
Other debtors	-	6,073
Prepayments and accrued income	163,651	159,766
	<u>2,271,844</u>	<u>2,102,616</u>

12 Creditors' amounts falling due within one year	2006	2005
	£	£
Trade creditors	1,158,653	1,026,134
Amounts owed to parent undertaking	179,819	-
Amounts owed to subsidiary undertakings	120,511	120,511
Corporation tax	2,986	1,793
Other taxes and social security costs	280,731	189,439
Accruals and deferred income	287,451	297,334
	<u>2,030,151</u>	<u>1,635,211</u>



# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

---

### 13 Provisions for liabilities and charges

	<b>Deferred tax liability</b> £
Balance at 1 January 2006	138,000
Profit and loss account	14,000
	<hr/>
Balance at 31 December 2006	152,000
	<hr/> <hr/>

#### The deferred tax liability is made up as follows

	<b>2006</b> £	<b>2005</b> £
Accelerated capital allowances	152,000	138,000
	<hr/> <hr/>	<hr/> <hr/>

## ALCOHOLS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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#### 14 Defined benefit pension costs

The company operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the company, being invested with life assurance companies.

The pension cost is assessed in accordance with FRS 17, Retirement Benefits, based on triennial valuations on the advice of an independently qualified actuary using the attained age funding method. The latest triennial actuarial valuation was as at 1st June 2005. However for the purposes of these financial statements the actuarial valuation has been updated by the actuary to reflect the position as at 31 December 2006.

The principal assumptions used were that, in the long term, the investment return before retirement will be 6.75% per annum and the investment return after retirement will be 5% per annum, that pensionable salary increases are restricted to a maximum of 3% per annum and that current employees' pensions up to pensionable age would increase with commensurate benefit.

The valuation also indicated that the market value of the scheme assets was £3.083m and that the actuarial value of those assets represented 90% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

As accrual of benefit for future service was suspended from 1st September 2003 to protect benefit earned by scheme members up to that date the actuary has advised there is no future contribution rate. However, to remove the past service deficit over a period of 10 years the actuary has recommended a minimum fixed rate contribution of £47,000 per annum plus the cost of Death in Service insurance premiums with effect from 1st January 2006.

The company made scheme contributions of £80,000 during 2006 (2005: £160,000).

#### FRS 17, Retirement benefits, disclosures

The valuation has been based on the most recent actuarial valuation as at 1st June 2005 and updated by the scheme actuary to 31st December 2006 for the purposes of FRS 17.

The principal actuarial assumptions were as follows:

	2006 %
<b>The main financial assumptions are as follows:</b>	
Rate of increase in salaries	3.00
Rate of increase in pensions in payment	3.00
Rate of increase of deferred pensions	3.00
Discount rate	5.25
Inflation assumption	3.00

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# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 14 Defined benefit pension costs (continued)

	2006 £'000s	2005 £'000s	2004 £'000s	2003 £'000s
<b>The assets and liabilities in the scheme are as follows.</b>				
Fair value of scheme assets	3,717	3,494	2,878	2,674
Present value of scheme liabilities	(4,135)	(4,417)	(3,383)	(3,062)
Deficit in scheme	(418)	(923)	(505)	(388)
Related deferred tax asset	125	277	151	116
Net pension liability	<u>(293)</u>	<u>(646)</u>	<u>(354)</u>	<u>(272)</u>

The principal assumptions used by the actuary have been chosen from a range of possible assumptions which, due to volatile equity and financial markets, may not necessarily be borne out in practice. The actuary regularly changes his assumptions which has resulted in significant fluctuations to the deficit he has reported in recent years.

The market value of the scheme's assets, which are not intended to be realised in the short term, may be subject to significant change before they are realised. The present value of the scheme's liabilities are derived from long term projections and are therefore inherently uncertain.

#### Analysis of the amount charged to operating profit

	2006 £'000s	2005 £'000s
Current service cost	-	-
Past service cost	-	-
Total operating charge	<u>-</u>	<u>-</u>

#### Analysis of the amount credited to other finance income

	2006 £'000s	2005 £'000s
Expected return on pension scheme assets	219	190
Interest on pension scheme liabilities	(207)	(176)
Net return	<u>12</u>	<u>14</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 14 Defined benefit pension costs

(continued)

#### Analysis of amount recognised in the statement of recognised gains and losses

	2006 £'000s	2005 £'000s
Actual return less expected return on pension scheme assets	29	345
Experience gains and losses arising on the scheme liabilities	(59)	(224)
Changes in assumptions underlying the present value of the scheme liabilities	443	(713)
	<hr/>	<hr/>
Total amount of actuarial losses recognised on the statement of recognised gains and losses	413	(592)
	<hr/> <hr/>	<hr/> <hr/>

#### Movement in scheme's deficit during the year

	2006 £'000s	2005 £'000s
(Deficit) in scheme at beginning of the year	(923)	(505)
Movement in year		
Contributions	80	160
Other finance income	12	14
Actuarial (loss)/gain	413	(592)
	<hr/>	<hr/>
(Deficit) in scheme at end of year	(418)	(923)
	<hr/> <hr/>	<hr/> <hr/>

#### History of experience gains and losses

	2006 £'000s	2005 £'000s	2004 £'000s	2003 £'000s
<b>Experience gains and losses on scheme assets:</b>				
Amount	29	345	(69)	238
Percentage of scheme assets	1%	10%	(2%)	9%
<b>Experience gains and losses on scheme liabilities:</b>				
Amount	(59)	(224)	17	52
Percentage of scheme assets	(1%)	(5%)	1%	2%
<b>Total amount recognised in the statement of total recognised gains and losses</b>				
Amount	413	(592)	(301)	282
Percentage of scheme assets	10%	(13%)	(9%)	9%

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 15 Defined contribution pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in employee's owned independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £29,645 (2005 £nil)

16 Share capital	2006 £	2005 £
<b>Authorised</b>		
1,000 Ordinary of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000

### 17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	3,064,615
Profit for the year	159,614
Dividends paid	(105,000)
Actuarial gains or losses on pension scheme assets	413,000
Movement on deferred tax relating to pension asset	(152,000)
Balance at 31 December 2006	3,380,229

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

<b>18 Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	159,614	274,413
Dividends	(105,000)	(105,000)
	<u>54,614</u>	<u>169,413</u>
Other recognised gains and losses	413,000	(592,000)
Movement on deferred tax relating to pension asset	(152,000)	126,000
	<u>315,614</u>	<u>(296,587)</u>
Net addition to/(depletion in) shareholders' funds	315,614	(296,587)
Opening shareholders' funds	3,065,615	3,362,202
	<u>3,381,229</u>	<u>3,065,615</u>
Closing shareholders' funds	<u>3,381,229</u>	<u>3,065,615</u>

### 19 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	<b>Land and buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Between two and five years	77,040	-
In over five years	72,700	149,740
	<u>149,740</u>	<u>149,740</u>
	<u>149,740</u>	<u>149,740</u>

<b>20 Capital commitments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 31 December 2006 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	-	61,965
	<u>-</u>	<u>61,965</u>

# ALCOHOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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21 Directors' emoluments	2006	2005
	£	£
Emoluments for qualifying services	197,517	193,022
Company pension contributions to money purchase schemes	12,957	-
	<u>210,474</u>	<u>193,022</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005- 0)

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2005- 2)

## 22 Employees

### Number of employees

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

	2006	2005
	Number	Number
Administration and management	7	7
Operational, selling and distribution	32	33
	<u>39</u>	<u>40</u>

### Employment costs

	£	£
Wages and salaries	965,575	982,146
Social security costs	108,547	111,029
Other pension costs	31,328	1,658
	<u>1,105,450</u>	<u>1,094,833</u>

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