

REGISTERED NUMBER: 2701780 (England and Wales)

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2009
FOR
DAVID AUSTIN ROSES LIMITED

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DAVID AUSTIN ROSES LIMITED

CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2009

	Page
Company Information	1
Report of the Directors	2
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
Notes to the Abbreviated Accounts	9

DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JULY 2009

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:	2701780 (England and Wales)
SENIOR STATUTORY AUDITOR:	A C Ralph
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 2009

The directors present their report with the accounts of the company for the year ended 31st July 2009.

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 continued to perform well with ongoing growth in several areas of the business. Overall turnover increased to £7,051k from £6,714k with a gross margin of 47% (2008 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 continues to retain significant 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 £790k (2008 £822k).

Continued focus on cost efficiency has enabled labour costs to be controlled. Total labour costs, excluding directors remuneration, including social security, increased to £2,048k in 2009 compared to £1,914k in the previous year.

Total profit before tax was £1,071k compared to £673K in 2008 after taking into account foreign exchange gains.

DIVIDENDS

An interim dividend of £25 per share was paid on 14th June 2009. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31st July 2009 will be £133,000.

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 2008 to the date of this report.

D C H Austin

D J C Austin

Other changes in directors holding office are as follows:

C R Austin - resigned 18th February 2009

J L Austin - resigned 18th February 2009

PURCHASE OF OWN SHARES

On 18 February 2009 the company passed a special resolution to purchase 2280 of its own shares for £2,000,000 from C R Austin and J L Austin, directors of the company until their resignation on 18 February 2009, comprising 30% of its issued share capital.

DAVID AUSTIN ROSES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2009

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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

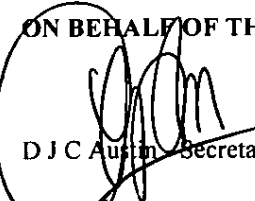
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Stanton Ralph & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


D J C Austin Secretary
16th December 2009

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 fifteen, together with the full financial statements of David Austin Roses Limited for the year ended 31st July 2009 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

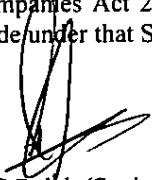
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated 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 Grammar School
St Leonards Close
Bridgnorth
Shropshire
WV16 4EJ

16th December 2009

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2009

31.7.08 £		Notes	31.7.09 £
6,714,324	TURNOVER	2	7,050,572
(3,744,104)	GROSS LOSS		(3,714,269)
2,970,220			3,336,303
2,338,203	Administrative expenses		2,267,742
632,017	OPERATING PROFIT	4	1,068,561
41,404	Interest receivable and similar income		2,810
673,421	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,071,371
52,841	Tax on profit on ordinary activities	5	121,447
620,580	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		949,924

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

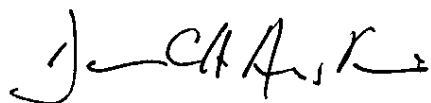
ABBREVIATED BALANCE SHEET

31ST JULY 2009

31.7.08				31.7.09
£	£		Notes	£
		FIXED ASSETS		
	2,538,500	Tangible assets	7	2,857,265
	4,674	Investments	8	6,331
	<u>2,543,174</u>			<u>2,863,596</u>
		CURRENT ASSETS		
306,244		Stocks	9	409,801
1,389,659		Debtors	10	1,800,560
904,801		Cash at bank		1,142,354
				<u>3,352,715</u>
<u>2,600,704</u>				
		CREDITORS		
911,746		Amounts falling due within one year	11	3,169,672
				<u>3,169,672</u>
	<u>1,688,958</u>	NET CURRENT ASSETS		<u>183,043</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,046,639</u>
	4,232,132			
	50,681	PROVISIONS FOR LIABILITIES	12	58,264
				<u>58,264</u>
	<u>4,181,451</u>	NET ASSETS		<u>2,988,375</u>
		CAPITAL AND RESERVES		
	7,600	Called up share capital	13	5,320
	5,576	Share premium	14	5,576
	2,400	Capital redemption reserve	14	4,680
	4,165,875	Profit and loss account	14	2,972,799
				<u>2,972,799</u>
	<u>4,181,451</u>	SHAREHOLDERS' FUNDS	17	<u>2,988,375</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 16th December 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 2009

31.7.08 £		Notes	31.7.09 £
835,073	Net cash inflow from operating activities	1	1,463,768
41,404	Returns on investments and servicing of finance	2	2,810
592	Taxation		(22,854)
(924,000)	Capital expenditure and financial investment	2	(494,119)
(190,000)	Equity dividends paid		(133,000)
(236,931)			816,605
(1,051,910)	Financing	2	(579,052)
(1,288,841)	Increase/(Decrease) in cash in the period		237,553
<hr/>			
	Reconciliation of net cash flow to movement in net funds	3	
(1,288,841)	Increase/(Decrease) in cash in the period		237,553
(1,288,841)	Change in net funds resulting from cash flows		237,553
(1,288,841)	Movement in net funds in the period		237,553
2,193,642	Net funds at 1st August		904,801
904,801	Net funds at 31st July		1,142,354

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2009

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

	31.7.09 £	31.7.08 £
Operating profit	1,068,561	632,017
Depreciation charges	180,005	127,083
(Profit)/Loss on disposal of fixed assets	(4,650)	2,800
Increase in stocks	(103,557)	(78,855)
Increase in debtors	(177,313)	(97,648)
Increase in creditors	500,722	249,676
Net cash inflow from operating activities	1,463,768	835,073

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

	31.7.09 £	31.7.08 £
Returns on investments and servicing of finance		
Interest received	2,810	41,404
Net cash inflow for returns on investments and servicing of finance	2,810	41,404
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(498,769)	(922,327)
Purchase of fixed asset investments	-	(4,673)
Sale of tangible fixed assets	4,650	3,000
Net cash outflow for capital expenditure and financial investment	(494,119)	(924,000)
Financing		
Amount introduced by directors	148,221	268
Amount withdrawn by directors	-	(64,011)
Share buyback	(2,000,000)	-
Loans to/from group undertakings	1,284,384	(988,167)
Expenses paid re share buyback	(10,000)	-
Exchange loss on investment	(1,657)	-
Net cash outflow from financing	(579,052)	(1,051,910)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.08 £	Cash flow £	At 31.7.09 £
Net cash:			
Cash at bank	904,801	237,553	1,142,354
	<u>904,801</u>	<u>237,553</u>	<u>1,142,354</u>
Total	<u>904,801</u>	<u>237,553</u>	<u>1,142,354</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2009

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

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.

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.

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.

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 2009

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

	31.7.09	31.7.08
	£	£
Wages and salaries	2,194,869	1,980,031
Social security costs	201,773	215,319
Other pension costs	15,150	14,428
	<u>2,411,792</u>	<u>2,209,778</u>

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

	31.7.09	31.7.08
Selling and administration	37	35
Production and breeding	82	80
	<u>119</u>	<u>115</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.7.09	31.7.08
	£	£
Hire of equipment	11,304	7,210
Depreciation - owned assets	180,004	127,083
(Profit)/Loss on disposal of fixed assets	(4,650)	2,800
Auditors' remuneration	14,705	15,529
Foreign exchange differences	(760,440)	2,698
Research and development costs	<u>790,273</u>	<u>822,246</u>
	<u>311,015</u>	<u>256,407</u>

Information regarding the highest paid director is as follows:

	31.7.09	31.7.08
	£	£
Emoluments etc	<u>216,587</u>	<u>155,044</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2009

5. TAXATION

Analysis of the tax charge

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

	31.7.09	31.7.08
	£	£
Current tax:		
UK corporation tax	113,864	38,745
Under/over provision last year	-	1,138
	<hr/>	<hr/>
Total current tax	113,864	39,883
	<hr/>	<hr/>
Deferred tax	7,583	12,958
	<hr/>	<hr/>
Tax on profit on ordinary activities	121,447	52,841
	<hr/> <hr/>	<hr/> <hr/>

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:

	31.7.09	31.7.08
	£	£
Profit on ordinary activities before tax	1,071,371	673,421
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	299,984	188,558
Effects of:		
Expenses not deductible for tax purposes	5,160	2,270
Capital allowances in excess of depreciation	(23,785)	(31,391)
	<hr/>	<hr/>
Research and development uplift	(165,957)	(115,114)
Marginal relief	(1,538)	(7,688)
Prior year under provision	-	1,138
Standard rate reduction during the year	-	2,110
	<hr/>	<hr/>
Current tax charge	113,864	39,883
	<hr/> <hr/>	<hr/> <hr/>

6. DIVIDENDS

	31.7.09	31.7.08
	£	£
Ordinary shares of £1 each		
Interim	133,000	190,000
	<hr/> <hr/>	<hr/> <hr/>

DAVID AUSTIN ROSES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2009**

7. TANGIBLE FIXED ASSETS

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2008	5,315,745	1,795,993	3,450,135	69,617
Additions	498,769	249,351	244,398	5,020
Disposals	(21,260)	-	(10,000)	(11,260)
At 31st July 2009	5,793,254	2,045,344	3,684,533	63,377
DEPRECIATION				
At 1st August 2008	2,777,245	24,949	2,698,750	53,546
Charge for year	180,004	16,089	157,303	6,612
Eliminated on disposal	(21,260)	-	(10,000)	(11,260)
At 31st July 2009	2,935,989	41,038	2,846,053	48,898
NET BOOK VALUE				
At 31st July 2009	2,857,265	2,004,306	838,480	14,479
At 31st July 2008	2,538,500	1,771,044	751,385	16,071

8. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1st August 2008	4,674
Exchange differences	1,657
At 31st July 2009	6,331
NET BOOK VALUE	
At 31st July 2009	6,331
At 31st July 2008	4,674

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:	100.00		
Ordinary		31.7.09 £	31.7.08 £
Aggregate capital and reserves		2,441,848	2,110,435
Profit for the year		331,413	619,905

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2009

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		
		31.7.09	31.7.08
		£	£
Aggregate capital and reserves		(164,044)	(128,827)
Profit/(Loss) for the year		13,109	(133,500)
		<u> </u>	<u> </u>

9. STOCKS

	31.7.09	31.7.08
	£	£
Growing plants	263,539	181,319
Plants and goods for resale	146,262	124,925
	<u> </u>	<u> </u>
	409,801	306,244
	<u> </u>	<u> </u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.09	31.7.08
	£	£
Trade debtors	1,113,213	1,024,768
Amounts owed by group undertakings	425,234	191,646
Other debtors	45,699	30,000
Prepayments	216,414	143,245
	<u> </u>	<u> </u>
	1,800,560	1,389,659
	<u> </u>	<u> </u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.09	31.7.08
	£	£
Trade creditors	916,853	439,081
Other creditors	-	59,423
Amounts owed to group undertakings	1,728,325	210,352
Tax	110,769	19,759
Social security and other taxes	232,379	155,997
Customer deposits	5,035	-
Directors' current accounts	148,489	268
Accrued expenses	27,822	26,866
	<u> </u>	<u> </u>
	3,169,672	911,746
	<u> </u>	<u> </u>

12. PROVISIONS FOR LIABILITIES

	31.7.09	31.7.08
	£	£
Deferred tax	58,264	50,681
	<u> </u>	<u> </u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2009

12. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st August 2008	50,681
Movement in year	7,583
	<hr/>
Balance at 31st July 2009	58,264
	<hr/>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.09 £	31.7.08 £
5,320	Ordinary	£1	5,320	7,600
(31.7.08 - 7,600)			<hr/>	<hr/>

On 18 February 2009 the company passed a special resolution to purchase 2280 of its own shares for £2,000,000 from C R Austin and J L Austin, directors of the company until their resignation on 1 February 2009, comprising of 30% of its issued share capital.

14. RESERVES

	Totals £	Profit and loss account £	Share premium £	Capital redemption reserve £
At 1st August 2008	4,173,851	4,165,875	5,576	2,400
Profit for the year	949,924	949,924		
Dividends	(133,000)	(133,000)		
Purchase of own shares	(2,007,720)	(2,010,000)	-	2,280
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st July 2009	2,983,055	2,972,799	5,576	4,680
	<hr/>	<hr/>	<hr/>	<hr/>

15. CAPITAL COMMITMENTS

	31.7.09 £	31.7.08 £
Contracted but not provided for in the financial statements	28,927	130,000
	<hr/>	<hr/>

16. TRANSACTIONS WITH DIRECTORS

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

No goods or services were acquired or provided in the year (2008 £nil) from Claire Austin Hardy Plants Limited, a company owed by Miss C R Austin, a director until her resignation on 18 February 2009. Amounts due from Claire Austin Hardy Plant Limited at 31 July 2009 £nil (2008 £1,770).

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST JULY 2009

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.09	31.7.08
	£	£
Profit for the financial year	949,924	620,580
Dividends	(133,000)	(190,000)
	<hr/>	<hr/>
	816,924	430,580
Purchase of own shares	(2,010,000)	-
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(1,193,076)	430,580
Opening shareholders' funds	4,181,451	3,750,871
	<hr/>	<hr/>
Closing shareholders' funds	2,988,375	4,181,451
	<hr/>	<hr/>

18. 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 £82,040 plus VAT (2008 £87,702 plus VAT) to David Austin Nursery Limited, subsidiary undertaking. The company also made net loans of £1,517,973 (2008 £796,522) to this subsidiary undertaking. At the 31st July 2009 £1,728,325 (2008 210,352) was owed to David Austin Rose Nursery Limited shown as amounts owed to group undertakings in note 11.

The company also recharged overheads totalling £264,264 (2008 £100,000) to David Austin Roses Japan KK, subsidiary undertaking. The company made net loans of £233,588 (2008 £191,646) to this subsidiary undertaking. At 31st July 2009 £425,234 (2008 £191,646) was owed by David Austin Roses Japan KK shown as amounts owed by group undertakings in note 10.

19. 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 two US dollar forward contracts over \$250,000 each expiring on 24 May 2010 and 25 May 2010 respectively. The first contract entitles the company to sell dollars at a predetermined rate of \$1.639:£1 at expiry; the second contract allows the company to benefit from an improved lower spot conversion rate of dollars to sterling at expiry provided that a trigger rate of \$1.479:£1 is not reached between 21 April 2010 and 24 May 2010. Where the trigger rate is reached then the dollars must be sold at a protected rate of \$1.639:£1.

The company holds two Japanese yen forward contracts over 50m yen each expiring on 26 April 2010 and 27 April 2010 respectively. Both contracts allow the company to benefit from an improved lower spot conversion rate of yen to sterling at expiry provided that a trigger of 139.9 yen to £1 is not reached between 22 March 2010 and 26 April 2010. Where the trigger is reached then the yen must be sold at a protected rate of 158.75 yen to £1.

The company also holds two Euro forward contracts over 500,000 euro each expiring on 2 June 2010 and 3 June 2010 respectively. Each contract commits the company to converting 250,000 euros at maturity at the protected rate of 1.17 euros to £1. Each contract also commits the company to converting a further 250,000 euros at the protected rate of 1.17 euros to £1 provided that a trigger rate of 1.22 euros to £1 is not reached before maturity; if the trigger rate is reached then the further commitment to convert 250,000 euros under each contract lapses.

The impact of revaluing these obligations to market value at the year end is immaterial to the financial statements.

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 2009.