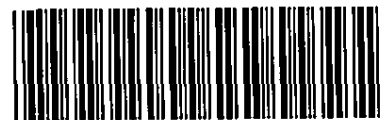


ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2007
FOR
DAVID AUSTIN ROSES LIMITED

TUESDAY



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DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31ST JULY 2007

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JULY 2007

DIRECTORS:

D C H Austin
D J C Austin
C R Austin
J L Austin

SECRETARY:

D J C Austin

REGISTERED OFFICE:

Bowling Green Lane
Albrighton
Wolverhampton
WV7 3HB

REGISTERED NUMBER:

2701780 (England and Wales)

AUDITORS:

Stanton Ralph & Co
Registered Auditors
Chartered Accountants
The Old Grammar School
St Leonards Close
Bridgnorth
Shropshire WV16 4EJ

DAVID AUSTIN ROSES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2007

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of rose breeding and wholesaling and plant centre operation

REVIEW OF BUSINESS

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

The company has continued to perform well with ongoing growth in several areas of the business. Overall turnover increased to £5,627k from £4,835k with gross margins being maintained at 44% (2006 45%). Although the company's markets continue to be extremely competitive the directors anticipate that the strong brand together with targeted promotional strategies will facilitate continued growth.

The company is retaining sufficient investment in research and development where its extensive breeding programme facilitates the development of new varieties and is seen as the foundations for future success.

The company maintains focus on cost efficiency. This has enabled labour costs to be controlled, total labour costs, excluding directors remuneration, including social security, increasing proportionately less than turnover, being £1,772k in 2007 compared to £1,521k in the previous year.

Total profits before tax was £354k compared to £434K in 2006 despite 2006 having included a one off credit of £226k in relation to a doubtful debt recovered.

DIVIDENDS

An interim dividend of £25 per share was paid on 9th April 2007. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st July 2007 will be £190,000.

RESEARCH AND DEVELOPMENT

The company continues to undertake substantial levels of research and development.

DIRECTORS

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

D C H Austin
D J C Austin
C R Austin
J L Austin

Mrs P J Austin sadly passed away on 21st December 2006.

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.

DAVID AUSTIN ROSES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2007

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.

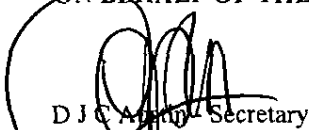
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



D J C Austin Secretary

9th April 2008

REPORT OF THE INDEPENDENT AUDITORS TO
DAVID AUSTIN ROSES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages five to fourteen, together with the financial statements of David Austin Roses Limited for the year ended 31st July 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.

Stanton Ralph & Co

Stanton Ralph & Co
Registered Auditors
Chartered Accountants
The Old Grammar School
St Leonards Close
Bridgnorth
Shropshire WV16 4EJ

9th April 2008

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2007

31 7 06 £		Notes	31 7 07 £
2,194,929	GROSS PROFIT		2,480,201
2,028,268 <u>(226,051)</u>	Administrative expenses - Normal - Exceptional		2,212,481
392,712	OPERATING PROFIT	3	267,720
<u>41,388</u>	Interest receivable and similar income		<u>86,712</u>
434,100	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		354,432
<u>35,038</u>	Tax on profit on ordinary activities	4	<u>(12,851)</u>
<u><u>399,062</u></u>	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>367,283</u></u>

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

DAVID AUSTIN ROSES LIMITED

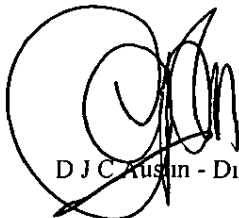
ABBREVIATED BALANCE SHEET

31ST JULY 2007

31.7 06				31 7 07
£	£		Notes	£
		FIXED ASSETS		
	1,771,117	Tangible assets	6	1,749,057
	<u>1</u>	Investments	7	<u>1</u>
	1,771,118			1,749,058
		CURRENT ASSETS		
207,943		Stocks	8	227,389
1,461,026		Debtors	9	1,121,081
<u>1,546,352</u>		Cash at bank		<u>2,193,642</u>
3,215,321				3,542,112
		CREDITORS		
<u>1,358,367</u>		Amounts falling due within one year	10	<u>1,502,576</u>
	<u>1,856,954</u>	NET CURRENT ASSETS		<u>2,039,536</u>
	3,628,072	TOTAL ASSETS LESS CURRENT LIABILITIES		3,788,594
	<u>54,484</u>	PROVISIONS FOR LIABILITIES	11	<u>37,723</u>
	<u>3,573,588</u>	NET ASSETS		<u>3,750,871</u>
		CAPITAL AND RESERVES		
	7,600	Called up share capital	12	7,600
	5,576	Share premium	13	5,576
	2,400	Capital redemption reserve	13	2,400
	<u>3,558,012</u>	Profit and loss account	13	<u>3,735,295</u>
	<u>3,573,588</u>	SHAREHOLDERS' FUNDS	16	<u>3,750,871</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

The financial statements were approved by the Board of Directors on 9th April 2008 and were signed on its behalf by


D J C Austin - Director

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2007

31 7 06 £		Notes	31 7 07 £
283,696	Net cash inflow from operating activities	1	816,700
41,388	Returns on investments and servicing of finance	2	86,712
1,278	Taxation		(33,926)
(201,129)	Capital expenditure	2	(241,079)
(152,000)	Equity dividends paid		(190,000)
(26,767)			438,407
<u>555,503</u>	Financing	2	<u>208,883</u>
<u>528,736</u>	Increase in cash in the period		<u>647,290</u>
<hr/>			
	Reconciliation of net cash flow to movement in net funds	3	
<u>528,736</u>	Increase in cash in the period		<u>647,290</u>
<u>528,736</u>	Change in net funds resulting from cash flows		<u>647,290</u>
528,736	Movement in net funds in the period		647,290
<u>1,017,616</u>	Net funds at 1st August		<u>1,546,352</u>
<u>1,546,352</u>	Net funds at 31st July		<u>2,193,642</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2007

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

	31 7 07	31 7 06
	£	£
Operating profit	267,720	392,712
Depreciation charges	263,139	296,985
Increase in stocks	(19,446)	(24,572)
Decrease/(Increase) in debtors	360,661	(318,260)
Decrease in creditors	<u>(55,374)</u>	<u>(63,169)</u>
Net cash inflow from operating activities	<u>816,700</u>	<u>283,696</u>

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

	31 7 07	31 7 06
	£	£
Returns on investments and servicing of finance		
Interest received	<u>86,712</u>	<u>41,388</u>
Net cash inflow for returns on investments and servicing of finance	<u>86,712</u>	<u>41,388</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(241,079)</u>	<u>(201,129)</u>
Net cash outflow for capital expenditure	<u>(241,079)</u>	<u>(201,129)</u>
 Financing		
Amount introduced by directors	43,347	7,012
Loans from group undertakings	<u>165,536</u>	<u>548,491</u>
Net cash inflow from financing	<u>208,883</u>	<u>555,503</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 8 06	Cash flow	At
	£	£	31 7 07
			£
Net cash			
Cash at bank	<u>1,546,352</u>	<u>647,290</u>	<u>2,193,642</u>
	<u>1,546,352</u>	<u>647,290</u>	<u>2,193,642</u>
 Total	<u>1,546,352</u>	<u>647,290</u>	<u>2,193,642</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents the net amount invoiced by the company for goods and services excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Freehold property	- 1% straight line
Equipment and fixtures	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pensions

The company operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

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 rates of exchange ruling at the date of transaction This is except for transactions made through foreign currency bank accounts which are translated at the rates ruling when transfers are made to sterling accounts or at the balance sheet date, whichever is the earlier Exchange differences are taken into account in arriving at the operating result

Research and Development

The company undertakes research and development so as to pursue its fundamental aim of developing rose varieties free of disease The company's policy is not to capitalise and carry forward costs incurred due to the highly speculative nature of the work

Group accounts

The company is the parent of a medium sized group and is therefore exempt from the requirement to prepare group accounts The financial statements include information on transactions of the parent undertaking only and not about its group

The benefit of group relief is accounted for within the tax charge of the profit making undertaking No payment is made for group relief between group undertakings

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2007

2 STAFF COSTS

	31 7 07	31 7 06
	£	£
Wages and salaries	1,728,893	1,546,026
Social security costs	194,843	164,874
Other pension costs	13,742	13,088
	<u>1,937,478</u>	<u>1,723,988</u>

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

	31 7 07	31 7 06
Selling and administration	30	30
Production and breeding	80	80
	<u>110</u>	<u>110</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 7 07	31 7 06
	£	£
Hire of equipment	15,624	14,585
Depreciation - owned assets	263,139	296,985
Auditors' remuneration	16,000	13,750
Foreign exchange differences	43,972	96,400
Research and development costs	<u>620,498</u>	<u>582,397</u>
Directors' emoluments	<u>135,276</u>	<u>169,176</u>

4 TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

	31 7 07	31 7 06
	£	£
Current tax		
UK corporation tax	-	28,351
Under/over provision last year	<u>3,910</u>	<u>-</u>
Total current tax	3,910	28,351
Deferred tax	<u>(16,761)</u>	<u>6,687</u>
Tax on profit on ordinary activities	<u>(12,851)</u>	<u>35,038</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2007

4 TAXATION - continued

Factors affecting the tax (credit)/charge

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

	31 7 07	31 7 06
	£	£
Profit on ordinary activities before tax	<u>354,432</u>	<u>434,100</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	106,330	130,230
Effects of		
Expenses not deductible for tax purposes	1,913	1,750
Capital allowances in excess of depreciation	(30,510)	(482)
Group relief	15,343	-
Research and development uplift	(93,075)	(55,396)
Small companies rate	-	(47,751)
Prior year under provision	<u>3,909</u>	<u>-</u>
Current tax (credit)/charge	<u>3,910</u>	<u>28,351</u>

5 DIVIDENDS

	31 7 07	31 7 06
	£	£
Ordinary shares of £1 each		
Interim	<u>190,000</u>	<u>152,000</u>

6 TANGIBLE FIXED ASSETS

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2006	4,165,365	908,029	3,184,227	73,109
Additions	<u>241,079</u>	<u>93,739</u>	<u>147,340</u>	<u>-</u>
At 31st July 2007	<u>4,406,444</u>	<u>1,001,768</u>	<u>3,331,567</u>	<u>73,109</u>
DEPRECIATION				
At 1st August 2006	2,394,248	13,351	2,338,631	42,266
Charge for year	<u>263,139</u>	<u>5,822</u>	<u>245,695</u>	<u>11,622</u>
At 31st July 2007	<u>2,657,387</u>	<u>19,173</u>	<u>2,584,326</u>	<u>53,888</u>
NET BOOK VALUE				
At 31st July 2007	<u>1,749,057</u>	<u>982,595</u>	<u>747,241</u>	<u>19,221</u>
At 31st July 2006	<u>1,771,117</u>	<u>894,678</u>	<u>845,596</u>	<u>30,843</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2007

7 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1st August 2006 and 31st July 2007	<u>1</u>
NET BOOK VALUE	
At 31st July 2007	<u>1</u>
At 31st July 2006	<u>1</u>

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

David Austin Rose Nursery Limited

Nature of business Rose grower and retailer

	%		
Class of shares	holding		
Ordinary	100 00		
		31 7 07	31 7 06
		£	£
Aggregate capital and reserves		1,490,530	890,127
Profit for the year		<u>600,403</u>	<u>460,822</u>

8 STOCKS

	31 7 07	31 7 06
	£	£
Growing plants	93,456	112,799
Plants and goods for resale	<u>133,933</u>	<u>95,144</u>
	<u>227,389</u>	<u>207,943</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 07	31 7 06
	£	£
Trade debtors	934,544	1,349,301
Other debtors	30,000	-
Tax	20,716	-
Prepayments	<u>135,821</u>	<u>111,725</u>
	<u>1,121,081</u>	<u>1,461,026</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 07	31 7 06
	£	£
Trade creditors	264,440	301,123
Amounts owed to group undertakings	1,006,874	841,338
Tax	-	9,300
Social security and other taxes	127,604	145,455
Directors' current accounts	64,011	20,664
Accrued expenses	<u>39,647</u>	<u>40,487</u>
	<u>1,502,576</u>	<u>1,358,367</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2007

11 PROVISIONS FOR LIABILITIES

	31 7 07	31 7 06
	£	£
Deferred tax	<u>37,723</u>	<u>54,484</u>
		Deferred tax
		£
Balance at 1st August 2006		54,484
Movement in year		<u>(16,761)</u>
Balance at 31st July 2007		<u>37,723</u>

The deferred tax balance comprises of capital allowances

The deferred tax credit for the year reflects a credit of £60,407 in respect of the value of the release of tax in relation to agricultural buildings allowances, no balancing charge applying from 21st March 2007 following the publication of Finance Act 2007

12 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 7 07	31 7 06
		£1	£	£
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	31 7 07	31 7 06
		£1	£	£
7,600	Ordinary		<u>7,600</u>	<u>7,600</u>

13 RESERVES

	Totals	Profit and loss account	Share premium	Capital redemption reserve
	£	£	£	£
At 1st August 2006	3,565,988	3,558,012	5,576	2,400
Profit for the year	367,283	367,283		
Dividends	<u>(190,000)</u>	<u>(190,000)</u>		
At 31st July 2007	<u>3,743,271</u>	<u>3,735,295</u>	<u>5,576</u>	<u>2,400</u>

14 CAPITAL COMMITMENTS

	31 7 07	31 7 06
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>20,000</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2007

15 TRANSACTIONS WITH DIRECTORS

The company occupies land at Bowling Green Lane of which 30% is owned by Mr D C H Austin. No rent is charged.

Claire Austin Hardy Plants Limited, a company owned by Miss C R Austin, director, acquired goods and services from the company totalling £29 (2006 £2,544). Goods and services were also supplied to the company totalling £981 (2006 £2,352). Amounts due from Claire Austin Hardy Plants Limited at 31st July 2007 £1,770 (2006 £2,764). Amounts owed £nil (2006 £66). All transactions were at normal commercial rates.

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 7 07	31 7 06
	£	£
Profit for the financial year	367,283	399,062
Dividends	<u>(190,000)</u>	<u>(152,000)</u>
Net addition to shareholders' funds	177,283	247,062
Opening shareholders' funds	<u>3,573,588</u>	<u>3,326,526</u>
Closing shareholders' funds	<u>3,750,871</u>	<u>3,573,588</u>

17 RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

David Austin Roses Limited is controlled by its director/shareholders.

During the period the company recharged certain overhead costs totalling £38,910 plus VAT (2006 £52,702 plus VAT) to its subsidiary undertaking. The company also received net loans of £165,536 (2006 £548,491) from its subsidiary undertaking. At the 31st July 2007 £1,006,874 was owed to David Austin Rose Nursery Limited (2006 £841,338), shown as group undertakings in note 10.