

REGISTERED NUMBER: 02701780 (England and Wales)

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012
FOR
DAVID AUSTIN ROSES LIMITED

THURSDAY



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18/04/2013

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COMPANIES HOUSE

DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31 JULY 2012

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2012

DIRECTORS: D C H Austin
D J C Austin

SECRETARY: D J C Austin

REGISTERED OFFICE: Bowling Green Lane
Albrighton
Wolverhampton
WV7 3HB

REGISTERED NUMBER: 02701780 (England and Wales)

SENIOR STATUTORY AUDITOR: A C Ralph

AUDITORS: Stanton Ralph & Co
Registered Auditors
Chartered Accountants
The Old Police Station
Whitburn Street
Bridgnorth
Shropshire
WV16 4QP

DAVID AUSTIN ROSES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2012

The directors present their report with the accounts of the company for the year ended 31 July 2012

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 company has been able to continue growth in certain areas of the business despite tough economic conditions. Overall turnover decreased slightly to £9,439k from £9,612k with a gross margin of 46.1% (2011 46.5%). The company's markets continue to be competitive but the directors anticipate that strong branding together with targeted promotional strategies will facilitate growth in 2013 and future years.

The company again committed substantial funds to research and development activities where its extensive breeding programme continues to facilitate the development of new varieties and is viewed by the directors as a foundation for future success. Total research and development costs were £834k (2011 £799k).

Total labour costs, excluding directors remuneration, including social security, increased to £2603k in 2012 from £2,492k in the previous year.

Total profit before tax was £943k reduced from £1,589k in 2011 after taking into account foreign exchange gains of £312k (2011 £196k).

DIVIDENDS

An interim dividend of £57.0175 per share was paid on 1 August 2011. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 July 2012 will be £130,000.

One shareholder holding 3040 shares having waived his entitlement to the dividend.

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 1 August 2011 to the date of this report.

D C H Austin
D J C Austin

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,
- 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 31 JULY 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

ON BEHALF OF THE BOARD:



D J C Austin - Secretary

17 April 2013

REPORT OF THE INDEPENDENT AUDITORS TO
DAVID AUSTIN ROSES LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages five to eighteen, together with the full financial statements of David Austin Roses Limited for the year ended 31 July 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



A C Ralph (Senior Statutory Auditor)
for and on behalf of Stanton Ralph & Co
Registered Auditors
Chartered Accountants
The Old Police Station
Whitburn Street
Bridgnorth
Shropshire
WV16 4QP

17 April 2013

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2012

31 7 11 £		Notes	31 7 12 £
9,612,347	TURNOVER	2	9,439,084
(5,134,417)	Cost of sales and other operating income		(5,083,844)
<hr/> 4,477,930			<hr/> 4,355,240
2,889,272	Administrative expenses		3,421,502
<hr/> 1,588,658	OPERATING PROFIT	4	<hr/> 933,738
599	Interest receivable and similar income		9,637
<hr/> 1,589,257	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<hr/> 943,375
244,614	Tax on profit on ordinary activities	5	(87,112)
<hr/> 1,344,643	PROFIT FOR THE FINANCIAL YEAR		<hr/> <hr/> 1,030,487

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

31 JULY 2012

31 7 11				31 7 12
£	£		Notes	£
		FIXED ASSETS		
	3,219,899	Tangible assets	7	3,881,066
	33,583	Investments	8	92,407
	135,953	Investment property	9	135,953
	<u>3,389,435</u>			<u>4,109,426</u>
		CURRENT ASSETS		
533,348		Stocks	10	640,049
2,327,609		Debtors amounts falling due within one year	11	3,114,588
		Debtors amounts falling due after more than one year	11	1,833,108
1,295,093		Cash at bank		2,318,452
2,176,929				<u>7,906,197</u>
<u>6,332,979</u>				
		CREDITORS		
		Amounts falling due within one year	12	4,504,157
4,038,790				<u>3,402,040</u>
<u>2,294,189</u>		NET CURRENT ASSETS		
				<u>3,402,040</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES		
	5,683,624			7,511,466
		CREDITORS		
		Amounts falling due after more than one year	13	(2,000,000)
(1,000,000)				
	(72,645)	PROVISIONS FOR LIABILITIES	16	-
<u>4,610,979</u>		NET ASSETS		<u>5,511,466</u>
		CAPITAL AND RESERVES		
	5,320	Called up share capital	17	5,320
	5,576	Share premium	18	5,576
	4,680	Capital redemption reserve	18	4,680
	4,595,403	Profit and loss account	18	5,495,890
<u>4,610,979</u>		SHAREHOLDERS' FUNDS	21	<u>5,511,466</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 17 April 2013 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 31 JULY 2012

31 7 11				31 7 12
£	£		Notes	£
		Net cash inflow		
	1,509,897	from operating activities	1	1,116,773
	599	Returns on investments and	2	9,637
		servicing of finance		
	(13,232)	Taxation		(256,297)
	(444,267)	Capital expenditure	2	(1,041,399)
		and financial investment		
	(133,000)	Equity dividends paid		(130,000)
	919,997			(301,286)
	(578,819)	Financing	2	442,809
	341,178	Increase in cash in the period		141,523
		Reconciliation of net cash flow		
		to movement in net funds	3	
341,178		Increase		141,523
		in cash in the period		
(173,279)		Cash inflow		(282,583)
		from increase in debt		
	167,899	Change in net funds resulting		(141,060)
		from cash flows		
	167,899	Movement in net funds in the period		(141,060)
	1,835,751	Net funds at 1 August		2,003,650
	2,003,650	Net funds at 31 July		1,862,590

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

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

	31 7 12	31 7 11
	£	£
Operating profit	933,738	1,588,658
Depreciation charges	322,108	255,025
Profit on disposal of fixed assets	(700)	-
Increase in stocks	(106,701)	(77,722)
Increase in debtors	(190,891)	(218,116)
Increase/(decrease) in creditors	159,219	(37,948)
Net cash inflow from operating activities	<u>1,116,773</u>	<u>1,509,897</u>

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

	31 7 12	31 7 11
	£	£
Returns on investments and servicing of finance		
Interest received	9,637	599
Net cash inflow for returns on investments and servicing of finance	<u>9,637</u>	<u>599</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(983,275)	(444,267)
Purchase of fixed asset investments	(58,824)	-
Sale of tangible fixed assets	700	-
Net cash outflow for capital expenditure and financial investment	<u>(1,041,399)</u>	<u>(444,267)</u>
 Financing		
Increase in bank loans	282,583	173,279
Amount withdrawn by directors	(565,914)	(672,446)
Loans from/to group undertakings	726,140	(79,652)
Net cash inflow/(outflow) from financing	<u>442,809</u>	<u>(578,819)</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 8 11 £	Cash flow £	At 31 7 12 £
Net cash			
Cash at bank	2,176,929	141,523	2,318,452
	<u>2,176,929</u>	<u>141,523</u>	<u>2,318,452</u>
Debt			
Debts falling due within one year	(173,279)	(282,583)	(455,862)
	<u>(173,279)</u>	<u>(282,583)</u>	<u>(455,862)</u>
Total	<u>2,003,650</u>	<u>(141,060)</u>	<u>1,862,590</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical convention as modified by the revaluation of investment property

Turnover

Turnover represents the net amount invoiced by the company to external customers for goods and services excluding value added tax. Turnover is recognised when the risks and rewards of owning the goods have been passed to the customer which is generally on delivery.

Licensing income is included in turnover and is recognised in line with agreements with licensees, either based upon the sales to external customers of the licensee or at the point of propagation.

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

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

Freehold land is not depreciated.

Investment property

Investment property is carried at market value and no depreciation is charged in line with Statement of Standard accounting Practice 19. This policy is not in accordance with the Companies Act 2006 but, in the opinion of the directors, is necessary in order that the accounts give a true and fair view.

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 at rates anticipated to be in force at the time. Deferred tax assets are recognised to the extent that they are more likely than not to be recoverable.

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.

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.

Investments

Investments are carried at cost less any provision for impairment.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

1 ACCOUNTING POLICIES - continued

Foreign currencies

Transactions in foreign currencies and the results of overseas branch operations are translated at the average rates of exchange of ruling during the year and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences arising from the translation of branch opening net assets are taken to the profit and loss account.

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 TURNOVER

Turnover arises from a single class of business. The directors consider that it would be prejudicial to the interests of the company if it disclosed its different geographical markets.

3 STAFF COSTS

	31 7 12	31 7 11
	£	£
Wages and salaries	2,586,253	2,497,681
Social security costs	278,754	238,761
Other pension costs	263,369	16,704
	<u>3,128,376</u>	<u>2,753,146</u>

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

	31 7 12	31 7 11
Selling and administration	46	43
Production and breeding	82	81
	<u>128</u>	<u>124</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 7 12	31 7 11
	£	£
Hire of equipment	10,804	17,664
Other operating leases	40,085	37,793
Depreciation - owned assets	322,108	255,025
Profit on disposal of fixed assets	(700)	-
Auditors' remuneration	12,399	13,115
Foreign exchange differences	(312,360)	(196,138)
Research and development costs	<u>834,343</u>	<u>798,925</u>
	<u>231,391</u>	<u>217,570</u>
Directors' remuneration	220,830	-
Directors' pension contributions to money purchase schemes	<u>220,830</u>	<u>-</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

4 OPERATING PROFIT - continued

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

Money purchase schemes	<u>1</u>	<u>-</u>
------------------------	----------	----------

5 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 12	31 7 11
	£	£
Current tax		
UK corporation tax	13,221	250,076
Deferred tax	<u>(100,333)</u>	<u>(5,462)</u>
Tax on profit on ordinary activities	<u>(87,112)</u>	<u>244,614</u>

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 12	31 7 11
	£	£
Profit on ordinary activities before tax	<u>943,375</u>	<u>1,589,257</u>
Profit on ordinary activities		
multiplied by the standard rate of corporation tax		
in the UK of 26% (2011 - 28%)	245,278	444,992
Effects of		
Expenses not deductible for tax purposes	8,605	6,292
Capital allowances in excess of depreciation	(1,688)	(8,695)
Research and development uplift	(235,006)	(186,397)
Standard rate reduction during the year	-	(6,116)
Marginal relief	<u>(3,968)</u>	<u>-</u>
Current tax (credit)/charge	<u>13,221</u>	<u>250,076</u>

Factors that may affect future tax charges

The company is continuing to devote substantial resources to its ongoing research and development program, as detailed in the accounting policies. Accordingly future corporation tax charges are anticipated to continue to be significantly lower than the standard rate of corporation tax in the UK.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

6 DIVIDENDS

	31 7 12	31 7 11
	£	£
Ordinary shares of £1 each		
Interim	<u>130,000</u>	<u>133,000</u>

7 TANGIBLE FIXED ASSETS

	Totals	Freehold	Plant and	Motor
	£	property	machinery	vehicles
		£	£	£
COST				
At 1 August 2011	6,599,217	2,346,180	4,163,305	89,732
Additions	983,275	666,605	306,705	9,965
Disposals	(31,649)	-	-	(31,649)
At 31 July 2012	<u>7,550,843</u>	<u>3,012,785</u>	<u>4,470,010</u>	<u>68,048</u>
DEPRECIATION				
At 1 August 2011	3,379,318	78,684	3,240,233	60,401
Charge for year	322,108	31,500	275,979	14,629
Eliminated on disposal	(31,649)	-	-	(31,649)
At 31 July 2012	<u>3,669,777</u>	<u>110,184</u>	<u>3,516,212</u>	<u>43,381</u>
NET BOOK VALUE				
At 31 July 2012	<u>3,881,066</u>	<u>2,902,601</u>	<u>953,798</u>	<u>24,667</u>
At 31 July 2011	<u>3,219,899</u>	<u>2,267,496</u>	<u>923,072</u>	<u>29,331</u>

8 FIXED ASSET INVESTMENTS

	Totals	Listed	Unlisted
	£	investments	investments
		£	£
COST			
At 1 August 2011	33,583	-	33,583
Additions	58,824	58,824	-
At 31 July 2012	<u>92,407</u>	<u>58,824</u>	<u>33,583</u>
NET BOOK VALUE			
At 31 July 2012	<u>92,407</u>	<u>58,824</u>	<u>33,583</u>
At 31 July 2011	<u>33,583</u>	<u>-</u>	<u>33,583</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

	%		
	holding		
	100 00		
Class of shares		31 7 12	31 7 11
Ordinary		£	£
Aggregate capital and reserves		5,090,164	4,096,431
Profit for the year		<u>993,733</u>	<u>792,325</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

8 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 12	31 7 11
		£	£
Aggregate capital and reserves		(729,911)	(511,737)
Loss for the year		<u>(227,476)</u>	<u>(243,057)</u>

The market value of the listed investment at 31st July 2012 was £60,252

9 INVESTMENT PROPERTY

	Total £
COST	
At 1 August 2011 and 31 July 2012	<u>135,953</u>
NET BOOK VALUE	
At 31 July 2012	<u>135,953</u>
At 31 July 2011	<u>135,953</u>

The investment property was purchased during the year to 31st July 2010. The carrying valuation has been reviewed by the directors as at 31 July 2012 and they consider that the purchase cost continues to represent a reasonable assessment of open market value.

10 STOCKS

	31 7 12	31 7 11
	£	£
Growing plants	292,592	344,115
Plants and goods for resale	347,457	189,233
	<u>640,049</u>	<u>533,348</u>

11 DEBTORS

	31 7 12	31 7 11
	£	£
Amounts falling due within one year		
Trade debtors	1,509,899	1,265,596
Other debtors	37,815	81,662
Directors' current accounts	1,220,078	662,244
Tax	10,566	-
Deferred tax asset	27,688	-
Prepayments	308,542	318,107
	<u>3,114,588</u>	<u>2,327,609</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

11 DEBTORS - continued

	31 7 12	31 7 11
	£	£
Amounts falling due after more than one year		
Amounts owed by group undertakings	1,833,108	1,295,093
	<u>1,833,108</u>	<u>1,295,093</u>
Aggregate amounts	<u>4,947,696</u>	<u>3,622,702</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 12	31 7 11
	£	£
Bank loans and overdrafts (see note 14)	455,862	173,279
Trade creditors	881,871	699,773
Amounts owed to group undertakings	2,804,333	2,540,178
Tax	-	232,510
Social security and other taxes	218,562	268,932
Customer deposits	50,101	40,099
Directors' current accounts	35,311	43,391
Accrued expenses	58,117	40,628
	<u>4,504,157</u>	<u>4,038,790</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 7 12	31 7 11
	£	£
Amounts owed to group undertakings	<u>2,000,000</u>	<u>1,000,000</u>

The directors of the company's subsidiary undertaking David Austin Roses Nursery Limited have confirmed that repayment of debts owing of at least £2m (2011 £1m) will not be demanded within twelve months of the balance sheet date

14 LOANS

An analysis of the maturity of loans is given below

	31 7 12	31 7 11
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>455,862</u>	<u>173,279</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

15 OPERATING LEASE COMMITMENTS

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

	31 7 12	31 7 11
	£	£
Expiring		
Within one year	13,337	-
Between one and five years	43,465	40,923
	<u>56,802</u>	<u>40,923</u>

16 PROVISIONS FOR LIABILITIES

	31 7 11
	£
Deferred tax	<u>72,645</u>
	Deferred
	tax
	£
Balance at 1 August 2011	72,645
Movement in year	<u>(100,333)</u>
Balance at 31 July 2012	<u>(27,688)</u>

The deferred tax balance comprises (decelerated)/accelerated capital allowances

17 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	31 7 12	31 7 11
		£1	£	£
5,320	Ordinary		<u>5,320</u>	<u>5,320</u>

On 1 February 2013 the ordinary shares were reclassified so that 2,280 shares are designated A Ordinary shares and 3,040 shares are designated B Ordinary shares. The A and B shares rank parri passu in all respects other than having the potential for differing dividend entitlements.

18 RESERVES

	Totals	Profit and loss account	Share premium	Capital redemption reserve
	£	£	£	£
At 1 August 2011	4,605,659	4,595,403	5,576	4,680
Profit for the year	1,030,487	1,030,487		
Dividends	(130,000)	(130,000)		
At 31 July 2012	<u>5,506,146</u>	<u>5,495,890</u>	<u>5,576</u>	<u>4,680</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

19 CAPITAL COMMITMENTS

	31 7 12	31 7 11
	£	£
Contracted but not provided for in the financial statements	150,970	-

20 TRANSACTIONS WITH DIRECTORS

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

During the year the company made net loans of £557,834 to (2011 £659,509) Mr D J C Austin, director At 31st July 2012 the company was owed £1,220,078 by Mr D J C Austin (2011 £662,244),

During the year the company received net loans of £8,080 (2011 £7,467) from Mr D C H Austin, director At 31st July 2012 the company owed £35,311 to Mr D C H Austin (2011 £43,391)

During the year dividends of £130,000 were paid to Mr D C H Austin, included in the net loans above Mr D J C Austin waived his right to receive a dividend

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 7 12	31 7 11
	£	£
Profit for the financial year	1,030,487	1,344,643
Dividends	(130,000)	(133,000)
Net addition to shareholders' funds	900,487	1,211,643
Opening shareholders' funds	4,610,979	3,399,336
Closing shareholders' funds	5,511,466	4,610,979

22 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 £164,480 plus VAT (2011 £94,480 plus VAT) to David Austin Nursery Limited, subsidiary undertaking The company also received net loans of £1,461,531 (2011 £865,499) from this subsidiary undertaking At the 31st July 2012 £4,804,333 (2011 £3,540,178) was owed to David Austin Rose Nursery Limited shown as amounts owed to group undertakings in notes 12 and 13

During the year the company made sales of £407,247 (2011 £805,795) to David Austin Roses KK, subsidiary undertaking incorporated in Japan The company made net loans of £538,015 (2011 £945,151) to this subsidiary undertaking At 31st July 2012 £1,833,108 (2011 £1 295,093) was owed by David Austin Roses Japan KK shown as amounts owed by group undertakings in note 11

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2012

23 CONTINGENT ASSETS AND LIABILITIES

During the year the company has entered into derivative contracts in order to partially hedge its foreign exchange risks arising from anticipated future trading activities in foreign currencies

The company holds a US dollar forward contract over \$500,000 expiring on 15th July 2013. The contract allows the company to benefit from an improved lower spot rate of US dollars to sterling at expiry provided that a trigger of 1.515 US dollars / £1 is not reached before 3pm on the day of expiry. Where the trigger is reached the US dollars must be sold at a protected rate of 1.577 / £1.

The company holds a Japanese yen forward contract over 50m yen expiring on 16th July 2013. The contract allows the company to benefit from an improved lower spot conversion rate of yen to sterling at expiry provided that a trigger of 117.25 yen to £1 is not reached before 3pm on the day of expiry. Where the trigger is reached then the yen must be sold at a protected rate of 124.5 yen to £1.

The company also holds three Euro forward contracts over 500,000 euro each, the first two expiring on 26th March 2013 and the third on 22nd July 2013. The contracts allow the company to benefit from an improved lower spot conversion rate of euros to sterling at expiry provided that triggers of 1.109 euro to £1, 1.115 euro to £1 and 1.1525 euro to £1 respectively are not reached before the days of expiry. Where a trigger is reached then the euros must be sold at a protected rate of 1.2375 euro to £1, 1.2275 euro to £1 and 1.243 euro to £1 respectively.

The company holds a further contract over 500,000 euro expiring on 25th July 2013. The contract entitles the company to sell euros at 1.243 euro / £1.

The impact of revaluing these obligations to market value at the year end would be to crystallise an overall net exchange gain of £43,897.

The company has entered into bank cross guarantees with its subsidiary undertaking, David Austin Rose Nursery Limited. There was no obligation under these guarantees at 31st July 2012.