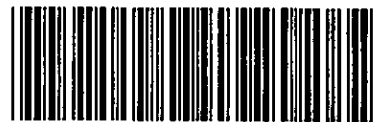


ALCOHOLS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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ALCOHOLS LIMITED

COMPANY INFORMATION

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

ALCOHOLS LIMITED

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ALCOHOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

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 increased to £19,513,611 from £18,656,931 in 2009. However, margins remain under pressure and the constant threat of increased operating costs resulted in our consolidated profit after taxation decreasing to £562,286 from £610,734 in 2009. After taking into account the actuarial increase on pension scheme assets the total recognised gain for the year was £503,286

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 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 £562,286 (2009 - £610,734)

Ordinary dividends amounting to £70,000 (2009 £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 recent unstable political crisis in Arab and North African countries continues to impact on group activities. 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 has over the last decade grown far too high only adding to the severe difficulties experienced by companies. Last years change in government will hopefully help companies overcome this huge burden enabling them to be more proactive in driving the economic recovery creating new 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 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 also impacts on group results

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

ALCOHOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010

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 5th August 2011 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 2010, 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 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 2010 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

Reeves & Co LLP

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

for and on behalf of

Reeves & Co LLP

Chartered Accountants and Statutory Auditors

Third Floor

24 Chiswell Street

London

EC1Y 4YX

Date *10th August 2011*

ALCOHOLS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
TURNOVER	1,2	19,513,611	18,656,931
Cost of sales		(15,153,880)	(14,377,168)
GROSS PROFIT		4,359,731	4,279,763
Distribution costs		(2,898,082)	(2,700,751)
Administrative expenses		(817,092)	(805,557)
OPERATING PROFIT	3	644,557	773,455
Interest receivable and similar income		16,527	15,571
Other finance income/(expense)	4	33,000	(7,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		694,084	782,026
Tax on profit on ordinary activities	5	(131,798)	(171,292)
PROFIT FOR THE FINANCIAL YEAR		562,286	610,734

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 2010

	Note	2010 £	2009 £
PROFIT FOR THE FINANCIAL YEAR		562,286	610,734
Actuarial gain/(loss) in relation to the defined benefit pension scheme	19	138,000	<i>(254,000)</i>
Deferred tax attributable to actuarial (gain)/loss	19	(56,000)	<i>25,000</i>
Unrealised defined benefit pension scheme surplus	19	(141,000)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		503,286	381,734

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 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Intangible assets	6		68,072		87,072
Tangible assets	7		1,110,627		1,105,226
Investments	8		126,500		126,500
			1,305,199		1,318,798
CURRENT ASSETS					
Stocks	10	1,434,687		1,374,058	
Debtors	11	3,092,993		2,925,021	
Cash at bank and in hand		2,756,197		2,347,261	
			7,283,877		6,646,340
CREDITORS: amounts falling due within one year	12		(3,319,870)		(2,990,218)
NET CURRENT ASSETS			3,964,007		3,656,122
TOTAL ASSETS LESS CURRENT LIABILITIES			5,269,206		4,974,920
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(160,000)		(155,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY					
Defined benefit pension scheme liability	19		-		(144,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY					
			5,109,206		4,675,920
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Profit and loss account	15		5,108,206		4,674,920
SHAREHOLDERS' FUNDS	16		5,109,206		4,675,920

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

5th August 2011

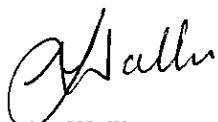
The notes on pages 10 to 25 form part of these financial statements

ALCOHOLS LIMITED

**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Intangible assets	6		5		5
Tangible assets	7		1,110,627		1,105,226
Investments	8		134,500		134,500
			1,245,132		1,239,731
CURRENT ASSETS					
Stocks	10	1,419,473		1,328,156	
Debtors	11	3,012,328		2,804,267	
Cash at bank and in hand		2,688,688		2,187,765	
		7,120,489		6,320,188	
CREDITORS: amounts falling due within one year	12		(3,534,782)		(3,017,546)
NET CURRENT ASSETS			3,585,707		3,302,642
TOTAL ASSETS LESS CURRENT LIABILITIES			4,830,839		4,542,373
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(160,000)		(155,000)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			4,670,839		4,387,373
Defined benefit pension scheme liability	19		-		(144,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			4,670,839		4,243,373
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Profit and loss account	15		4,669,839		4,242,373
SHAREHOLDERS' FUNDS	16		4,670,839		4,243,373

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

5th August 2011

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 2010

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 Trthin 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

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life less any provision for impairment.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.7 INVESTMENTS

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

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010**

2. TURNOVER

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

A geographical analysis of turnover is as follows

	2010 £	2009 £
United Kingdom	15,933,597	14,161,503
Rest of world	3,580,014	4,495,428
	<u>19,513,611</u>	<u>18,656,931</u>

3. OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Amortisation - intangible fixed assets	19,000	19,000
Depreciation of tangible fixed assets:		
- owned by the group	189,423	183,295
Auditors' remuneration	30,900	30,200
Operating lease rentals		
- other operating leases	207,887	170,432
Difference on foreign exchange	17,769	16,720
	<u>207,887</u>	<u>170,432</u>

Auditors fees for the company were £25,650 (2009 - £25,100)

4. OTHER FINANCE INCOME

	2010 £	2009 £
Expected return on pension scheme assets	267,000	216,000
Interest on pension scheme liabilities	(234,000)	(223,000)
	<u>33,000</u>	<u>(7,000)</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5. TAXATION

	2010 £	2009 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	127,000	172,000
Adjustments in respect of prior periods	(202)	(1,708)
TOTAL CURRENT TAX	126,798	170,292
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	5,000	1,000
TAX ON PROFIT ON ORDINARY ACTIVITIES	131,798	171,292

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	694,084	782,026
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	194,344	218,967
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	2,131	4,666
Capital allowances for year in excess of depreciation	(3,372)	4,200
Adjustments to tax charge in respect of prior periods	(202)	(1,708)
Pension contributions paid	(47,600)	(47,600)
Pensions scheme finance (income)/charge	(9,240)	1,960
Chargeable disposals	(958)	(4,181)
Other tax adjustments	(8,305)	(6,012)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	126,798	170,292

There were no factors that may affect future tax charges

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

6. INTANGIBLE FIXED ASSETS

	Goodwill £
GROUP	
COST	
At 1 January 2010 and 31 December 2010	<u>197,905</u>
AMORTISATION	
At 1 January 2010	110,833
Charge for the year	19,000
At 31 December 2010	<u>129,833</u>
NET BOOK VALUE	
At 31 December 2010	<u>68,072</u>
<i>At 31 December 2009</i>	<u>87,072</u>
	Goodwill £
COMPANY	
COST	
At 1 January 2010 and 31 December 2010	<u>5</u>
NET BOOK VALUE	
At 31 December 2010	<u>5</u>
<i>At 31 December 2009</i>	<u>5</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

7. TANGIBLE FIXED ASSETS

GROUP	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 January 2010	161,579	2,343,631	285,659	306,976	3,097,845
Additions	-	127,751	61,560	6,092	195,403
Disposals	-	-	(17,380)	-	(17,380)
At 31 December 2010	161,579	2,471,382	329,839	313,068	3,275,868
DEPRECIATION					
At 1 January 2010	108,674	1,488,561	123,238	272,146	1,992,619
Charge for the year	5,246	109,070	60,787	14,320	189,423
On disposals	-	-	(16,801)	-	(16,801)
At 31 December 2010	113,920	1,597,631	167,224	286,466	2,165,241
NET BOOK VALUE					
At 31 December 2010	47,659	873,751	162,615	26,602	1,110,627
<i>At 31 December 2009</i>	<i>52,905</i>	<i>855,070</i>	<i>162,421</i>	<i>34,830</i>	<i>1,105,226</i>

COMPANY	Short term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 January 2010	161,579	2,343,631	285,659	304,977	3,095,846
Additions	-	127,751	61,560	6,092	195,403
Disposals	-	-	(17,380)	-	(17,380)
At 31 December 2010	161,579	2,471,382	329,839	311,069	3,273,869
DEPRECIATION					
At 1 January 2010	108,674	1,488,561	123,238	270,147	1,990,620
Charge for the year	5,246	109,070	60,787	14,320	189,423
On disposals	-	-	(16,801)	-	(16,801)
At 31 December 2010	113,920	1,597,631	167,224	284,467	2,163,242
NET BOOK VALUE					
At 31 December 2010	47,659	873,751	162,615	26,602	1,110,627
<i>At 31 December 2009</i>	<i>52,905</i>	<i>855,070</i>	<i>162,421</i>	<i>34,830</i>	<i>1,105,226</i>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

8. FIXED ASSET INVESTMENTS

GROUP	Investments in subsidiary companies £	Unlisted investments £	Total £
COST			
At 1 January 2010 and 31 December 2010	125,500	68,394	193,894
IMPAIRMENT			
At 1 January 2010 and 31 December 2010	5,000	62,394	67,394
NET BOOK VALUE			
At 31 December 2010	120,500	6,000	126,500
<i>At 31 December 2009</i>	<i>120,500</i>	<i>6,000</i>	<i>126,500</i>
COMPANY			
COST			
At 1 January 2010 and 31 December 2010	133,500	68,394	201,894
IMPAIRMENT			
At 1 January 2010 and 31 December 2010	5,000	62,394	67,394
NET BOOK VALUE			
At 31 December 2010	128,500	6,000	134,500
<i>At 31 December 2009</i>	<i>128,500</i>	<i>6,000</i>	<i>134,500</i>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

9. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Alcohols (North West) Limited	England & Wales	100	Ordinary
Lang-Met Distillers Limited	England & Wales	100	Ordinary
Langley Distillery Limited	England & Wales	100	Ordinary
Trithin Products Limited	England & Wales	100	Ordinary

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

The aggregate of the share capital and reserves as at 31 December 2010 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	-	-

10. STOCKS

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Finished goods and goods for resale	1,434,687	1,374,058	1,419,473	1,328,156

11. DEBTORS

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	2,918,544	2,739,315	2,855,806	2,621,610
Other debtors	16,058	2,585	-	-
Prepayments and accrued income	158,391	183,121	156,522	182,657
	3,092,993	2,925,021	3,012,328	2,804,267

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	1,952,060	1,824,289	1,768,568	1,702,495
Amounts owed to group undertakings	208,766	202,908	717,506	584,733
Corporation tax	126,989	171,989	104,989	78,489
Social security and other taxes	515,536	272,889	515,536	272,889
Accruals and deferred income	516,519	518,143	428,183	378,940
	3,319,870	2,990,218	3,534,782	3,017,546

13. DEFERRED TAXATION

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
At beginning of year	155,000	154,000	155,000	154,000
Charge for the year	5,000	1,000	5,000	1,000
At end of year	160,000	155,000	160,000	155,000

The provision for deferred taxation is made up as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	160,000	155,000	160,000	155,000

14. SHARE CAPITAL

	2010	2009
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	1,000	1,000

ALCOHOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

15. RESERVES

	Profit and loss account £
GROUP	
At 1 January 2010	4,674,920
Profit for the year	562,286
Dividends. Equity capital	(70,000)
Pension reserve movement	82,000
Unrealised defined benefit pension scheme surplus	(141,000)
	<hr/>
At 31 December 2010	5,108,206
	<hr/> <hr/>
	Profit and loss account £
COMPANY	
At 1 January 2010	4,242,373
Profit for the year	556,466
Dividends. Equity capital	(70,000)
Pension reserve movement	82,000
Unrealised defined benefit pension scheme surplus	(141,000)
	<hr/>
At 31 December 2010	4,669,839
	<hr/> <hr/>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP	2010	2009
	£	£
Opening shareholders' funds	4,675,920	4,364,186
Profit for the year	562,286	610,734
Dividends (Note 17)	(70,000)	(70,000)
Other recognised gains and losses during the year	(59,000)	(229,000)
	<u>5,109,206</u>	<u>4,675,920</u>
COMPANY	2010	2009
	£	£
Opening shareholders' funds	4,243,373	4,057,027
Profit for the year	556,466	485,346
Dividends (Note 17)	(70,000)	(70,000)
Pension reserves movements	82,000	(229,000)
Unrealised defined benefit pension scheme surplus	(141,000)	-
	<u>4,670,839</u>	<u>4,243,373</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 £556,466 (2009 - £485,346)

17. DIVIDENDS

	2010	2009
	£	£
Final dividends paid on equity capital of £70 (2009. £70) per share	<u>70,000</u>	<u>70,000</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 £49,699 (2009 £47,937)

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

19. DEFINED BENEFIT PENSION COSTS

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

The amounts recognised in the Balance sheet are as follows.

	2010 £	2009 £
Present value of funded obligations	(4,468,000)	(4,217,000)
Fair value of scheme assets	4,609,000	4,017,000
	<hr/>	<hr/>
Surplus/(deficit) in scheme	141,000	(200,000)
Surplus not recognised	(141,000)	-
	<hr/>	<hr/>
Deficit included in balance sheet	-	(200,000)
Related deferred tax asset	-	56,000
	<hr/>	<hr/>
Net liability	-	(144,000)
	<hr/> <hr/>	<hr/> <hr/>

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

The amounts recognised in profit or loss are as follows

	2010 £	2009 £
Interest on obligation	(234,000)	(223,000)
Expected return on scheme assets	267,000	216,000
	<hr/>	<hr/>
Total	33,000	(7,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	506,000	522,000
	<hr/> <hr/>	<hr/> <hr/>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

19. DEFINED BENEFIT PENSION COSTS (continued)

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

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

	2010 £	2009 £
Opening defined benefit obligation	4,217,000	3,527,000
Interest cost	234,000	223,000
Actuarial Losses	101,000	560,000
Benefits paid	(84,000)	(93,000)
	<u>4,468,000</u>	<u>4,217,000</u>

CHANGES IN THE FAIR VALUE OF SCHEME ASSETS ARE AS FOLLOWS

Changes in the fair value of scheme assets are as follows

	2010 £	2009 £
Opening fair value of scheme assets	4,017,000	3,418,000
Expected return	267,000	216,000
Actuarial gains	239,000	306,000
Contributions by employer	170,000	170,000
Benefits paid	(84,000)	(93,000)
	<u>4,609,000</u>	<u>4,017,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £285,000 (2009 - £423,000)

The group expects to contribute £60,000 to its Defined benefit pension scheme in 2011

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

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

	2010	2009
European equities	18.00 %	33 00 %
European bonds	38.00 %	38 00 %
Other	44.00 %	29 00 %

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

19. DEFINED BENEFIT PENSION COSTS (continued)

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

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

	2010	2009
Discount rate at 31 December	5.40 %	5.60 %
Expected return on scheme assets at 31 December	6.22 %	6.46 %
Future salary increases	3.00 %	3.00 %
Future pension increases	3.45 %	3.65 %
Price inflation	3.60 %	3.70 %

AMOUNTS FOR THE CURRENT AND PREVIOUS FOUR PERIODS ARE AS FOLLOWS

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2010 £	2009 £	2008 £	2007 £	2006 £
Defined benefit obligation	(4,468,000)	(4,217,000)	(3,527,000)	(4,078,000)	(4,135,000)
Scheme assets	4,609,000	4,017,000	3,418,000	3,919,000	3,717,000
Surplus/(deficit)	<u>141,000</u>	<u>(200,000)</u>	<u>(109,000)</u>	<u>(159,000)</u>	<u>(418,000)</u>
Experience adjustments on scheme liabilities	(60,000)	82,000	(71,000)	-	(59,000)
Experience adjustments on scheme assets	<u>239,000</u>	<u>306,000</u>	<u>(770,000)</u>	<u>(36,000)</u>	<u>443,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

GROUP	Land and buildings	
	2010 £	2009 £
EXPIRY DATE:		
Between 2 and 5 years	-	93,596
After more than 5 years	<u>115,000</u>	<u>72,700</u>

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

21. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

GROUP

	2010 £	2009 £
Wages and salaries	1,251,954	1,171,611
Social security costs	143,261	135,585
Other pension costs (Note 19)	51,041	49,495
	<u>1,446,256</u>	<u>1,356,691</u>

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

	2010 No.	2009 No
Administration and management	7	8
Operational, selling and distribution	35	32
	<u>42</u>	<u>40</u>

22. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	<u>249,978</u>	<u>239,941</u>
Group pension contributions to money purchase pension schemes	<u>18,857</u>	<u>18,487</u>

During the year retirement benefits were accruing to 2 directors (2009 - 2) in respect of money purchase pension schemes

During the year retirement benefits were accruing to 2 directors (2009 - 2) in respect of defined benefit pension schemes

The highest paid director received emoluments of £129,353 (2009 - £128,139) 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 £9,971 (2009 - £9,775)

The accrued entitlement under defined benefit pension schemes in respect of the highest paid director amounted to £44,624 (2009. £43,493) per annum.

ALCOHOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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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 Charringtons House, The Causeway, Bishop's Stortford, Hertfordshire, CM23 2ER