

REGISTERED NUMBER: 2701780

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 1997

FOR

DAVID AUSTIN ROSES LIMITED



DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 30TH APRIL 1997

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DAVID AUSTIN ROSES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 1997

DIRECTORS:

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

SECRETARY:

D.J.C. Austin

REGISTERED OFFICE:

Bowling Green Lane
Albrighton

REGISTERED NUMBER: 2701780

AUDITORS:

Richard Dyas & Co
Registered Auditor
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 30TH APRIL 1997**

The directors present their report with the financial statements of the company for the year ended 30th April 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of rose and plant breeders, growers, wholesalers and retailers.

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the year ended 30th April 1997.

FIXED ASSETS

Fixed assets are as shown in the notes to the accounts.

DIRECTORS

The directors during the year under review were:

D C H Austin	
P J Austin	
D J C Austin	- appointed 1.5.96
C R Austin	- appointed 1.5.96
J L Austin	- appointed 1.5.96

The beneficial interests of the directors holding office on 30th April 1997 in the issued share capital of the company were as follows:

	30.4.97	1.5.96 or date of appointment if later
Ordinary £1 shares		
D C H Austin	2,600	2,600
P J Austin	2,600	2,600
D J C Austin	2,400	2,400
C R Austin	1,440	1,440
J L Austin	960	960

DAVID AUSTIN ROSES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

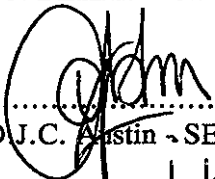
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

The auditors, Richard Dyas & 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

Dated:

18/9/97

DAVID AUSTIN ROSES LIMITED

REPORT OF THE AUDITORS TO
DAVID AUSTIN ROSES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages six to eighteen together with the full financial statements of David Austin Roses Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30th April 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page seven and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30th April 1997, and the abbreviated financial statements on pages six to eighteen have been properly prepared in accordance with that Schedule.

Other information

On we reported, as auditors of David Austin Roses Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th April 1997, and our audit report was as follows:

"We have audited the financial statements on pages five to seventeen which have been prepared under the historical cost convention and the accounting policies set out on pages ten and eleven.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

DAVID AUSTIN ROSES LIMITED

REPORT OF THE AUDITORS TO
DAVID AUSTIN ROSES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985

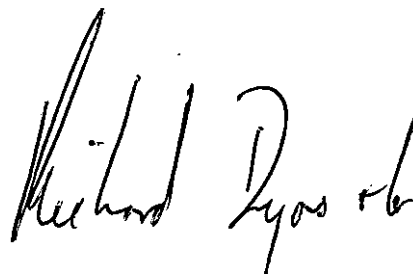
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Richard Dyas & Co
Registered Auditor
Chartered Accountants
The Old Grammar School
St Leonards Close
Bridgnorth
Shropshire WV16 4EJ

Dated:

18/9/97

A handwritten signature in dark ink, appearing to read 'Richard Dyas', followed by a small 'rb' or similar initials.

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 1997

		<u>30.4.97</u>	<u>30.4.96</u>
	Notes	£	£
GROSS PROFIT		1,866,213	1,614,638
Administrative expenses		1,337,007	1,211,648
OPERATING PROFIT	3	529,206	402,990
Interest receivable and similar income	4	92	807
		529,298	403,797
Interest payable and similar charges	5	43,753	39,062
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		485,545	364,735
Tax on profit on ordinary activities	6	140,154	97,504
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		345,391	267,231
Retained profit brought forward		900,080	632,849
RETAINED PROFIT CARRIED FORWARD		<u>£1,245,471</u>	<u>£900,080</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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


DAVID AUSTIN ROSES LIMITED

ABBREVIATED BALANCE SHEET
30TH APRIL 1997

		30.4.97		30.4.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,052,986		1,017,260
CURRENT ASSETS:					
Stocks	8	303,118		288,232	
Debtors	9	1,056,187		825,237	
Cash at bank		128,005		69,924	
		1,487,310		1,183,393	
CREDITORS: Amounts falling due within one year	10	819,082		772,039	
NET CURRENT ASSETS:			668,228		411,354
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,721,214		1,428,614
CREDITORS: Amounts falling due after more than one year	11		(436,437)		(489,228)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(23,730)		(23,730)
			<u>£1,261,047</u>		<u>£915,656</u>
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Share premium	16		5,576		5,576
Profit and loss account			1,245,471		900,080
Shareholders' funds	18		<u>£1,261,047</u>		<u>£915,656</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


D C H Austin - DIRECTOR

Approved by the Board on 18/9/97

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 1997**

		30.4.97		30.4.96	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		493,286		488,185
Returns on investments and servicing of finance	2		(46,011)		(42,268)
Taxation			(102,496)		(121,066)
Capital expenditure	2		(182,137)		(467,304)
			<u>162,642</u>		<u>(142,453)</u>
Financing	2		5,973		(24,311)
Increase/(Decrease) in cash in the period			<u>£168,615</u>		<u>£(166,764)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		168,615		(166,764)	
Cash inflow from increase in debt and lease financing		<u>927</u>		<u>5,195</u>	
Change in net debt resulting from cash flows			<u>169,542</u>		<u>(161,569)</u>
Movement in net debt in the period			169,542		(161,569)
Net (debt)/funds at 1st May 1996			<u>(41,537)</u>		<u>120,032</u>
Net funds/(debt) at 30th April 1997			<u>£128,005</u>		<u>£(41,537)</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 1997

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

	30.4.97 £	30.4.96 £
Operating profit	529,206	402,990
Depreciation charges	154,184	160,892
Profit on sale of fixed assets	(550)	-
Increase in stocks	(14,886)	(98,027)
Increase in debtors	(230,950)	(242,082)
Increase in creditors	56,282	264,412
Net cash inflow from operating activities	<u>493,286</u>	<u>488,185</u>

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

	30.4.97 £	30.4.96 £
Returns on investments and servicing of finance		
Interest received	92	1,107
Interest paid	(46,103)	(43,151)
Interest element of hire purchase or finance lease rentals payments	-	(224)
Net cash outflow for returns on investments and servicing of finance	<u>(46,011)</u>	<u>(42,268)</u>
Capital expenditure		
Purchase of tangible fixed assets	(196,247)	(469,304)
Sale of tangible fixed assets	14,110	2,000
Net cash outflow for capital expenditure	<u>(182,137)</u>	<u>(467,304)</u>
Financing		
Loan repayments in year	(12,791)	(14,327)
Amount introduced by directors	18,764	(9,984)
Net cash inflow/(outflow) from financing	<u>5,973</u>	<u>(24,311)</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 1997

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.96 £	Cash flow £	At 30.4.97 £
Net cash:			
Cash at bank	69,924	58,081	128,005
Bank overdraft	(110,534)	110,534	-
	<u>(40,610)</u>	<u>168,615</u>	<u>128,005</u>
Debt:			
Hire purchase or finance leases	(927)	927	-
	<u>(927)</u>	<u>927</u>	<u>-</u>
Total	<u>(41,537)</u>	<u>169,542</u>	<u>128,005</u>
Analysed in Balance Sheet			
Cash at bank	69,924		128,005
Bank overdraft	(110,534)		-
Hire purchase or finance leases within one year	(927)		-
	<u>(41,537)</u>		<u>128,005</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30TH APRIL 1997**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Turnover represents the net amount invoiced by the company for goods and services. A geographical analysis is given in the notes to the accounts in so far as it is considered relevant by the directors for an understanding of the accounts.

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	- not provided
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

The company's policy in respect of not providing for depreciation of freehold property does not comply with the requirements of Statement of Standard Accounting Practice 12. It is considered that the company's policy does not have a material effect on the understanding of the accounts.

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Payments under operating leases are charged to the profit and loss account in the year in which they are made.

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 with sterling accounts or at the balance sheet date, whichever is the earlier. Exchange differences are taken into account in arriving at the operating result.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

1. **ACCOUNTING POLICIES - continued**

Research and Development

The Company is engaged in propagating with a view to creating further marketable varieties. The Company's policy is not to capitalise and carry forward costs incurred due to the highly speculative nature of the work.

2. **STAFF COSTS**

	30.4.97	30.4.96
	£	£
Wages and salaries	1,279,803	991,860
Social security costs	96,897	75,490
	<u>1,376,700</u>	<u>1,067,350</u>

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

	30.4.97	30.4.96
Selling and administration	92	62
Production and breeding	25	29
	<u>117</u>	<u>91</u>

3. **OPERATING PROFIT**

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

	30.4.97	30.4.96
	£	£
Hire of plant and machinery	17,927	18,713
Leasing charges	11,257	4,352
Depreciation - owned assets	154,184	159,004
Depreciation - assets on hire purchase contracts or finance leases	-	1,888
Profit on disposal of fixed assets	(550)	-
Auditors' remuneration	8,000	10,000
	<u>221,288</u>	<u>124,216</u>
Directors' emoluments	<u>221,288</u>	<u>124,216</u>

Information regarding the highest paid director for the year ended 30th April 1997 is as follows:
Emoluments etc

93,396

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.4.97	30.4.96
	£	£
Interest income	92	807
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	30.4.97	30.4.96
	£	£
Bank interest	5,145	1,773
AMC mortgage interest	2,595	3,006
Bank loan interest	22,213	22,562
Loan note interest	13,800	11,497
Hire purchase	-	224
	<u> </u>	<u> </u>
	43,753	39,062
	<u> </u>	<u> </u>

6. TAXATION

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

	30.4.97	30.4.96
	£	£
UK Corporation Tax	140,082	102,424
Under/over provision last year	72	(700)
Deferred taxation	-	(4,220)
	<u> </u>	<u> </u>
	140,154	97,504
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 28.37% (1996 - 27.03%).

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st May 1996	528,469	745,504	38,566	1,312,539
Additions	56,300	147,170	-	203,470
Disposals	-	(3,610)	(14,751)	(18,361)
At 30th April 1997	584,769	889,064	23,815	1,497,648
DEPRECIATION:				
At 1st May 1996	-	280,731	14,548	295,279
Charge for year	-	152,083	2,101	154,184
Eliminated on disposals	-	-	(4,801)	(4,801)
At 30th April 1997	-	432,814	11,848	444,662
NET BOOK VALUE:				
At 30th April 1997	584,769	456,250	11,967	1,052,986
At 30th April 1996	528,469	464,773	24,018	1,017,260

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1st May 1996	11,801
Disposals	(11,801)
At 30th April 1997	-
DEPRECIATION:	
At 1st May 1996	6,136
Eliminated on disposals	(6,136)
At 30th April 1997	-
NET BOOK VALUE:	
At 30th April 1997	-
At 30th April 1996	5,665

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

8. STOCKS

	30.4.97	30.4.96
	£	£
Growing plants	145,088	135,868
Plants and goods for resale	158,030	152,364
	<u>303,118</u>	<u>288,232</u>

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

	30.4.97	30.4.96
	£	£
Trade debtors	1,031,204	807,802
Prepayments	24,983	17,435
	<u>1,056,187</u>	<u>825,237</u>

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

	30.4.97	30.4.96
	£	£
Bank loans and overdrafts (see note 12)	16,000	126,534
AMC mortgage (see note 12)	800	800
Trade creditors	429,310	373,043
Directors current accounts	8,297	(10,467)
Hire purchase	-	927
Other creditors	-	7,485
Taxation and social security	110,610	149,232
Taxation	140,082	102,424
Accrued expenses	113,983	22,061
	<u>819,082</u>	<u>772,039</u>

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

	30.4.97	30.4.96
	£	£
Bank loans (see note 12)	173,728	185,704
AMC mortgage (see note 12)	32,709	33,524
Loan notes	230,000	230,000
Directors loan	-	40,000
	<u>436,437</u>	<u>489,228</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.4.97 £	30.4.96 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	110,534
Bank loans	16,000	16,000
AMC mortgage	800	800
	<u>16,800</u>	<u>127,334</u>
Amounts falling due between one and two years:		
Bank loans	12,000	12,000
AMC mortgage	900	900
	<u>12,900</u>	<u>12,900</u>
Amounts falling due between two and five years:		
Bank loans	64,000	64,000
AMC mortgage	3,000	3,000
	<u>67,000</u>	<u>67,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	97,728	109,704
AMC mortgage	28,809	29,624
	<u>126,537</u>	<u>139,328</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

13. SECURED DEBTS

The following secured debts are included within creditors:

	30.4.97	30.4.96
	£	£
Bank overdrafts	-	110,534
Bank loans	189,728	201,704
AMC mortgage	33,509	34,324
	<u>223,237</u>	<u>346,562</u>

The AMC loan is secured by deed of covenant and release over certain of the company's land. The bank borrowing is secured by a legal charge on 26.44 acres of other land.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	30.4.97	30.4.96
	£	£
Deferred taxation	<u>23,730</u>	<u>23,730</u>
	Deferred taxation	
	£	
Balance at 1st May 1996	23,730	
Movement in year		
	<u>23,730</u>	
Balance at 30th April 1997	<u>23,730</u>	

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.4.97	30.4.96
		£1	£	£
10,000	Ordinary		10,000	10,000
			<u>10,000</u>	<u>10,000</u>

16. SHARE PREMIUM

	30.4.97	30.4.96
	£	£
Premium on share issue	5,576	5,576
	<u>5,576</u>	<u>5,576</u>

17. CONTINGENT LIABILITIES

The Company had no capital commitments contracted for nor authorised but not contracted at 30th April 1997 (1996 nil). The Company had no contingent liabilities at 30th April 1997 (1996 nil).

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

18. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.4.97	30.4.96
	£	£
Profit for the financial year	345,391	267,231
	<hr/>	<hr/>
NET ADDITION TO SHAREHOLDERS' FUNDS	345,391	267,231
Opening shareholders' funds	915,656	648,425
	<hr/>	<hr/>
CLOSING SHAREHOLDERS' FUNDS	1,261,047	915,656
	<hr/>	<hr/>
Equity interests	1,261,047	915,656
	<hr/>	<hr/>