

**Registered Number: 2961529**

**Usborne Trading Limited**  
(formerly Usborne Fertiliser Limited)

**Annual Report  
&  
Financial Statements**

**30 September 2008**

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# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Directors' Report

For the year ended 30 September 2008

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### Activities and business review

The principal activity of the company is the merchanting of and trading in agricultural products. The profit before taxation was £1,767,033 (2007: loss of £363,190). During the current year under review world trading conditions improved significantly and the company returned to profitability. The company also sold the goodwill associated with its fertiliser activities for £600,000 and changed its name from Usborne Fertiliser Limited to Usborne Trading Limited. The company will continue to trade in agricultural products other than fertiliser, and the prospects for the company are considered satisfactory.

The performance of the company is monitored by reference to the following key performance indicators:

- turnover
- operating profits

The directors do not recommend the payment of a dividend (2007:£nil).

### Financial instruments and risks

Details regarding the risks associated with the company's financial instruments are included in note 17. The company is also subject to risks associated with variations in the demand for and market prices of fertiliser products. The company seeks to mitigate such risks by monitoring the variations and adjusting its trading activities accordingly.

### Directors

The directors of the company have been as follows during the year and up to the date of this report.

R B Copus

J L Ridd (resigned 30 September 2008)

D B Thompson (appointed 2 July 2009)

### Directors' Statement of Responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Directors' Report

For the year ended 30 September 2008

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

### Statement of disclosure to Auditors

- (a) So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



R B Copus  
Director

29 July 2009

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Report of the independent auditors To the shareholders of Usborne Trading Limited

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We have audited the financial statements of Usborne Trading Limited for the year ended 30 September 2008 on pages 5 to 14. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 7 to 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Company's Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors' Statement of Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of opinion

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

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

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Report of the independent auditors

### To the shareholders of Usborne Trading Limited (continued)

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#### Opinion

In our opinion:

- The financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's state of affairs as at 30<sup>th</sup> September 2008 and of its result for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Director's Report is consistent with the financial statements.



HLB Vantis Audit plc  
Chartered Accountants  
Registered Auditors

66 Wigmore Street  
London W1U 2SB

29 July 2009

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Profit and Loss Account

For the year ended 30 September 2008

	Notes	2008 £	2007 £
Turnover	1	19,184,111	14,264,361
Cost of sales		(17,163,650)	(13,419,682)
Gross profit		<u>2,020,461</u>	<u>844,679</u>
Administrative costs	2	(885,169)	(1,166,850)
Operating profit/(loss)		<u>1,135,292</u>	<u>(322,171)</u>
Sale of goodwill	4	600,000	-
Interest	3	31,741	(41,019)
Profit/(loss) on ordinary activities before taxation	4	<u>1,767,033</u>	<u>(363,190)</u>
Tax on ordinary activities	6	(512,700)	108,663
Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the financial year		<u><u>1,254,333</u></u>	<u><u>(254,527)</u></u>

See note 4 concerning discontinued activities.

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total gains and losses has been presented.

There are no movements on reserves other than the retained profit/(loss) stated above (see note 13).

The historical cost profits and losses were the same as those disclosed above and therefore no separate statement of historical cost profits and losses has been presented.

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Balance Sheet at 30 September 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	7	513	151,139
<b>Current assets</b>			
Stocks	8	-	1,653,840
Debtors	9	5,776,771	2,457,375
Cash at bank and in hand		43,565	59,749
		<u>5,820,336</u>	<u>4,170,964</u>
Creditors: amounts falling due within one year	10	(2,553,517)	(2,306,604)
Net current assets		<u>3,266,819</u>	<u>1,864,360</u>
Total assets less current liabilities		<u>3,267,332</u>	<u>2,015,499</u>
Provision for liabilities	11	-	(2,500)
Net assets		<u><u>3,267,332</u></u>	<u><u>2,012,999</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	500,001	500,001
Share premium account		500,000	500,000
Profit and loss account	13	2,267,331	1,012,998
Shareholders' funds	14	<u><u>3,267,332</u></u>	<u><u>2,012,999</u></u>

These financial statements were approved by the board of directors on 29 July 2009 and were signed on its behalf by:



**R B Copus**  
Director

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Accounting Policies

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### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements. In addition, advantage has been taken of the exemption available under FRS 8 not to disclose details of transactions with Thompson Investments (London) Limited or its subsidiary undertakings as the consolidated financial statements of Thompson Investments (London) Limited, in which the company is included, are publicly available.

### Tangible fixed assets

Depreciation is provided on tangible fixed assets at the following annual rates, which are calculated to write down the cost of each asset to its estimated residual value evenly over its expected useful life:

Plant and machinery	10% - 20%
Leasehold improvements	10% - 12%
Office equipment	20% - 33.33%

### Stocks

Stocks are valued at the lower of cost and net realisable value, and include appropriate production overheads.

### Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold to customers.

### Foreign currencies

Currency transactions during the year are converted at actual rates of exchange. Currency balances at the year end have been converted to Sterling at the rates ruling at the balance sheet date. All differences arising on conversion are taken to the profit and loss account.



## Accounting Policies

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### Pension costs

The company participates in a group defined benefit pension scheme and certain employees are members of the scheme. The assets of this scheme (The Usborne plc Retirement Benefits Plan) are held in a separate trustee-administered fund, and the method of accounting for such schemes is now governed by FRS 17. FRS 17 lays down rules for the calculation and disclosure of the assets and liabilities of the entire scheme, and further details are provided in the consolidated financial statements of Thompson Investments (London) Limited, which are available from the Registrar of Companies. In view of the fact that the company is only one of a number of participating companies, however, it is not practicable to identify the company's share of the scheme assets and liabilities on a consistent and reasonable basis. In accordance with FRS 17 the company therefore accounts for its membership of the scheme as if it was a defined contribution scheme, and the pension charge for the year is equal to the contributions paid (see note 5). Company contribution rates are based on actuarial advice and were charged at 22.9% (2007: 22.9%) of pensionable salary of qualifying employees.

### Contracts

In the ordinary course of business the company on occasion enters into contracts for the future delivery of agricultural products. In accordance with accepted practice, contracts in respect of futures commitments in the ordinary course of business are valued, on a contract by contract basis, at the market prices ruling on the balance sheet date. The policy on futures may on occasion represent a departure from normal statutory requirements and cause unrealised gains to be reflected in the financial statements, but the directors consider the policy to be necessary in order for the financial statements to show a true and fair view. This departure had no material effect on the company result after tax in either the current or the previous year.

### Operating Leases

Rentals paid under operating leases are charged to the profit and loss account on an accruals basis.

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

### 1 Turnover

Turnover comprised sales within the European Union, mainly within the UK.

### 2 Administrative costs

	2008	2007
	£	£
Employment costs (see note 5)	553,932	420,281
Depreciation	105,567	165,800
Other operating charges	225,670	580,769
	<u>885,169</u>	<u>1,166,850</u>

### 3 Interest

	2008	2007
	£	£
Interest payable to banks and third parties	(1,572)	(1,638)
Interest payable to fellow group undertakings	(22,804)	(75,430)
Interest receivable from banks and third parties	12,219	22,601
Interest receivable from fellow group undertakings	43,898	13,448
	<u>31,741</u>	<u>(41,019)</u>

### 4 Profit/(loss) on ordinary activities before taxation

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation is stated after Charging/(crediting):		
Auditors' remuneration - audit	7,000	6,800
Depreciation	105,567	165,800
Loss/(profit) on currency exchange	(15,787)	100,201
Sale of goodwill (see note below)	(600,000)	-
Loss/(profit) on sale of fixed assets	(132,844)	182
Operating lease rentals:		
Land and buildings	<u>210,997</u>	<u>309,660</u>

In September 2008 the company sold the goodwill associated with its fertiliser activities for £600,000. During the year and in the prior year, substantially all of the company's turnover and operating profit/(loss) arose in connection with its fertiliser operations.

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

### 5 Employees

	2008 Number	2007 Number
The average number of persons employed was:		
Directors	2	2
Trading and distribution	8	10
	<u>10</u>	<u>12</u>

Costs incurred in respect of these employees was:

	2008 £	2007 £
Wages and salaries	471,377	353,133
Social security costs	47,020	32,761
Other pension costs – defined benefit scheme (see page 8)	35,535	34,387
	<u>553,932</u>	<u>420,281</u>

### Directors' Remuneration

Emoluments including benefits	229,957	98,239
Pension contributions – defined benefit scheme	19,964	19,290
	<u>249,921</u>	<u>117,529</u>

	2008 Number	2007 Number
The number of directors accruing pension benefits under a defined benefit scheme in respect of qualifying services:	<u>1</u>	<u>1</u>

### 6 Taxation

	2008 £	2007 £
Current taxation - UK corporation tax charge/(credit) for the year	515,200	(73,163)
Deferred taxation – origination and reversal of timing differences	(2,500)	(35,500)
Tax on ordinary activities	<u>512,700</u>	<u>(108,663)</u>

The standard rate of tax for the year, based on the UK average rate of corporation tax, is 29% (2007: 30%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

### 6 Taxation (continued)

	2008	2007
	£	£
Profit/(loss) on ordinary activities before tax	1,767,033	(363,190)
Tax on ordinary activities at standard rate	512,440	(108,957)
<i>Factors affecting the charge for the period:</i>		
Depreciation in excess of capital allowances	2,382	35,516
Expenses not deductible for tax purposes	378	278
Total actual amount of current tax	515,200	(73,163)

### 7 Tangible fixed assets

	Leasehold Improvements	Plant and Machinery	Office Equipment	Total £
Cost	£	£	£	
At 1 October 2007	105,077	1,437,836	55,176	1,598,089
Additions	-	880	6,658	7,538
Disposals	(105,077)	(1,438,716)	(61,067)	(1,604,860)
At 30 September 2008	-	-	767	767
Depreciation:				
At 1 October 2007	97,112	1,298,329	51,509	1,446,950
Charge for the year	6,200	96,122	3,244	105,566
Disposals	(103,312)	(1,394,451)	(54,499)	(1,552,262)
At 30 September 2008	-	-	254	254
Net book value				
30 September 2008	-	-	513	513
30 September 2007	7,965	139,507	3,667	151,139

### 8 Stocks

	2008	2007
	£	£
Raw materials	-	1,604,681
Finished product	-	39,898
Plant spares	-	7,876
Fuels & oils	-	1,385
	-	1,653,840

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

### 9 Debtors

	2008 £	2007 £
Due within one year:		
Trade debtors	2,119,601	2,352,076
Prepayments and accrued income	37,409	105,299
Amounts due from fellow group undertakings	3,619,761	-
	<u>5,776,771</u>	<u>2,457,375</u>

### 10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	1,237,070	1,371,313
Corporation tax	-	-
Other creditors including VAT and social security	598,888	85,650
Accruals and deferred income	202,359	161,002
Amounts due to fellow group undertakings	515,200	688,639
	<u>2,553,517</u>	<u>2,306,604</u>

### 11 Provision for liabilities

	Deferred taxation £
Balance at 1 October 2007 re capital allowances in excess of depreciation	2,500
Profit and loss account credit	(2,500)
	<u>-</u>
Balance at 30 September 2008	<u>-</u>

### 12 Share Capital

	2008 £	2007 £
Authorised		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Called up, allotted and fully paid:		
500,001 Ordinary shares of £1 each	<u>500,001</u>	<u>500,001</u>

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

### 13 Profit and Loss Account

	2008	2007
	£	£
Opening balance	1,012,998	1,267,525
Retained profit/(loss) for the year	1,254,333	(254,527)
Closing balance	<u>2,267,331</u>	<u>1,012,998</u>

### 14 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Retained profit/(loss) for the financial year	1,254,333	(254,527)
Opening shareholders' funds	2,012,999	2,267,526
Closing shareholders' funds	<u>3,267,332</u>	<u>2,012,999</u>

### 15 Commitments

	2008	2007
	£	£
(i) OPERATING LEASES		
Annual commitment:		
On leases of land and buildings expiring:		
Within one year	-	210,997
(ii) FORWARD FOREIGN EXCHANGE CONTRACTS		
The sterling equivalent of outstanding forward foreign exchange contracts at 30 September 2008 was £nil (2007: £1,128,195).		

### 16 Contingent liability

Under a group banking arrangement the company has given cross-guarantees to certain group companies. At 30 September 2008 the net borrowing under these bank facilities was £nil (2007: £nil).

### 17 Financial instruments

The company's principal financial instruments comprise bank balances, balances with group companies, trade debtors and trade creditors. The main purpose of these instruments is to finance the company's operations and to provide investment income.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding, and flexibility through the use of loan accounts with group companies at floating rates of interest. The company is exposed to interest rate risk in that fluctuations in market rates of interest impact upon the level of interest income and expense.

# Usborne Trading Limited (formerly Usborne Fertiliser Limited)

## Notes to the Financial Statements

Year ended 30 September 2008

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### 17 Financial instruments (continued)

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditor liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

The company is exposed to foreign exchange risk in respect of the cost of its raw materials, and it seeks to mitigate this risk by the use of forward foreign exchange contracts.

### 18 Parent company and controlling parties

Usborne Trading Limited is a wholly owned subsidiary of Usborne plc, a company incorporated in England and Wales. The ultimate parent company is Thompson Investments (London) Limited which is registered in England and Wales. Thompson Investments (London) Limited is ultimately controlled by Mr and Mrs D.B. Thompson, and was so in the previous period. The only group in which the results of the company are consolidated is that headed by Thompson Investments (London) Limited, and the consolidated financial statements of this company are available to the public and may be obtained from the Registrar of Companies.

### 19 Related party transactions

During the year the company sold fertiliser with a value of £22,315 (2007:£19,221) on normal commercial terms to Cheveley Park Stud Limited, a company controlled by Mr & Mrs D.B. Thompson. At 30 September 2008 the balance outstanding was £nil (2007:£10,438).