

Central Bottling International Limited
Annual report
for the year ended 30 April 1999

Registered Number 1307388



Central Bottling International Limited

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Central Bottling International Limited

Directors and Advisors

Directors

A D Morris (Chairman)

G A Smith

S T Thistlethwayte

Secretary and registered office

G A Smith

Plumtree Farm Industrial Estate

Bircotes

Doncaster

DN11 8EW

Registered auditors

PricewaterhouseCoopers

Benson House

33 Wellington Street

Leeds

LS1 4JP

Bankers

Yorkshire Bank PLC

Heavens Walk

Doncaster

DN4 5NZ

Solicitors

Hammond Suddards

2 Park Lane

Leeds

LS3 1ES

Central Bottling International Limited

Directors' report for the year ended 30 April 1999

The directors present their report and the audited financial statements of the company and for the group for the year ended 30 April 1999.

Principal activities

The principal activities of the group are unchanged from last year, and are the buying, building, refurbishment and installation of bottling and brewing plant and machinery and their subsequent resale: the purchase, processing and resale of glass containers, cases and the provision of services to the bottling and brewing industry.

Review of business

1998/99 once again proved to be a difficult year for the industry both in the UK and Overseas, and the over capacity in the brewing and soft drinks markets led to a lack of investment. The continued strength of the pound has made it difficult to penetrate new export markets albeit the company has maintained its existing overseas customer base. Despite the reduction in turnover, the company has been able to maintain its margins due to the strong emphasis given to cost control throughout the company, combined with a willingness and a flexible approach to move into new areas and industries away from the company's historical base. The directors are pleased with the company's performance through what has been a difficult year for the industry and remain optimistic about the company's future prospects.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (1998: £Nil). The retained profit for the year will be transferred to reserves.

Directors and their interests

The directors of the company who held office during the year were as follows:

A D Morris
G A Smith
S T Thistlethwayte

The interests of the directors of the company and of the group at 30 April 1999 in the ordinary shares of the company were:

	30 April 1999	30 April 1998
A D Morris	<u>49,000</u>	<u>49,000</u>

Central Bottling International Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group 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 the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000

We have assessed the impact of all our experiences since 31 December 1999 in relation to the year 2000. We continue to monitor our significant customers, vendors and service providers and to date we have no information that indicates that significant vendors may be unable to sell to the entity, or significant customers may be unable to purchase from the entity, or significant service providers may be unable to provide services to the entity, as a result in each case of year 2000 problems.

Our contingency plans remain in place for all business critical systems to respond to the issues identified including, where relevant, mitigation of the possible impacts of non-year 2000 compliance, and any additional issues arising from the possible impacts of the leap year date.

Central Bottling International Limited

Auditors

A resolution to reappointment PricewaterhouseCoopers as auditors to the company and the group will be proposed at the Annual General Meeting.

By order of the Board

G A Smith 29th February 2000

G A Smith
Company Secretary

Central Bottling International Limited

Report of the auditors to the members of Central Bottling International Limited

We have audited the financial statements on pages 6 to 24 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

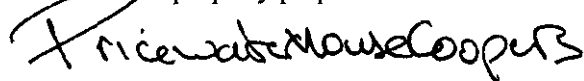
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 30 April 1999 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leeds

29 February 2000.

Central Bottling International Limited

Consolidated profit and loss account for the year ended 30 April 1999

	Note	1999 £	1998 £
Turnover	2	16,096,928	19,189,132
Cost of Sales		<u>(11,660,937)</u>	<u>(14,563,939)</u>
Gross profit		4,435,991	4,625,193
Net operating expenses	3	<u>(3,712,381)</u>	<u>(3,606,034)</u>
Operating profit		<u>723,610</u>	<u>1,019,159</u>
Profit on ordinary activities before interest	6	<u>723,610</u>	<u>1,019,159</u>
Interest payable and similar charges	7	<u>(145,495)</u>	<u>(269,128)</u>
Profit on ordinary activities before taxation		578,115	750,031
Tax on profit on ordinary activities	8	<u>(224,653)</u>	<u>(246,076)</u>
Profit on ordinary activities after taxation		353,462	503,955
Dividends		-	-
Retained profit for the year	20	<u>353,462</u>	<u>503,955</u>

All of the trading during the year related to continuing operations

The group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

Central Bottling International Limited

Note of historical cost profits and losses for the year ended 30 April 1999

	1999	1998
	£	£
Reported profit on ordinary activities before taxation	578,115	750,031
Difference between historical cost depreciation charge and actual depreciation charge on the revalued amount	10,706	10,706
Historical cost profit on ordinary activities before taxation	<u>588,821</u>	<u>760,737</u>
Historical cost profit for the year retained after taxation	<u>364,168</u>	<u>514,661</u>

Central Bottling International Limited

Balance sheets as at 30 April 1999

	Note	Group		Company	
		1999	1998	1999	1998
		£	£	£	£
Fixed assets					
Intangible assets	10	22,085	22,085	22,085	22,085
Tangible assets	11	4,561,915	4,744,639	4,561,915	4,744,639
Investments	12	155,000	-	265,902	110,902
		<u>4,739,000</u>	<u>4,766,724</u>	<u>4,849,902</u>	<u>4,877,626</u>
Current assets					
Stocks	13	4,896,793	5,047,858	4,896,793	5,047,858
Debtors	14	4,749,103	5,780,406	4,749,103	5,780,406
Cash at bank and in hand		15,836	11,803	15,836	11,803
		<u>9,661,732</u>	<u>10,840,067</u>	<u>9,661,732</u>	<u>10,840,067</u>
Creditors: amounts falling due within one year	15	(8,891,310)	(10,058,098)	(9,022,888)	(10,189,676)
Net current assets		<u>770,422</u>	<u>781,969</u>	<u>638,844</u>	<u>650,391</u>
Total assets less current liabilities		<u>5,509,422</u>	<u>5,548,693</u>	<u>5,488,746</u>	<u>5,528,017</u>
Creditors: amounts falling due after more than one year	16	(350,130)	(716,864)	(350,130)	(716,864)
Provisions for liabilities and charges	17	(269,000)	(295,000)	(269,000)	(295,000)
		<u>(619,130)</u>	<u>(1,011,864)</u>	<u>(619,130)</u>	<u>(1,011,864)</u>
Net assets		<u>4,890,292</u>	<u>4,536,829</u>	<u>4,869,616</u>	<u>4,516,153</u>
Capital and reserves					
Called up share capital	19	49,000	49,000	49,000	49,000
Reserves	20	4,841,292	4,487,829	4,820,616	4,467,153
Equity shareholders' funds	21	<u>4,890,292</u>	<u>4,536,829</u>	<u>4,869,616</u>	<u>4,516,153</u>

The financial statements on pages 6 to 22 were approved by the board of directors on 29th February 2000 and were signed on its behalf by:



G A Smith
Director

Central Bottling International Limited

Consolidated cash flow statement for the year ended 30 April 1999

	Note	1999 £	1998 £
Cash flow from operating activities	22	1,539,032	1,683,663
Returns on investments and servicing of finance	23	(145,495)	(269,128)
Taxation		(263,518)	(447,475)
Capital expenditure and financial investment	23	(391,610)	(42,855)
Cash inflow before financing		738,409	924,205
Financing	23	(401,924)	(413,677)
Increase in cash in the period		336,485	510,528

Reconciliation of net cash flow to movement in net debt

	Note	1999 £	1998 £
Increase in cash in the year		336,485	510,528
Cash outflow from debt and lease financing		401,924	413,677
Change in net debt resulting from cash flows		738,409	924,205
New finance leases		(33,448)	(72,317)
Movement in net debt in the period		704,961	851,888
Net debt at 1 May 1998	24	(2,781,659)	(3,633,547)
Net debt at 30 April 1999	24	(2,076,698)	(2,781,659)

Central Bottling International Limited

Notes to the financial statements for the year ended 30 April 1999

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain freehold and leasehold land and buildings.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 April 1999, except where standard accounting practice requires that a subsidiary should be excluded from consolidation.

Turnover

Turnover represents net invoiced sales of goods and services excluding value added tax, discounts allowed, rents and management charges.

Tangible fixed assets

Depreciation is provided at the following equal annual rates in order to write off the cost or valuation of each asset over its estimated useful life:

Leasehold buildings	Over remaining life of lease
Freehold buildings	2.5%
Plant and machinery	10% and 20%
Office equipment and fittings	10% and 22.5%
Computer equipment	33%
Motor vehicles	25%

No depreciation is provided on freehold land.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in, first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred on completion and disposal. Work in progress includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Central Bottling International Limited

1 Principal accounting policies

Investments

Investment in subsidiary undertakings and trade investments are stated at cost in the financial statements of the company. Provision against the value of investments is made where, in the opinion of the directors, there is a permanent diminution in the value of the investment.

Deferred taxation

Using the liability method the deferred taxation account represents the tax equivalent of the amount by which tax allowances claimed on fixed assets exceed the depreciation provisions made in the financial statements and is calculated at 31%. Provision is also made at current rates for all short term timing differences.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of settlement. Exchange differences are taken into account in arriving at the operating profit.

Lease hire agreements

Assets, which are the subject of finance leases and hire purchase agreements where the company has substantially all the risks and rewards associated with the ownership of the assets, except for legal title, are capitalised as fixed assets and depreciation is charged. The obligation under the agreements for future rentals and repayments are included as liabilities. Assets which are the subject of leases where the company pays a rental for a period's hire which is less than the assets useful economic life are not reflected in the accounts and the rentals are charged to revenue on a straight line basis over the lease term.

Pension scheme

The group operates a non-contributory pension scheme for the managing director and a contributory pension scheme for the other directors and selected employees. Each scheme's funds are administered by trustees and are independent of the group's finances. Contributions are charged to the profit and loss account in the period in which the contributions are made.

Intangible fixed assets

No depreciation is provided on the cost of ancillary property rights.

Research and development

Central Bottling International Limited

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Related party transactions

The group has taken advantage of the exemption permitted by FRS 8 and not disclosed transactions with group companies that are eliminated on consolidation.

2 Segmental analysis of class of business and geographical area

The analysis by class of business and geographical area of the group's turnover is set out below:

	1999	1998
	£	£
Class of business		
Plant, machinery and tanks	15,633,404	18,536,664
Bottles and cases	463,524	652,468
	<u>16,096,928</u>	<u>19,189,132</u>
Geographical segment		
United Kingdom	8,204,288	6,553,568
Europe	1,642,844	1,990,982
North America/South America	98,769	44,130
Middle East	1,422,249	191,813
Africa and Far East	4,034,134	7,962,831
Caribbean	5,458	200
Australasia	118,222	-
Russian Federation	570,965	2,445,608
	<u>16,096,928</u>	<u>19,189,132</u>

The directors have not disclosed the profit before taxation attributable to each activity as this would be prejudicial to the group's interests.

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3 Net operating expenses

	1999	1998
	£	£
Distribution costs	(35,976)	(78,855)
Administrative expenses	(771,069)	(925,065)
Other operating charges	(3,198,101)	(2,912,414)
Other operating income	43,374	77,085
Rental income	249,391	233,215
Net operating expenses	(3,712,381)	(3,606,034)

4 Directors' emoluments

	1999	1998
	£	£
Fees and other emoluments (including benefits in kind)	573,739	468,258
Pension contributions	34,500	30,000
	608,239	498,258

Retirement benefits are accruing to 2 directors (1998:2) under money purchase pension schemes in respect of qualifying services, and to the other director in respect of a self administered pension scheme.

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1999	1998
	£	£
The Chairman (emoluments)	287,639	208,835
Pension contributions	20,000	20,000
	307,639	228,835

In 1999 and 1998 the Chairman was the highest paid director.

Central Bottling International Limited

5 Employee information

The average weekly number of persons (including executive directors) employed by the group during the year was:

	1999 Number	1998 Number
By activity		
Factory	174	173
Administration	48	53
	<u>222</u>	<u>226</u>
Staff costs (for the above persons)	£	£
Wages and salaries	4,541,571	4,268,416
Social security Costs	456,821	404,518
Other pension costs	106,652	94,505
	<u>5,105,044</u>	<u>4,767,439</u>

6 Profit on ordinary activities before taxation

	1999 £	1998 £
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	249,391	233,215
Profit on disposal of tangible fixed assets	<u>11,570</u>	<u>30,585</u>
And after charging:		
Depreciation of tangible fixed assets	336,617	364,174
Depreciation of owned assets held under finance leases	27,731	19,808
Operating lease charges	31,702	33,197
Research and development	89,571	-
Auditors' remuneration: For audit services (Company and group)	18,000	17,000
For non-audit services	<u>5,000</u>	<u>5,000</u>

Central Bottling International Limited

7 Interest payable and similar charges

	1999	1998
	£	£
On bank overdraft	64,529	150,822
On bank loan repayable within 5 years	65,737	97,390
On pension fund loan	9,548	9,428
Other	-	6,961
On finance leases	5,681	4,527
	<u>145,495</u>	<u>269,128</u>

8 Tax on profit on ordinary activities

	1999	1998
	£	£
United Kingdom corporation tax at 31% (1998:33%)		
Current	255,000	275,000
Deferred	(26,000)	(14,000)
Overprovision in respect of prior years:		
Current	(4,347)	(14,924)
	<u>224,653</u>	<u>246,076</u>

9 Profits of the parent company

As permitted by S230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The profit for the year dealt within the financial statements of the company amounts to £353,462 (1998: £503,955).

10 Intangible fixed assets

Group and company	1999	1998
	£	£
At 1 May 1998 and 30 April 1999		
Ancillary property rights	<u>22,085</u>	<u>22,085</u>

Central Bottling International Limited

11 Tangible fixed assets

Group and company	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Office equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 May 1998	4,506,764	230,122	1,183,142	818,469	743,620	7,482,117
Additions	14,074	-	52,484	46,926	76,725	190,209
Disposals	-	-	(1,500)	(4,893)	(66,871)	(73,264)
At 30 April 1999	4,520,838	230,122	1,234,126	860,502	753,474	7,599,062
Depreciation						
At 1 May 1998	689,099	24,616	801,644	663,991	558,128	2,737,478
Charge for year	93,906	4,176	99,080	73,334	93,852	364,348
Eliminated in disposals	-	-	(1,500)	(4,893)	(58,289)	(64,682)
At 30 April 1999	783,005	28,792	899,224	732,432	593,691	3,037,144
Net Book Value at 30 April 1999	3,737,833	201,330	334,902	128,070	159,783	4,561,918
Net Book Value at 30 April 1998	3,817,665	205,506	381,498	154,478	185,492	4,744,639

The net book value of tangible fixed assets includes an amount of £94,629 (1998:£98,963) in respect of assets held under finance leases. The freehold and certain leasehold land and buildings were revalued by GA Property Services as at 31 December 1989, on an open market value basis. If the revalued assets were stated on the historical cost basis, the cost would be £2,665,170 and the net book value would be £2,163,332.

The Net Book Value of land and buildings under long leaseholds is £187,000 (1998: £189,577)

Central Bottling International Limited

12 Fixed asset investments

Company

	Subsidiary Undertakings
Cost	£
At 1 May 1998 and 30 April 1999	<u>110,902</u>

Name of undertaking	Activity	Shares Held
Bawtry Fabrication (1991) Limited	Dormant	100% ordinary shares
Food Equipment Limited	Dormant	100% ordinary shares
Northern Processing Plant Limited	Dormant	100% ordinary shares
Tanks and Vessels Industries Limited	Dormant	100% ordinary shares
Yorkshire Bottle Company Limited	Dormant	100% ordinary shares
Central Plastronics Limited	Dormant	100% ordinary shares

All the companies are incorporated in England

Group and Company

Trade

Investment

		£
Lammas Resources Limited	Waste Disposal	255,000
Provision for diminution in value		<u>(100,000)</u>
		<u>155,000</u>

Lammas Resources Limited is incorporated in the United Kingdom

Shareholding acquired:	%	£
£1 Ordinary shares	25	105,000
£1 Redeemable Cumulative Preference shares	31.9	<u>150,000</u>
		<u>255,000</u>

The net assets of Lammas Resources Limited at 31 August 1998, as stated within its unaudited management accounts, were £145,000. Its loss for the year ended 31 August 1998 was £441,000.

The directors consider that the company does not exercise significant influence over the operating and financial policies of Lammas Resources Limited.

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13 Stocks

Group and company

	1999	1998
	£	£
Work in progress	1,134,646	1,401,269
Machinery, tanks, bottles and cases	3,762,147	3,646,589
	<u>4,896,793</u>	<u>5,047,858</u>

14 Debtors

Group and Company

	1999	1998
	£	£
Trade debtors	3,858,560	5,222,381
Other debtors	429,163	212,412
Prepayments and accrued income	461,380	345,613
	<u>4,749,103</u>	<u>5,780,406</u>

15 Creditors: amounts falling due within one year

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans and overdraft	1,717,396	2,049,848	1,717,396	2,049,848
Obligations under finance leases	25,008	26,750	25,008	26,750
Progress payments on account	1,303,633	1,652,980	1,303,633	1,652,980
Trade creditors	4,482,699	5,306,819	4,482,699	5,306,819
Amounts owed to subsidiary undertakings	-	-	131,882	132,363
Corporation tax	254,654	267,524	254,654	267,524
Other taxation and social security	190,982	134,518	190,982	134,518
Other creditors	753,144	502,115	752,840	501,330
Accruals	163,794	117,544	163,794	117,544
	<u>8,891,310</u>	<u>10,058,098</u>	<u>9,022,888</u>	<u>10,189,676</u>

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16 Creditors: amounts falling due after more than one year

Group and Company

	1999	1998
	£	£
Bank loans	222,896	585,650
Other loans	95,000	95,000
Obligations under finance leases	32,234	36,214
	<u>350,130</u>	<u>716,864</u>

The bank loans and overdraft are secured by a fixed charge on certain freehold land and buildings and by a floating charge over the remaining assets of the Group.

The total bank loans which amount to £572,896 are repayable in monthly instalments. The rate of interest on the loans is 8.58%

Bank loans and overdrafts

	1999	1998
	£	£
Repayable as follows:		
In one year or less	1,717,396	2,049,848
Between one and two years	222,896	350,000
Between two and five years	-	235,650
	<u>1,940,292</u>	<u>2,635,498</u>

Obligations under finance leases

	1999	1998
	£	£
Repayable as follows:		
In one year or less	25,008	26,750
Between one and two years	32,234	36,214
	<u>57,242</u>	<u>62,964</u>

Central Bottling International Limited

17 Provisions for liabilities and charges

Group and company	Group and Company Amount provided and total potential liability	
	1999	1998
	£	£
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	269,000	295,000
	<u>269,000</u>	<u>295,000</u>

The movement on the provision for deferred taxation is as follows:

	£
At 1 May 1998	295,000
Transferred to profit and loss account	(26,000)
At 30 April 1999	<u>269,000</u>

It is estimated that no liability would arise if the group's revalued properties were sold for their revalued amounts. Full provision has been made for all other aspects of deferred taxation.

18 Pension and similar obligations

The group operates a number of defined contribution pension schemes on behalf of its directors and certain employees. The pension cost charge represents contributions payable by the group amounting to £106,652 (1998:£94,505). At the balance sheet date no contributions were outstanding or prepaid.

19 Called up share capital

	1999	1998
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid	<u>49,000</u>	<u>49,000</u>
49,000 ordinary shares of £1 each		

Central Bottling International Limited

20 Reserves

Group	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Capital reserve £	Total £
At 1 May 1998	1,120,283	51,000	3,296,802	19,745	4,487,830
Retained profit for year	-	-	353,462	-	353,462
Transfer from revaluation reserve	(10,706)	-	10,706	-	-
At 30 April 1999	1,109,577	51,000	3,660,970	19,745	4,841,292

Company	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 1998	1,120,283	51,000	3,295,871	4,467,154
Retained profit for year	-	-	353,462	353,462
Transfer from revaluation reserve	(10,706)	-	10,706	-
At 30 April 1999	1,109,577	51,000	3,660,039	4,820,616

21 Reconciliation of movements in equity shareholder's funds

Group	1999 £	1998 £
Opening equity shareholder's funds	4,536,829	4,032,874
Profit for the financial year	353,462	503,955
Closing equity shareholder's funds	4,890,291	4,536,829

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22 Reconciliation of operating profit to operating cash flows

	1999	1998
	£	£
Operating profit	723,610	1,019,159
Depreciation on tangible fixed assets	364,348	383,982
Profit on disposal of tangible fixed assets	(11,570)	(30,585)
Decrease in stocks	151,065	533,221
Decrease / (increase) in debtors	1,031,303	(1,811,180)
(Decrease) / Increase in creditors	(819,724)	1,589,066
Increase/ (Decrease) in trade investment provision	100,000	-
Net cash inflow from operating activities	1,539,032	1,683,663

23 Analysis of cash flows for headings disclosed as net amounts in the cash flow statement

Returns on investments and servicing of finance

	1999	1998
	£	£
Interest paid	(139,815)	(264,601)
Interest element of finance lease rental payments	(5,680)	(4,527)
Net cash outflow from returns on investments and servicing of finance	(145,495)	(269,128)

Capital expenditure and financial investment

	1999	1998
	£	£
Purchase of tangible fixed assets	(156,762)	(97,753)
Sale of tangible fixed assets	20,152	54,898
Purchase of trade investments	(255,000)	-
Net cash outflow for capital expenditure and financial investment	(391,610)	(42,855)

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Financing

	1999 £	1998 £
Debt due beyond one year		
Repayment of secured loan	(362,754)	(382,674)
Capital element of finance lease rental payments	(39,170)	(31,003)
Net outflow from financing	(401,924)	(413,677)

24 Analysis of net debt

	At 1 May 1998 £	Cash flow £	Other non cash changes £	At 30 April 1999 £
Cash at hand, at bank	11,803	4,033	-	15,836
Overdrafts	(1,699,848)	332,452	-	(1,367,396)
	<u>(1,688,045)</u>	<u>336,485</u>	<u>-</u>	<u>(1,351,560)</u>
Debt due beyond one year	(680,650)	362,754	-	(317,896)
Debt due within one year	(350,000)	-	-	(350,000)
Finance leases	(62,964)	39,170	(33,448)	(57,242)
Net debt	<u>(2,781,659)</u>	<u>738,409</u>	<u>(33,448)</u>	<u>(2,076,698)</u>

25 Contingent liabilities

At 30 April 1999, the amount of bank guarantees in respect of upfront deposits totalled £Nil (1998: £17,248).

26 Financial commitments

At 30 April 1999, the company had annual commitments under non-cancellable operating leases expiring as follows:

	1999 £	1998 £
Within one year	-	10,237
Within two to five years	23,196	15,576
	<u>23,196</u>	<u>25,813</u>

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27 Transactions with related parties

A D Morris is a director and shareholder of Doublewild Limited. Central Bottling International Limited made a loan to Doublewild Limited. The balance due by Doublewild Limited, to Central Bottling Limited at the year end in respect of this loan is £72,057(1998: £66,172). Accrued interest in respect of this loan, due by Doublewild Limited to Central Bottling International Limited at the year end is £48,763 (1998: £45,504).

Included within other creditors is a loan made by the pension fund of A D Morris, a director of the company, of £95,000 (1998: £95,000).

28 Ultimate controlling party

The directors consider the ultimate controlling party of the company and of the group to be A D Morris, by virtue of his shareholding in the company.