

REGISTERED NUMBER: 01789282 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

FOR

EUROPEAN OAT MILLERS LIMITED



# **EUROPEAN OAT MILLERS LIMITED**

## **CONTENTS OF THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005**

---

	Page
Company Information	1
Report of the Directors	2 to 3
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8 to 9
Notes to the Abbreviated Accounts	10 to 19

---

# EUROPEAN OAT MILLERS LIMITED

## COMPANY INFORMATION FOR THE YEAR ENDED 31 MAY 2005

---

**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 2005

---

The directors present their report with the accounts of the company for the year ended 31 May 2005.

### 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 directors consider the profit achieved on ordinary activities before taxation to be in line with expectations.

### DIVIDENDS

Interim dividends totalling £200,000 were paid during the year. The directors do not recommend that a final dividend be paid.

### DIRECTORS

The directors during the year under review were:

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

The beneficial interests of the directors holding office on 31 May 2005 in the issued share capital of the company were as follows:

	31.5.05	1.6.04
<b>Ordinary £1 shares</b>		
Mr M Z Karsan	457	457
Mr M D Walter	-	-
Mr G N Chiverton	-	-
Mr W H Craig	-	-

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 of the profit or loss of the company 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 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.

# EUROPEAN OAT MILLERS LIMITED

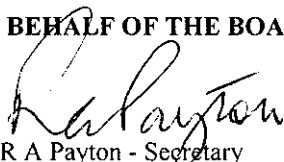
## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2005

---

### 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:

A handwritten signature in cursive script, appearing to read 'R A Payton', is written over the printed name.

Mr R A Payton - Secretary

2 December 2005

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

---

We have examined the abbreviated accounts on pages five to nineteen, together with the full financial statements of the company for the year ended 31 May 2005 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 accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**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 on pages five to nineteen are properly prepared in accordance with that provision.

*Phipps & Co.*

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

12 December 2005

# EUROPEAN OAT MILLERS LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
<b>GROSS PROFIT</b>		<b>4,340,066</b>	<b>3,625,226</b>
Distribution costs		931,345	708,169
Administrative expenses		2,628,320	2,253,044
		<b>3,559,665</b>	<b>2,961,213</b>
<b>OPERATING PROFIT</b>	3	<b>780,401</b>	<b>664,013</b>
Interest receivable and similar income		69	38
		<b>780,470</b>	<b>664,051</b>
Interest payable and similar charges	4	105,760	88,880
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>674,710</b>	<b>575,171</b>
Tax on profit on ordinary activities	5	207,014	143,318
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>467,696</b>	<b>431,853</b>
Dividends	6	200,000	100,000
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>267,696</b>	<b>331,853</b>

### CONTINUING OPERATIONS

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

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these abbreviated accounts

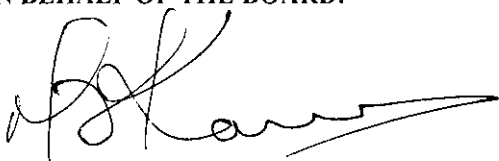
# EUROPEAN OAT MILLERS LIMITED

## ABBREVIATED BALANCE SHEET 31 MAY 2005

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	7	4,414,249	3,610,004
<b>CURRENT ASSETS</b>			
Stocks	8	676,681	877,658
Debtors	9	2,476,877	2,103,070
Cash at bank and in hand		6,266	17,737
		<u>3,159,824</u>	<u>2,998,465</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>2,941,428</u>	<u>2,775,113</u>
<b>NET CURRENT ASSETS</b>		<u>218,396</u>	<u>223,352</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,632,645</u>	<u>3,833,356</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(1,210,961)	(719,868)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	<u>(531,164)</u>	<u>(490,664)</u>
		<u>2,890,520</u>	<u>2,622,824</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	914	914
Share premium	17	1,399,300	1,399,300
Capital redemption reserve	17	686	686
Profit and loss account	17	1,489,620	1,221,924
<b>SHAREHOLDERS' FUNDS</b>	21	<u>2,890,520</u>	<u>2,622,824</u>

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.

ON BEHALF OF THE BOARD:



Mr M Z Karsan - Director

Approved by the Board on 2 December 2005

The notes form part of these abbreviated accounts



# EUROPEAN OAT MILLERS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
Net cash inflow from operating activities	1	1,360,199	731,205
Returns on investments and servicing of finance	2	(103,296)	(84,888)
Taxation		(56,684)	(133,819)
Capital expenditure	2	(1,286,062)	(281,956)
Equity dividends paid		(150,000)	(100,000)
		<u>(235,843)</u>	<u>130,542</u>
Financing	2	397,700	(351,232)
Increase/(Decrease) in cash in the period		<u>161,857</u>	<u>(220,690)</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		161,857	(220,690)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(397,700)</u>	<u>351,232</u>
Change in net debt resulting from cash flows		(235,843)	130,542
New finance leases		-	(800,000)
Movement in net debt in the period		<u>(235,843)</u>	<u>(669,458)</u>
Net debt at 1 June		(1,988,766)	(1,319,308)
Net debt at 31 May		<u>(2,224,609)</u>	<u>(1,988,766)</u>

The notes form part of these abbreviated accounts

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

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

	2005 £	2004 £
Operating profit	780,401	664,013
Depreciation charges	481,817	429,175
Loss on disposal of fixed assets	-	1,482
Decrease/(Increase) in stocks	200,977	(163,055)
Increase in debtors	(373,807)	(516,680)
Increase in creditors	270,811	316,270
<b>Net cash inflow from operating activities</b>	<b>1,360,199</b>	<b>731,205</b>

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

	2005 £	2004 £
<b>Returns on investments and servicing of finance</b>		
Interest received	69	38
Interest paid	(71,205)	(55,233)
Interest element of hire purchase payments	(32,160)	(29,693)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(103,296)</b>	<b>(84,888)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(1,286,062)	(296,756)
Sale of tangible fixed assets	-	14,800
<b>Net cash outflow for capital expenditure</b>	<b>(1,286,062)</b>	<b>(281,956)</b>
<b>Financing</b>		
New loans in year	1,000,000	-
Loan repayments in year	(418,939)	(149,096)
Capital repayments in year	(183,361)	(202,136)
<b>Net cash inflow/(outflow) from financing</b>	<b>397,700</b>	<b>(351,232)</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 2005

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/6/04 £	Cash flow £	At 31/5/05 £
Net cash:			
Cash at bank and in hand	17,737	(11,471)	6,266
Bank overdraft	(937,539)	173,328	(764,211)
	<u>(919,802)</u>	<u>161,857</u>	<u>(757,945)</u>
Debt:			
Hire purchase	(650,025)	183,361	(466,664)
Debts falling due within one year	(149,096)	93,393	(55,703)
Debts falling due after one year	(269,843)	(674,454)	(944,297)
	<u>(1,068,964)</u>	<u>(397,700)</u>	<u>(1,466,664)</u>
Total	<u>(1,988,766)</u>	<u>(235,843)</u>	<u>(2,224,609)</u>

The notes form part of these abbreviated accounts

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

---

### 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	- 7% straight line
Plant and machinery	- 7% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 33% 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.

#### 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.

#### 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.

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 2. STAFF COSTS

	2005	2004
	£	£
Wages and salaries	1,592,174	1,405,797
Social security costs	154,179	127,680
Other pension costs	46,355	56,053
	<u>1,792,708</u>	<u>1,589,530</u>

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

	2005	2004
Management	3	3
Administration	6	5
Production	59	51
	<u>68</u>	<u>59</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Hire of plant and machinery	208	913
Other operating leases	161,620	162,656
Depreciation - owned assets	395,188	373,944
Depreciation - assets on hire purchase contracts	86,629	55,231
Loss on disposal of fixed assets	-	1,482
Auditors' remuneration	12,800	12,350
	<u>267,670</u>	<u>263,555</u>
Directors' emoluments	17,938	19,455
Directors' pension contributions to money purchase schemes		

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

	2005	2004
Money purchase schemes	<u>3</u>	<u>3</u>

Information regarding the highest paid director is as follows:

	2005	2004
	£	£
Emoluments etc	136,376	99,860
Pension contributions to money purchase schemes	10,248	10,609

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank interest	73,600	59,187
Hire purchase	32,160	29,693
	<u>105,760</u>	<u>88,880</u>

### 5. TAXATION

#### Analysis of the tax charge

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

	2005	2004
	£	£
Current tax:		
UK corporation tax	166,535	54,399
(Over) / under provided in earlier years	(21)	(1)
Total current tax	<u>166,514</u>	<u>54,398</u>
Deferred tax:		
Accelerated capital allowances	40,500	88,920
Tax on profit on ordinary activities	<u>207,014</u>	<u>143,318</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:

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>674,710</u>	<u>575,171</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 19%)	202,413	109,282
Effects of:		
Expenses not deductible for tax purposes	15,731	2,480
Capital allowances for the period in excess of depreciation	(39,073)	(56,827)
Other short term timing differences	11,266	(536)
Marginal relief	(23,802)	-
Over provision in earlier years	(21)	(1)
Current tax charge	<u>166,514</u>	<u>54,398</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 6. DIVIDENDS

	2005 £	2004 £
Equity shares:		
First interim	<u>200,000</u>	<u>100,000</u>

### 7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 June 2004	312,878	6,180,559	27,629
Additions	15,574	478,497	73,176
At 31 May 2005	<u>328,452</u>	<u>6,659,056</u>	<u>100,805</u>
<b>DEPRECIATION</b>			
At 1 June 2004	248,605	3,027,793	18,276
Charge for year	10,410	431,877	27,602
At 31 May 2005	<u>259,015</u>	<u>3,459,670</u>	<u>45,878</u>
<b>NET BOOK VALUE</b>			
At 31 May 2005	<u>69,437</u>	<u>3,199,386</u>	<u>54,927</u>
At 31 May 2004	<u>64,273</u>	<u>3,152,766</u>	<u>9,353</u>

	Motor vehicles £	Assets under construction £	Totals £
<b>COST</b>			
At 1 June 2004	47,713	355,987	6,924,766
Additions	-	718,815	1,286,062
At 31 May 2005	<u>47,713</u>	<u>1,074,802</u>	<u>8,210,828</u>
<b>DEPRECIATION</b>			
At 1 June 2004	20,088	-	3,314,762
Charge for year	11,928	-	481,817
At 31 May 2005	<u>32,016</u>	<u>-</u>	<u>3,796,579</u>
<b>NET BOOK VALUE</b>			
At 31 May 2005	<u>15,697</u>	<u>1,074,802</u>	<u>4,414,249</u>
At 31 May 2004	<u>27,625</u>	<u>355,987</u>	<u>3,610,004</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 7. TANGIBLE FIXED ASSETS - continued

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 2004 and 31 May 2005	1,237,552
<b>DEPRECIATION</b>	
At 1 June 2004	58,473
Charge for year	86,629
At 31 May 2005	145,102
<b>NET BOOK VALUE</b>	
At 31 May 2005	1,092,450
At 31 May 2004	1,179,079

### 8. STOCKS

	2005 £	2004 £
Raw materials	521,527	730,098
Finished goods	155,154	147,560
	<u>676,681</u>	<u>877,658</u>

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	1,922,125	1,716,169
Other debtors	36,364	31,770
Futures trading account	83,295	26,417
VAT	130,170	53,733
Prepayments and accrued income	304,923	274,981
	<u>2,476,877</u>	<u>2,103,070</u>



# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

During the normal course of business, the company enters into wheat futures to stabilise the production costs of raw materials. The carrying value, at cost, of the futures held at the year end was £83,295 (2004: £26,417), with a fair value of £83,425 (2004: £43,307).

In addition:

	2005 £	2004 £
Aggregate gains/(losses) not recognised at the balance sheet date	-	16,760
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	-	16,760
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	16,760	(4,200)
Net gain/(loss) recognised in the profit and loss account	(205,122)	34,018

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts (see note 12)	819,914	1,086,635
Hire purchase contracts (see note 13)	200,000	200,000
Trade creditors	777,547	874,114
Tax	166,535	56,705
Social security and other taxes	52,289	43,599
Dividends payable	50,000	-
Other creditors	18,957	17,569
Accruals and deferred income	856,186	496,491
	<u>2,941,428</u>	<u>2,775,113</u>

### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Bank loans (see note 12)	944,297	269,843
Hire purchase contracts (see note 13)	266,664	450,025
	<u>1,210,961</u>	<u>719,868</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 12. LOANS

An analysis of the maturity of loans is given below:

	2005 £	2004 £
Amounts falling due within one year or on demand:		
Bank overdrafts	764,211	937,539
Bank loans	55,703	149,096
	<u>819,914</u>	<u>1,086,635</u>
Amounts falling due between one and two years:		
Bank loans	<u>80,870</u>	<u>149,096</u>
Amounts falling due between two and five years:		
Bank loans	<u>276,512</u>	<u>120,747</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>586,915</u>	<u>-</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.

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

	Hire purchase contracts	
	2005 £	2004 £
Net obligations repayable:		
Within one year	200,000	200,000
Between one and five years	266,664	450,025
	<u>466,664</u>	<u>650,025</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

	Land and buildings		Other operating leases	
	2005	2004	2005	2004
	£	£	£	£
Expiring:				
Within one year	-	-	-	4,520
Between one and five years	160,000	-	-	-
In more than five years	-	160,000	-	-
	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>4,520</u>

### 14. SECURED DEBTS

The following secured debts are included within creditors:

	2005	2004
	£	£
Bank overdrafts	764,211	937,539
Bank loans	1,000,000	418,939
	<u>1,764,211</u>	<u>1,356,478</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.

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	2005	2004
	£	£
Deferred tax		
Accelerated capital allowances	<u>531,164</u>	<u>490,664</u>
		Deferred tax
		£
Balance at 1 June 2004		490,664
Accelerated capital allowances		<u>40,500</u>
Balance at 31 May 2005		<u>531,164</u>

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

### 16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
914	Ordinary	£1	<u>914</u>	<u>914</u>

### 17. RESERVES

	Profit and loss account	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 June 2004	1,221,924	1,399,300	686	2,621,910
Retained profit for the year	<u>267,696</u>	-	-	<u>267,696</u>
At 31 May 2005	<u>1,489,620</u>	<u>1,399,300</u>	<u>686</u>	<u>2,889,606</u>

### 18. 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. There were no outstanding contributions at the year end.

### 19. CONTINGENT LIABILITIES

Contingent assets and liabilities in respect of the futures trading account are shown in the debtors note.

### 20. CAPITAL COMMITMENTS

	2005	2004
	£	£
Contracted but not provided for in the financial statements	<u>315,775</u>	<u>77,000</u>

In addition to the contracted capital commitments the company has authorised expenditure of £1,360,000.

# EUROPEAN OAT MILLERS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31 MAY 2005

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

	2005	2004
	£	£
Profit for the financial year	467,696	431,853
Dividends	(200,000)	(100,000)
Net addition to shareholders' funds	267,696	331,853
Opening shareholders' funds	2,622,824	2,290,971
Closing shareholders' funds	2,890,520	2,622,824
Equity interests	2,890,520	2,622,824

### 22. CONTROLLING PARTY

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