

OAKES MILLERS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006



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COMPANIES HOUSE 07/12/2006

OAKES MILLERS LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2006**

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OAKES MILLERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2006**

DIRECTORS:

J E Lea
A Preston
M J Jepson
A W Baxter
D Warr
I D Brown
D H Fox
K Jamieson

SECRETARY:

O S Shaw

REGISTERED OFFICE:

Aston Mill
Aston
Near Nantwich
Cheshire
CW5 8DH

REGISTERED NUMBER:

333467

AUDITORS:

Harold Sharp
Registered Auditors
Holland House
1-5 Oakfield
Sale
Cheshire
M33 6TT

OAKES MILLERS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2006

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2006.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of animal feed manufacture.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

The market in which the group operates continues to be highly competitive and is affected by the challenging times facing the agricultural industry. This has been another difficult year with more competitors continuing to leave the market. When viewed in this light the results are a great tribute to the hard work and effort of all the staff.

The group has continued to invest in both its production plant and vehicle fleet with a view to increasing efficiency, capacity and product range. This investment programme has served the group well in surviving these difficult times.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 2006.

FIXED ASSETS

Details of movements in fixed assets are shown in the notes to the financial statements.

DIRECTORS

The directors during the year under review were:

J E Lea	
A Preston	
M J Jepson	
A W Baxter	
D Warr	
I D Brown	
D H Fox	- appointed 15/12/05
K Jamieson	- appointed 15/12/05

The beneficial interests of the directors holding office on 31 August 2006 in the issued share capital of the company were as follows:

	31.8.06	1.9.05 or date of appointment if later
Ordinary 50p shares		
J E Lea	40,344	40,344
A Preston	-	-
M J Jepson	-	-
A W Baxter	-	-
D Warr	-	-
I D Brown	-	-
D H Fox	-	-
K Jamieson	-	-

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2006**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Harold Sharp, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



O S Shaw - Secretary

Date: 8 November 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OAKES MILLERS LIMITED

We have audited the financial statements of Oakes Millers Limited and its subsidiary for the year ended 31 August 2006 on pages five to twenty. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is 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 other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

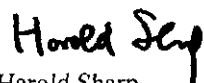
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31 August 2006 and of the profit of the group for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the report of the directors is consistent with the financial statements.



Harold Sharp
Registered Auditors
Holland House
1-5 Oakfield
Sale
Cheshire
M33 6TT

Date: 8 November 2006

OAKES MILLERS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2006**

	Notes	2006 £	2005 £
TURNOVER		34,246,221	28,134,935
Cost of sales		<u>25,499,829</u>	<u>21,115,401</u>
GROSS PROFIT		8,746,392	7,019,534
Distribution costs		4,236,492	3,348,046
Administrative expenses		<u>4,093,878</u>	<u>3,376,973</u>
		8,330,370	6,725,019
		416,022	294,515
Other operating income		<u>11,511</u>	<u>11,403</u>
OPERATING PROFIT	3	427,533	305,918
Interest receivable and similar income		<u>170</u>	<u>22</u>
		427,703	305,940
Interest payable and similar charges	4	<u>123,019</u>	<u>156,807</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		304,684	149,133
Tax on profit on ordinary activities	5	<u>140,389</u>	<u>38,917</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>164,295</u>	<u>110,216</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

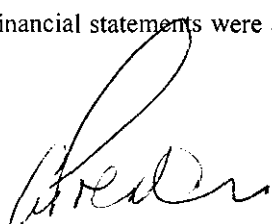
The notes form part of these financial statements

OAKES MILLERS LIMITED

CONSOLIDATED BALANCE SHEET
31 AUGUST 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	7	42,312	47,312
Tangible assets	8	2,179,115	2,029,189
Investments	9	-	-
		<u>2,221,427</u>	<u>2,076,501</u>
CURRENT ASSETS			
Stocks	10	935,395	795,453
Debtors	11	4,197,600	3,258,821
Cash at bank and in hand		<u>4,662</u>	<u>5,215</u>
		5,137,657	4,059,489
CREDITORS			
Amounts falling due within one year	12	<u>5,268,930</u>	<u>4,149,017</u>
NET CURRENT LIABILITIES		<u>(131,273)</u>	<u>(89,528)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,090,154	1,986,973
CREDITORS			
Amounts falling due after more than one year	13	(705,000)	(840,000)
PROVISIONS FOR LIABILITIES	17	<u>(157,929)</u>	<u>(84,043)</u>
NET ASSETS		<u>1,227,225</u>	<u>1,062,930</u>
CAPITAL AND RESERVES			
Called up share capital	18	32,800	32,800
Capital reserve	19	329,652	329,652
Other reserves	19	157	157
Profit and loss account	19	<u>864,616</u>	<u>700,321</u>
SHAREHOLDERS' FUNDS	20	<u>1,227,225</u>	<u>1,062,930</u>

The financial statements were approved by the Board of Directors on 8 November 2006 and were signed on its behalf by:



A Preston - Director

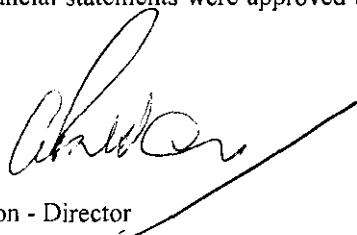
The notes form part of these financial statements

OAKES MILLERS LIMITED

COMPANY BALANCE SHEET
31 AUGUST 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	7	42,312	47,312
Tangible assets	8	1,858,220	1,882,342
Investments	9	<u>17,700</u>	<u>17,700</u>
		1,918,232	1,947,354
CURRENT ASSETS			
Stocks	10	628,638	515,239
Debtors	11	2,862,570	1,945,899
Cash at bank and in hand		<u>1,273</u>	<u>1,347</u>
		3,492,481	2,462,485
CREDITORS			
Amounts falling due within one year	12	<u>3,862,908</u>	<u>2,854,263</u>
NET CURRENT LIABILITIES		<u>(370,427)</u>	<u>(391,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,547,805	1,555,576
CREDITORS			
Amounts falling due after more than one year	13	(705,000)	(840,000)
PROVISIONS FOR LIABILITIES	17	<u>(131,001)</u>	<u>(79,694)</u>
NET ASSETS		<u>711,804</u>	<u>635,882</u>
CAPITAL AND RESERVES			
Called up share capital	18	32,800	32,800
Other reserves	19	157	157
Profit and loss account	19	<u>678,847</u>	<u>602,925</u>
SHAREHOLDERS' FUNDS	20	<u>711,804</u>	<u>635,882</u>

The financial statements were approved by the Board of Directors on 8 November 2006 and were signed on its behalf by:



A Preston - Director

The notes form part of these financial statements

OAKES MILLERS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2006**

		2006	2005
	Notes	£	£
Net cash inflow from operating activities	1	882,391	446,693
Returns on investments and servicing of finance	2	(122,849)	(156,785)
Taxation		(28,007)	(22,370)
Capital expenditure	2	(500,356)	(515,004)
		231,179	(247,466)
Financing	2	(135,000)	(100,000)
Increase/(Decrease) in cash in the period		<u>96,179</u>	<u>(347,466)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		96,179	(347,466)
Cash outflow from decrease in debt		<u>135,000</u>	<u>100,000</u>
Change in net debt resulting from cash flows		<u>231,179</u>	<u>(247,466)</u>
Movement in net debt in the period		231,179	(247,466)
Net debt at 1 September		<u>(2,442,072)</u>	<u>(2,194,606)</u>
Net debt at 31 August		<u>(2,210,893)</u>	<u>(2,442,072)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2006**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating profit	427,533	305,918
Depreciation charges	366,936	343,792
Profit on disposal of fixed assets	(11,507)	(1,304)
(Increase)/Decrease in stocks	(139,942)	285,164
Increase in debtors	(938,779)	(330,795)
Increase/(Decrease) in creditors	<u>1,178,150</u>	<u>(156,082)</u>
Net cash inflow from operating activities	<u>882,391</u>	<u>446,693</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	170	22
Interest paid	<u>(123,019)</u>	<u>(156,807)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(122,849)</u>	<u>(156,785)</u>
Capital expenditure		
Purchase of tangible fixed assets	(529,056)	(519,054)
Sale of tangible fixed assets	<u>28,700</u>	<u>4,050</u>
Net cash outflow for capital expenditure	<u>(500,356)</u>	<u>(515,004)</u>
Financing		
Loan repayments in year	<u>(135,000)</u>	<u>(100,000)</u>
Net cash outflow from financing	<u>(135,000)</u>	<u>(100,000)</u>

OAKES MILLERS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2006**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/9/05 £	Cash flow £	At 31/8/06 £
Net cash:			
Cash at bank and in hand	5,215	(553)	4,662
Bank overdraft	<u>(1,507,287)</u>	<u>96,732</u>	<u>(1,410,555)</u>
	<u>(1,502,072)</u>	<u>96,179</u>	<u>(1,405,893)</u>
Debt:			
Debts falling due within one year	(100,000)	-	(100,000)
Debts falling due after one year	<u>(840,000)</u>	<u>135,000</u>	<u>(705,000)</u>
	<u>(940,000)</u>	<u>135,000</u>	<u>(805,000)</u>
Total	<u>(2,442,072)</u>	<u>231,179</u>	<u>(2,210,893)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2006**

1. ACCOUNTING POLICIES**Accounting convention**

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Goodwill

Purchased goodwill is amortized on a straight line basis over 20 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 20% on cost

Freehold land is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes direct materials and labour costs and also those overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value represents sales value less appropriate selling expenses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Operating leases

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred.

2. STAFF COSTS

	2006	2005
	£	£
Wages and salaries	2,875,061	2,484,940
Social security costs	250,730	236,088
Other pension costs	50,043	73,575
	<u>3,175,834</u>	<u>2,794,603</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2006	2005
Directors	8	6
Administration	11	11
Production	38	37
Sales and distribution	<u>42</u>	<u>41</u>
	<u>99</u>	<u>95</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2006 £	2005 £
Depreciation - owned assets	361,937	338,792
Profit on disposal of fixed assets	(11,507)	(1,304)
Goodwill amortisation	5,000	5,000
Auditors' remuneration	20,000	20,000
Other operating leases rentals	<u>15,431</u>	<u>13,123</u>
Directors' emoluments	321,734	281,414
Directors' pension contributions to money purchase schemes	<u>7,535</u>	<u>7,122</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
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Information regarding the highest paid director is as follows:

	2006 £	2005 £
Emoluments etc.	93,709	62,542
Pension contributions to money purchase schemes	<u>2,194</u>	<u>1,889</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest	111,058	136,407
Other loan interest	<u>11,961</u>	<u>20,400</u>
	<u>123,019</u>	<u>156,807</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2006 £	2005 £
Current tax:		
UK corporation tax	66,502	28,007
Corporation tax re prior year	-	(1,474)
Total current tax	66,502	26,533
Deferred tax	73,887	12,384
Tax on profit on ordinary activities	<u>140,389</u>	<u>38,917</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	<u>304,684</u>	<u>149,133</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	91,405	44,740
Effects of:		
Capital allowances in excess of depreciation	(23,990)	(17,457)
Expenses not deductible for tax purposes	1,829	2,571
Adjustment to tax charge in respect of earlier year	-	(1,474)
Marginal relief	<u>(2,742)</u>	<u>(1,847)</u>
Current tax charge	<u>66,502</u>	<u>26,533</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £75,922 (2005 - £16,217).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

7. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 September 2005
and 31 August 2006100,004

AMORTISATION

At 1 September 2005
Amortisation for year52,692
5,000

At 31 August 2006

57,692

NET BOOK VALUE

At 31 August 2006

42,312

At 31 August 2005

47,312

Company

Goodwill
£

COST

At 1 September 2005
and 31 August 2006100,004

AMORTISATION

At 1 September 2005
Amortisation for year52,692
5,000

At 31 August 2006

57,692

NET BOOK VALUE

At 31 August 2006

42,312

At 31 August 2005

47,312

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

8. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 September 2005	903,831	3,077,748	364,363	4,345,942
Additions	-	302,806	226,250	529,056
Disposals	-	(97,000)	(67,450)	(164,450)
At 31 August 2006	<u>903,831</u>	<u>3,283,554</u>	<u>523,163</u>	<u>4,710,548</u>
DEPRECIATION				
At 1 September 2005	149,244	1,893,493	274,016	2,316,753
Charge for year	14,801	317,205	29,931	361,937
Eliminated on disposal	-	(95,402)	(51,855)	(147,257)
At 31 August 2006	<u>164,045</u>	<u>2,115,296</u>	<u>252,092</u>	<u>2,531,433</u>
NET BOOK VALUE				
At 31 August 2006	<u>739,786</u>	<u>1,168,258</u>	<u>271,071</u>	<u>2,179,115</u>
At 31 August 2005	<u>754,587</u>	<u>1,184,255</u>	<u>90,347</u>	<u>2,029,189</u>
Company		Freehold property £	Plant and machinery £	Totals £
COST				
At 1 September 2005		899,048	2,860,950	3,759,998
Additions		-	293,857	293,857
Disposals		-	(97,000)	(97,000)
At 31 August 2006		<u>899,048</u>	<u>3,057,807</u>	<u>3,956,855</u>
DEPRECIATION				
At 1 September 2005		149,244	1,728,412	1,877,656
Charge for year		14,801	301,580	316,381
Eliminated on disposal		-	(95,402)	(95,402)
At 31 August 2006		<u>164,045</u>	<u>1,934,590</u>	<u>2,098,635</u>
NET BOOK VALUE				
At 31 August 2006		<u>735,003</u>	<u>1,123,217</u>	<u>1,858,220</u>
At 31 August 2005		<u>749,804</u>	<u>1,132,538</u>	<u>1,882,342</u>

Included in land and buildings is freehold land valued at £155,000 (2005 - £155,000) which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

9. FIXED ASSET INVESTMENTS**Company**

Shares in
group
undertakings
£

COST

At 1 September 2005
and 31 August 2006

17,700

NET BOOK VALUE

At 31 August 2006

17,700

At 31 August 2005

17,700

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary**HJ Lea Oakes Limited**

Nature of business: *Agricultural Merchanting and Distribution.*

Class of shares:	% holding
Ordinary	100.00

	2006	2005
	£	£
Aggregate capital and reserves	533,121	444,749
Profit for the year	<u>88,372</u>	<u>93,998</u>

10. STOCKS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Raw materials	449,791	437,400	433,297	409,764
Finished goods	<u>485,604</u>	<u>358,053</u>	<u>195,341</u>	<u>105,475</u>
	<u>935,395</u>	<u>795,453</u>	<u>628,638</u>	<u>515,239</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	3,720,681	2,922,326	2,581,543	1,703,206
Other debtors	179,437	53,349	104,302	92,105
Prepayments	<u>297,482</u>	<u>283,146</u>	<u>176,725</u>	<u>150,588</u>
	<u>4,197,600</u>	<u>3,258,821</u>	<u>2,862,570</u>	<u>1,945,899</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans and overdrafts (see note 14)	1,510,555	1,607,287	1,403,228	1,258,820
Trade creditors	3,299,193	2,077,228	2,152,135	1,314,410
Tax	66,502	28,007	54,151	-
Social security and other taxes	69,962	62,119	26,327	25,092
Accrued expenses	322,718	374,376	227,067	255,941
	<u>5,268,930</u>	<u>4,149,017</u>	<u>3,862,908</u>	<u>2,854,263</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans (see note 14)	150,000	250,000	150,000	250,000
Other loans (see note 14)	555,000	590,000	555,000	590,000
	<u>705,000</u>	<u>840,000</u>	<u>705,000</u>	<u>840,000</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,410,555	1,507,287	1,303,228	1,158,820
Bank loan	100,000	100,000	100,000	100,000
	<u>1,510,555</u>	<u>1,607,287</u>	<u>1,403,228</u>	<u>1,258,820</u>
Amounts falling due between one and two years:				
Bank loan	100,000	100,000	100,000	100,000
Amounts falling due between two and five years:				
Bank loan	50,000	150,000	50,000	150,000
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Related company loan	350,000	350,000	350,000	350,000
Directors' loans	145,000	180,000	145,000	180,000
Other loans	60,000	60,000	60,000	60,000
	<u>555,000</u>	<u>590,000</u>	<u>555,000</u>	<u>590,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group	Other operating leases	
	2006 £	2005 £
Expiring: Within one year	<u>-</u>	<u>2,727</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Bank overdrafts	1,410,555	1,507,287	1,303,228	1,158,820
Bank loans	<u>250,000</u>	<u>350,000</u>	<u>250,000</u>	<u>350,000</u>
	<u>1,660,555</u>	<u>1,857,287</u>	<u>1,553,228</u>	<u>1,508,820</u>

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
Deferred tax	<u>157,929</u>	<u>84,043</u>	<u>131,001</u>	<u>79,694</u>

Group		Deferred tax £
Balance at 1 September 2005		84,043
Charge for the year		23,952
Effect of change of tax rate		<u>49,934</u>
Balance at 31 August 2006		<u>157,929</u>

Company		Deferred tax £
Balance at 1 September 2005		79,694
Charge for the year		1,373
Effect of change of tax rate		<u>49,934</u>
Balance at 31 August 2006		<u>131,001</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

17. PROVISIONS FOR LIABILITIES - continued

The charge for the year relates wholly to accelerated capital allowances.

18. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2006 £	2005 £
65,600	Ordinary	50p	<u>32,800</u>	<u>32,800</u>

19. RESERVES

Group

	Profit and loss account £	Capital reserve £	Other reserve £	Totals £
At 1 September 2005	700,321	329,652	157	1,030,130
Profit for the year	<u>164,295</u>	<u>-</u>	<u>-</u>	<u>164,295</u>
At 31 August 2006	<u>864,616</u>	<u>329,652</u>	<u>157</u>	<u>1,194,425</u>

Company

	Profit and loss account £	Other reserve £	Totals £
At 1 September 2005	602,925	157	603,082
Profit for the year	<u>75,922</u>	<u>-</u>	<u>75,922</u>
At 31 August 2006	<u>678,847</u>	<u>157</u>	<u>679,004</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2006

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2006 £	2005 £
Profit for the financial year	<u>164,295</u>	<u>110,216</u>
Net addition to shareholders' funds	164,295	110,216
Opening shareholders' funds	<u>1,062,930</u>	<u>952,714</u>
Closing shareholders' funds	<u><u>1,227,225</u></u>	<u><u>1,062,930</u></u>
Equity interests	<u>1,227,225</u>	<u>1,062,930</u>

Company

	2006 £	2005 £
Profit for the financial year	<u>75,922</u>	<u>16,217</u>
Net addition to shareholders' funds	75,922	16,217
Opening shareholders' funds	<u>635,882</u>	<u>619,665</u>
Closing shareholders' funds	<u><u>711,804</u></u>	<u><u>635,882</u></u>
Equity interests	<u>711,804</u>	<u>635,882</u>

