

GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2016
FOR
DAVID AUSTIN ROSES LIMITED

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DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31ST JULY 2016

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JULY 2016

DIRECTORS:	Mr D C H Austin Mr D J C Austin
SECRETARY:	Mr T Smith
REGISTERED OFFICE:	Bowling Green Lane Albrighton Wolverhampton WV7 3HB
REGISTERED NUMBER:	02701780 (England and Wales)
AUDITORS:	Stanton Ralph & Co Limited Chartered Accountants Statutory Auditor The Old Police Station Whitburn Street Bridgnorth Shropshire WV16 4QP
BANKERS:	HSBC Bank plc Lichfield Street PO Box 33 9 Queen Square Wolverhampton West Midlands WV1 1TE

DAVID AUSTIN ROSES LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST JULY 2016

The directors present their strategic report of the company and the group for the year ended 31st July 2016.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The group has been able to continue growth in certain areas of the business despite tough economic conditions. Overall group turnover has increased by £1,782k (11.39%), from £15,646k to £17,428k with gross margin reducing slightly to 57.7% (2015: 61.6%). The group's markets remain competitive but the directors continue to anticipate that strong branding together with targeted promotional strategies will facilitate growth in 2017 and subsequent years.

The group 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 £743k (2015: £758k).

Total group labour costs, excluding directors remuneration, including social security, increased to £4,280k in 2016 from £4,083k in the previous year.

Total group profit before tax was £4,505k, an increase of £472k (11.7%) from the prior year profit of £4,033k, after taking into account foreign exchange gains of £221k (2015: £26k gain).

PRINCIPAL RISKS AND UNCERTAINTIES

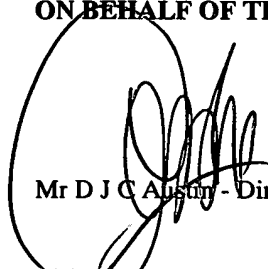
The group operates in competitive markets and would be adversely impacted by potential further tough economic conditions in the future. It has significant overseas sales, particularly in the USA and Japan, rendering it susceptible to adverse foreign currency movements. The directors continue to strengthen the group's branding so as to make it as resistant as possible to tough economic conditions and mitigate foreign exchange risks via the use of currency options and derivatives.

Adverse weather conditions could impact upon growing crop quality and yields within the group's supply chain. The group mitigates this risk via the use of multiple growers in various geographical locations.

ANALYSIS OF DEVELOPMENT AND PERFORMANCE FOR THE PERIOD AND AT THE PERIOD END

Total profit of £4,505k has facilitated an increase in net assets of £2,168k to be £15,458 at the year end. The directors expect the tax charge to continue to be lower than the standard rate in the UK due to substantial ongoing research and development activities and phased implementation of the patent box regime.

ON BEHALF OF THE BOARD:


Mr D J C Austin - Director
28th February 2017

DAVID AUSTIN ROSES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2016

The directors present their report with the financial statements of the company and the group for the year ended 31st July 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of rose breeding, wholesaling, retail, licensing and plant centre operation.

DIVIDENDS

Interim dividends per share on the Ordinary 'B' £1 shares were paid as follows:

£657.8947 - 1st March 2016

£657.8947

The directors recommend that no final dividends are to be paid on these shares.

No interim dividend was paid on the Ordinary 'A' £1 shares. The directors recommend that no final dividends are to be paid on these shares.

The total distribution of dividends for the year ended 31st July 2016 will be £2,000,000.

RESEARCH AND DEVELOPMENT

The group continues to commit substantial funds into 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 £743k (2015: £758k).

FUTURE DEVELOPMENTS

The company anticipates continued profitability for the year to 31st July 2017 and subsequently.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2015 to the date of this report.

Mr D C H Austin
Mr D J C Austin

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

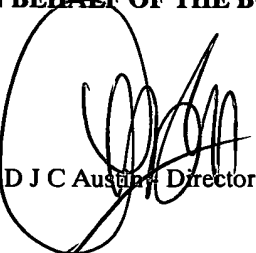
DAVID AUSTIN ROSES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2016

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 group'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 group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D J C Austin', is written over a large, faint circular stamp or watermark.

Mr D J C Austin, Director

28th February 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAVID AUSTIN ROSES LIMITED

We have audited the financial statements of David Austin Roses Limited for the year ended 31st July 2016 on pages seven to thirty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st July 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

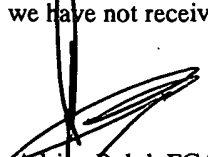
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DAVID AUSTIN ROSES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Adrian Ralph FCA CTA (Senior Statutory Auditor)
for and on behalf of Stanton Ralph & Co Limited
Chartered Accountants
Statutory Auditor
The Old Police Station
Whitburn Street
Bridgnorth
Shropshire
WV16 4QP

28th February 2017

DAVID AUSTIN ROSES LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST JULY 2016

As restated 31.7.15		Notes	31.7.16	
£	£		£	£
15,646,239	TURNOVER	3		17,428,482
<u>6,003,344</u>	Cost of sales			<u>7,365,156</u>
9,642,895	GROSS PROFIT			10,063,326
<u>5,720,943</u>	Administrative expenses			<u>5,504,487</u>
3,921,952				4,558,839
<u>52,910</u>	Other operating income and expenses	4		<u>(142,340)</u>
3,974,862	OPERATING PROFIT	7		4,416,499
14,972	Income from fixed asset investments		28,372	
<u>57,685</u>	Interest receivable and similar income		<u>65,134</u>	
<u>72,657</u>				<u>93,506</u>
4,047,519				4,510,005
<u>14,160</u>	Interest payable and similar charges	8		<u>4,904</u>
4,033,359	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			4,505,101
<u>633,057</u>	Tax on profit on ordinary activities	9		<u>429,756</u>
<u>3,400,302</u>	PROFIT FOR THE FINANCIAL YEAR			<u>4,075,345</u>
<u>3,400,302</u>	Profit attributable to: Owners of the parent			<u>4,075,345</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST JULY 2016

As restated			
31.7.15			31.7.16
£		Notes	£
3,400,302	PROFIT FOR THE YEAR		4,075,345
	OTHER COMPREHENSIVE INCOME		
(5,140)	Exchange differences on consolidation		92,223
<u>-</u>	Income tax relating to other comprehensive income		<u>-</u>
<u>(5,140)</u>	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>92,223</u>
<u>3,395,162</u>	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,167,568</u>
<u>3,395,162</u>	Total comprehensive income attributable to: Owners of the parent		<u>4,167,568</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

CONSOLIDATED BALANCE SHEET
31ST JULY 2016

As restated 31.7.15				31.7.16
£	£	Notes	£	£
	FIXED ASSETS			
5,215,204	Tangible assets	12		5,523,843
2,429,717	Investments	13		2,778,934
<u>135,953</u>	Investment property	14		<u>135,953</u>
7,780,874				8,438,730
	CURRENT ASSETS			
1,560,966	Stocks	15	1,800,619	
1,584,805	Debtors	16	1,314,493	
<u>4,733,911</u>	Cash at bank		<u>6,051,338</u>	
7,879,682			9,166,450	
	CREDITORS			
<u>2,182,649</u>	Amounts falling due within one year	17	<u>2,076,581</u>	
<u>5,697,033</u>	NET CURRENT ASSETS			<u>7,089,869</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES			
13,477,907				15,528,599
	CREDITORS			
(116,903)	Amounts falling due after more than one year	18		-
<u>(70,527)</u>	PROVISIONS FOR LIABILITIES	22		<u>(70,554)</u>
<u>13,290,477</u>	NET ASSETS			<u>15,458,045</u>
	CAPITAL AND RESERVES			
5,320	Called up share capital	23		5,320
5,576	Share premium	24		5,576
4,680	Capital redemption reserve	24		4,680
<u>13,274,901</u>	Retained earnings	24		<u>15,442,469</u>
13,290,477	SHAREHOLDERS' FUNDS			15,458,045

The financial statements were approved and authorised for issue by the Board of Directors on 28th February 2017 and were signed on its behalf by:

Mr D J C Austin Director

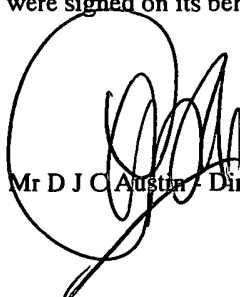
The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

COMPANY BALANCE SHEET
31ST JULY 2016

As restated 31.7.15				31.7.16
£	£		Notes	£
		FIXED ASSETS		
	4,565,835	Tangible assets	12	4,688,329
	2,463,300	Investments	13	2,812,517
	<u>135,953</u>	Investment property	14	<u>135,953</u>
	7,165,088			7,636,799
		CURRENT ASSETS		
615,107		Stocks	15	723,219
1,558,170		Debtors: amounts falling due within one year	16	1,269,368
		Debtors: amounts falling due after more than one year	16	604,831
485,084		Cash at bank		<u>4,825,162</u>
<u>3,701,297</u>				7,422,580
6,359,658		CREDITORS		
		Amounts falling due within one year	17	<u>2,283,034</u>
<u>2,586,182</u>				
	<u>3,773,476</u>	NET CURRENT ASSETS		<u>5,139,546</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES		
	10,938,564			12,776,345
		CREDITORS		
	(1,616,903)	Amounts falling due after more than one year	18	(1,500,000)
	<u>(62,985)</u>	PROVISIONS FOR LIABILITIES	22	<u>(64,351)</u>
	<u>9,258,676</u>	NET ASSETS		<u>11,211,994</u>
		CAPITAL AND RESERVES		
	5,320	Called up share capital	23	5,320
	5,576	Share premium	24	5,576
	4,680	Capital redemption reserve	24	4,680
	<u>9,243,100</u>	Retained earnings	24	<u>11,196,418</u>
	<u>9,258,676</u>	SHAREHOLDERS' FUNDS		<u>11,211,994</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28th February 2017 and were signed on its behalf by:


Mr D J C Austin - Director

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST JULY 2016

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st August 2014	5,320	12,683,023	5,576	4,680	12,698,599
Changes in equity					
Dividends	-	(2,885,000)	-	-	(2,885,000)
Total comprehensive income	-	3,395,162	-	-	3,395,162
Fair value gains/losses on foreign exchange forward contracts at FRS102 transition	-	85,286	-	-	85,286
Listed investment revaluation adjustment at FRS102 transition	-	(3,570)	-	-	(3,570)
Balance at 31st July 2015	<u>5,320</u>	<u>13,274,901</u>	<u>5,576</u>	<u>4,680</u>	<u>13,290,477</u>
Changes in equity					
Dividends	-	(2,000,000)	-	-	(2,000,000)
Total comprehensive income	-	<u>4,167,568</u>	-	-	<u>4,167,568</u>
Balance at 31st July 2016	<u>5,320</u>	<u>15,442,469</u>	<u>5,576</u>	<u>4,680</u>	<u>15,458,045</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST JULY 2016

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1st August 2014	5,320	9,478,962	5,576	4,680	9,494,538
Changes in equity					
Dividends	-	(2,885,000)	-	-	(2,885,000)
Total comprehensive income	-	2,578,096	-	-	2,578,096
Capital distribution	-	(10,674)	-	-	(10,674)
Fair value gains/losses on foreign exchange forward contracts at FRS102 transition	-	85,286	-	-	85,286
Listed investment revaluation adjustment at FRS102 transition	-	(3,570)	-	-	(3,570)
Balance at 31st July 2015	<u>5,320</u>	<u>9,243,100</u>	<u>5,576</u>	<u>4,680</u>	<u>9,258,676</u>
Changes in equity					
Dividends	-	(2,000,000)	-	-	(2,000,000)
Total comprehensive income	-	3,966,627	-	-	3,966,627
Capital distribution	-	(13,309)	-	-	(13,309)
Balance at 31st July 2016	<u>5,320</u>	<u>11,196,418</u>	<u>5,576</u>	<u>4,680</u>	<u>11,211,994</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2016

As restated 31.7.15 £	Notes	31.7.16 £
	Cash flows from operating activities	
4,162,851	Cash generated from operations 1	5,251,681
(14,160)	Interest paid	(4,904)
<u>(153,451)</u>	Tax paid	<u>(692,092)</u>
<u>3,995,240</u>	Net cash from operating activities	<u>4,554,685</u>
	Cash flows from investing activities	
(949,902)	Purchase of tangible fixed assets	(551,126)
(1,558,142)	Purchase of fixed asset investments	(638,183)
49,616	Sale of tangible fixed assets	810
146,730	Sale of fixed asset investments	363,072
(61,909)	Revaluation of listed investments	(59,691)
57,685	Interest received	65,134
<u>14,972</u>	Dividends received	<u>28,372</u>
<u>(2,300,950)</u>	Net cash from investing activities	<u>(791,612)</u>
	Cash flows from financing activities	
(209,392)	Loan repayments in year	(317,267)
593,096	Movement on directors loans	7,341
-	Amount withdrawn by directors	(12,547)
(5,140)	Foreign exchange on reserves	92,223
74,523	Foreign exchange on bfwd tangible assets	(215,396)
69,148	Forward exchange gain FRS102 adjustment	-
<u>(2,885,000)</u>	Equity dividends paid	<u>(2,000,000)</u>
<u>(2,362,765)</u>	Net cash from financing activities	<u>(2,445,646)</u>
(668,475)	Increase/(decrease) in cash and cash equivalents	1,317,427
5,402,386	Cash and cash equivalents at beginning of year 2	4,733,911
<u>4,733,911</u>	Cash and cash equivalents at end of year 2	<u>6,051,338</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.7.16	31.7.15
	£	£
Profit before taxation	4,505,101	4,033,359
Depreciation charges	457,823	440,638
Profit on disposal of fixed assets	(15,165)	(36,013)
Finance costs	4,904	14,160
Finance income	<u>(93,506)</u>	<u>(72,657)</u>
	4,859,157	4,379,487
(Increase)/decrease in stocks	(239,653)	131,874
Decrease/(increase) in trade and other debtors	270,312	(68,029)
Increase/(decrease) in trade and other creditors	<u>361,865</u>	<u>(280,481)</u>
Cash generated from operations	<u><u>5,251,681</u></u>	<u><u>4,162,851</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st July 2016

	31.7.16	1.8.15
	£	£
Cash and cash equivalents	<u><u>6,051,338</u></u>	<u><u>4,733,911</u></u>

Year ended 31st July 2015

	31.7.15	1.8.14
	£	£
Cash and cash equivalents	<u><u>4,733,911</u></u>	<u><u>5,402,386</u></u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2016

1. STATUTORY INFORMATION

David Austin Roses Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in Sterling.

First time adoption of FRS102

This is the first year in which the financial statements have been prepared under Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council. The last financial statements, for the year ended 31 July 2015, were prepared under previous UK GAAP. The transition date to FRS102 is therefore 1 August 2014.

Adopting FRS102 has resulted in a change of accounting policy to comply with the new standard as follows:

Foreign exchange forward contracts

Foreign exchange forward contracts are now measured at fair value through the income statement.

Listed investments

Investments in listed shares are now measured at fair value through the income statement.

Basis of consolidation

The group financial statements have been prepared under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and applicable accounting standards.

The consolidated financial statements incorporate the financial statements of the company and entities that continue to be controlled by the Group (its subsidiaries). Control exists where the Group has the power to govern the financial and operating policies of the entity; generally conferred by holding a majority of voting rights.

All intra-group balances, transactions, income and expenses are eliminated on consolidation. The consolidated accounts are prepared using uniform accounting policies.

Financial reporting standard 102 - reduced disclosure exemption

The individual company accounts have taken advantage of the following disclosure exemptions in preparing their financial statements as permitted by FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cashflow;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 12 Other Financial Instruments paragraph 12.26, 12.27, 12.29 (a), 12.29 (b) and 12.29A.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the net amount invoiced by the group to external customers for goods and services excluding value added tax. Turnover is recognised when the risks and rewards of owning the goods has 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.

Revenue recognition

Interest income is recognised using the effective interest method.

Fixed asset investments are recognised when the right to receive payment is established.

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

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Freehold land is not depreciated.

Investment property

In accordance with FRS102 investment property is valued at fair value, only if the property can be measured reliably without undue cost or effort. Revaluation surpluses are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amounts of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in the prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Stocks

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

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development

The group undertakes research and development so as to pursue its fundamental aim of developing rose varieties free of disease. The group's policy is not to capitalise and carry forward costs incurred due to the highly speculative nature of the work.

Operating leases

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Investments

Investments in listed shares and equity shares have been valued at fair value where publicly traded and the gains and losses have been adjusted in the income statement in line with FRS102.

Investments in subsidiaries have been included at cost less impairment, in line with FRS102.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses from impairment are recognised in the income statement in other administration expenses.

Loans and borrowings

Loan and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective rate of interest method, less impairment. If an arrangement constitutes a financial transaction it is measured at present value.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

2. ACCOUNTING POLICIES - continued

Foreign currencies

In accordance with FRS102, foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated using the spot rate of exchange. Any differences are taken to the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operation are translated from their functional currency to sterling using the closing exchange rate. Income and expenses are translated using the average rate for the period. Exchange differences arising on the translation of group companies are recognised in other comprehensive income.

The group uses foreign currency options and currency swaps in order to hedge its exposure to transactions denominated in certain foreign currencies.

Forward contracts

Forward currency contracts are recognised at fair value at the balance sheet date. Any changes in the fair value are recognised in the income statement.

Group relief

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	31.7.16 £	31.7.15 £
Sales of goods	15,039,012	13,301,712
Licensing and royalties	<u>2,389,470</u>	<u>2,344,527</u>
	<u>17,428,482</u>	<u>15,646,239</u>

An analysis of turnover by geographical market is given below:

	31.7.16 £	31.7.15 £
United Kingdom	10,367,408	8,724,976
Europe	2,650,292	2,995,392
Rest of world	<u>4,410,782</u>	<u>3,925,871</u>
	<u>17,428,482</u>	<u>15,646,239</u>

4. OTHER OPERATING INCOME AND EXPENSES

	31.7.16 £	As restated 31.7.15 £
Rents received	7,140	7,140
Forward exchange contracts	(209,171)	(16,138)
Profit on listed investments	<u>59,691</u>	<u>61,908</u>
	<u>(142,340)</u>	<u>52,910</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

5. STAFF COSTS

	31.7.16	31.7.15
	£	£
Wages and salaries	4,189,802	4,012,741
Social security costs	447,234	426,760
Other pension costs	68,430	99,894
	<u>4,705,466</u>	<u>4,539,395</u>

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

	31.7.16	31.7.15
Selling and administration	127	119
Production and breeding	<u>88</u>	<u>88</u>
	<u>215</u>	<u>207</u>

6. DIRECTORS' EMOLUMENTS

	31.7.16	31.7.15
	£	£
Directors' remuneration	319,034	352,208
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>40,000</u>

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

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

Information regarding the highest paid director is as follows:

	31.7.16	31.7.15
	£	£
Emoluments etc	162,986	196,160
Pension contributions to money purchase schemes	<u>-</u>	<u>40,000</u>

7. OPERATING PROFIT

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

	31.7.16	As restated 31.7.15
	£	£
Hire of equipment	39,514	28,973
Depreciation - owned assets	457,883	440,638
Profit on disposal of fixed assets	(15,165)	(36,013)
Auditors' remuneration	21,113	19,000
Foreign exchange differences	(430,672)	(42,366)
Research and development costs	743,002	757,934
Changes in fair value of listed investments	(59,691)	(61,908)
Changes in fair value of forward exchange contracts	209,171	16,138
Cost of stock	<u>7,587,977</u>	<u>5,871,470</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

8. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.16	31.7.15
	£	£
Bank loan interest	4,373	12,046
Interest on corporation tax	<u>531</u>	<u>2,114</u>
	<u>4,904</u>	<u>14,160</u>

9. TAXATION

Analysis of the tax charge

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

	31.7.16	31.7.15
	£	£
Current tax:		
UK corporation tax	711,608	563,879
Under/over provision in prior year	(187,640)	897
Patent box	<u>(94,239)</u>	<u>-</u>
Total current tax	429,729	564,776
Deferred tax	<u>27</u>	<u>68,281</u>
Tax on profit on ordinary activities	<u>429,756</u>	<u>633,057</u>

UK corporation tax has been charged at 20% (2015 - 20%).

Under/over provision in prior years primarily relates to patent box claims in 2014 and 2015.

Reconciliation of total tax charge included in profit and loss

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

	31.7.16	As restated 31.7.15
	£	£
Profit on ordinary activities before tax	<u>4,505,101</u>	<u>4,033,359</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	901,020	806,672
Effects of:		
Expenses not deductible for tax purposes	3,910	5,596
Income not taxable for tax purposes	(24,214)	(2,994)
Capital allowances in excess of depreciation	(4)	(74,911)
Research and development	(193,181)	(192,010)
Chargeable gains	3,723	5,757
Effect of marginal relief and tax rates overseas	23,582	24,923
Overseas withholding tax irrecoverable	-	897
Deferred taxation movement	27	68,281
FRS102 adjustment	-	(9,154)
Patent box claims 2016	(94,239)	-
Under provision in 2015	(3,228)	-
Patent box claim 2014 and 2015	<u>(187,640)</u>	<u>-</u>
Total tax charge	<u>429,756</u>	<u>633,057</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	31.7.16 Tax £	Net £
Exchange differences on consolidation	<u>92,223</u>	-	<u>92,223</u>
	<u>92,223</u>	-	<u>92,223</u>

	Gross £	31.7.15 Tax £	Net £
Exchange differences on consolidation	<u>(5,140)</u>	-	<u>(5,140)</u>
	<u>(5,140)</u>	-	<u>(5,140)</u>

10. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £3,966,627 (2015 - £2,578,096).

The parent company's profit for the financial year is stated after receiving dividends from subsidiary undertakings amounting to £2,000,000 (2015 - £900,000).

11. DIVIDENDS

	31.7.16 £	31.7.15 £
Ordinary 'B' shares of £1 each		
Interim	<u>2,000,000</u>	<u>2,885,000</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

12. TANGIBLE FIXED ASSETS

Group

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2015	10,168,260	3,945,499	6,101,570	121,191
Additions	551,126	312,412	238,714	-
Disposals	(27,500)	-	(27,500)	-
Exchange differences	215,396	237,003	(25,520)	3,913
At 31st July 2016	<u>10,907,282</u>	<u>4,494,914</u>	<u>6,287,264</u>	<u>125,104</u>
DEPRECIATION				
At 1st August 2015	4,953,056	220,879	4,648,347	83,830
Charge for year	457,883	38,487	402,396	17,000
Eliminated on disposal	(27,500)	-	(27,500)	-
At 31st July 2016	<u>5,383,439</u>	<u>259,366</u>	<u>5,023,243</u>	<u>100,830</u>
NET BOOK VALUE				
At 31st July 2016	<u>5,523,843</u>	<u>4,235,548</u>	<u>1,264,021</u>	<u>24,274</u>
At 31st July 2015	<u>5,215,204</u>	<u>3,724,620</u>	<u>1,453,223</u>	<u>37,361</u>

Company

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2015	9,158,912	3,397,979	5,663,552	97,381
Additions	501,353	312,412	188,941	-
Disposals	(27,500)	-	(27,500)	-
At 31st July 2016	<u>9,632,765</u>	<u>3,710,391</u>	<u>5,824,993</u>	<u>97,381</u>
DEPRECIATION				
At 1st August 2015	4,593,077	203,303	4,328,489	61,285
Charge for year	378,859	30,642	334,456	13,761
Eliminated on disposal	(27,500)	-	(27,500)	-
At 31st July 2016	<u>4,944,436</u>	<u>233,945</u>	<u>4,635,445</u>	<u>75,046</u>
NET BOOK VALUE				
At 31st July 2016	<u>4,688,329</u>	<u>3,476,446</u>	<u>1,189,548</u>	<u>22,335</u>
At 31st July 2015	<u>4,565,835</u>	<u>3,194,676</u>	<u>1,335,063</u>	<u>36,096</u>

Included in cost of land and buildings is freehold land of £423,558 (2015 - £423,558) which is not depreciated.

Cost includes costs directly attributable to making the asset capable of operating as intended.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

13. FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST OR VALUATION	
At 1st August 2015	2,429,717
Additions	638,183
Disposals	(348,657)
Revaluations	<u>59,691</u>
At 31st July 2016	<u>2,778,934</u>
NET BOOK VALUE	
At 31st July 2016	<u>2,778,934</u>
At 31st July 2015	<u>2,429,717</u>

Cost or valuation at 31st July 2016 is represented by:

	As restated Listed investments £
Valuation in 2015	58,338
Valuation in 2016	59,691
Cost	<u>2,660,905</u>
	<u>2,778,934</u>

Company

	Totals £	Listed investments £	Unlisted investments £
COST OR VALUATION			
At 1st August 2015	2,463,300	2,429,717	33,583
Additions	638,183	638,183	-
Disposals	(348,657)	(348,657)	-
Revaluations	<u>59,691</u>	<u>59,691</u>	-
At 31st July 2016	<u>2,812,517</u>	<u>2,778,934</u>	<u>33,583</u>
NET BOOK VALUE			
At 31st July 2016	<u>2,812,517</u>	<u>2,778,934</u>	<u>33,583</u>
At 31st July 2015	<u>2,463,300</u>	<u>2,429,717</u>	<u>33,583</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

13. FIXED ASSET INVESTMENTS - continued

Company

Cost or valuation at 31st July 2016 is represented by:

	Totals	Listed investments	Unlisted investments
	£	£	£
Valuation in 2015	58,338	58,338	-
Valuation in 2016	59,691	59,691	-
Cost	<u>2,694,488</u>	<u>2,660,905</u>	<u>33,583</u>
	<u>2,812,517</u>	<u>2,778,934</u>	<u>33,583</u>

If listed investment had not been revalued they would have been included at the following historical cost:

	31.7.16	31.7.15
	£	£
Cost	<u>2,660,905</u>	<u>2,371,379</u>

Listed fixed asset investment were valued on an active market basis on 3rd October 2016 by Rathbones.

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

David Austin Rose Nursery Limited

Nature of business: Rose grower and retailer

	% holding	31.7.16	31.7.15
		£	£
Class of shares:			
Ordinary	100.00		
		31.7.16	31.7.15
		£	£
Aggregate capital and reserves		3,927,763	3,973,657
Profit for the year		<u>2,386,999</u>	<u>2,140,709</u>

David Austin Roses Japan KK

Country of incorporation: Japan

Nature of business: Rose retailer and wholesaler

	% holding	31.7.16	31.7.15
		£	£
Class of shares:			
Ordinary	100.00		
		31.7.16	31.7.15
		£	£
Aggregate capital and reserves		236,578	102,634
Profit for the year		<u>73,710</u>	<u>63,321</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

14. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1st August 2015 and 31st July 2016	<u>135,953</u>
NET BOOK VALUE	
At 31st July 2016	<u>135,953</u>
At 31st July 2015	<u>135,953</u>

Company

	Total £
FAIR VALUE	
At 1st August 2015 and 31st July 2016	<u>135,953</u>
NET BOOK VALUE	
At 31st July 2016	<u>135,953</u>
At 31st July 2015	<u>135,953</u>

The investment property was purchased during the year to 31st July 2010 and the carrying value has been reviewed by the directors at each balance sheet date since the date of purchase. The directors consider the carrying value in the accounts continues to be in line with the present market value and that the purchase cost continues to represent a reasonable assessment of the closing market value.

15. STOCKS

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Growing plants	1,079,931	992,440	97,143	108,507
Plants and goods for resale	<u>720,688</u>	<u>568,526</u>	<u>626,076</u>	<u>506,600</u>
	<u>1,800,619</u>	<u>1,560,966</u>	<u>723,219</u>	<u>615,107</u>

16. DEBTORS

	Group		Company	
	31.7.16	As restated 31.7.15	31.7.16	As restated 31.7.15
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,191,804	1,413,439	1,174,751	1,398,284
Foreign currency forward exchange contracts	-	69,148	-	69,148
Prepayments	<u>122,689</u>	<u>102,218</u>	<u>94,617</u>	<u>90,738</u>
	<u>1,314,493</u>	<u>1,584,805</u>	<u>1,269,368</u>	<u>1,558,170</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

16. DEBTORS - continued

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Amounts falling due after more than one year:				
Group balances	<u>-</u>	<u>-</u>	<u>604,831</u>	<u>485,084</u>
 Aggregate amounts	 <u>1,314,493</u>	 <u>1,584,805</u>	 <u>1,874,199</u>	 <u>2,043,254</u>

The company has entered into a legal agreement with its subsidiary undertaking which confirms that the debt due as at 31 July 2016 is payable more than 12 months from the balance sheet date.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Bank loans and overdrafts (see note 19)	-	200,364	-	200,364
Trade creditors	753,968	749,097	334,985	452,302
Other creditors	22,763	-	22,763	-
Amounts owed to group undertakings	-	-	1,161,440	1,426,162
Tax	148,962	411,325	39,703	53,054
Social security and other taxes	321,392	273,163	319,430	272,232
Customer deposits	444,209	391,726	105,470	58,331
Foreign currency forward exchange contracts	140,023	-	140,023	-
Directors' current accounts	9,759	14,965	9,759	14,965
Accrued expenses	<u>235,505</u>	<u>142,009</u>	<u>149,461</u>	<u>108,772</u>
	<u>2,076,581</u>	<u>2,182,649</u>	<u>2,283,034</u>	<u>2,586,182</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Bank loans (see note 19)	-	116,903	-	116,903
Amounts owed to group undertakings	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
	<u>-</u>	<u>116,903</u>	<u>1,500,000</u>	<u>1,616,903</u>

The company has entered into a legal agreement with its subsidiary undertaking which confirms that £1,500,000 of the total amount payable as at 31st July 2016 is repayable more than 12 months from the balance sheet date.

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>-</u>	<u>200,364</u>	<u>-</u>	<u>200,364</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>-</u>	<u>116,903</u>	<u>-</u>	<u>116,903</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Bank loans	<u>-</u>	<u>317,267</u>	<u>-</u>	<u>317,267</u>

A unlimited multilateral guarantee dated 1st June 2009 has been given by the parent company and its subsidiary undertaking, David Austin Rose Nursery Limited, in favour of the group's bankers.

A cross guarantee exists between group companies where certain compensating bank balances are offset against each other. As at the group's balance sheet date, there are no overdrawn bank balances subject to this offset.

21. FOREIGN CURRENCY FORWARD EXCHANGE CONTRACTS

The carrying amount of the group's foreign currency forward exchange contracts held at fair value through profit or loss as 31st July 2016 are:

	31.07.16	As restated 31.07.15
	£	£
Fair value of forward exchange contracts	(140,023)	69,148
	=====	=====

The movement in the fair value has been recognised in the profit and loss account. This resulted in £209,171 being debited to the profit and loss account this year (2015: £16,138).

The group uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cashflows.

The contracts are valued based on available market data. The group does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised through profit and loss.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.7.16	31.7.15	31.7.16	31.7.15
	£	£	£	£
Deferred tax	<u>70,554</u>	<u>70,527</u>	<u>64,351</u>	<u>62,985</u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

22. PROVISIONS FOR LIABILITIES - continued

Group	As restated Deferred tax £
Balance at 1st August 2015	70,527
Accelerated capital allowances	(10,665)
Revaluation of investments	<u>10,692</u>
Balance at 31st July 2016	<u><u>70,554</u></u>
Company	As restated Deferred tax £
Balance at 1st August 2015	62,985
Accelerated capital allowances	(9,326)
Revaluation of investments	<u>10,692</u>
Balance at 31st July 2016	<u><u>64,351</u></u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.7.16 £	31.7.15 £
Number:	Class:			
2,280	Ordinary 'A'	£1	2,280	2,280
3,040	Ordinary 'B'	£1	<u>3,040</u>	<u>3,040</u>
			<u><u>5,320</u></u>	<u><u>5,320</u></u>

The Ordinary A and Ordinary B shares rank parri passu in all respects other than having the potential for differing dividend entitlements.

24. RESERVES

a) Share premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

b) Capital redemption reserves

This reserve represents the repurchase of the company's own shares in April 2001 and February 2009.

c) Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments. It also included an amount of £118,029, which represents the gain on the fair value of listed investments. In accordance with FRS102, this amount is considered non-distributable.

25. CAPITAL COMMITMENTS

	31.7.16 £	31.7.15 £
Contracted but not provided for in the financial statements	<u><u>1,679,269</u></u>	<u><u>-</u></u>

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31st July 2016 and 31st July 2015:

	31.7.16 £	31.7.15 £
D J C Austin		
Balance outstanding at start of year	(1,078)	603,818
Amounts advanced	21,422	2,284,133
Amounts repaid	(28,763)	(2,889,029)
Balance outstanding at end of year	<u>(8,419)</u>	<u>(1,078)</u>
 D C H Austin		
Balance outstanding at start of year	(13,887)	(25,687)
Amounts advanced	68,657	80,443
Amounts repaid	(56,110)	(68,643)
Balance outstanding at end of year	<u>(1,340)</u>	<u>(13,887)</u>

27. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	31.7.16 £	31.7.15 £
Dividends paid	2,000,000	2,885,000
Loan to J Austin, son of D C H Austin and brother of D J C Austin	<u>109,100</u>	<u>-</u>

Interest is being charged on the loan at a rate of 3.25% per annum.

The company occupies land at Bowling Green Lane, Albrighton, Wolverhampton, of which 30% of the land is owned by a director. Rent of £1,950 was charged for the year.

Key management personnel of the entity or its parent (in the aggregate)

	31.7.16 £	31.7.15 £
Remuneration	<u>542,447</u>	<u>488,095</u>

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel.

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is considered to be the directors by virtue of their shareholdings. There is no single controlling director by virtue of director's shareholdings and the shareholders agreement in place governing day to day operations.

29. PENSION COMMITMENTS

The group operates and contributes to defined contribution pension schemes in respect of employees and directors. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £63,430 (2015: £99,894).

Amounts owing to the funds at 31st July 2016 were £6,475 (2015: £Nil).

DAVID AUSTIN ROSES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2016

30. FINANCIAL INSTRUMENTS

The carrying amount of the company's financial instruments are at amortised costs with the exception of fixed asset investments which are at market value and the foreign currency forward exchange contracts which are at fair value.

31. FIRST YEAR ADOPTION

Transitional relief

On transition to FRS 102, the group has taken advantage of the following transitional relief:

- to measure fair value at date of transition to FRS 102 and use as deemed cost on an investment property.

DAVID AUSTIN ROSES LIMITED
RECONCILIATION OF EQUITY
1ST AUGUST 2014
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		4,797,693	-	4,797,693
Investments		961,345	(3,571)	957,774
Investment property		135,953	-	135,953
		<u>5,894,991</u>	<u>(3,571)</u>	<u>5,891,420</u>
CURRENT ASSETS				
Stocks		1,692,840	-	1,692,840
Debtors		2,120,594	85,286	2,205,880
Cash at bank		5,402,386	-	5,402,386
		<u>9,215,820</u>	<u>85,286</u>	<u>9,301,106</u>
CREDITORS				
Amounts falling due within one year		<u>(2,087,569)</u>	<u>-</u>	<u>(2,087,569)</u>
NET CURRENT ASSETS		<u>7,128,251</u>	<u>85,286</u>	<u>7,213,537</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,023,242	81,715	13,104,957
CREDITORS				
Amounts falling due after more than one year		(322,397)	-	(322,397)
PROVISIONS FOR LIABILITIES		<u>(2,246)</u>	<u>-</u>	<u>(2,246)</u>
NET ASSETS		<u>12,698,599</u>	<u>81,715</u>	<u>12,780,314</u>
CAPITAL AND RESERVES				
Called up share capital		5,320	-	5,320
Share premium		5,576	-	5,576
Capital redemption reserve		4,680	-	4,680
Retained earnings		<u>12,683,023</u>	<u>81,715</u>	<u>12,764,738</u>
SHAREHOLDERS' FUNDS		<u>12,698,599</u>	<u>81,715</u>	<u>12,780,314</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED
RECONCILIATION OF EQUITY - continued
31ST JULY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		5,215,204	-	5,215,204
Investments		2,371,379	58,338	2,429,717
Investment property		135,953	-	135,953
		<u>7,722,536</u>	<u>58,338</u>	<u>7,780,874</u>
CURRENT ASSETS				
Stocks		1,560,966	-	1,560,966
Debtors		1,515,657	69,148	1,584,805
Cash at bank		4,733,911	-	4,733,911
		<u>7,810,534</u>	<u>69,148</u>	<u>7,879,682</u>
CREDITORS				
Amounts falling due within one year		(2,182,649)	-	(2,182,649)
NET CURRENT ASSETS		<u>5,627,885</u>	<u>69,148</u>	<u>5,697,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,350,421	127,486	13,477,907
CREDITORS				
Amounts falling due after more than one year		(116,903)	-	(116,903)
PROVISIONS FOR LIABILITIES		<u>(70,527)</u>	<u>-</u>	<u>(70,527)</u>
NET ASSETS		<u>13,162,991</u>	<u>127,486</u>	<u>13,290,477</u>
CAPITAL AND RESERVES				
Called up share capital		5,320	-	5,320
Share premium		5,576	-	5,576
Capital redemption reserve		4,680	-	4,680
Retained earnings		13,147,415	127,486	13,274,901
SHAREHOLDERS' FUNDS		<u>13,162,991</u>	<u>127,486</u>	<u>13,290,477</u>

The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED

RECONCILIATION OF EQUITY - continued
31ST JULY 2015

Notes to the reconciliation of equity

As a result of FRS102 implementation in the current financial year, certain transitional adjustments are required in the prior year and prior year opening balances on changes between UK Generally Accepted Accounting Practices (UK GAAP) and FRS102.

Listed investments

Restatement to fair value results in the following gains/(losses)

	£
As at date of transition	(3,570)
To 31 July 2015	<u>61,908</u>
	<u>58,338</u>

Forward exchange contracts

Restatement to fair value results in the following gains/(losses)

	£
As at date of transition	85,286
To 31 July 2015	<u>(16,138)</u>
	<u>69,148</u>

DAVID AUSTIN ROSES LIMITED
RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31ST JULY 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	15,646,239	-	15,646,239
Cost of sales	<u>(6,003,344)</u>	<u>-</u>	<u>(6,003,344)</u>
GROSS PROFIT	9,642,895	-	9,642,895
Administrative expenses	(5,720,943)	-	(5,720,943)
Other operating income and expenses	<u>7,140</u>	<u>45,770</u>	<u>52,910</u>
OPERATING PROFIT	3,929,092	45,770	3,974,862
Income from fixed asset investments	14,972	-	14,972
Interest receivable and similar income	57,685	-	57,685
Interest payable and similar charges	<u>(14,160)</u>	<u>-</u>	<u>(14,160)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,987,589	45,770	4,033,359
Tax on profit on ordinary activities	<u>(633,057)</u>	<u>-</u>	<u>(633,057)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>3,354,532</u>	<u>45,770</u>	<u>3,400,302</u>
Profit attributable to: Owners of the parent			<u>3,400,302</u>

Notes to the reconciliation of profit or loss

Transition adjustment of £45,770 in the year to 31st July 2015, in respect of other operating income and expenses is made up of the gain of £61,908 relating to the fair value of listed investments and the loss of £16,138 in respect of the fair value adjustment of forward exchange contracts.