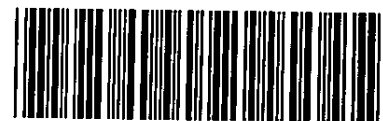


REGISTERED NUMBER: 01789282 (England and Wales)

**EUROPEAN OAT MILLERS LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

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25/04/2014

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COMPANIES HOUSE

Gibbons Mannington & Phipps
Chartered Accountants
& Statutory Auditor
82 High Street
Tenterden
Kent
TN30 6JG

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

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EUROPEAN OAT MILLERS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2013**

DIRECTORS:	Mr M Z Karsan Mr M D Walter Mr P Baker Mr W J Jordan Mr D Jordan Mr A Brand Mr C M Smith
SECRETARY:	Mr C M Smith
REGISTERED OFFICE:	Mile Road Bedford Bedfordshire MK42 9TB
REGISTERED NUMBER:	01789282 (England and Wales)
AUDITORS:	Gibbons Mannington & Phipps Chartered Accountants & Statutory Auditor 82 High Street Tenterden Kent TN30 6JG
SOLICITORS:	Park Woodfine Heald Mellows LLP 1 Lurke Street Bedford Bedfordshire MK40 3TN

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2013**

The directors present their report with the financial statements of the company for the year ended 31 July 2013

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

Demand for oats continues to be strong despite commodity inflation, though trading will continue to be challenging due to high cereal prices and pressure on oats acreage and quality

The biggest risk to the business continues to be the volatility of grain prices and the availability of good quality grain. The company manages this by contracting a significant proportion of its requirements and using hedging to reduce the effects of market volatility

The company is committed to encouraging the growing of a sustainable crop for human consumption, demand for which continues to grow. By contracting with farmers and merchants in advance, the company can offer predictability to growers and the company also contributes to industry programmes to develop improved varieties of oats to better meet the needs of farmers and millers

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2012 to the date of this report

Mr M Z Karsan
Mr M D Walter
Mr P Baker
Mr W J Jordan
Mr D Jordan
Mr A Brand

Other changes in directors holding office are as follows

Mr J Greenhalgh - resigned 8 November 2012
Mr C M Smith - appointed 9 April 2013

Mr W H Craig ceased to be a director after 31 July 2013 but prior to the date of this report

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made a charitable donation of £5,000 to Made Believe Charity

No political donations were made during the year

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 418 of the Companies Act 2006) 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, Gibbons Mannington & Phipps, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr C M Smith - Director

Date: 23.4.14

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EUROPEAN OAT MILLERS LIMITED

We have audited the financial statements of European Oat Millers Limited for the year ended 31 July 2013 on pages six to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EUROPEAN OAT MILLERS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Gibbons Mannington & Phipps.

N S Cunliffe (Senior Statutory Auditor)
for and on behalf of Gibbons Mannington & Phipps
Chartered Accountants
& Statutory Auditor
82 High Street
Tenterden
Kent
TN30 6JG

Date 24/4/14

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013 £	2012 £
TURNOVER	2	46,147,839	40,834,441
Cost of sales		42,438,606	36,967,189
GROSS PROFIT		3,709,233	3,867,252
Distribution costs		267,581	240,506
Administrative expenses		2,653,444	2,120,446
		2,921,025	2,360,952
		788,208	1,506,300
Other operating income		35,099	98,785
OPERATING PROFIT	4	823,307	1,605,085
Interest receivable and similar income		1,153	8
		824,460	1,605,093
Interest payable and similar charges	5	467,506	452,986
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		356,954	1,152,107
Tax on profit on ordinary activities	6	132,279	265,389
PROFIT FOR THE FINANCIAL YEAR		224,675	886,718

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 financial statements

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)

**BALANCE SHEET
31 JULY 2013**

	Notes	2013		2012	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		-		-
Tangible assets	8		9,778,623		8,790,150
			9,778,623		8,790,150
CURRENT ASSETS					
Stocks	9	1,997,549		1,522,892	
Debtors	10	10,154,013		6,662,112	
Cash at bank and in hand		71,633		241,511	
		12,223,195		8,426,515	
CREDITORS					
Amounts falling due within one year	11	11,683,490		7,992,067	
NET CURRENT ASSETS			539,705		434,448
TOTAL ASSETS LESS CURRENT LIABILITIES			10,318,328		9,224,598
CREDITORS					
Amounts falling due after more than one year	12		(3,165,833)		(2,349,786)
PROVISIONS FOR LIABILITIES	16		(1,066,834)		(1,013,826)
NET ASSETS			6,085,661		5,860,986
CAPITAL AND RESERVES					
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		4,684,761		4,460,086
SHAREHOLDERS' FUNDS	22		6,085,661		5,860,986

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

23/4/14

Mr C M Smith - Director

The notes form part of these financial statements

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013**

		2013		2012	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(897,954)		3,967,424
Returns on investments and servicing of finance	2		(392,393)		(415,690)
Taxation	2		(215,978)		6,452
Capital expenditure	2		(1,730,614)		(520,224)
			(3,236,939)		3,037,962
Financing	2		387,625		(481,992)
(Decrease)/increase in cash in the period			(2,849,314)		2,555,970
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period			(2,849,314)	2,555,970	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing			(387,625)	1,079,839	
Change in net debt resulting from cash flows			(3,236,939)		3,635,809
New finance leases			(412,720)		(31,216)
Movement in net debt in the period			(3,649,659)		3,604,593
Net debt at 1 August			(4,009,697)		(7,614,290)
Net debt at 31 July			(7,659,356)		(4,009,697)

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	823,307	1,605,085
Depreciation charges	1,157,211	1,228,578
Profit on disposal of fixed assets	(2,350)	(3,050)
Increase in stocks	(474,657)	(320,425)
(Increase)/decrease in debtors	(3,651,202)	918,878
Increase in creditors	1,249,737	538,358
Net cash (outflow)/inflow from operating activities	(897,954)	3,967,424

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

	2013 £	2012 £
Returns on investments and servicing of finance	1,153	8
Interest received	(309,784)	(308,442)
Interest paid	(83,762)	(107,256)
Interest element of hire purchase payments		
Net cash outflow for returns on investments and servicing of finance	(392,393)	(415,690)
Taxation		
Taxation paid	(375,279)	6,452
Taxation refund	159,301	-
Net cash (outflow)/inflow for taxation	(215,978)	6,452
Capital expenditure		
Purchase of tangible fixed assets	(1,748,714)	(537,224)
Sale of tangible fixed assets	18,100	17,000
Net cash outflow for capital expenditure	(1,730,614)	(520,224)
Financing		
New loans in year	1,000,000	-
Loan repayments in year	(213,814)	(695,336)
Capital repayments in year	(398,561)	(384,503)
Amount introduced by directors	-	750,000
Amount withdrawn by directors	-	(152,153)
Net cash inflow/(outflow) from financing	387,625	(481,992)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1/8/12 £	Cash flow £	Other non-cash changes £	At 31/7/13 £
Net cash				
Cash at bank and in hand	241,511	(169,878)		71,633
Bank overdrafts	(2,077,883)	(2,679,436)		(4,757,319)
	<u>(1,836,372)</u>	<u>(2,849,314)</u>		<u>(4,685,686)</u>
Debt				
Hire purchase	(1,085,782)	398,561	(412,720)	(1,099,941)
Debts falling due within one year	(254,102)	97,716	-	(156,386)
Debts falling due after one year	(833,441)	(883,902)	-	(1,717,343)
	<u>(2,173,325)</u>	<u>(387,625)</u>	<u>(412,720)</u>	<u>(2,973,670)</u>
Total	<u>(4,009,697)</u>	<u>(3,236,939)</u>	<u>(412,720)</u>	<u>(7,659,356)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of three years

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	- 2%, 7% and 33 3% straight line
Plant and machinery	- 7%, 10% and 33 3% 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 the cost price of grain plus costs to process, where processing costs cannot be readily identified they 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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013**

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 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2013	2012
	£	£
United Kingdom	39,537,635	34,260,292
Europe	1,628,334	1,502,685
Middle East	822,392	375,383
Africa	3,841,728	4,263,382
Asia	317,750	432,699
	<u>46,147,839</u>	<u>40,834,441</u>

3 STAFF COSTS

	2013	2012
	£	£
Wages and salaries	3,784,190	3,401,707
Social security costs	387,824	323,896
Other pension costs	136,526	143,993
	<u>4,308,540</u>	<u>3,869,596</u>

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

	2013	2012
Management	4	4
Administration	11	10
Production	98	90
	<u>113</u>	<u>104</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013**

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2013 £	2012 £
Hire of plant and machinery	38,348	60,276
Depreciation - owned assets	961,622	1,019,326
Depreciation - assets on hire purchase contracts	195,589	175,252
Profit on disposal of fixed assets	(2,350)	(3,050)
Goodwill amortisation	-	34,000
Auditors' remuneration	17,300	19,230
Auditors' remuneration for non audit work	1,865	2,800
Net losses on foreign currencies	121,689	220,570
Operating leases	351,579	351,882
	<u>748,064</u>	<u>468,361</u>
Directors' remuneration	59,289	86,798
Directors' pension contributions to money purchase schemes	<u>59,289</u>	<u>86,798</u>

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

Money purchase schemes	<u>5</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows

	2013 £	2012 £
Emoluments etc	254,897	169,308
Pension contributions to money purchase schemes	20,914	12,887

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Bank interest	304,183	308,542
Other loan interest	17,500	-
Interest on directors' loan accounts	60,251	37,188
Hire purchase	85,572	107,256
	<u>467,506</u>	<u>452,986</u>

6 TAXATION

Analysis of the tax charge

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

	2013 £	2012 £
Current tax		
UK corporation tax	101,816	397,824
(Over) / under provided in earlier years	(22,545)	-
Total current tax	79,271	397,824
Deferred tax		
Accelerated capital allowances	53,008	(132,435)
Tax on profit on ordinary activities	<u>132,279</u>	<u>265,389</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

6 TAXATION - continued

Factors affecting the tax charge

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

	2013 £	2012 £
Profit on ordinary activities before tax	<u>356,954</u>	<u>1,152,107</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.660% (2012 - 25.330%)	77,316	291,829
Effects of		
Expenses not deductible for tax purposes	12,137	10,121
Capital allowances for the period in excess of depreciation	26,297	85,616
Other short term timing differences	11,979	10,258
Revenue expenses treated as capital	(25,913)	-
Over provision in earlier years	(22,545)	-
Current tax charge	<u>79,271</u>	<u>397,824</u>

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2012 and 31 July 2013	<u>100,000</u>
AMORTISATION	
At 1 August 2012 and 31 July 2013	<u>100,000</u>
NET BOOK VALUE	
At 31 July 2013	<u>-</u>
At 31 July 2012	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Long leasehold £	Plant and machinery £
COST			
At 1 August 2012	845,882	1,505,054	15,039,051
Additions	-	-	343,006
At 31 July 2013	845,882	1,505,054	15,382,057
DEPRECIATION			
At 1 August 2012	516,173	270,821	7,877,299
Charge for year	43,160	182,938	888,822
Eliminated on disposal	-	-	-
At 31 July 2013	559,333	453,759	8,766,121
NET BOOK VALUE			
At 31 July 2013	286,549	1,051,295	6,615,936
At 31 July 2012	329,709	1,234,233	7,161,752

	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
COST				
At 1 August 2012	273,244	160,878	-	17,824,109
Additions	-	43,941	1,774,487	2,161,434
Disposals	-	(61,863)	-	(61,863)
At 31 July 2013	273,244	142,956	1,774,487	19,923,680
DEPRECIATION				
At 1 August 2012	262,120	107,546	-	9,033,959
Charge for year	6,450	35,841	-	1,157,211
Eliminated on disposal	-	(46,113)	-	(46,113)
At 31 July 2013	268,570	97,274	-	10,145,057
NET BOOK VALUE				
At 31 July 2013	4,674	45,682	1,774,487	9,778,623
At 31 July 2012	11,124	53,332	-	8,790,150

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

8 TANGIBLE FIXED ASSETS - continued

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

	Plant and machinery £	Motor vehicles £	Assets under construction £	Totals £
COST				
At 1 August 2012	1,826,533	87,447	-	1,913,980
Additions	104,231	43,941	173,510	321,682
Disposals	-	(52,965)	-	(52,965)
Reclassification/transfer	187,610	-	-	187,610
At 31 July 2013	2,118,374	78,423	173,510	2,370,307
DEPRECIATION				
At 1 August 2012	368,422	53,133	-	421,555
Charge for year	172,148	23,441	-	195,589
Eliminated on disposal	-	(34,215)	-	(34,215)
Reclassification/transfer	18,761	-	-	18,761
At 31 July 2013	559,331	42,359	-	601,690
NET BOOK VALUE				
At 31 July 2013	1,559,043	36,064	173,510	1,768,617
At 31 July 2012	1,458,111	34,314	-	1,492,425

9 STOCKS

	2013 £	2012 £
Raw materials	1,474,221	1,248,535
Finished goods	523,328	274,357
	1,997,549	1,522,892

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	9,009,804	5,749,833
Other debtors	348,430	145,424
Futures trading account	353,381	215,708
Tax	-	159,301
VAT	241,344	282,385
Prepayments and accrued income	201,054	109,461
	10,154,013	6,662,112

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013**

10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included within trade debtors is £6,912,067 (2012 £4,945,016) of debts secured to provide overdraft facilities

During the normal course of business, the company enters into wheat futures and foreign exchange contracts to stabilise the production costs of raw materials and value of overseas sales. The carrying value represents available cash held on account by the hedging agent £353,381 (2012 £215,708). No provision for unrealised losses at the year end has been made (2012 nil). Unrealised profits of £201,704 have been carried forward as deferred income (2012 £1,150,522).

The open market value of the hedge positions maintained at the year end was £314,400 (2012 £506,648) with unrealised profits and losses at the year end being matched to related purchases and sales in accordance with the accounting policy.

In addition

	2013 £	2012 £
Aggregate gains/(losses) recognised in the year	1,225,557	(139,596)

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts (see note 13)	4,913,705	2,331,985
Hire purchase contracts (see note 14)	401,451	319,437
Trade creditors	3,714,811	2,319,202
Tax	101,816	397,824
Social security and other taxes	112,422	113,188
Other creditors	112,088	106,156
Accruals and deferred income	2,327,197	2,404,275
	11,683,490	7,992,067

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans (see note 13)	717,343	833,441
Other loans (see note 13)	1,000,000	-
Hire purchase contracts (see note 14)	698,490	766,345
Directors' loan accounts	750,000	750,000
	3,165,833	2,349,786

13 LOANS

An analysis of the maturity of loans is given below

	2013 £	2012 £
Amounts falling due within one year or on demand		
Bank overdrafts	4,757,319	2,077,883
Bank loans	156,386	254,102
	4,913,705	2,331,985

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

13 LOANS - continued

	2013 £	2012 £
Amounts falling due between one and two years		
Bank loans	148,924	259,463
Other loans - 1-2 years	117,500	-
	<u>266,424</u>	<u>259,463</u>
Amounts falling due between two and five years		
Bank loans	159,198	133,811
Other loans - 2-5 years	882,500	-
	<u>1,041,698</u>	<u>133,811</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>409,221</u>	<u>440,167</u>

The two bank loans are repayable by monthly instalments. The first loan has interest being charged at 2% above the bank's base rate, the loan is due for repayment by October 2015. The second loan has an interest rate of 2.5% over LIBOR, the loan is due for repayment by September 2029.

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2013 £	2012 £
Net obligations repayable		
Within one year	401,451	319,437
Between one and five years	698,490	766,345
	<u>1,099,941</u>	<u>1,085,782</u>

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

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring				
Within one year	147,500	-	-	60,000
Between one and five years	200,000	147,500	12,116	5,772
In more than five years	306,000	206,000	-	-
	<u>653,500</u>	<u>353,500</u>	<u>12,116</u>	<u>65,772</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

15 SECURED DEBTS

The following secured debts are included within creditors

	2013 £	2012 £
Bank overdrafts	4,757,319	2,077,883
Bank loans	873,729	1,087,543
	<u>5,631,048</u>	<u>3,165,426</u>

The bank overdraft and loans are secured by a mortgage debenture in respect of all company assets and a first legal charge over all land and buildings. In addition, one of the overdraft facilities is secured on trade debtors as stated within note 10. Additional security has been given by the shareholders by way of personal guarantees totalling £1,400,000.

16 PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	1,066,834	1,013,826
Accelerated capital allowances		
		Deferred tax
		£
Balance at 1 August 2012		1,013,826
Under provision in prior year		28,575
Movement in tax rate		(43,433)
Accelerated capital allowances		67,866
Balance at 31 July 2013		<u>1,066,834</u>

17 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	2013 £	2012 £
914	Ordinary	£1	<u>914</u>	<u>914</u>

18 RESERVES

	Profit and loss account £	Share premium £	Capital redemption reserve £	Totals £
At 1 August 2012	4,460,086	1,399,300	686	5,860,072
Profit for the year	224,675	-	-	224,675
At 31 July 2013	<u>4,684,761</u>	<u>1,399,300</u>	<u>686</u>	<u>6,084,747</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. The amount of contributions outstanding at the year end was £7,725 (2012 £13,017).

EUROPEAN OAT MILLERS LIMITED (REGISTERED NUMBER: 01789282)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013****20 CAPITAL COMMITMENTS**

	2013 £	2012 £
Contracted but not provided for in the financial statements	-	84,200

In addition to the contracted capital commitments the company had authorised expenditure of £1,000,000 (2012 nil)

21 RELATED PARTY DISCLOSURES

Mr W J Jordan (director) and Mr R D Jordan (director) each advanced the company £375,000 in November 2011. Interest is being accrued at a rate of 7% and the loans are due for repayment on 31 October 2014.

During the course of the year consultancy fees of £25,000 (2012 £25,000) were paid to M D Walter, a director.

Consultancy fees were also paid to Blounce Limited, of which P Baker is a director, totalling £27,000 (2012 £16,500).

During the year the company traded with Heartland Foods (PTY) Limited. The general manager of Heartland Foods (PTY) Limited is a son of one of the company's directors, he is also a shareholder in Heartland Foods (PTY) Limited. Total sales made to Heartland Foods (PTY) Limited during the period were £3,323,089 (2012 £3,407,461). At the balance sheet date £1,322,289 (2012 £633,719) was outstanding and is included in trade debtors. All transactions were made on a commercial arms length basis.

Consultancy fees totalling £38,156 (2012 £24,000) were paid to Mrs Y Mangalji, daughter of one of the company's directors.

W Jordan & Son (Holdings) Limited is a company in which Mr W J Jordan and Mr R D Jordan are directors and sole shareholders. During the course of the year the following transactions took place:

	2013 £	2012 £
Rent paid to W Jordan & Son (Holdings) Limited	200,000	200,000
Expenses recharged to W Jordan & Son (Holdings) Limited	499,568	-
Loan advance by W Jordan & Son (Holdings) Limited	1,000,000	-
Interest paid to W Jordan & Son (Holdings) Limited	17,500	-

As at the balance sheet date the following amounts were due to or by W Jordan & Son (Holdings) Limited:

	2013 £	2012 £
Trade debtors	183,194	-
Other debtors	346,907	-
Trade creditors	100,000	-
Other loans	1,000,000	-

Interest is being charged on the loan at 7%pa and is due for repayment by 30 April 2017.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2013

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	224,675	886,718
Net addition to shareholders' funds	224,675	886,718
Opening shareholders' funds	5,860,986	4,974,268
Closing shareholders' funds	6,085,661	5,860,986

23 CONTROLLING PARTY

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