

REGISTERED NUMBER: 2701780 (England and Wales)

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011
FOR
DAVID AUSTIN ROSES LIMITED

THURSDAY



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DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31 JULY 2011

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2011

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 Police Station Whitburn Street Bridgnorth Shropshire WV16 4QP

DAVID AUSTIN ROSES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011

The directors present their report with the accounts of the company for the year ended 31 July 2011

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 increased to £9,612k from £8,057k with a gross margin of 46.5% (2010 43.6%). The company's markets continue to be competitive but the directors anticipate that strong branding together with targeted promotional strategies will facilitate further growth in 2012 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 £799k (2010 £821k).

Total labour costs, excluding directors remuneration, including social security, increased to £2,492k in 2011 compared to £2,322k in the previous year.

Total profit before tax was £1,589k increased from £564K in 2010 after taking into account foreign exchange (gains)/losses.

DIVIDENDS

An interim dividend of £25 per share was paid on 29 July 2011. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 July 2011 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 1 August 2010 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.

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.

DAVID AUSTIN ROSES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2011

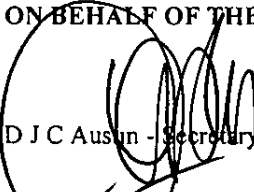
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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
7 March 2012

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 seventeen, together with the full financial statements of David Austin Roses Limited for the year ended 31 July 2011 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

7 March 2012

DAVID AUSTIN ROSES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2011

31 7 10 £		Notes	31 7 11 £
8,057,522	TURNOVER	2	9,612,347
(4,546,942)	Cost of sales and other operating income		(5,134,417)
<hr/> 3,510,580			<hr/> 4,477,930
<u>2,947,836</u>	Administrative expenses		<u>2,889,272</u>
562,744	OPERATING PROFIT	4	1,588,658
<u>1,060</u>	Interest receivable and similar income		<u>599</u>
563,804	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,589,257
<u>19,843</u>	Tax on profit on ordinary activities	5	<u>244,614</u>
<u><u>543,961</u></u>	PROFIT FOR THE FINANCIAL YEAR		<u><u>1,344,643</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

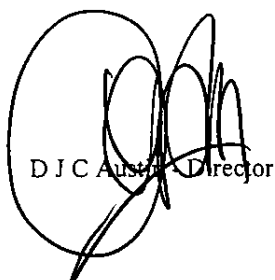
DAVID AUSTIN ROSES LIMITED

ABBREVIATED BALANCE SHEET
31 JULY 2011

31 7 10				31 7 11
£	£		Notes	£
		FIXED ASSETS		
	3,030,657	Tangible assets	7	3,219,899
	33,583	Investments	8	33,583
	<u>135,953</u>	Investment property	9	<u>135,953</u>
	3,200,193			3,389,435
		CURRENT ASSETS		
455,626		Stocks	10	533,348
1,451,583		Debtors amounts falling due within one year	11	2,327,609
349,942		Debtors amounts falling due after more than one year	11	1,295,093
<u>1,835,751</u>		Cash at bank		<u>2,176,929</u>
4,092,902				6,332,979
<u>2,815,652</u>		CREDITORS		
		Amounts falling due within one year	12	<u>4,038,790</u>
<u>1,277,250</u>		NET CURRENT ASSETS		<u>2,294,189</u>
4,477,443		TOTAL ASSETS LESS CURRENT LIABILITIES		5,683,624
		CREDITORS		
(1,000,000)		Amounts falling due after more than one year	13	(1,000,000)
<u>(78,107)</u>		PROVISIONS FOR LIABILITIES	15	<u>(72,645)</u>
<u>3,399,336</u>		NET ASSETS		<u>4,610,979</u>
		CAPITAL AND RESERVES		
	5,320	Called up share capital	16	5,320
	5,576	Share premium	17	5,576
	4,680	Capital redemption reserve	17	4,680
	<u>3,383,760</u>	Profit and loss account	17	<u>4,595,403</u>
<u>3,399,336</u>		SHAREHOLDERS' FUNDS	21	<u>4,610,979</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 7 March 2012 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 2011

31 7 10			Notes	31 7 11
£	£			£
		Net cash inflow		
	555,116	from operating activities	1	1,509,897
		Returns on investments and		
	1,060	servicing of finance	2	599
	(115,103)	Taxation		(13,232)
		Capital expenditure		
	(541,426)	and financial investment	2	(444,267)
	(133,000)	Equity dividends paid		(133,000)
	(233,353)			919,997
	<u>926,750</u>	Financing	2	(578,819)
	<u>693,397</u>	Increase in cash in the period		<u>341,178</u>
<hr/>				
		Reconciliation of net cash flow		
		to movement in net funds	3	
		Increase		
693,397		in cash in the period		341,178
		Cash inflow		
<u>-</u>		from increase in debt		(173,279)
		Change in net funds resulting		
	<u>693,397</u>	from cash flows		<u>167,899</u>
	693,397	Movement in net funds in the period		167,899
	<u>1,142,354</u>	Net funds at 1 August		<u>1,835,751</u>
	<u>1,835,751</u>	Net funds at 31 July		<u>2,003,650</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 2011

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

	31 7 11	31 7 10
	£	£
Operating profit	1,588,658	562,744
Depreciation charges	255,025	204,635
Loss on disposal of fixed assets	-	194
Increase in stocks	(77,722)	(45,825)
Increase in debtors	(218,116)	(71,923)
Decrease in creditors	(37,948)	(94,709)
Net cash inflow from operating activities	<u>1,509,897</u>	<u>555,116</u>

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

	31 7 11	31 7 10
	£	£
Returns on investments and servicing of finance		
Interest received	<u>599</u>	<u>1,060</u>
Net cash inflow for returns on investments and servicing of finance	<u>599</u>	<u>1,060</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(444,267)	(378,871)
Purchase of fixed asset investments	-	(27,252)
Purchase of investment property	-	(135,953)
Sale of tangible fixed assets	<u>-</u>	<u>650</u>
Net cash outflow for capital expenditure and financial investment	<u>(444,267)</u>	<u>(541,426)</u>
 Financing		
New loans in year	173,279	-
Amount int'd/(withdrawn) by directors	-	(94,896)
Amount withdrawn by directors	(672,446)	-
Loans from group undertakings	<u>(79,652)</u>	<u>1,021,646</u>
Net cash (outflow)/inflow from financing	<u>(578,819)</u>	<u>926,750</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 2011

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 8 10 £	Cash flow £	At 31 7 11 £
Net cash			
Cash at bank	<u>1,835,751</u>	<u>341,178</u>	<u>2,176,929</u>
	<u>1,835,751</u>	<u>341,178</u>	<u>2,176,929</u>
Debt			
Debts falling due within one year	<u>-</u>	<u>(173,279)</u>	<u>(173,279)</u>
	<u>-</u>	<u>(173,279)</u>	<u>(173,279)</u>
Total	<u>1,835,751</u>	<u>167,899</u>	<u>2,003,650</u>

The notes form part of these abbreviated accounts

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011

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 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

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

Investments

Investments are carried at cost less any provision for impairment

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 at which timing differences are anticipated to reverse

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 account

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

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 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 11	31 7 10
	£	£
Wages and salaries	2,497,681	2,329,335
Social security costs	238,761	220,626
Other pension costs	<u>16,704</u>	<u>15,907</u>
	<u><u>2,753,146</u></u>	<u><u>2,565,868</u></u>

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

	31 7 11	31 7 10
Selling and administration	43	41
Production and breeding	<u>81</u>	<u>79</u>
	<u><u>124</u></u>	<u><u>120</u></u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	31 7 11	31 7 10
	£	£
Hire of equipment	17,664	10,034
Other operating leases	37,793	2,233
Depreciation - owned assets	255,025	204,635
Loss on disposal of fixed assets	-	194
Auditors' remuneration	13,115	11,616
Foreign exchange differences	(196,138)	38,074
Research and development costs	<u>798,925</u>	<u>820,988</u>
	<u><u>217,570</u></u>	<u><u>202,717</u></u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

5 TAXATION

Analysis of the tax charge

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

	31 7 11 £	31 7 10 £
Current tax		
UK corporation tax	250,076	-
Deferred tax	<u>(5,462)</u>	<u>19,843</u>
Tax on profit on ordinary activities	<u>244,614</u>	<u>19,843</u>

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 11 £	31 7 10 £
Profit on ordinary activities before tax	<u>1,589,257</u>	<u>563,804</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 - 28%)	444,992	157,865
Effects of		
Expenses not deductible for tax purposes	6,292	8,606
Capital allowances in excess of depreciation	(8,695)	(23,234)
Group relief	-	29,170
Research and development uplift	(186,397)	(172,407)
Standard rate reduction during the year	(6,116)	-
	<u>250,076</u>	<u>-</u>
Current tax charge		

6 DIVIDENDS

	31 7 11 £	31 7 10 £
Ordinary shares of £1 each		
Interim	<u>133,000</u>	<u>133,000</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

7 TANGIBLE FIXED ASSETS

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1 August 2010	6,154,950	2,143,089	3,947,374	64,487
Additions	<u>444,267</u>	<u>203,091</u>	<u>215,931</u>	<u>25,245</u>
At 31 July 2011	<u>6,599,217</u>	<u>2,346,180</u>	<u>4,163,305</u>	<u>89,732</u>
DEPRECIATION				
At 1 August 2010	3,124,293	58,227	3,022,738	43,328
Charge for year	<u>255,025</u>	<u>20,457</u>	<u>217,495</u>	<u>17,073</u>
At 31 July 2011	<u>3,379,318</u>	<u>78,684</u>	<u>3,240,233</u>	<u>60,401</u>
NET BOOK VALUE				
At 31 July 2011	<u>3,219,899</u>	<u>2,267,496</u>	<u>923,072</u>	<u>29,331</u>
At 31 July 2010	<u>3,030,657</u>	<u>2,084,862</u>	<u>924,636</u>	<u>21,159</u>

8 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 August 2010 and 31 July 2011	<u>33,583</u>
NET BOOK VALUE	
At 31 July 2011	<u>33,583</u>
At 31 July 2010	<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		
Class of shares			
Ordinary	100 00	31 7 11 £	31 7 10 £
Aggregate capital and reserves		4,096,431	3,304,106
Profit for the year		<u>792,325</u>	<u>862,258</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

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 11	31 7 10
		£	£
Aggregate capital and reserves		(511,737)	(208,725)
Loss for the year		<u>(243,057)</u>	<u>(98,347)</u>

9 INVESTMENT PROPERTY

	Total £
COST	
At 1 August 2010 and 31 July 2011	<u>135,953</u>
NET BOOK VALUE	
At 31 July 2011	<u>135,953</u>
At 31 July 2010	<u>135,953</u>

The investment property was purchased during the previous year. The carrying valuation has been reviewed by the directors as at 31 July 2011 and they consider that the purchase cost represents a reasonable assessment of open market value.

10 STOCKS

	31 7 11 £	31 7 10 £
Growing plants	344,115	303,572
Plants and goods for resale	<u>189,233</u>	<u>152,054</u>
	<u>533,348</u>	<u>455,626</u>

11 DEBTORS

	31 7 11 £	31 7 10 £
Amounts falling due within one year		
Trade debtors	1,265,596	1,173,574
Other debtors	81,662	54,615
Directors' current accounts	662,244	-
Tax	-	4,334
Prepayments	<u>318,107</u>	<u>219,060</u>
	<u>2,327,609</u>	<u>1,451,583</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

11 DEBTORS - continued

	31 7 11	31 7 10
	£	£
Amounts falling due after more than one year		
Amounts owed by group undertakings	1,295,093	349,942
	<u>1,295,093</u>	<u>349,942</u>
Aggregate amounts	<u>3,622,702</u>	<u>1,801,525</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 7 11	31 7 10
	£	£
Bank loans and overdrafts (see note 14)	173,279	-
Trade creditors	699,773	743,374
Amounts owed to group undertakings	2,540,178	1,674,679
Tax	232,510	-
Social security and other taxes	268,932	259,090
Customer deposits	40,099	52,562
Directors' current accounts	43,391	53,593
Accrued expenses	40,628	32,354
	<u>4,038,790</u>	<u>2,815,652</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 7 11	31 7 10
	£	£
Amounts owed to group undertakings	<u>1,000,000</u>	<u>1,000,000</u>

The directors of the company's subsidiary undertaking have confirmed that repayment of debts owing of at least £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 11	31 7 10
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>173,279</u>	<u>-</u>

15 PROVISIONS FOR LIABILITIES

	31 7 11	31 7 10
	£	£
Deferred tax	<u>72,645</u>	<u>78,107</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

15 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 August 2010	78,107
Movement in year	<u>(5,462)</u>
Balance at 31 July 2011	<u>72,645</u>

The deferred tax balance comprises accelerated capital allowances

16 CALLED UP SHARE CAPITAL

Allotted, Number	issued and fully paid Class	Nominal value £1	31 7 11 £	31 7 10 £
5,320	Ordinary	£1	<u>5,320</u>	<u>5,320</u>

17 RESERVES

	Totals £	Profit and loss account £	Share premium £	Capital redemption reserve £
At 1 August 2010	3,394,016	3,383,760	5,576	4,680
Profit for the year	1,344,643	1,344,643		
Dividends	<u>(133,000)</u>	<u>(133,000)</u>		
At 31 July 2011	<u>4,605,659</u>	<u>4,595,403</u>	<u>5,576</u>	<u>4,680</u>

18 CAPITAL COMMITMENTS

	31 7 11 £	31 7 10 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>61,000</u>

19 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 £659,509 to (2010 received net loans of £76,276 from) Mr D J C Austin, director At 31st July 2011 the company was owed £662,244 by Mr D J C Austin (2011 £2,735 owed to Mr D J C Austin)

The company received net loans of £7,467 (2011 £18,612) from Mr D C H Austin, director At 31st July the company owed £43,391 to Mr D C H Austin (2010 £50,858)

20 RELATED PARTY DISCLOSURES

During the year the company made sales of £nil (2010 £78,374) to David Austin Roses KK, a fellow subsidiary undertaking incorporated in Japan At 31st July 2011 the company was owed £nil (2010 £78,374) by David Austin Roses KK

DAVID AUSTIN ROSES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 JULY 2011

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 7 11	31 7 10
	£	£
Profit for the financial year	1,344,643	543,961
Dividends	<u>(133,000)</u>	<u>(133,000)</u>
Net addition to shareholders' funds	1,211,643	410,961
Opening shareholders' funds	<u>3,399,336</u>	<u>2,988,375</u>
Closing shareholders' funds	<u>4,610,979</u>	<u>3,399,336</u>

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 £94,480 plus VAT (2010 £148,143 plus VAT) to David Austin Nursery Limited, subsidiary undertaking. The company made net loans of £865,499 (2010 £1,127,330) to this subsidiary undertaking. At the 31st July 2011 £3,540,178 (2010 £2,674,679) 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 £805,7951 (2010 £896,997) to David Austin Roses KK, subsidiary undertaking incorporated in Japan. The company also recharged overheads totalling £70,000 (2010 £86,618) to David Austin Roses Japan KK, subsidiary undertaking. The company made net loans of £945,151 (2010 £235,588) to this subsidiary undertaking. At 31st July 2011 £1,295,093 (2010 349,942) was owed by David Austin Roses Japan KK shown as amounts owed by group undertakings in note 11

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 has one US dollar forward contract over \$250,000 expiring on 16 July 2012. The contract allows the company to sell dollars at \$1 61

The company holds two Japanese yen forward contracts over 50m yen each expiring on 27th February 2012 and 28 May 2012 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 121 50 yen to £1 is not reached within one day of expiry. Where the trigger is reached then the yen must be sold at protected rate of 134 90 yen to £1

The company also holds three Euro forward contracts over 500,000 euro each expiring on 28th February 2012, 12 July 2012 and 27 June 2012 respectively. The contracts allow the company to benefit from an improved lower spot conversion rate of euros to sterling at expiry provided that triggers of 1 070 euro to £1 for two of the contracts and 1 119 euro £1 for the third contract are not reached within one day of expiry. Where a trigger is reached then the euros must be sold at a protected rates of 1 186 euro to £1 for two of the contracts and 1 145 euro to £1 for the third contract

The company holds two further contracts over 500,000 euro each, both expiring on 16 July 2012. The first entitles the company to sell euros at 1 1611 euro £1 and the second at 1 1525 euro £1

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 2011