

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2008
FOR
DAVID AUSTIN ROSES LIMITED

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DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31ST JULY 2008

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JULY 2008

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 2008

The directors present their report with the accounts of the company for the year ended 31st July 2008.

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 £6,714k from £5,631k with gross margins being maintained at 44% (2007 44%). Although the company's markets continue to be extremely competitive the directors anticipate that the strong brand together with ongoing targeted promotional strategies will facilitate continued growth.

The company continue to retain 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. Total research and development costs were £797k (2007 £620k).

Continued focus on cost efficiency has enabled labour costs to be controlled. Total labour costs, excluding directors remuneration, including social security, increased proportionately less than turnover, being £1,914k in 2008 compared to £1,772k in the previous year.

Total profit before tax was £673k compared to £354K in 2007.

DIVIDENDS

An interim dividend of £25 per share was paid on 14th June 2008. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st July 2008 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 2007 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 2007.

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 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

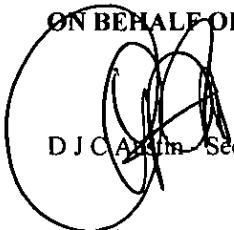
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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

ON BEHALF OF THE BOARD:



D J C Austin Secretary

6th February 2009

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 fifteen, together with the financial statements of David Austin Roses Limited for the year ended 31st July 2008 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

6th February 2009

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2008

31.7.07 £		Notes	31.7.08 £
2,480,201	GROSS PROFIT		2,970,220
2,212,481	Administrative expenses		2,338,203
267,720	OPERATING PROFIT	3	632,017
86,712	Interest receivable and similar income		41,404
354,432	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		673,421
(12,851)	Tax on profit on ordinary activities	4	52,841
367,283	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		620,580

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

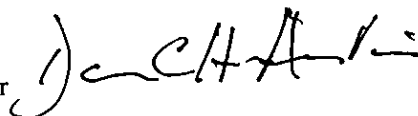
31ST JULY 2008

31.7.07			Notes	31.7.08	
£	£			£	£
		FIXED ASSETS			
	1,749,057	Tangible assets	6		2,538,500
	1	Investments	7		4,674
	<u>1,749,058</u>				<u>2,543,174</u>
		CURRENT ASSETS			
227,389		Stocks	8	306,244	
1,121,081		Debtors	9	1,389,659	
2,193,642		Cash at bank		904,801	
<u>3,542,112</u>				<u>2,600,704</u>	
		CREDITORS			
1,502,576		Amounts falling due within one year	10	911,746	
<u>2,039,536</u>		NET CURRENT ASSETS			<u>1,688,958</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,232,132</u>
3,788,594					
<u>37,723</u>		PROVISIONS FOR LIABILITIES	11		<u>50,681</u>
<u>3,750,871</u>		NET ASSETS			<u>4,181,451</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	
3,735,295		Profit and loss account	13	4,165,875	
<u>3,750,871</u>		SHAREHOLDERS' FUNDS	16	<u>4,181,451</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 6th February 2009 and were signed on its behalf by:

D C H Austin - Director



The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2008

31.7.07 £		Notes	31.7.08 £
	Net cash inflow		
816,700	from operating activities	1	835,073
86,712	Returns on investments and servicing of finance	2	41,404
(33,926)	Taxation		592
(241,079)	Capital expenditure and financial investment	2	(924,000)
(190,000)	Equity dividends paid		(190,000)
<u>438,407</u>			<u>(236,931)</u>
208,883	Financing	2	(1,051,910)
<u>647,290</u>	(Decrease)/Increase in cash in the period		<u>(1,288,841)</u>
<hr/>			
	Reconciliation of net cash flow to movement in net funds	3	
<u>647,290</u>	(Decrease)/Increase in cash in the period		<u>(1,288,841)</u>
<u>647,290</u>	Change in net funds resulting from cash flows		<u>(1,288,841)</u>
647,290	Movement in net funds in the period		(1,288,841)
<u>1,546,352</u>	Net funds at 1st August		<u>2,193,642</u>
<u>2,193,642</u>	Net funds at 31st July		<u>904,801</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 2008

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

	31.7.08	31.7.07
	£	£
Operating profit	632,017	267,720
Depreciation charges	127,083	263,139
Loss on disposal of fixed assets	2,800	-
Increase in stocks	(78,855)	(19,446)
(Increase)/Decrease in debtors	(97,648)	360,661
Increase/(Decrease) in creditors	249,676	(55,374)
Net cash inflow from operating activities	835,073	816,700

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

	31.7.08	31.7.07
	£	£
Returns on investments and servicing of finance		
Interest received	41,404	86,712
Net cash inflow for returns on investments and servicing of finance	41,404	86,712
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(922,327)	(241,079)
Purchase of fixed asset investments	(4,673)	-
Sale of tangible fixed assets	3,000	-
Net cash outflow for capital expenditure and financial investment	(924,000)	(241,079)
 Financing		
Amount introduced by directors	268	43,347
Amount withdrawn by directors	(64,011)	-
Loans to/from group undertakings	(988,167)	165,536
Net cash (outflow)/inflow from financing	(1,051,910)	208,883

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.07	Cash flow	At
	£	£	31.7.08
			£
Net cash:			
Cash at bank	2,193,642	(1,288,841)	904,801
	<u>2,193,642</u>	<u>(1,288,841)</u>	<u>904,801</u>
 Total	<u>2,193,642</u>	<u>(1,288,841)</u>	<u>904,801</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2008

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.

Freehold property	- 1% on cost
Plant and machinery	- 25% on cost, 20% on cost and 10% on cost
Motor vehicles	- 25% on cost

The company changed its depreciation rates in respect of equipment and fixtures and motor vehicles with effect from 1st August 2007 from reducing balance to straight line, as the directors consider that this more closely reflects the economic usage of assets. The profit and loss and balance sheet impact of this change is not material. Comparatives have not been adjusted.

Assets are depreciated from the date that they are brought into use.

Freehold land is not depreciated.

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.

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.

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.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

1. ACCOUNTING POLICIES - continued

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.

2. STAFF COSTS

	31.7.08	31.7.07
	£	£
Wages and salaries	1,980,031	1,728,893
Social security costs	215,319	194,843
Other pension costs	14,428	13,742
	<u>2,209,778</u>	<u>1,937,478</u>

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

	31.7.08	31.7.07
Selling and administration	35	30
Production and breeding	80	80
	<u>115</u>	<u>110</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.7.08	31.7.07
	£	£
Hire of equipment	7,210	15,624
Depreciation - owned assets	127,083	263,139
Loss on disposal of fixed assets	2,800	-
Auditors' remuneration	15,529	16,000
Foreign exchange differences	2,698	43,972
Research and development costs	<u>822,246</u>	<u>620,498</u>
Directors' emoluments	<u>256,407</u>	<u>135,276</u>

Information regarding the highest paid director for the year ended 31st July 2008 is as follows:

	31.7.08
	£
Emoluments etc	<u>155,044</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

4. TAXATION

Analysis of the tax charge/(credit)

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

	31.7.08 £	31.7.07 £
Current tax:		
UK corporation tax	38,745	-
Under/over provision last year	1,138	3,910
	<u>39,883</u>	<u>3,910</u>
Total current tax	39,883	3,910
Deferred tax	12,958	(16,761)
	<u>52,841</u>	<u>(12,851)</u>
Tax on profit on ordinary activities	<u>52,841</u>	<u>(12,851)</u>

Factors affecting the tax charge/(credit)

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

	31.7.08 £	31.7.07 £
Profit on ordinary activities before tax	<u>673,421</u>	<u>354,432</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007 - 30%)	188,558	106,330
Effects of:		
Expenses not deductible for tax purposes	2,270	1,910
Capital allowances in excess of depreciation	(31,391)	(30,510)
Group relief	-	15,343
Research and development uplift	(115,114)	(93,073)
Marginal relief	(7,688)	-
Prior year under provision	1,138	3,910
Standard rate reduction during the year	2,110	-
	<u>39,883</u>	<u>3,910</u>
Current tax charge/(credit)	<u>39,883</u>	<u>3,910</u>

5. DIVIDENDS

	31.7.08 £	31.7.07 £
Ordinary shares of £1 each		
Interim	<u>190,000</u>	<u>190,000</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

6. TANGIBLE FIXED ASSETS

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2007	4,406,443	1,001,768	3,331,566	73,109
Additions	922,327	794,225	118,569	9,533
Disposals	(13,025)	-	-	(13,025)
At 31st July 2008	5,315,745	1,795,993	3,450,135	69,617
DEPRECIATION				
At 1st August 2007	2,657,387	19,173	2,584,326	53,888
Charge for year	127,083	5,776	114,424	6,883
Eliminated on disposal	(7,225)	-	-	(7,225)
At 31st July 2008	2,777,245	24,949	2,698,750	53,546
NET BOOK VALUE				
At 31st July 2008	2,538,500	1,771,044	751,385	16,071
At 31st July 2007	1,749,056	982,595	747,240	19,221

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1st August 2007	1
Additions	4,673
At 31st July 2008	4,674
NET BOOK VALUE	
At 31st July 2008	4,674
At 31st July 2007	1

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

	% holding		
Class of shares:			
Ordinary	100.00	31.7.08 £	31.7.07 £
Aggregate capital and reserves		2,110,435	1,490,530
Profit for the year		619,905	600,403

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

7. FIXED ASSET INVESTMENTS - continued

David Austin Roses Japan KK

Country of incorporation: Japan

Nature of business: Rose retailer

	%
Class of shares:	holding
Ordinary	100.00
	31.7.08
	£
Aggregate capital and reserves	(128,827)
Loss for the year	(133,500)

8. STOCKS

	31.7.08	31.7.07
	£	£
Growing plants	181,319	93,456
Plants and goods for resale	124,925	133,933
	<u>306,244</u>	<u>227,389</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.08	31.7.07
	£	£
Trade debtors	1,024,768	934,544
Amounts owed by group undertakings	191,646	-
Other debtors	30,000	30,000
Tax	-	20,716
Prepayments	143,245	135,821
	<u>1,389,659</u>	<u>1,121,081</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.08	31.7.07
	£	£
Trade creditors	439,081	264,440
Other creditors	59,423	-
Amounts owed to group undertakings	210,352	1,006,874
Tax	19,759	-
Social security and other taxes	155,997	127,604
Directors' current accounts	268	64,011
Accrued expenses	26,866	39,647
	<u>911,746</u>	<u>1,502,576</u>

11. PROVISIONS FOR LIABILITIES

	31.7.08	31.7.07
	£	£
Deferred tax	<u>50,681</u>	<u>37,723</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

11. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st August 2007	37,723
Movement in year	12,958
	<u>50,681</u>
Balance at 31st July 2008	<u>50,681</u>

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.7.08 £	31.7.07 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.08 £	31.7.07 £
7,600	Ordinary	£1	<u>7,600</u>	<u>7,600</u>

13. RESERVES

	Totals £	Profit and loss account £	Share premium £	Capital redemption reserve £
At 1st August 2007	3,743,271	3,735,295	5,576	2,400
Profit for the year	620,580	620,580		
Dividends	(190,000)	(190,000)		
	<u>4,173,851</u>	<u>4,165,875</u>	<u>5,576</u>	<u>2,400</u>
At 31st July 2008				

14. CAPITAL COMMITMENTS

	31.7.08 £	31.7.07 £
Contracted but not provided for in the financial statements	<u>130,000</u>	<u>-</u>

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 £nil (2007 £29). Goods and services were also supplied to the company totalling £nil (2007 £981). Amounts due from Claire Austin Hardy Plants Limited at 31st July 2008 £1,770 (2007 £1,770). Amounts owed £nil (2007 £nil). All transactions were at normal commercial rates.

Other creditors is the balance owing to the estate of Mrs P J Austin, former director of the company, as shown in note 10.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2008

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.08	31.7.07
	£	£
Profit for the financial year	620,580	367,283
Dividends	(190,000)	(190,000)
Net addition to shareholders' funds	430,580	177,283
Opening shareholders' funds	3,750,871	3,573,588
Closing shareholders' funds	4,181,451	3,750,871

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 £87,702 plus VAT (2007 £38,910 plus VAT) to David Austin Nursery Limited, subsidiary undertaking. The company also made net loans of £796,522 (2007 £165,536) to this subsidiary undertaking. At the 31st July 2008 £210,352 (2007 1,006,874) was owed to David Austin Rose Nursery Limited shown as amounts owed to group undertakings in note 10.

The company also recharged overheads totalling £100,000 (2007 nil) to David Austin Roses Japan KK, subsidiary undertaking. The company made note loans of £191,646 (2007 nil) to this subsidiary undertaking. At 31st July 2008 £191,646 was owed by David Austin Roses Japan KK shown as amounts owed by group undertakings in note 9.