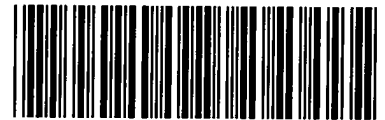


GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2014
FOR
DAVID AUSTIN ROSES LIMITED

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FOR THE YEAR ENDED 31ST JULY 2014

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DAVID AUSTIN ROSES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST JULY 2014

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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31ST JULY 2014

The directors present their strategic report of the company and the group for the year ended 31st July 2014.

REVIEW OF BUSINESS

The group has been able to continue growth in certain areas of the business despite tough economic conditions and adverse currency spot exchange rate movements in its key overseas markets of USA and Japan. Overall group turnover has increased slightly by £21k (0.14%), from £15,333k to £15,354k with a gross margin improving to 59% (2013: 56%). The group's markets remain competitive but the directors continue to anticipate that strong branding together with targeted promotional strategies will facilitate growth in 2015 and future 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 £814k (2013: £881k).

Total group labour costs, excluding directors remuneration, including social security, decreased to £4,090k in 2014 from £4,434k in the previous year assisted by certain external agency and consultancy wages being eliminated by carrying out additional work internally.

Total group profit before tax was £2,786k, an increase of £681k (32%) from the prior year profit of £2,105k, after taking into account foreign exchange losses of £433k (2013: £516k).

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 movement. 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 £2,786k has facilitated an increase in net assets to £12,699k 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 anticipated capital investment.

ON BEHALF OF THE BOARD:



Mr D VC Austin - Director

27th April 2015

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST JULY 2014

The directors present their report with the financial statements of the company and the group for the year ended 31st July 2014.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No interim dividends were paid on the Ordinary 'A' £1 shares or Ordinary 'B' £1 shares. The directors recommend that no final dividend be paid on these shares.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st August 2013 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 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:

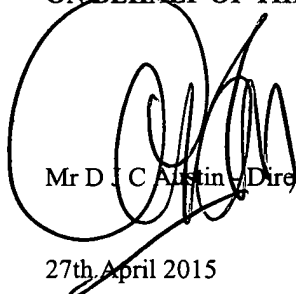
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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:


Mr D J C Austin, Director

27th April 2015

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 2014 on pages six to twenty five. 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).

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 2014 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

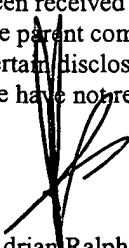
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

27th April 2015

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2014

31.7.13			31.7.14		
£	£	Notes	£	£	
	15,333,408	TURNOVER		15,354,373	
	<u>6,688,167</u>	Cost of sales		<u>6,386,273</u>	
	8,645,241	GROSS PROFIT		8,968,100	
	<u>6,543,881</u>	Administrative expenses		<u>6,193,927</u>	
	2,101,360			2,774,173	
	<u>6,600</u>	Other operating income		<u>6,600</u>	
	2,107,960	OPERATING PROFIT		2,780,773	
		Income from fixed asset investments		279	
		Interest receivable and similar income		<u>24,457</u>	
<u>28,038</u>	<u>28,038</u>			<u>24,736</u>	
	2,135,998			2,805,509	
	<u>31,167</u>	Interest payable and similar charges		<u>19,579</u>	
	2,104,831	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,785,930	
	<u>217,869</u>	Tax on profit on ordinary activities		<u>354,622</u>	
	<u>1,886,962</u>	PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>2,431,308</u>	

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

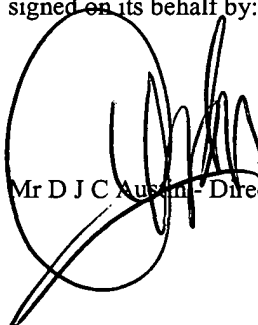
The notes form part of these financial statements

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

CONSOLIDATED BALANCE SHEET
31ST JULY 2014

31.7.13 as restated				31.7.14
£	£		Notes	£
		FIXED ASSETS		
	5,057,232	Tangible assets	10	4,797,693
	176,472	Investments	11	961,345
	<u>135,953</u>	Investment property	12	<u>135,953</u>
	5,369,657			5,894,991
		CURRENT ASSETS		
1,733,144		Stocks	13	1,692,840
1,655,901		Debtors	14	2,120,638
<u>4,466,735</u>		Cash at bank		<u>5,402,386</u>
7,855,780				9,215,864
<u>2,425,188</u>		CREDITORS		
		Amounts falling due within one year	15	<u>2,087,613</u>
	<u>5,430,592</u>	NET CURRENT ASSETS		<u>7,128,251</u>
10,800,249		TOTAL ASSETS LESS CURRENT LIABILITIES		13,023,242
		CREDITORS		
	(560,264)	Amounts falling due after more than one year	16	(322,397)
	-	PROVISIONS FOR LIABILITIES	20	<u>(2,246)</u>
	<u>10,239,985</u>	NET ASSETS		<u>12,698,599</u>
		CAPITAL AND RESERVES		
	5,320	Called up share capital	21	5,320
	5,576	Share premium	22	5,576
	4,680	Capital redemption reserve	22	4,680
	<u>10,224,409</u>	Profit and loss account	22	<u>12,683,023</u>
	<u>10,239,985</u>	SHAREHOLDERS' FUNDS	28	<u>12,698,599</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27th April 2015 and were signed on its behalf by:

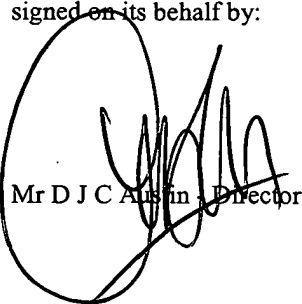

Mr D J C Austin - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31ST JULY 2014

31.7.13			31.7.14		
£	£		Notes	£	£
		FIXED ASSETS			
	4,180,755	Tangible assets	10		4,050,968
	210,055	Investments	11		994,928
	<u>135,953</u>	Investment property	12		<u>135,953</u>
	4,526,763				5,181,849
		CURRENT ASSETS			
887,642		Stocks	13	793,933	
1,564,377		Debtors: amounts falling due within one year	14	2,077,513	
1,137,900		Debtors: amounts falling due after more than one year	14	677,228	
<u>3,892,129</u>		Cash at bank		<u>5,070,283</u>	
7,482,048				8,618,957	
<u>2,786,952</u>		CREDITORS			
		Amounts falling due within one year	15	<u>3,983,871</u>	
<u>4,695,096</u>		NET CURRENT ASSETS			<u>4,635,086</u>
9,221,859		TOTAL ASSETS LESS CURRENT LIABILITIES			9,816,935
		CREDITORS			
2,060,264		Amounts falling due after more than one year	16		<u>322,397</u>
<u>7,161,595</u>		NET ASSETS			<u>9,494,538</u>
		CAPITAL AND RESERVES			
5,320		Called up share capital	21		5,320
5,576		Share premium	22		5,576
4,680		Capital redemption reserve	22		4,680
<u>7,146,019</u>		Profit and loss account	22		<u>9,478,962</u>
<u>7,161,595</u>		SHAREHOLDERS' FUNDS	28		<u>9,494,538</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27th April 2015 and were signed on its behalf by:


Mr D J C Austin, Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2014

31.7.13			31.7.14		
£	£	Notes	£	£	
	2,499,732	Net cash inflow from operating activities	1	3,118,229	
	(3,129)	Returns on investments and servicing of finance	2	5,157	
	(444,502)	Taxation		(386,116)	
	(808,371)	Capital expenditure and financial investment	2	(973,656)	
	(1,800,000)	Equity dividends paid		-	
	(556,270)			1,763,614	
	<u>1,936,180</u>	Financing	2	<u>(827,963)</u>	
	<u>1,379,910</u>	Increase in cash in the period		<u>935,651</u>	
<hr/>					
		Reconciliation of net cash flow to movement in net funds	3		
1,379,910		Increase in cash in the period		935,651	
<u>(376,510)</u>		Cash outflow/(inflow) from decrease/(increase) in debt		<u>305,713</u>	
	<u>1,003,400</u>	Change in net funds resulting from cash flows		<u>1,241,364</u>	
	1,003,400	Movement in net funds in the period		1,241,364	
	<u>2,630,963</u>	Net funds at 1st August		<u>3,634,363</u>	
	<u>3,634,363</u>	Net funds at 31st July		<u>4,875,727</u>	

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2014

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

	31.7.14	31.7.13 as restated
	£	£
Operating profit	2,780,773	2,107,960
Depreciation charges	363,007	378,314
Profit on disposal of fixed assets	(31,670)	-
Decrease/(increase) in stocks	40,304	(286,588)
Decrease in debtors	133,148	318,973
Decrease in creditors	(167,333)	(18,927)
Net cash inflow from operating activities	<u>3,118,229</u>	<u>2,499,732</u>

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

	31.7.14	31.7.13
	£	£
Returns on investments and servicing of finance		
Interest received	24,457	28,038
Interest paid	(19,579)	(31,167)
Dividends received	279	-
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u>5,157</u>	<u>(3,129)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(224,907)	(690,723)
Purchase of fixed asset investments	(1,049,580)	(117,648)
Sale of tangible fixed assets	10,345	-
Sale of fixed asset investments	290,486	-
Net cash outflow for capital expenditure and financial investment	<u>(973,656)</u>	<u>(808,371)</u>
Financing		
New loans in year	-	633,831
Loan repayments in year	(305,713)	(257,321)
Movement on directors loans	(666,541)	1,273,177
Foreign exchange on reserves	27,306	115,038
Foreign exchange on bfwd tangible assets	116,985	171,455
Net cash (outflow)/inflow from financing	<u>(827,963)</u>	<u>1,936,180</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST JULY 2014

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.13 £	Cash flow £	At 31.7.14 £
Net cash:			
Cash at bank	<u>4,466,735</u>	<u>935,651</u>	<u>5,402,386</u>
	<u>4,466,735</u>	<u>935,651</u>	<u>5,402,386</u>
Debt:			
Debts falling due within one year	(272,108)	67,846	(204,262)
Debts falling due after one year	<u>(560,264)</u>	<u>237,867</u>	<u>(322,397)</u>
	<u>(832,372)</u>	<u>305,713</u>	<u>(526,659)</u>
Total	<u>3,634,363</u>	<u>1,241,364</u>	<u>4,875,727</u>

4. MAJOR NON-CASH TRANSACTIONS

Foreign exchange differences on consolidation amounting to £27,306 (2013: £115,038) and £116,985 (2013: £171,455) for opening reserves and tangible fixed assets respectively relate to the consolidation of a foreign subsidiary undertaking, David Austin Roses KK, a company registered in Japan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2014

1. ACCOUNTING POLICIES

Accounting convention

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

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.

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.

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 they are brought into use.

Freehold land is not depreciated.

Investment property

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006, i.e. non depreciation of investment properties, has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

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 of reversal. Deferred tax assets are recognised to the extent that they are more likely than not to be recoverable.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

1. ACCOUNTING POLICIES - continued

Operating leases

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 group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Investments are carried at cost less any provision for impairment.

Foreign currencies

In accordance with SSAP 20, foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves. All other differences are taken to the profit and loss account.

The group uses foreign currency options and currency swaps in order to hedge its exposure to transactions denominated in certain foreign currencies. Full details of products in place at the year end are given in note 29 to the financial statements.

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.

2. TURNOVER

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

3. STAFF COSTS

	31.7.14	31.7.13
	£	£
Wages and salaries	3,992,828	4,253,276
Social security costs	453,424	530,373
Other pension costs	143,735	129,068
	<u>4,589,987</u>	<u>4,912,717</u>

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

	31.7.14	31.7.13
Selling and administration	103	109
Production and breeding	<u>78</u>	<u>98</u>
	<u>181</u>	<u>207</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

4. OPERATING PROFIT

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

	31.7.14	31.7.13
	£	£
Hire of equipment	18,535	18,624
Other operating leases	9,137	34,588
Depreciation - owned assets	363,007	378,314
Profit on disposal of fixed assets	(31,670)	-
Auditors' remuneration	30,939	19,624
Foreign exchange differences	432,862	516,375
Research and development costs	<u>813,608</u>	<u>880,817</u>
Directors' remuneration	314,865	308,779
Directors' pension contributions to money purchase schemes	<u>73,334</u>	<u>49,999</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:

	31.7.14	31.7.13
	£	£
Emoluments etc	159,328	156,290
Pension contributions to money purchase schemes	<u>73,334</u>	<u>49,999</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.14	31.7.13
	£	£
Bank loan interest	19,543	26,615
Interest on corporation tax	<u>36</u>	<u>4,552</u>
	<u>19,579</u>	<u>31,167</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

6. TAXATION

Analysis of the tax charge

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

	31.7.14 £	31.7.13 £
Current tax:		
UK corporation tax	304,698	192,671
Japan corporation tax	31,179	8,481
Overseas withholding tax irrecoverable	<u>10,522</u>	<u>-</u>
	346,399	201,152
Deferred tax	8,223	16,717
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>354,622</u>	<u>217,869</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:

	31.7.14 £	31.7.13 £
Profit on ordinary activities before tax	<u>2,785,930</u>	<u>2,104,831</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	585,045	484,111
Effects of:		
Expenses not deductible for tax purposes	3,547	1,137
Income not taxable for tax purposes	(2,389)	-
Capital allowances in excess of depreciation	(18,139)	(15,284)
Research and development	(213,572)	(253,235)
Chargeable gains	(18,854)	-
Marginal relief and tax rates overseas	239	(15,577)
Overseas withholding tax irrecoverable	<u>10,522</u>	<u>-</u>
	<u>346,399</u>	<u>201,152</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £2,332,943 (2013 - £3,450,129).

The parent company's profit for the financial year is stated after receiving dividends from subsidiary undertakings amounting to £900,000 (2013 - £2,500,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

8. DIVIDENDS

	31.7.14	31.7.13
	£	£
Ordinary 'B' shares of £1 each		
Interim	<u>-</u>	<u>1,800,000</u>

9. PRIOR YEAR ADJUSTMENT

During the year the group has changed its accounting policy in respect of catalogue costs, mail shots and certain advertising within its subsidiary undertaking, David Austin Rose Nursery Limited, so as to include costs paid in advance as prepayments rather than within closing stocks. The adjustment has no effect on reported profits or on retained reserves. The total prepayment at the year end was £97,927. £128,676 has been transferred from stock to prepayments at 31st July 2013 for consistency.

10. TANGIBLE FIXED ASSETS

Group

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2013	9,263,037	4,037,124	5,131,133	94,780
Additions	224,907	13,151	193,931	17,825
Disposals	(39,938)	-	(25,950)	(13,988)
Exchange differences	<u>(116,984)</u>	<u>(89,890)</u>	<u>(25,424)</u>	<u>(1,670)</u>
At 31st July 2014	<u>9,331,022</u>	<u>3,960,385</u>	<u>5,273,690</u>	<u>96,947</u>
DEPRECIATION				
At 1st August 2013	4,205,805	151,915	3,983,445	70,445
Charge for year	363,007	35,867	310,387	16,753
Eliminated on disposal	<u>(35,483)</u>	<u>-</u>	<u>(25,950)</u>	<u>(9,533)</u>
At 31st July 2014	<u>4,533,329</u>	<u>187,782</u>	<u>4,267,882</u>	<u>77,665</u>
NET BOOK VALUE				
At 31st July 2014	<u>4,797,693</u>	<u>3,772,603</u>	<u>1,005,808</u>	<u>19,282</u>
At 31st July 2013	<u>5,057,232</u>	<u>3,885,209</u>	<u>1,147,688</u>	<u>24,335</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

10. TANGIBLE FIXED ASSETS - continued

Company

	Totals £	Freehold property £	Plant and machinery £	Motor vehicles £
COST				
At 1st August 2013	8,153,615	3,393,462	4,692,105	68,048
Additions	166,062	501	151,995	13,566
Disposals	(35,483)	-	(25,950)	(9,533)
At 31st July 2014	<u>8,284,194</u>	<u>3,393,963</u>	<u>4,818,150</u>	<u>72,081</u>
DEPRECIATION				
At 1st August 2013	3,972,860	145,478	3,770,627	56,755
Charge for year	295,849	30,203	253,452	12,194
Eliminated on disposal	(35,483)	-	(25,950)	(9,533)
At 31st July 2014	<u>4,233,226</u>	<u>175,681</u>	<u>3,998,129</u>	<u>59,416</u>
NET BOOK VALUE				
At 31st July 2014	<u>4,050,968</u>	<u>3,218,282</u>	<u>820,021</u>	<u>12,665</u>
At 31st July 2013	<u>4,180,755</u>	<u>3,247,984</u>	<u>921,478</u>	<u>11,293</u>

Included in cost of land and buildings is freehold land of £432,558 (2013 - £432,558) which is not depreciated.

11. FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST	
At 1st August 2013	176,472
Additions	1,049,580
Disposals	(264,707)
At 31st July 2014	<u>961,345</u>
NET BOOK VALUE	
At 31st July 2014	<u>961,345</u>
At 31st July 2013	<u>176,472</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

11. FIXED ASSET INVESTMENTS - continued

Company

	Totals £	Listed investments £	Unlisted investments £
COST			
At 1st August 2013	210,055	176,472	33,583
Additions	1,049,580	1,049,580	-
Disposals	<u>(264,707)</u>	<u>(264,707)</u>	<u>-</u>
At 31st July 2014	<u>994,928</u>	<u>961,345</u>	<u>33,583</u>
NET BOOK VALUE			
At 31st July 2014	<u>994,928</u>	<u>961,345</u>	<u>33,583</u>
At 31st July 2013	<u>210,055</u>	<u>176,472</u>	<u>33,583</u>

Market value of listed investments at 31st July 2014 - £957,775 (2013 - £194,558).

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

Class of shares:	%		
Ordinary	holding 100.00		
		31.7.14	31.7.13
		£	£
Aggregate capital and reserves		3,201,500	3,407,311
Profit for the year		<u>694,189</u>	<u>817,147</u>

David Austin Roses Japan KK

Country of incorporation: Japan

Nature of business: Rose retailer and wholesaler

Class of shares:	%		
Ordinary	holding 100.00		
		31.7.14	31.7.13
		£	£
Aggregate capital and reserves		47,465	(240,169)
Profit for the year		<u>265,003</u>	<u>392,323</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

12. INVESTMENT PROPERTY

Group

	Total £
COST	
At 1st August 2013 and 31st July 2014	<u>135,953</u>
NET BOOK VALUE	
At 31st July 2014	<u>135,953</u>
At 31st July 2013	<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 is in line with the present market value and that the purchase cost continues to represent a reasonable assessment of the opening market value.

Company

	Total £
COST	
At 1st August 2013 and 31st July 2014	<u>135,953</u>
NET BOOK VALUE	
At 31st July 2014	<u>135,953</u>
At 31st July 2013	<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.

13. STOCKS

	Group		Company	
	31.7.14	31.7.13 as restated	31.7.14	31.7.13
	£	£	£	£
Growing plants	1,006,570	929,924	186,916	223,939
Plants and goods for resale	<u>686,270</u>	<u>803,220</u>	<u>607,017</u>	<u>663,703</u>
	<u>1,692,840</u>	<u>1,733,144</u>	<u>793,933</u>	<u>887,642</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

14. DEBTORS

	Group		Company	
	31.7.14	31.7.13 as restated	31.7.14	31.7.13
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,318,992	1,337,771	1,274,264	1,298,254
Directors' current accounts	603,818	-	603,818	-
Tax	44	-	121,961	176,127
Prepayments	197,784	312,153	77,470	89,996
	<u>2,120,638</u>	<u>1,649,924</u>	<u>2,077,513</u>	<u>1,564,377</u>
Amounts falling due after more than one year:				
Group balances	-	-	672,750	1,122,738
Deferred tax asset	-	5,977	4,478	15,162
	<u>-</u>	<u>5,977</u>	<u>677,228</u>	<u>1,137,900</u>
Aggregate amounts	<u>2,120,638</u>	<u>1,655,901</u>	<u>2,754,741</u>	<u>2,702,277</u>

Deferred tax asset

	Group		Company	
	31.7.14	31.7.13	31.7.14	31.7.13
	£	£	£	£
Deferred tax	<u>-</u>	<u>5,977</u>	<u>4,478</u>	<u>15,162</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.7.14	31.7.13	31.7.14	31.7.13
	£	£	£	£
Bank loans and overdrafts (see note 17)	204,262	272,108	204,262	272,108
Trade creditors	920,716	1,179,047	483,777	694,528
Amounts owed to group undertakings	-	-	2,792,515	1,267,823
Tax	21,188	60,861	-	-
Social security and other taxes	292,773	296,929	292,102	295,844
Customer deposits	467,138	419,282	66,293	80,621
Directors' current accounts	25,687	88,410	25,687	88,410
Accrued expenses	155,849	108,551	119,235	87,618
	<u>2,087,613</u>	<u>2,425,188</u>	<u>3,983,871</u>	<u>2,786,952</u>

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

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

	Group		Company	
	31.7.14	31.7.13	31.7.14	31.7.13
	£	£	£	£
Bank loans (see note 17)	322,397	560,264	322,397	560,264
Amounts owed to group undertakings	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
	<u>322,397</u>	<u>560,264</u>	<u>322,397</u>	<u>2,060,264</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.7.14	31.7.13	31.7.14	31.7.13
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>204,262</u>	<u>272,108</u>	<u>204,262</u>	<u>272,108</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>322,397</u>	<u>560,264</u>	<u>322,397</u>	<u>560,264</u>

18. OPERATING LEASE COMMITMENTS

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

Company

	Other operating leases	
	31.7.14	31.7.13
	£	£
Expiring:		
Within one year	17,315	4,556
Between one and five years	<u>-</u>	<u>30,987</u>
	<u>17,315</u>	<u>35,543</u>

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.7.14	31.7.13	31.7.14	31.7.13
	£	£	£	£
Bank loans	<u>526,659</u>	<u>832,372</u>	<u>526,659</u>	<u>832,372</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.

20. PROVISIONS FOR LIABILITIES

	Group	
	31.7.14	31.7.13
	£	£
Deferred tax	<u>2,246</u>	<u>-</u>
Group		
		Deferred tax
		£
Balance at 1st August 2013		(5,977)
Credit to Profit and Loss Account during year		<u>8,223</u>
Balance at 31st July 2014		<u>2,246</u>
Company		
		Deferred tax
		£
Balance at 1st August 2013		(15,162)
Credit to Profit and Loss Account during year		<u>10,684</u>
Balance at 31st July 2014		<u>(4,478)</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.14	31.7.13
			£	£
2,280	Ordinary 'A'	£1	2,280	2,280
3,040	Ordinary 'B'	£1	<u>3,040</u>	<u>3,040</u>
			<u>5,320</u>	<u>5,320</u>

DAVID AUSTIN ROSES LIMITED (REGISTERED NUMBER: 02701780)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

21. CALLED UP SHARE CAPITAL - continued

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

22. RESERVES

Group

	Totals £	Profit and loss account £	Share premium £	Capital redemption reserve £
At 1st August 2013	10,234,665	10,224,409	5,576	4,680
Profit for the year	2,431,308	2,431,308		
Exchange differences	27,306	27,306	-	-
At 31st July 2014	<u>12,693,279</u>	<u>12,683,023</u>	<u>5,576</u>	<u>4,680</u>

Company

	Totals £	Profit and loss account £	Share premium £	Capital redemption reserve £
At 1st August 2013	7,156,275	7,146,019	5,576	4,680
Profit for the year	<u>2,332,943</u>	<u>2,332,943</u>		
At 31st July 2014	<u>9,489,218</u>	<u>9,478,962</u>	<u>5,576</u>	<u>4,680</u>

23. CAPITAL COMMITMENTS

	31.7.14	31.7.13
	£	£
Contracted but not provided for in the financial statements	<u>209,583</u>	<u>-</u>

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31st July 2014 and 31st July 2013:

	31.7.14	31.7.13
	£	£
D J C Austin		
Balance outstanding at start of year	(55,655)	1,220,078
Amounts advanced	703,613	524,267
Amounts repaid	(44,140)	(1,800,000)
Balance outstanding at end of year	<u>603,818</u>	<u>(55,655)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

25. RELATED PARTY DISCLOSURES

D C H Austin
Director

The group occupies land at Bowling Green Lane, Albrighton, Wolverhampton, of which 30% of the land is owned by Mr D C H Austin. No rental is charged on this land.

Included in other creditors are amounts due to the above director as at the year end amounting to £25,687 (2013: £32,755). The directors loan account was not overdrawn at any point throughout the financial year.

D J C Austin
Director

Included in other debtors are amounts due from the above director as at the year end amounting to £603,818 (2013: amounts due to the director of £55,655 included in other creditors). The maximum overdrawn loan account throughout the financial year was £603,818.

During the year dividends were paid to the above director, in his capacity as shareholder, amounting to £nil (2013: £1,800,000).

26. POST BALANCE SHEET EVENTS

After the year end, but prior to the date of the audit report, a dividend was declared as paid to the director, Mr D J C Austin, on 6th April 2015 for £1,270,000.

27. 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.

28. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	31.7.14	31.7.13
	£	£
Profit for the financial year	2,431,308	1,886,962
Dividends	-	(1,800,000)
	<hr/>	<hr/>
Foreign exchange differences	2,431,308 27,306	86,962 115,038
	<hr/>	<hr/>
Net addition to shareholders' funds	2,458,614	202,000
Opening shareholders' funds	10,239,985	10,037,985
	<hr/>	<hr/>
Closing shareholders' funds	12,698,599	10,239,985

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST JULY 2014

28. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31.7.14	31.7.13
	£	£
Profit for the financial year	2,332,943	3,450,129
Dividends	-	(1,800,000)
Net addition to shareholders' funds	2,332,943	1,650,129
Opening shareholders' funds	7,161,595	5,511,466
Closing shareholders' funds	9,494,538	7,161,595

29. CONTINGENT ASSETS AND LIABILITIES

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

The parent company holds an option allowing it to sell 2,000,000 Euro on 16th July 2015 at a rate of 1.266 euro: £1.

The parent company holds a further option allowing it to sell 2,000,000 US Dollars on 16th July 2015 at a rate of 1.713 dollars: £1.

The parent company also holds an option allowing it to sell 200,000,000 Yen on 16th July 2015 at a rate of 174.25 yen: £1.

The impact of revaluing all of the above obligations to market value at the year end would be to crystallise an overall net exchange gain of £85,286. The impact of revaluing foreign exchange derivatives held at 31st July 2013 would have been to crystallise an overall net exchange loss of £33,945.

The parent 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 2014 (2013: £nil).