

Registered Number: 02961529

Usborne Trading Limited

Annual Report
&
Financial Statements

30 September 2018

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Usborne Trading Limited

Directors' Report

For the year ended 30 September 2018

Results and dividend

The full results for the year are shown on page 4. No dividend is proposed (2017:£nil)

Directors

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

R B Copus

D B Thompson

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 agricultural products. The company seeks to mitigate such risks by monitoring the variations and adjusting its trading activities accordingly.

Directors' Statement of Responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to Auditor

- (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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

By order of the board



R B Copus

Director

27 March 2019

Usborne Trading Limited

Independent auditors report

To the members of Usborne Trading Limited

Opinion

We have audited the financial statements of Usborne Trading Limited (the 'company') for the year ended 30 September 2018 which comprise, Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditors report

To the members of Usborne Trading Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Statement of Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 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.



Nicholas Davies FCA (Senior Statutory Auditor)
For and on behalf of
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

Date: 27 March 2019

Usborne Trading Limited

Profit and Loss Account

For the year ended 30 September 2018

	Notes	2018 £	2017 £
Turnover	5	36,120	36,120
Cost of sales		-	-
Gross profit		<u>36,120</u>	<u>36,120</u>
Administrative costs	6	(49,520)	(49,013)
Operating loss		<u>(13,400)</u>	<u>(12,893)</u>
Interest	7	122,098	102,854
Profit on ordinary activities before taxation	8	<u>108,698</u>	<u>89,961</u>
Tax on ordinary activities	10	(20,651)	(17,540)
Profit on ordinary activities after taxation and retained profit for the financial year		<u><u>88,047</u></u>	<u><u>72,421</u></u>

All income and revenues for the above years arose out of continuing operations.

Usborne Trading Limited

Balance Sheet at 30 September 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	3,558,430	3,470,333
Creditors: amounts falling due within one year	13	(3,150)	(3,100)
Net current assets		3,555,280	3,467,233
Net assets		3,555,280	3,467,233
Capital and reserves			
Called up share capital	14	500,001	500,001
Share premium account		500,000	500,000
Profit and loss account	15	2,555,279	2,467,232
Shareholders' funds	16	3,555,280	3,467,233

Company Registration No. 02961529

The notes on pages 7 to 12 are an integral part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 27 March 2019 and were signed on its behalf by:



R B Copus
Director

Usborne Trading Limited

Statement of Changes in Equity

	Called up share capital £	Share prem- ium account £	Profit and loss account £	Total Equity £
Balance at 01 October 2016	500,001	500,000	2,394,811	3,394,812
Profit for the year	-	-	72,421	72,421
Total comprehensive income	-	-	72,421	72,421
Balance at 30 September 2017	500,001	500,000	2,467,232	3,467,233
Balance at 01 October 2017	500,001	500,000	2,467,232	3,467,233
Profit for the year	-	-	88,047	88,047
Total comprehensive income	-	-	88,047	88,047
Balance at 30 September 2018	500,001	500,000	2,555,279	3,555,280

Notes to the Financial Statements

1 General information

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Cheveley Park Stud, Duchess Drive, Newmarket, Suffolk, CB8 9DD.

2 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies’ regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. Any areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The company has taken advantage of the exemption from preparing a statement of its own cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Thompson Investments (London) Limited includes the company’s cash flows in its own consolidated financial statements.

Tangible Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost at rates calculated to write down the relevant assets to estimated residual value over their expected useful lives, taking into account normal commercial and technical obsolescence. The annual rates are:

Office equipment	20% - 33%
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Turnover

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

Pensions

Usborne Trading Limited is a participating member of a group defined benefit pension scheme. Further details are provided in the consolidated financial statements of the ultimate parent undertaking, Thompson Investments (London) Limited, which are available from the registrar of companies. The net defined benefit cost is recognised by the ultimate parent undertaking as there is no contractual agreement or stated policy for charging the net defined benefit cost to the individual entities that participate in the plan. 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. Contribution rates are based on actuarial advice.

Notes to the Financial Statements (continued)

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.

Financial instruments

The company has adopted sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Basic financial assets which include trade, company and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. A provision for impairment of assets is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the asset over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss. Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Basic financial liabilities, which includes trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled. A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Currency

The company's functional and presentational currency is the pound sterling. This is presented to the nearest pound within the financial statements.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign monetary items are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets denominated in foreign currencies are recognised in the profit and loss account.

Notes to the Financial Statements (continued)

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, are believed to be reasonable under the circumstances. The directors do not believe that any estimates or assumptions have been made that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period.

5 Turnover

Turnover comprised sales within the European Union, materially all of which is within the UK.

6 Administrative costs

	2018	2017
	£	£
Employment costs (see note 9)	36,768	35,744
Depreciation	-	-
Other operating charges	12,752	13,269
	<u>49,520</u>	<u>49,013</u>

7 Interest

	2018	2017
	£	£
Interest receivable from fellow group undertakings	<u>122,098</u>	<u>102,854</u>

8 Profit on ordinary activities before taxation

	2018	2017
	£	£
Profit on ordinary activities before taxation is stated after Charging:		
Auditors' remuneration - audit	<u>2,400</u>	<u>2,900</u>

9 Employees

	2018	2017
	Number	Number
The average number of persons employed was:		
Directors	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

Costs incurred in respect of these employees were:

	2018	2017
	£	£
Wages and salaries	33,006	32,152
Social security costs	3,762	3,592
Pension costs – defined benefit scheme (see page 7):	-	-
	<u>36,768</u>	<u>35,744</u>

The company paid no directors' emoluments in the year (2017: £nil)

Notes to the Financial Statements (continued)

10 Taxation

	2018	2017
	£	£
Current taxation - UK corporation tax charge for the year	20,651	17,540

The standard rate of tax for the year, based on the UK average rate of corporation tax, is 19% (2017: 19.5%). 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:

	2018	2017
	£	£
Profit on ordinary activities before tax	108,698	89,961
Tax on ordinary activities at standard rate	20,653	17,542
<i>Factors affecting the charge for the period:</i>		
Depreciation in excess of capital allowances	(2)	(2)
Total actual amount of current tax	20,651	17,540

11 Tangible fixed assets

	Office Equipment £
Cost	
At 1 October 2017	93
Additions	-
Disposals	-
At 30 September 2018	93
Depreciation:	
At 1 October 2017	93
Charge for the year	-
Disposals	-
At 30 September 2018	93
Net book value	
30 September 2018	-
30 September 2017	-

Notes to the Financial Statements (continued)

12 Debtors: amounts falling due within one year

	2018 £	2017 £
Prepayments and accrued income	547	455
Amounts due from fellow group undertakings	3,557,883	3,469,878
	<u>3,558,430</u>	<u>3,470,333</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	<u>3,150</u>	<u>3,100</u>

14 Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid: 500,001 Ordinary shares of £1 each	<u>500,001</u>	<u>500,001</u>

15 Profit and Loss Account

	2018 £	2017 £
Opening balance	2,467,232	2,394,811
Retained profit for the year	88,047	72,421
Closing balance	<u>2,555,279</u>	<u>2,467,232</u>

16 Reconciliation of movements in shareholders' funds

	2018 £	2017 £
Retained profit for the financial year	88,047	72,421
Opening shareholders' funds	3,467,233	3,394,812
Closing shareholders' funds	<u>3,555,280</u>	<u>3,467,233</u>

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. 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.

18 Parent company and controlling parties

The company's immediate parent undertaking is Usborne plc and the ultimate parent undertaking is Thompson Investments (London) Limited, both of which companies are registered in England with registered offices at Cheveley Park Stud, Duchess Drive, Newmarket, Suffolk, CB8 9DD. 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. Mr & Mrs D B Thompson are the ultimate controlling parties (and were so in the previous period) by virtue of their interests in the shares of Thompson Investments (London) Limited.