

Registered number: 00547325

**ALCOHOLS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2011**



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**ALCOHOLS LIMITED**

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**COMPANY INFORMATION**

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

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**ALCOHOLS LIMITED**

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## ALCOHOLS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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The directors present their report and the financial statements for the year ended 31 December 2011.

#### 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

#### BUSINESS REVIEW

Group turnover for the year increased to £21,809,619 from £19,513,611 in 2010. Despite volatile markets and the constant pressure of increased operating costs our consolidated profit after taxation also increased to £671,915 from £562,286 in 2010. Our defined benefit pension scheme recorded a modest actuarial loss for the year but remains in surplus under FRS17 although the directors have decided not to show 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 fragile economic recovery and uncertainty within the euro zone 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 £671,915 (2010 - £562,286)

Ordinary dividends amounting to £70,000 (2010 £70,000) were paid during the year.

#### PRINCIPAL RISKS

##### Commercial Risks

The principal risks facing the business include volatile raw material prices and availability, currency exchange rates, competitor activity and legislation. The political unrest during 2011 in the Arab and North African countries which we trade with is now more stable although further disturbance can always arise again. 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 flow of legislation, bureaucracy and regulation by the authorities continues to make life difficult for companies and forces them to incur additional costs, money which could arguably be better spent elsewhere to help improve the economy and create jobs in the process.

##### Financial Risks

Maintaining margins whilst containing operating costs are the major risks. Poor returns on pension scheme assets are also a significant risk as this necessitates significant ongoing scheme contributions 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 are applied where necessary. Existing customers are reassessed when considered necessary. A meagre return on the group's cash reserves due to low interest rates also impacts on group results.

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## ALCOHOLS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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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.

#### 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

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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.

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ALCOHOLS LIMITED

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DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011

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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 9<sup>th</sup> May 2012 and signed on its behalf.



R H Ling  
Secretary

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## ALCOHOLS LIMITED

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### 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 2011, 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 2011 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.

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ALCOHOLS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCOHOLS LIMITED

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**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  
**Reeves & Co LLP**  
Statutory Auditors & Chartered Accountants  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX  
Date 14<sup>th</sup> May, 2012



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ALCOHOLS LIMITED

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CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2011

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	Note	2011 £	2010 £
<b>TURNOVER</b>	1,2	<b>21,809,619</b>	<b>19,513,611</b>
Cost of sales		<u>(16,883,179)</u>	<u>(15,153,880)</u>
<b>GROSS PROFIT</b>		<b>4,926,440</b>	<b>4,359,731</b>
Distribution costs		(3,079,912)	(2,898,082)
Administrative expenses		<u>(1,037,690)</u>	<u>(817,092)</u>
<b>OPERATING PROFIT</b>	3	<b>808,838</b>	<b>644,557</b>
Interest receivable and similar income		16,269	16,527
Other finance income	4	<u>49,000</u>	<u>33,000</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>874,107</b>	<b>694,084</b>
Tax on profit on ordinary activities	5	<u>(202,192)</u>	<u>(131,798)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15	<b><u>671,915</u></b>	<b><u>562,286</u></b>

All amounts relate to continuing operations

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

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ALCOHOLS LIMITED

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CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2011

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	Note	2011 £	2010 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>671,915</b>	<b>562,286</b>
Actuarial (loss)/gain in relation to the defined benefit pension scheme	18	(278,000)	138,000
Deferred tax attributable to actuarial loss/(gain)	18	-	(56,000)
Unrealised movement in defined benefit pension scheme surplus	18	<u>79,000</u>	<u>(141,000)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<b><u>472,915</u></b>	<b><u>503,286</u></b>

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 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Intangible assets	6		49,072		68,072
Tangible assets	7		1,140,636		1,110,627
Investments	8		126,500		126,500
			1,316,208		1,305,199
<b>CURRENT ASSETS</b>					
Stocks	10	1,752,584		1,434,687	
Debtors	11	3,633,946		3,092,993	
Cash at bank and in hand		2,581,544		2,756,197	
			7,968,074		7,283,877
<b>CREDITORS: amounts falling due within one year</b>	12		(3,603,161)		(3,319,870)
<b>NET CURRENT ASSETS</b>			4,364,913		3,964,007
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,681,121		5,269,206
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	13		(169,000)		(160,000)
<b>NET ASSETS EXCLUDING PENSION SCHEME SURPLUS</b>			5,512,121		5,109,206
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,000		1,000
Profit and loss account	15		5,511,121		5,108,206
<b>SHAREHOLDERS' FUNDS</b>	16		5,512,121		5,109,206

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

9<sup>th</sup> May 2012

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

**ALCOHOLS LIMITED**  
**REGISTERED NUMBER: 00547325**

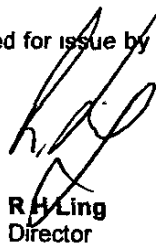
**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Intangible assets	6		5		5
Tangible assets	7		1,140,636		1,110,627
Investments	8		134,500		134,500
			<u>1,275,141</u>		<u>1,245,132</u>
<b>CURRENT ASSETS</b>					
Stocks	10	1,710,461		1,419,473	
Debtors	11	3,390,019		3,012,328	
Cash at bank and in hand		2,515,895		2,688,688	
		<u>7,616,375</u>		<u>7,120,489</u>	
<b>CREDITORS: amounts falling due within one year</b>	12		<u>(3,679,523)</u>		<u>(3,534,782)</u>
<b>NET CURRENT ASSETS</b>			<u>3,936,852</u>		<u>3,585,707</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,211,993</u>		<u>4,830,839</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	13		<u>(169,000)</u>		<u>(160,000)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME SURPLUS</b>			<u>5,042,993</u>		<u>4,670,839</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,000		1,000
Profit and loss account	15		5,041,993		4,669,839
<b>SHAREHOLDERS' FUNDS</b>	16		<u>5,042,993</u>		<u>4,670,839</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

9<sup>th</sup> May 2012

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

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## ALCOHOLS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 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 represents sales to external customers and affiliated companies 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) **Unlisted investments**  
Investments held as fixed assets are shown at cost less provision for impairment

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**ALCOHOLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**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**

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

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

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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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2. **TURNOVER**

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

A geographical analysis of turnover is as follows

	2011 £	2010 £
United Kingdom	19,128,709	15,933,597
Rest of world	2,680,910	3,580,014
	<u>21,809,619</u>	<u>19,513,611</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging

	2011 £	2010 £
Amortisation - intangible fixed assets	19,000	19,000
Depreciation of tangible fixed assets. - owned by the group	212,935	189,423
Auditors' remuneration	31,050	30,900
Operating lease rentals - other operating leases	203,590	207,887
Difference on foreign exchange	4,519	17,769
	<u>490,094</u>	<u>464,979</u>

Auditors fees for the company were £25,700 (2010 - £25,650)

4. **OTHER FINANCE INCOME**

	2011 £	2010 £
Expected return on pension scheme assets	287,000	267,000
Interest on pension scheme liabilities	(238,000)	(234,000)
	<u>49,000</u>	<u>33,000</u>

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**5. TAXATION**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX (see note below)</b>		
UK corporation tax charge on profit for the year	175,000	127,000
Adjustments in respect of prior periods	42,192	(202)
Losses carried back	(24,000)	-
	<b>193,192</b>	<b>126,798</b>
<b>DEFERRED TAX (see note 13)</b>		
Origination and reversal of timing differences	9,000	5,000
	<b>202,192</b>	<b>131,798</b>
	<b>202,192</b>	<b>131,798</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26% (2010 - 28%). The differences are explained below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	874,107	694,084
	<b>874,107</b>	<b>694,084</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2010 - 28%)	227,268	194,344
	<b>227,268</b>	<b>194,344</b>
<b>EFFECTS OF:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	2,131
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,779	-
Capital allowances for year in excess of depreciation	(2,038)	(3,372)
Adjustments to tax charge in respect of prior periods	42,192	(202)
Changes in provisions leading to a decrease in the tax charge	(3,473)	-
Unrelieved tax losses carried back	(24,000)	-
Pension contributions paid	(39,000)	(47,600)
Pensions scheme finance income	(12,740)	(9,240)
Chargeable disposals	-	(958)
Other tax adjustments	2,204	(8,305)
	<b>193,192</b>	<b>126,798</b>
	<b>193,192</b>	<b>126,798</b>

There were no factors that may affect future tax charges



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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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6. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>GROUP</b>	
<b>COST</b>	
At 1 January 2011 and 31 December 2011	<u>197,905</u>
<b>AMORTISATION</b>	
At 1 January 2011	129,833
Charge for the year	19,000
At 31 December 2011	<u>148,833</u>
<b>NET BOOK VALUE</b>	
At 31 December 2011	<u>49,072</u>
<i>At 31 December 2010</i>	<u>68,072</u>
	Goodwill £
<b>COMPANY</b>	
<b>COST</b>	
At 1 January 2011 and 31 December 2011	<u>5</u>
<b>NET BOOK VALUE</b>	
At 31 December 2011	<u>5</u>
<i>At 31 December 2010</i>	<u>5</u>

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

7. TANGIBLE FIXED ASSETS

GROUP	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>COST</b>					
At 1 January 2011	161,579	2,471,382	329,839	313,068	3,275,868
Additions	-	137,270	96,162	15,579	249,011
Disposals	-	(55,855)	(77,775)	(128,143)	(261,773)
At 31 December 2011	161,579	2,552,797	348,226	200,504	3,263,106
<b>DEPRECIATION</b>					
At 1 January 2011	113,920	1,597,631	167,224	286,466	2,165,241
Charge for the year	5,071	122,247	70,528	15,089	212,935
On disposals	-	(55,855)	(71,708)	(128,143)	(255,706)
At 31 December 2011	118,991	1,664,023	166,044	173,412	2,122,470
<b>NET BOOK VALUE</b>					
At 31 December 2011	42,588	888,774	182,182	27,092	1,140,636
At 31 December 2010	47,659	873,751	162,615	26,602	1,110,627
<b>COMPANY</b>					
<b>COST</b>					
At 1 January 2011	161,579	2,471,382	329,839	311,069	3,273,869
Additions	-	137,270	96,162	15,579	249,011
Disposals	-	(55,855)	(77,775)	(126,144)	(259,774)
At 31 December 2011	161,579	2,552,797	348,226	200,504	3,263,106
<b>DEPRECIATION</b>					
At 1 January 2011	113,920	1,597,631	167,224	284,467	2,163,242
Charge for the year	5,071	122,247	70,528	15,089	212,935
On disposals	-	(55,855)	(71,708)	(126,144)	(253,707)
At 31 December 2011	118,991	1,664,023	166,044	173,412	2,122,470
<b>NET BOOK VALUE</b>					
At 31 December 2011	42,588	888,774	182,182	27,092	1,140,636
At 31 December 2010	47,659	873,751	162,615	26,602	1,110,627

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**8. FIXED ASSET INVESTMENTS**

<b>GROUP</b>	<b>Investments in subsidiary companies £</b>	<b>Unlisted investments £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2011 and 31 December 2011	<b>125,500</b>	<b>68,394</b>	<b>193,894</b>
<b>IMPAIRMENT</b>			
At 1 January 2011 and 31 December 2011	<b>5,000</b>	<b>62,394</b>	<b>67,394</b>
<b>NET BOOK VALUE</b>			
At 31 December 2011	<b>120,500</b>	<b>6,000</b>	<b>126,500</b>
<i>At 31 December 2010</i>	<i>120,500</i>	<i>6,000</i>	<i>126,500</i>
<b>COMPANY</b>			
<b>COST</b>			
At 1 January 2011 and 31 December 2011	<b>133,500</b>	<b>68,394</b>	<b>201,894</b>
<b>IMPAIRMENT</b>			
At 1 January 2011 and 31 December 2011	<b>5,000</b>	<b>62,394</b>	<b>67,394</b>
<b>NET BOOK VALUE</b>			
At 31 December 2011	<b>128,500</b>	<b>6,000</b>	<b>134,500</b>
<i>At 31 December 2010</i>	<i>128,500</i>	<i>6,000</i>	<i>134,500</i>

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**9. 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
Tnthin 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
Tnthin Products Limited	Export of chemical products

The aggregate of the share capital and reserves as at 31 December 2011 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	-	-

**10. STOCKS**

	GROUP		COMPANY	
	2011	2010	2011	2010
	£	£	£	£
Finished goods and goods for resale	<b>1,752,584</b>	<b>1,434,687</b>	<b>1,710,461</b>	<b>1,419,473</b>

**11. DEBTORS**

	GROUP		COMPANY	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	<b>3,420,051</b>	<b>2,918,544</b>	<b>3,201,122</b>	<b>2,855,806</b>
Other debtors	<b>24,595</b>	<b>16,058</b>	-	-
Prepayments and accrued income	<b>189,300</b>	<b>158,391</b>	<b>188,897</b>	<b>156,522</b>
	<b>3,633,946</b>	<b>3,092,993</b>	<b>3,390,019</b>	<b>3,012,328</b>

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
Trade creditors	1,860,308	1,952,060	1,844,702	1,768,568
Amounts owed to group undertakings	210,716	208,766	359,003	717,506
Corporation tax	174,989	126,989	174,989	104,989
Social security and other taxes	625,960	515,536	625,960	515,536
Accruals and deferred income	731,188	516,519	674,869	428,183
	<b>3,603,161</b>	<b>3,319,870</b>	<b>3,679,523</b>	<b>3,534,782</b>

**13. DEFERRED TAXATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
At beginning of year	160,000	155,000	160,000	155,000
Charge for the year	9,000	5,000	9,000	5,000
At end of year	<b>169,000</b>	<b>160,000</b>	<b>169,000</b>	<b>160,000</b>

The provision for deferred taxation is made up as follows

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	£	£	£	£
Accelerated capital allowances	<b>169,000</b>	<b>160,000</b>	<b>169,000</b>	<b>160,000</b>

**14. SHARE CAPITAL**

	<b>2011</b>	<b>2010</b>
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,000 Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>

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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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15. RESERVES

	Profit and loss account £
<b>GROUP</b>	
At 1 January 2011	5,108,206
Profit for the year	671,915
Dividends Equity capital	(70,000)
Pension reserve movement	(278,000)
Unrealised movement in defined benefit pension scheme surplus	79,000
	<hr/>
At 31 December 2011	5,511,121
	<hr/> <hr/>
	Profit and loss account £
<b>COMPANY</b>	
At 1 January 2011	4,669,839
Profit for the year	641,154
Dividends Equity capital	(70,000)
Pension reserve movement	(278,000)
Unrealised movement in defined benefit pension scheme surplus	79,000
	<hr/>
At 31 December 2011	5,041,993
	<hr/> <hr/>

The closing balance on the Profit and loss account includes a £NIL (2010 - £NIL) credit, stated after deferred taxation of £NIL (2010 - £NIL), in respect of pension scheme liabilities of the Group and Company pension scheme

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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
<b>GROUP</b>		
Opening shareholders' funds	5,109,206	4,675,920
Profit for the year	671,915	562,286
Dividends (Note 17)	(70,000)	(70,000)
Other recognised gains and losses during the year	(199,000)	(59,000)
	<u>5,512,121</u>	<u>5,109,206</u>
	2011	2010
	£	£
<b>COMPANY</b>		
Opening shareholders' funds	4,670,839	4,243,373
Profit for the year	641,154	556,466
Dividends (Note 17)	(70,000)	(70,000)
Pension reserves movements	(278,000)	82,000
Unrealised movement in defined benefit pension scheme surplus	79,000	(141,000)
	<u>5,042,993</u>	<u>4,670,839</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 £641,154 (2010 - £556,466)

17. DIVIDENDS

	2011	2010
	£	£
Final dividends paid on equity capital of £70 (2010 £70) per share	<u>70,000</u>	<u>70,000</u>

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**18. 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 £74,944 (2010 £49,699). At the year end, £25,000 (2010 £NIL) 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

	2011 £	2010 £
Present value of funded obligations	(4,674,000)	(4,468,000)
Fair value of scheme assets	4,736,000	4,609,000
Surplus in scheme	62,000	141,000
Surplus not recognised	(62,000)	(141,000)
Net asset	-	-

The amounts recognised in profit or loss are as follows

	2011 £	2010 £
Interest on obligation	(238,000)	(234,000)
Expected return on scheme assets	287,000	267,000
Total	49,000	33,000
Actual return on scheme assets	108,000	506,000

Changes in the present value of the defined benefit obligation are as follows.

	2011 £	2010 £
Opening defined benefit obligation	4,468,000	4,217,000
Interest cost	238,000	234,000
Actuanal loss	99,000	101,000
Benefits paid	(131,000)	(84,000)
Closing defined benefit obligation	4,674,000	4,468,000



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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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18. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets are as follows

	2011 £	2010 £
Opening fair value of scheme assets	4,609,000	4,017,000
Expected return	287,000	267,000
Actuarial (loss)/gain	(179,000)	239,000
Contributions by employer	150,000	170,000
Benefits paid	(131,000)	(84,000)
	<u>4,736,000</u>	<u>4,609,000</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £563,000 (2010 - £285,000)

The group expects to contribute a minimum of £60,000 to its Defined benefit pension scheme in 2012.

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

	2011	2010
European equities	18.00 %	18 00 %
European bonds	38.00 %	38 00 %
Other	44.00 %	44 00 %

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

	2011	2010
Discount rate at 31 December	4.70 %	5 40 %
Expected return on scheme assets at 31 December	4.30 %	6 22 %
Future salary increases	3.00 %	3 00 %
Future pension increases	2.90 %	3.45 %
Price inflation	3.00 %	3 60 %

**ALCOHOLS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**18. PENSION COMMITMENTS (continued)**

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligation	(4,674,000)	(4,468,000)	(4,217,000)	(3,527,000)	(4,078,000)
Scheme assets	4,736,000	4,609,000	4,017,000	3,418,000	3,919,000
Surplus/(deficit)	<u>62,000</u>	<u>141,000</u>	<u>(200,000)</u>	<u>(109,000)</u>	<u>(159,000)</u>
Experience adjustments on scheme liabilities	109,000	(60,000)	82,000	(71,000)	-
Experience adjustments on scheme assets	<u>(179,000)</u>	<u>239,000</u>	<u>306,000</u>	<u>(770,000)</u>	<u>(36,000)</u>

**19. OPERATING LEASE COMMITMENTS**

At 31 December 2011 the group had annual commitments under non-cancellable operating leases as follows

GROUP	Land and buildings	
	2011 £	2010 £
EXPIRY DATE: After more than 5 years	<u>186,456</u>	<u>115,000</u>

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows

COMPANY	Land and buildings	
	2011 £	2010 £
EXPIRY DATE: After more than 5 years	<u>186,456</u>	<u>115,000</u>

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ALCOHOLS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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20. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	1,327,865	1,251,954
Social security costs	155,203	143,261
Other pension costs (Note 18)	76,502	51,041
	<u>1,559,570</u>	<u>1,446,256</u>

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

	2011 No.	2010 No.
Administration and management	7	7
Operational, selling and distribution	37	35
	<u>44</u>	<u>42</u>

21. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>256,178</u>	<u>249,978</u>
Group pension contributions to money purchase pension schemes	<u>19,328</u>	<u>18,857</u>

During the year retirement benefits were accruing to 2 directors (2010 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £136,931 (2010 - £129,353)

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,220 (2010 - £9,971).

During the year retirement benefits were accruing to 2 directors (2010 - 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 £45,715 (2010 £44,624) per annum.

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**ALCOHOLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

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**22. 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