

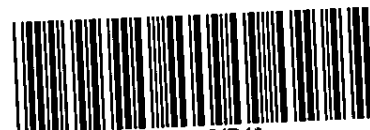
**REGISTERED NUMBER: 01789282 (England and Wales)**

**ABBREVIATED AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007**

**FOR**

**EUROPEAN OAT MILLERS LIMITED**

THURSDAY



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# **EUROPEAN OAT MILLERS LIMITED**

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# **EUROPEAN OAT MILLERS LIMITED**

## **COMPANY INFORMATION FOR THE YEAR ENDED 31 MAY 2007**

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**DIRECTORS:**

Mr M Z Karsan  
Mr M D Walter  
Mr G N Chiverton  
Mr W H Craig

**SECRETARY:**

Mr R A Payton

**REGISTERED OFFICE:**

Mile Road  
Bedford  
Bedfordshire  
MK42 9TB

**REGISTERED NUMBER:**

01789282 (England and Wales)

**AUDITORS:**

Phipps & Co  
Chartered Accountants  
& Registered Auditors  
Landgate Chambers  
Rye  
East Sussex  
TN31 7LJ

**SOLICITORS:**

Park Woodfine  
1 Lurke Street  
Bedford  
Bedfordshire  
MK40 3TN

# **EUROPEAN OAT MILLERS LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2007**

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The directors present their report with the accounts of the company for the year ended 31 May 2007

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture of cereals

### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts

The business recorded an unsatisfactory result in the year, but for understandable reasons

- 1) The installation of major capital equipment caused more disruption than anticipated.
- 2) Grain shortages and volatility in the wheat futures market increased raw material costs higher than expected

Ongoing the volatility in the grain futures market remains our biggest concern

Volumes in the year increased due to increased demand for oat based products.

With the increased capacity installed, the company is in a strong position to take advantage of any further increase in demand in the oat milling industry

The company is the second largest oat miller in the UK and in Europe

The company intends to continue to expand in future, particularly in the export market.

### **DIVIDENDS**

An interim dividend totalling £100,000 was authorised on 4 December 2006 A final dividend totalling £100,000 was authorised on 8 June 2007

The total distribution of dividends for the year ended 31 May 2007 will be £200,000

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2006 to the date of this report

Mr M Z Karsan  
Mr M D Walter  
Mr G N Chiverton  
Mr W H Craig

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 In preparing these 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

# **EUROPEAN OAT MILLERS LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2007**

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### **STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 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 company'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 company's auditors are aware of that information.

### **AUDITORS**

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

### **ON BEHALF OF THE BOARD:**



Mr G N Chiverton Director

19 March 2008

**REPORT OF THE INDEPENDENT AUDITORS TO  
EUROPEAN OAT MILLERS LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages five to eighteen, together with the financial statements of European Oat Millers Limited for the year ended 31 May 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

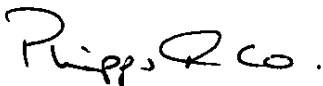
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Phipps & Co  
Chartered Accountants  
& Registered Auditors  
Landgate Chambers  
Rye  
East Sussex  
TN31 7LJ

Date 25 March 2008

# EUROPEAN OAT MILLERS LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2007

	Notes	2007 £	2006 £
<b>GROSS PROFIT</b>		<b>6,155,737</b>	<b>4,836,254</b>
Distribution costs		<b>1,725,603</b>	<b>1,113,351</b>
Administrative expenses		<b>3,389,969</b>	<b>3,062,846</b>
		<b>5,115,572</b>	<b>4,176,197</b>
<b>OPERATING PROFIT</b>	3	<b>1,040,165</b>	<b>660,057</b>
Exceptional items	4	<b>56,848</b>	<b>-</b>
		<b>983,317</b>	<b>660,057</b>
Interest receivable and similar income		<b>4,160</b>	<b>19</b>
		<b>987,477</b>	<b>660,076</b>
Interest payable and similar charges	5	<b>239,711</b>	<b>172,676</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>747,766</b>	<b>487,400</b>
Tax on profit on ordinary activities	6	<b>218,068</b>	<b>155,699</b>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>529,698</b>	<b>331,701</b>

### CONTINUING OPERATIONS

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

### TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these abbreviated accounts

# EUROPEAN OAT MILLERS LIMITED

## ABBREVIATED BALANCE SHEET 31 MAY 2007

	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,055,503	5,997,910
<b>CURRENT ASSETS</b>			
Stocks	9	1,167,526	532,455
Debtors	10	4,226,947	3,116,558
Cash at bank and in hand		3,535	4,564
		<b>5,398,008</b>	<b>3,653,577</b>
<b>CREDITORS</b>			
Amounts falling due within one year	11	5,677,114	3,916,294
<b>NET CURRENT LIABILITIES</b>		<b>(279,106)</b>	<b>(262,717)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,776,397</b>	<b>5,735,193</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(1,278,070)	(1,768,279)
<b>PROVISIONS FOR LIABILITIES</b>	16	<b>(896,408)</b>	<b>(794,693)</b>
<b>NET ASSETS</b>		<b>3,601,919</b>	<b>3,172,221</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	914	914
Share premium	18	1,399,300	1,399,300
Capital redemption reserve	18	686	686
Profit and loss account	18	2,201,019	1,771,321
<b>SHAREHOLDERS' FUNDS</b>	21	<b>3,601,919</b>	<b>3,172,221</b>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 19 March 2008 and were signed on its behalf by



Mr G N Chiverton - Director

The notes form part of these abbreviated accounts



# EUROPEAN OAT MILLERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2007

	Notes	2007 £	2006 £
<b>Net cash inflow from operating activities</b>	1	<b>900,341</b>	<b>967,253</b>
<b>Returns on investments and servicing of finance</b>	2	<b>(219,868)</b>	<b>(166,276)</b>
<b>Taxation</b>		<b>107,830</b>	<b>(166,535)</b>
<b>Capital expenditure</b>	2	<b>(724,376)</b>	<b>(2,100,445)</b>
<b>Equity dividends paid</b>		<b>(125,000)</b>	<b>(75,000)</b>
		<b>(61,073)</b>	<b>(1,541,003)</b>
<b>Financing</b>	2	<b>(634,241)</b>	<b>930,073</b>
<b>Decrease in cash in the period</b>		<b>(695,314)</b>	<b>(610,930)</b>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
Decrease in cash in the period		<b>(695,314)</b>	<b>(610,930)</b>
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<b>634,241</b>	<b>(930,073)</b>
Change in net debt resulting from cash flows		<b>(61,073)</b>	<b>(1,541,003)</b>
<b>Movement in net debt in the period</b>		<b>(61,073)</b>	<b>(1,541,003)</b>
<b>Net debt at 1 June</b>		<b>(3,765,612)</b>	<b>(2,224,609)</b>
<b>Net debt at 31 May</b>		<b>(3,826,685)</b>	<b>(3,765,612)</b>

The notes form part of these abbreviated accounts

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2007

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

	2007 £	2006 £
Operating profit	1,040,165	660,057
Depreciation charges	666,782	516,784
Extraordinary items	(56,848)	-
(Increase)/Decrease in stocks	(635,071)	144,226
Increase in debtors	(1,218,219)	(531,851)
Increase in creditors	1,103,532	178,037
<b>Net cash inflow from operating activities</b>	<b>900,341</b>	<b>967,253</b>

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

	2007 £	2006 £
<b>Returns on investments and servicing of finance</b>		
Interest received	4,160	19
Interest paid	(143,809)	(125,124)
Interest element of hire purchase payments	(80,219)	(41,171)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(219,868)</b>	<b>(166,276)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(724,376)	(2,100,445)
<b>Net cash outflow for capital expenditure</b>	<b>(724,376)</b>	<b>(2,100,445)</b>
<b>Financing</b>		
New loans in year	-	1,300,000
Loan repayments in year	(234,241)	(369,927)
Capital repayments in year	(400,000)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(634,241)</b>	<b>930,073</b>

## EUROPEAN OAT MILLERS LIMITED

### NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2007

#### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/6/06 £	Cash flow £	At 31/5/07 £
Net cash			
Cash at bank and in hand	4,564	(1,029)	3,535
Bank overdraft	(1,373,439)	(694,285)	(2,067,724)
	<u>(1,368,875)</u>	<u>(695,314)</u>	<u>(2,064,189)</u>
Debt			
Hire purchase	(1,216,663)	400,000	(816,663)
Debts falling due within one year	(228,458)	10,695	(217,763)
Debts falling due after one year	(951,616)	223,546	(728,070)
	<u>(2,396,737)</u>	<u>634,241</u>	<u>(1,762,496)</u>
Total	<u><u>(3,765,612)</u></u>	<u><u>(61,073)</u></u>	<u><u>(3,826,685)</u></u>

The notes form part of these abbreviated accounts

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2007

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### 1 ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

#### Tangible fixed assets

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

Leasehold buildings and improvements	- 7% and 20% straight line
Plant and machinery	- 7% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 33 3% straight line
Assets in the course of construction	No depreciation is provided until the asset is brought into use

#### Stocks

Groats are valued according to the percentage yield which is obtained from the cereal. Finished goods are valued at selling price less the expected profit per ton and the cost of the packaging material used. All other stocks are valued at the lower of cost and net realisable value

#### Deferred tax

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

#### Research and development

Expenditure on research and development is written off in the year in which it is incurred

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

#### Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

#### Pensions

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

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 1 ACCOUNTING POLICIES - continued

#### Financial instruments

Financial instruments held as hedges are matched with their underlying hedge item. Each instrument's gain or loss is brought into the profit and loss account, and its fair value into the balance sheet, at the same time and in the same place as is the matched underlying asset, liability, income or cost. For commodity instruments, this will be in the operating profit matched against the relevant purchase or sale. The profit or loss on an instrument may be deferred if the hedged transaction is expected to take place or would normally be accounted for in the future.

The costs incurred in obtaining the financial instruments are expensed to the profit and loss account when they arise.

### 2 STAFF COSTS

	2007 £	2006 £
Wages and salaries	2,118,545	1,759,070
Social security costs	207,602	229,098
Other pension costs	68,259	56,844
	<u>2,394,406</u>	<u>2,045,012</u>

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

	2007	2006
Management	3	3
Administration	8	7
Production	74	60
	<u>85</u>	<u>70</u>

### 3 OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Hire of plant and machinery	208	208
Other operating leases	157,700	159,890
Depreciation - owned assets	463,809	391,374
Depreciation - assets on hire purchase contracts	202,973	125,410
Auditors' remuneration	16,230	13,500
	<u>309,189</u>	<u>271,777</u>
Directors' emoluments	21,652	20,478
Directors' pension contributions to money purchase schemes		

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

Money purchase schemes	<u>3</u>	<u>3</u>
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## EUROPEAN OAT MILLERS LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

#### 3 OPERATING PROFIT - continued

Information regarding the highest paid director is as follows

	2007 £	2006 £
Emoluments etc	155,063	118,896
Pension contributions to money purchase schemes	12,592	11,808

#### 4. EXCEPTIONAL ITEMS

Exceptional items consists of a settlement agreement made with HM Revenue and Customs in respect of a underdeclared PAYE relating to previous years. The amount is not considered sufficiently large enough to warrant a prior year adjustment.

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank interest	159,492	131,505
Hire purchase	80,219	41,171
	<u>239,711</u>	<u>172,676</u>

#### 6 TAXATION

##### Analysis of the tax charge

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

	2007 £	2006 £
Current tax: UK corporation tax	116,353	(107,830)
Deferred tax: Accelerated capital allowances	101,715	263,529
Tax on profit on ordinary activities	<u>218,068</u>	<u>155,699</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 6 TAXATION - continued

#### 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.

	2007 £	2006 £
Profit on ordinary activities before tax	<u>747,766</u>	<u>487,400</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	224,330	146,220
Effects of:		
Expenses not deductible for tax purposes	13,677	13,219
Capital allowances for the period in excess of depreciation	(101,715)	(263,226)
Other short term timing differences	7,687	5,012
Marginal relief	(27,626)	-
Unrelieved losses due to excess capital allowances	-	98,775
Carry back of losses to earlier years	-	(107,830)
Current tax charge	<u>116,353</u>	<u>(107,830)</u>

### 7 DIVIDENDS

	2007 £	2006 £
Ordinary shares of £1 each		
First interim	<u>100,000</u>	<u>100,000</u>

A final dividend in respect of the year ended 31 May 2007 was authorised on 8 June 2007 and totalled £100,000. No provision has been made for this in these accounts.

### 8 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 June 2006	798,611	9,089,761	153,022
Additions	-	-	31,189
Reclassification/transfer	8,899	743,488	29,843
At 31 May 2007	<u>807,510</u>	<u>9,833,249</u>	<u>214,054</u>
<b>DEPRECIATION</b>			
At 1 June 2006	287,954	3,902,950	78,377
Charge for year	43,073	558,258	55,962
At 31 May 2007	<u>331,027</u>	<u>4,461,208</u>	<u>134,339</u>
<b>NET BOOK VALUE</b>			
At 31 May 2007	<u>476,483</u>	<u>5,372,041</u>	<u>79,715</u>
At 31 May 2006	<u>510,657</u>	<u>5,186,811</u>	<u>74,645</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 8 TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Assets under construction £	Totals £
<b>COST</b>			
At 1 June 2006	60,513	209,365	10,311,272
Additions	4,233	688,954	724,376
Reclassification/transfer	-	(782,230)	-
At 31 May 2007	64,746	116,089	11,035,648
<b>DEPRECIATION</b>			
At 1 June 2006	44,082	-	4,313,363
Charge for year	9,489	-	666,782
At 31 May 2007	53,571	-	4,980,145
<b>NET BOOK VALUE</b>			
At 31 May 2007	11,175	116,089	6,055,503
At 31 May 2006	16,431	209,365	5,997,909

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
<b>COST</b>	
At 1 June 2006 and 31 May 2007	2,899,611
<b>DEPRECIATION</b>	
At 1 June 2006	270,512
Charge for year	202,973
At 31 May 2007	473,485
<b>NET BOOK VALUE</b>	
At 31 May 2007	2,426,126
At 31 May 2006	2,629,099

### 9 STOCKS

	2007 £	2006 £
Raw materials	985,670	361,051
Finished goods	181,856	171,404
	1,167,526	532,455



# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	3,622,744	2,500,093
Other debtors	32,596	16,073
Futures trading account	17,031	57,911
Tax	-	107,830
VAT	140,076	59,724
Prepayments and accrued income	414,500	374,927
	<u>4,226,947</u>	<u>3,116,558</u>

During the normal course of business, the company enters into wheat futures to stabilise the production costs of raw materials. The carrying value represents available cash held on account by the hedging agent £17,031 (2006 £57,911)

In addition

	2007	2006
	£	£
Aggregate gains/(losses) not recognised at the balance sheet date in respect of open positions	18,825	-
Aggregate gains/(losses) carried forward in the balance sheet pending recognition in the profit and loss account	-	-
Amounts disclosed above that are expected to be recognised in the profit and loss account in the next accounting period	18,825	-
Gains/(losses) included in the profit and loss account that arose in previous periods and were carried forward at the beginning of the current period	-	-
Net gain/(loss) recognised in the profit and loss account	<u>24,110</u>	<u>(79,485)</u>

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 13)	2,285,487	1,601,897
Hire purchase contracts (see note 14)	266,663	400,000
Trade creditors	1,972,366	786,717
Tax	116,353	-
Social security and other taxes	56,078	52,585
Other creditors	10,243	16,590
Accruals and deferred income	969,924	1,058,505
	<u>5,677,114</u>	<u>3,916,294</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Bank loans (see note 13)	728,070	951,616
Hire purchase contracts (see note 14)	550,000	816,663
	<u>1,278,070</u>	<u>1,768,279</u>

### 13. LOANS

An analysis of the maturity of loans is given below

	2007 £	2006 £
Amounts falling due within one year or on demand		
Bank overdrafts	2,067,724	1,373,439
Bank loans	217,763	228,458
	<u>2,285,487</u>	<u>1,601,897</u>

Amounts falling due between one and two years.		
Bank loans	<u>105,263</u>	<u>201,187</u>

Amounts falling due between two and five years		
Bank loans	<u>315,789</u>	<u>294,997</u>

Amounts falling due in more than five years.

Repayable by instalments		
Bank loans	<u>307,018</u>	<u>455,432</u>

The bank loans are due for repayment by April 2015 with interest being charged at 1 5% and 2% above the bank's base rate

### 14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2007 £	Hire purchase contracts 2006 £
Net obligations repayable		
Within one year	266,663	400,000
Between one and five years	550,000	816,663
	<u>816,663</u>	<u>1,216,663</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

	Land and buildings	
	2007 £	2006 £
Expiring Between one and five years	<u>160,000</u>	<u>160,000</u>

### 15. SECURED DEBTS

The following secured debts are included within creditors

	2007 £	2006 £
Bank overdrafts	2,067,724	1,373,439
Bank loans	<u>945,833</u>	<u>1,180,074</u>
	<u>3,013,557</u>	<u>2,553,513</u>

The bank overdraft and loans are secured by an unscheduled mortgage debenture in respect of all company assets. Together with personal guarantees totalling £450,000, of which £225,000 is guaranteed by M Z Karsan, director.

### 16 PROVISIONS FOR LIABILITIES

	2007 £	2006 £
Deferred tax		
Accelerated capital allowances	<u>896,408</u>	<u>794,693</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 June 2006		<b>794,693</b>
Accelerated capital allowances		<b>101,715</b>
Balance at 31 May 2007		<u><b>896,408</b></u>

### 17 CALLED UP SHARE CAPITAL

Authorised Number	Class.	Nominal value £1	2007 £	2006 £
100,000	Ordinary		<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid Number	Class	Nominal value £1	2007 £	2006 £
914	Ordinary		<u>914</u>	<u>914</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2007

### 18. RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 June 2006	1,771,321	1,399,300	686	3,171,307
Profit for the year	529,698			529,698
Dividends	(100,000)			(100,000)
At 31 May 2007	<u>2,201,019</u>	<u>1,399,300</u>	<u>686</u>	<u>3,601,005</u>

### 19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme and contributes to a number of personal pension plans. The charge for the year is shown in note 3. Outstanding contributions at the year end amounted to £4,872 (2006: £3,247).

### 20. CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>170,978</u>	<u>84,000</u>

In addition to the contracted capital commitments the company has no authorised expenditure (2006: £200,000).

### 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	529,698	331,701
Dividends	(100,000)	(100,000)
<b>Net addition to shareholders' funds</b>	<b>429,698</b>	<b>231,701</b>
Opening shareholders' funds	<u>3,172,221</u>	<u>2,940,520</u>
<b>Closing shareholders' funds</b>	<b><u>3,601,919</u></b>	<b><u>3,172,221</u></b>

### 22. CONTROLLING PARTY

In the opinion of the directors, the company is controlled by the Board of Directors.