

Registered Number 1307388

Tanks and Vessels Industries Limited (formerly
Central Bottling International Limited)
Annual Report
for the year ended 30 April 2004



Tanks and Vessels Industries Limited (formerly Central
Bottling International Limited)
Annual Report
for the year ended 30 April 2004
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Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Directors and advisors for the year ended 30 April 2004

Directors

A D Morris (Chairman)

G A Smith

S T Thistlethwayte

Secretary

G A Smith

Registered Office

Bankwood Lane Trading Estate,

Bankwood Lane,

Rossington,

Doncaster,

South Yorkshire,

DN11 OPS

Auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

Hammonds

2 Park Lane

Leeds

LS3 1ES

Bankers

Yorkshire Bank PLC

Heavens Walk

Doncaster

DN4 5NZ

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Directors' report for the year ended 30 April 2004

The directors present their report and the audited financial statements of the company for the year ended 30 April 2004.

Principal activities

The principal activities of the group are the buying, building, refurbishment, resale and installation of bottling and brewing plant and machinery; the purchase, processing and resale of tanks, vessels, glass containers and cases; and the provision of services to the bottling and brewing industry. Additionally, the group has introduced the operation of an aerobic digestion system, converting food waste into a liquid fertiliser.

Review of business

Despite difficult trading conditions in the industries served by the Group, the year proved more successful than recent periods, with the Engineering Division in particular enjoying growth and increasing opportunities. However margins continued to suffer mainly due to fierce European competition. Some of the Group's smaller activities continued to gain profitable orders, but without any significant growth. The Group continued to explore alternative opportunities and on 23 July 2003 acquired a 31% investment in Devon Cider Company Limited. Although the Engineering Division enjoyed growth during the year, the constant pressure on margins forced the Directors to restructure the business further towards the end of the year, resulting in a small number of managerial redundancies.

The year to April 2005 saw the Engineering Division struggle to capitalise on the previous year's growth, albeit the main issue appeared to be a significant downturn in the global industries served resulting in a decrease in turnover. Despite being well positioned to take advantage of any future upturn, the Directors decided to dispose of the Engineering Division, completing the sale of the operation to the Barry Wehmiller Group on 27 April 2005. The Directors are confident that the new owners will successfully expand the operation, providing the much needed 'large group support' necessary to operate successfully in the appropriate markets. The Company name and logos were also acquired on that date resulting in the Company changing its name to Tanks and Vessels Industries Limited and relocating its Head Office to its Rossington site.

The Directors are confident that the Company's remaining activities can benefit from the increased managerial attention they will receive, providing further Balance Sheet growth in the medium term.

Results and dividends

The profit and loss account for the year is set out on page 6. The group's profit for the financial year was £140,176 (2003: loss of £11,879). The directors do not recommend the payment of a dividend (2003: £nil). The retained profit for the year has been transferred to reserves.

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Directors and their interests

The directors who held office during the year are given below:

A D Morris
G A Smith
S T Thistlethwayte

The interests of the directors of the company in the ordinary shares of the company at 30 April 2004, were:

	2004	2003
	£	£
A D Morris	49,000	49,000

Research and development

The company is committed to research and development with the aim of further diversification of its operations. All research and development expenditure has been directly expensed to the profit and loss account in the period.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



G A Smith
Company Secretary
26 May 2005

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 April 2004, that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

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

By order of the Board



G A Smith

Company Secretary

26 May 2005

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Independent auditors' report to the members of Tanks and Vessels Industries Limited

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets, the cash flow statement and the related notes, and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

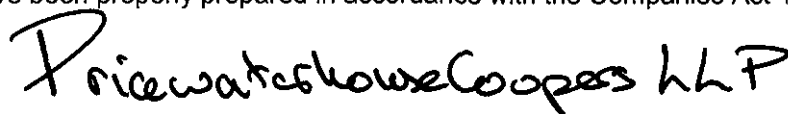
Basis of audit opinion

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 the group at 30 April 2004 and 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 LLP
Chartered Accountants and Registered Auditors
Leeds

27 May 2005

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Consolidated profit and loss account for the year ended 30 April 2004

	Note	2004	2003
		£	£
Turnover	1	18,754,600	14,775,713
Cost of sales		(13,917,181)	(10,875,907)
Gross profit		4,837,419	3,899,806
Net operating expenses	2	(4,289,734)	(3,608,920)
Operating profit		547,685	290,886
Interest payable and similar charges	5	(244,858)	(257,944)
Profit on ordinary activities before taxation	6	302,827	32,942
Tax on profit on ordinary activities	7	(109,349)	(55,999)
Profit/(loss) on ordinary activities after taxation		193,478	(23,057)
Equity minority interests		(53,302)	11,178
Profit/(loss) for the financial year		140,176	(11,879)
Retained profit/(loss) for the year	19	140,176	(11,879)

All items dealt with in arriving at operating profit above relate to continuing operations.

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

**Note of historical cost profits and losses
for the year ended 30 April 2004**

	2004	2003
	£	£
Reported profit on ordinary activities before taxation	302,827	32,942
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	313,533	43,648
 Retained historical cost profit/(loss) for the year after taxation and minority interests	 150,882	 (1,173)

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Balance sheets as at 30 April 2004

		Group		Company	
	Note	2004	2003	2004	2003
		£	£	£	£
Fixed assets					
Intangible assets					
Goodwill	9	18,000	19,000	-	-
Negative goodwill	9	(4,220)	(4,220)	-	-
Other intangible assets	9	22,085	22,085	22,085	22,085
Tangible assets	10	5,995,166	6,169,334	5,953,351	6,119,604
Investments	11	335,000	-	466,032	131,032
		6,366,031	6,206,199	6,441,468	6,272,721
Current assets					
Stock	12	4,753,429	4,962,490	4,709,085	4,978,523
Debtors due within one year	13	3,821,914	4,430,453	3,376,758	4,427,207
Cash at bank and in hand		132,333	42,508	28,777	29,452
		8,707,676	9,435,451	8,114,620	9,435,182
Creditors: amounts falling due within one year	14	(8,070,360)	(8,265,481)	(7,698,270)	(8,357,336)
Net current assets		637,316	1,169,970	416,350	1,077,846
Total assets less current liabilities		7,003,347	7,376,169	6,857,818	7,350,567
Creditors : amounts falling due after more than one year	15	(1,221,236)	(1,814,217)	(1,132,236)	(1,725,217)
Provisions for liabilities and charges	16	(354,437)	(327,751)	(351,838)	(325,480)
Net assets		5,427,674	5,234,201	5,373,744	5,299,870
Capital and reserves					
Called up share capital	18	49,000	49,000	49,000	49,000
Reserves	19	5,347,986	5,207,810	5,324,744	5,250,870
Equity shareholders' funds		5,396,986	5,256,810	5,373,744	5,299,870
Equity minority interests		30,688	(22,609)	-	-
Capital employed		5,427,674	5,234,201	5,373,744	5,299,870

The financial statements on pages 6 to 30 were approved by the board of directors on **26** May 2005 and were signed on its behalf by:



G A Smith
Director

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

Consolidated cash flow statement for the year ended 30 April 2004

	Note	2004	2003
		£	£
Net cash inflow from operating activities	21	1,275,659	1,149,410
Returns on investments and servicing of finance	22	(244,858)	(257,944)
Taxation		(46,834)	(48,099)
Capital expenditure and financial investment	22	(241,729)	(1,352,373)
Acquisitions	22	(335,000)	-
Cash inflow/(outflow) before financing		407,238	(509,006)
Financing	22	(1,080,489)	856,478
(Decrease)/increase in cash in the year		(673,251)	347,472

Reconciliation of net cash flow to movement in net debt

	Note	2004	2003
		£	£
(Decrease)/increase in cash in the year		(673,251)	347,472
Cash outflow/(inflow) from debt and lease financing		1,080,489	(856,478)
Change in net debt resulting from cash flows		407,238	(509,006)
New finance leases		(255,127)	(146,507)
Movement in net debt in the year		152,111	(655,513)
Net debt at 1 May 2003	23	(4,711,363)	(4,055,850)
Net debt at 30 April 2004	23	(4,559,252)	(4,711,363)

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Statement of 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 except for changes in accounting standards, is set out below:

Basis of accounting

The financial statements 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, except where standard accounting practice requires that a subsidiary should be excluded from consolidation. The company and its subsidiaries prepare their accounts to 30 April, with the following exceptions:

Sismatico (UK) Limited	31 March
Envirodiesel Limited	31 March

In the opinion of the directors, the non-coterminous accounting reference dates do not have a material impact on the results, position and cash flow for the year.

Turnover

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

Turnover with the exception of long term contracts is recognised on the despatch of goods or the completion of services being provided.

Turnover and a prudent estimate of profit attributable to work completed on long term contracts is recognised once the outcome of the contract can be assessed with reasonable certainty by reference to the value of work done.

Tangible fixed assets

Land and buildings are shown at historical cost, which includes (as permitted by the transitional provisions of FRS 15) revalued amounts pre-dating the adoption of that standard. Other fixed assets are shown at cost.

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 33%
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

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completion and disposal. Work in progress includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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

The Company and Group make full provision for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur. Deferred tax assets and liabilities are not discounted.

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 and Group have 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 financial statements and the rentals are charged to revenue on a straight line basis over the lease term.

Pension scheme

The group operates a non-contributory self-administered pension scheme for the chairman and a contributory money purchase 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

Goodwill arising represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is eliminated by amortisation through the profit and loss account over the useful economic life, which is expected to be 20 years. No amortisation is charged in the first year of acquisition. The carrying value of goodwill is reviewed annually by the directors with provision made for any diminution of value.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account over its deemed life.

No amortisation is provided on the cost of ancillary property rights on the basis that the property rights have an unlimited useful life.

Research and development

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

Cashflow statement

The cashflow statement has been prepared in accordance with FRS 1 (revised).

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Notes to the financial statements for the year ended 30 April 2004

1 Segmental reporting

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

	2004	2003
	£	£
Class of business		
Plant, machinery and tanks	18,365,726	14,374,522
Ancillaries	388,874	401,191
	18,754,600	14,775,713
Geographical segment		
United Kingdom	9,436,053	6,968,944
Europe	5,076,336	5,558,722
North America/South America	105,905	3,730
Middle East	2,730,751	187,120
Africa and Far East	1,286,374	2,056,470
Australasia	119,181	727
	18,754,600	14,775,713

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

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

2 Net operating expenses

	2004 £	2003 £
Distribution costs	(14,001)	(44,100)
Administrative expenses	(872,581)	(938,637)
Other operating charges	(3,677,817)	(2,940,571)
Other operating income	2,439	25,627
Rental income	267,066	279,665
Profit on sale of fixed assets	5,160	9,096
Net operating expenses	(4,289,734)	(3,608,920)

3 Directors' emoluments

	2004 £	2003 £
Aggregate emoluments	518,088	439,043
Pension contributions	26,000	36,000
	544,088	475,043

Retirement benefits are accruing to two (2003: two) directors under money purchase pension schemes in respect of qualifying services, and to the other director in respect of a self-administered pension scheme.

Highest paid director

	2004 £	2003 £
Aggregate emoluments	213,105	184,325
Pension contributions	10,000	20,000
	223,105	204,325

In 2004 and 2003 the Chairman was the highest paid director.

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

4 Employee information

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

By activity	2004	2003
	Number	Number
Factory	146	143
Administration	58	59
	204	202

Staff costs for the above persons

	2004	2003
	£	£
Wages and salaries	5,098,878	4,160,849
Social security costs	561,289	388,979
Other pensions costs	169,105	187,735
	5,829,272	4,737,563

5 Interest payable and similar charges

	2004	2003
	£	£
On bank overdraft	99,285	149,349
On bank loan repayable within 5 years	107,569	66,386
On pension fund loan	6,314	7,240
On finance leases	31,690	34,969
	244,858	257,944

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

6 Profit on ordinary activities before taxation

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after crediting:		
Rent receivable	267,066	279,665
Profit on disposal of tangible fixed assets	5,160	9,096
And after charging		
Depreciation of tangible fixed assets:		
- owned assets	470,557	389,626
- leased assets	205,622	165,643
Operating lease charges	20,104	25,413
Auditors' remuneration:		
Audit services	25,000	25,000
Non-audit services	3,600	3,600

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

7 Tax on profit on ordinary activities

	2004 £	2003 £
Current tax:		
UK Corporation tax	85,566	6,660
Adjustment in respect of prior periods	(2,903)	(19,480)
Total current tax	82,663	(12,820)
Deferred tax:		
Current period movements	20,682	50,109
Prior period movements	6,004	18,710
Total deferred tax	26,686	68,819
Tax on profit on ordinary activities	109,349	55,999

The current tax charge/(credit) reconciles with the standard rate of corporation tax in the United Kingdom (30%) as follows:

	2004 £	2003 £
Profit on ordinary activities before tax	302,827	32,942
Profit on ordinary activities multiplied by standard rate in the UK of 30% (2003: 30%)	90,848	9,883
Effects of:		
Capital allowances and other timing differences	(20,353)	(46,140)
Adjustment to tax charge in respect of prior periods	(2,903)	(19,480)
Expenses not deductible for tax purposes	30,062	46,886
Effect of small companies' rate of tax	(14,991)	(3,969)
Current tax charge/(credit) for the year	82,663	(12,820)

8 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 £73,874 (2003: £37,624).

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

9 Intangible fixed assets

Group	Goodwill on acquisition of Envirodiesel Limited £	Goodwill on acquisition of Sismatico (UK) Limited £	Ancillary property rights £
Cost at 1 May 2003 and 30 April 2004	20,000	(4,220)	22,085
Accumulated amortisation			
At 1 May 2003	1,000	-	-
Charge for the year	1,000	-	-
At 30 April 2004	2,000	-	-
Net book value at 30 April 2004	18,000	(4,220)	22,085
Net book value at 1 May 2003	19,000	(4,220)	22,085

Negative goodwill arose because Tanks and Vessels Industries Limited (formerly Central Bottling International Limited) granted Sismatico (UK) Limited a lease incentive on a building that Sismatico (UK) Limited is renting from Tanks and Vessels Industries Limited. The negative goodwill will now be released when the lease, which has been extended to 30 September 2004, expires.

Company	2004 £	2003 £
Cost and net book value		
Ancillary property rights	22,085	22,085

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10 Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2003	5,576,830	2,790,941	1,215,035	977,320	10,560,126
Additions	25,133	256,271	65,408	172,693	519,505
Disposals	-	(12,412)	-	(185,091)	(197,503)
At 30 April 2004	5,601,963	3,034,800	1,280,443	964,922	10,882,128
Depreciation					
At 1 May 2003	1,263,694	1,499,324	1,019,319	608,455	4,390,792
Charge for year	123,095	304,613	87,344	161,127	676,179
Disposals	-	(3,077)	-	(176,932)	(180,009)
At 30 April 2004	1,386,789	1,800,860	1,106,663	592,650	4,886,962
Net book value at 30 April 2004	4,215,174	1,233,940	173,780	372,272	5,995,166
Net book value at 30 April 2003	4,313,136	1,291,617	195,716	368,865	6,169,334

The net book value of tangible fixed assets includes an amount of £482,949 (2003: £459,276) in respect of assets held under finance leases.

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Company	Freehold land and buildings	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 May 2003	5,576,830	2,772,471	1,210,745	929,550	10,489,596
Additions	25,133	253,869	61,290	172,693	512,985
Disposals	-	(12,412)	-	(185,091)	(197,503)
At 30 April 2004	5,601,963	3,013,928	1,272,035	917,152	10,805,078
Depreciation					
At 1 May 2003	1,263,694	1,491,470	1,017,172	597,656	4,369,992
Charge for year	123,095	300,071	86,693	151,885	661,744
Disposals	-	(3,077)	-	(176,932)	(180,009)
At 30 April 2004	1,386,789	1,788,464	1,103,865	572,609	4,851,727
Net book value at 30 April 2004	4,215,174	1,225,464	168,170	344,543	5,953,351
Net book value at 30 April 2003	4,313,136	1,281,001	193,573	331,894	6,119,604

The net book value of tangible fixed assets includes an amount of £482,949 (2003: £453,496) in respect of assets held under finance leases.

The freehold and certain leasehold land and buildings were revalued on an open market basis by GA Property Services, an firm of independent chartered surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom as at 31 December 1989. If the revalued assets were stated on the historical cost basis, the cost would be £2,638,136 (2003: £2,638,136) and the net book value would be £1,724,817 (2003: £1,812,520).

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

11 Fixed asset investments

Group	£
Cost at 1 May 2003	-
Additions in the year	335,000
At 30 April 2004	335,000

Company	Subsidiary undertakings
	£
Cost at 1 May 2003	131,032
Additions in the year	335,000
At 30 April 2004	466,032

On 21 July 2003 the company acquired a 31.13% stake in the ordinary share capital of the Devon Cider Company, a manufacturer of alcoholic beverages and a contract packer. Tanks and Vessels Industries Limited do not exercise dominant control over the company and as such it is not classed as a subsidiary. The consideration for the 31.13% was £335,000.

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
ADM One Limited (formerly Tanks and Vessels Industries Limited)	Dormant	100% ordinary shares
Yorkshire Bottle Company Limited	Dormant	100% ordinary shares
Central Plastronics Limited	Dormant	100% ordinary shares
Sismatico (UK) Limited	Manufacture of conveyor systems	50% ordinary shares
Envirodiesel Limited	Development of clean diesel	65% ordinary shares
Devon Cider Company Limited	Contract packer	31.13% ordinary shares

All the companies are incorporated in the UK. Sismatico (UK) Limited is consolidated as a subsidiary undertaking as Tanks and Vessels Industries Limited exercises dominant influence over that company.

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

12 Stocks

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Work in progress	1,614,616	1,991,594	1,570,272	2,007,627
Machinery, tanks, bottles and cases	3,138,813	2,970,896	3,138,813	2,970,896
	4,753,429	4,962,490	4,709,085	4,978,523

13 Debtors

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Amounts due within one year:				
Trade debtors	3,170,795	3,314,847	2,701,186	3,259,830
Amounts due from subsidiary undertakings	-	-	25,312	67,990
Other debtors	293,278	729,850	292,419	713,631
Prepayments and accrued income	357,841	385,756	357,841	385,756
	3,821,914	4,430,453	3,376,758	4,427,207

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

14 Creditors – amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdraft	3,363,657	2,703,751	3,362,565	2,700,210
Obligations under finance leases	195,692	324,903	194,980	318,384
Progress payments on account	739,994	1,660,991	739,994	1,660,991
Trade creditors	3,361,534	3,144,691	3,007,925	3,066,017
Amounts owed to subsidiary undertakings	-	-	131,882	200,446
Corporation tax	33,070	(2,759)	7,504	(9,419)
Other taxation and social security	133,256	209,965	127,046	200,975
Other creditors	13,079	72,624	12,349	72,325
Accruals	230,078	151,315	114,025	147,407
	8,070,360	8,265,481	7,698,270	8,357,336

15 Creditors – amounts falling due after more than one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans	874,802	1,468,916	874,802	1,468,916
Other loans	95,000	95,000	95,000	95,000
Obligations under finance leases	162,434	161,301	162,434	161,301
Grants	89,000	89,000	-	-
	1,221,236	1,814,217	1,132,236	1,725,217

The grant was received towards development expenditure of biodiesel incurred by a subsidiary company. It is repayable once the subsidiary company is producing at a commercial scale and not before 2005. In the event the company does not enter into the business of manufacturing biodiesel on a commercial scale by November 2005, it shall have no liability for the repayment of the grant and the amount outstanding will be credited to reserves.

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.

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A bank loan outstanding of £229,278 (2003: £598,916) is repayable quarterly. The rate of interest on this loan is variable dependant on the LIBOR rate. At the end of every quarter the company has the option to repay the loan in full or roll the balance of the loan forward to the next quarter. The average rate of interest on the loan is 5.26% (2003: 5.51%).

A second loan of £1,500,000 was taken out in January 2003. The rate of interest on this loan is fixed dependent on the LIBOR rate remaining between two bands. Should the LIBOR rate fall outside these two bands a variable rate applies. This loan is also repayable quarterly and the amount outstanding is £1,174,801 (2003: £1,500,000). The average rate of interest on this loan is 6.23%.

Bank loans and overdrafts

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Repayable as follows:				
In one year or less	3,363,657	2,703,751	3,362,565	2,700,210
Between one and two years	300,000	630,000	300,000	630,000
Between two and five years	574,802	838,916	574,802	838,916
	4,238,459	4,172,667	4,237,367	4,169,126

Obligations under finance leases

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Repayable as follows:				
In one year or less	195,692	324,903	195,692	318,384
Between one and two years	132,923	111,892	132,923	111,892
Between two and five years	29,511	49,409	29,511	49,409
	358,126	486,204	358,126	479,685

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

16 Provisions for liabilities and charges

Deferred taxation	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	360,003	332,779	357,404	330,508
Other timing differences	(5,566)	-	(5,566)	-
Losses	-	(5,028)	-	(5,028)
	354,437	327,751	351,838	325,480

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

	Group	Company
	£	£
At 1 May 2003	327,751	325,480
Debit to profit and loss account	26,686	26,358
At 30 April 2004	354,437	351,838

Deferred taxation, that might arise on the disposal of the group's revalued properties, is not provided since in the opinion of the directors no liability is expected to crystallise in the foreseeable future. Full provision has been made for all other aspects of deferred taxation.

17 Pensions 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 £169,105 (2003: £187,735). At the balance sheet date, contributions amounting to £18,553 were outstanding (2003: £22,091).

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

18 Called up share capital

	2004 £	2003 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
49,000 ordinary shares of £1 each	49,000	49,000

19 Reserves

Group	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Capital reserve £	Total £
At 1 May 2003	1,066,753	51,000	4,070,312	19,745	5,207,810
Retained profit for year	-	-	140,176	-	140,176
Transfer from revaluation reserve	(10,706)	-	10,706	-	-
At 30 April 2004	1,056,047	51,000	4,221,194	19,745	5,347,986

Company	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2003	1,066,753	51,000	4,133,117	5,250,870
Retained profit for year	-	-	73,874	73,874
Transfer from revaluation reserve	(10,706)	-	10,706	-
At 30 April 2004	1,056,047	51,000	4,217,697	5,324,744

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

20 Reconciliation of movements in equity shareholders' funds

	2004 £	2003 £
Opening equity shareholder's funds	5,256,810	5,268,689
Profit/(loss) for the year	140,176	(11,879)
Closing equity shareholder's funds	5,396,986	5,256,810

21 Reconciliation of operating profit to operating cash flows

	2004 £	2003 £
Operating profit	547,685	290,886
Depreciation on tangible fixed assets	676,179	555,269
Amortisation on purchased goodwill	1,000	13,750
Profit on disposal of tangible fixed assets	(5,160)	(9,096)
Decrease in stocks	209,061	584,082
Decrease in debtors	608,539	72,659
(Decrease) in creditors	(761,645)	(358,140)
Net cash inflow from operating activities	1,275,659	1,149,410

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

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

Returns on investments and servicing of finance	2004	2003
	£	£
Interest paid	(213,168)	(222,975)
Interest element of finance lease rental payments	(31,690)	(34,969)
Net cash outflow from returns on investments and servicing of finance	(244,858)	(257,944)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(264,378)	(1,442,196)
Sale of tangible fixed assets	22,649	89,823
Net cash outflow from capital expenditure and financial investment	(241,729)	(1,352,373)
Acquisitions		
Purchase of subsidiary undertaking	(335,000)	-
Net cash outflow from acquisitions	(335,000)	-
Financing		
New loan less repayment of secured loan	(697,284)	1,155,488
Capital element of finance lease rental payments	(383,205)	(299,010)
Net (outflow)/inflow from financing	(1,080,489)	856,478

23 Analysis of net debt

	At 1 May 2003	Cash flow	Other non cash changes	At 30 April 2004
	£	£	£	£
Cash at hand, at bank	42,508	89,825	-	132,333
Overdrafts	(2,070,210)	(763,076)	-	(2,833,286)
	(2,027,702)	(673,251)	-	(2,700,953)
Debt falling due after one year	(1,563,916)	594,114	-	(969,802)
Debt falling due within one year	(633,541)	103,170	-	(530,371)
Finance leases	(486,204)	383,205	(255,127)	(358,126)
Net debt	(4,711,363)	407,238	(255,127)	(4,559,252)

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

24 Capital commitments

Capital commitments at 30 April 2004, for which no provision has been made in these accounts, were as follows:

	2004	2003
	£	£
Contracted but not yet provided	141,865	-

25 Financial commitments

At 30 April 2004, the company and group had annual commitments under non-cancellable operating leases expiring as follows:

	2004	2003
	£	£
Within one year	809	10,398
Within two to five years	269,097	809
	269,906	11,207

Tanks and Vessels Industries Limited entered into a non entity joint venture with another party. Tanks and Vessels Industries Limited has undertaken to pay monthly rentals on a blowmoulding machine to enable PET bottles to be blown. This non cancellable operating lease runs until August 2007. The annual operating lease payments amount to £269,097.

Tanks and Vessels Industries Limited (formerly Central Bottling International Limited)

26 Related party transactions

A D Morris is a director and shareholder of Doublewild Limited. Tanks and Vessels Industries Limited made a loan to Doublewild Limited. The balance due by Doublewild Limited in respect of this loan is £805 (2003: £23,102).

Included within other creditors is a loan made by the pension fund of A D Morris, to Tanks and Vessels Industries Limited of £95,000 (2003: £95,000).

A D Morris is a director of Morris & Co Handlers. His brother is also a director. During the year Tanks and Vessels Industries Limited made sales of £54,883 (2003: £40,071) to Morris & Co Handlers and there was a balance of £5,915 (2003: £6,870) due to Tanks and Vessels Industries Limited at year end.

A D Morris' brother is also a Director of A E Morris Ltd. During the year Tanks and Vessels Industries Limited purchased £18,088 (2003: £51,302) worth of goods from A E Morris and there was a balance of £654 (2003: £8,261) due from Tanks and Vessels Industries Limited at year end.

In 2000 Tanks and Vessels Industries Limited made a loan of £80,140 to R Walker, a former senior manager of the Group. The amount due to the group at year end £80,140 (2003: £80,140). The loan does not bear interest.

A D Morris has a non interest bearing loan account with Tanks and Vessels Industries Limited. The balance due from A D Morris to Tanks and Vessels Industries Limited was £6,146 (2003: owed to AD Morris £3,675). The maximum loan amount during the year was £21,776, being an amount owed by A D Morris to Tanks and Vessels Industries Limited.

G A Smith has a non interest bearing loan account with Tanks and Vessels Industries Limited. The balance due from G A Smith to Tanks and Vessels Industries Limited was £27,689 (2003: £18,328). The maximum loan amount during the year was £61,342 being an amount owed by G A Smith to Tanks and Vessels Industries Limited.

S T Thistlethwayte has a non interest bearing loan account with Tanks and Vessels Industries Limited. The balance due from S T Thistlethwayte to Tanks and Vessels Industries Limited was £4,223 (2003: £2,576). The maximum loan amount during the year was £18,511 being an amount owed by Tanks and Vessels Industries Limited to S T Thistlethwayte.

Tanks and Vessels Industries Limited has a 65% interest in Envirodiesel Ltd. In the year to April 2004 Tanks and Vessels Industries Limited made sales of £0 (2003: £10,138) to Envirodiesel Ltd. There is a balance of £7,179 (2003: £7,179) owing to Tanks and Vessels Industries Limited at the year end.

Tanks and Vessels Industries Limited has a 31.13% interest in the Devon Cider Company Ltd. During the year to April 2004 Tanks and Vessels Industries Limited made sales of £145,652 to Devon Cider Company Ltd. There is a balance of £58,410 owing to Tanks and Vessels Industries Limited at the year end. Tanks and Vessels Industries Limited acquired its interest in Devon Cider Company in the year to April 2004.

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Tanks and Vessels Industries Limited also has a 50% shareholding in Sismatico (UK) Limited. During the year to April 2004. Tanks and Vessels Industries Limited made sales of £249,584 (2003: £100,487) to Sismatico (UK) Limited and there was a balance of £135,633 (2003: £60,811) due to Tanks and Vessels Industries Limited at the year end. Tanks and Vessels Industries Limited purchased £225,045 (2003: £147,171) of goods from Sismatico (UK) Limited and there was a balance outstanding at the year end of £nil (2003: £68,564).

27 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.