

Usborne Trading Limited

Annual Report and Unaudited Financial Statements

30 September 2020



Usborne Trading Limited

Directors' Report

For the year ended 30 September 2020

Results and dividend

The full results for the year are shown on page 2. No dividend is proposed (2019:£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 (deceased 29 Decemer 2020)

P Thompson (appointed 26 January 2021)

Financial instruments and risks

Details regarding the risks associated with the company's financial instruments are included in note 16. 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.

Small company

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

Going concern

The financial statements have been prepared on a going concern basis. In assessing the appropriateness of this, the directors have taken account of all relevant information covering a period of at least twelve months from the date of approval of the financial statements.

The impact of COVID-19 on UK and global economies and businesses is expected to be significant. However, due to the limited activity in the company, the directors do not consider there will be any specific adverse consequences for the company. The directors are confident that there will be sufficient appropriate support from the parent company.

By order of the board



R B Copus

Director

25 June 2021

Usborne Trading Limited

Profit and loss account

For the year ended 30 September 2020

	Notes	2020 £	2019 £
Turnover	4	37,560	36,960
Cost of sales		-	-
Gross profit		<u>37,560</u>	<u>36,960</u>
Administrative costs	5	(46,931)	(48,127)
Operating loss		<u>(9,371)</u>	<u>(11,167)</u>
Interest	6	124,398	133,429
Profit on ordinary activities before taxation	7	<u>115,027</u>	<u>122,262</u>
Tax on ordinary activities	9	(21,854)	(23,228)
Profit on ordinary activities after taxation and retained profit for the financial year		<u>93,173</u> =====	<u>99,034</u> =====

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

Usborne Trading Limited

Balance sheet as 30 September 2020

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	10	-	-
Current assets			
Debtors	11	3,747,635	3,655,664
Creditors: amounts falling due within one year	12	(148)	(1,350)
Net current assets		3,747,487	3,654,314
Net assets		3,747,487	3,654,314
Capital and reserves			
Called up share capital	13	500,001	500,001
Share premium account		500,000	500,000
Profit and loss account	14	2,747,486	2,654,313
Shareholders' funds	15	3,747,487	3,654,314

Company Registration No. 02961529

The notes on pages 5 to 10 are an integral part of these financial statements

For the financial year ended 30 September 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not requested the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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 25 June 2021 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 2018	500,001	500,000	2,555,279	3,555,280
Profit for the year	-	-	99,034	99,034
Total comprehensive income	-	-	99,034	99,034
Balance at 30 September 2019	500,001	500,000	2,654,313	3,654,314
Balance at 01 October 2019	500,001	500,000	2,654,313	3,654,314
Profit for the year	-	-	93,173	93,173
Total comprehensive income	-	-	93,173	93,173
Balance at 30 September 2020	500,001	500,000	2,747,486	3,747,487

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.

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.

Usborne Trading Limited
Notes to the Financial Statements (continued)

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.

Going concern

The directors have carried out an assessment of the trading position for the foreseeable future, considering recent uncertainty created by the COVID-19 virus. This is not expected to have any specific adverse consequences for the company. Also, the company has the express support of its parent company and group. The directors are satisfied that the group can and will provide such financial support as may be required for at least twelve months from the date of approval of these financial statements. Therefore, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

4 Turnover

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

5 Administrative costs

	2020	2019
	£	£
Employment costs (see note 8)	37,782	37,191
Other operating charges	9,149	10,936
	<u>46,931</u>	<u>48,127</u>
	=====	=====

6 Interest

	2020	2019
	£	£
Interest receivable from fellow group undertakings	<u>124,398</u>	<u>133,429</u>

7 Profit on ordinary activities before taxation

	2020	2019
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Accountancy	(1,200)	600
	<u>=====</u>	<u>=====</u>

Usborne Trading Limited
Notes to the Financial Statements (continued)

8 Employees

	2020 Number	2019 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:	2020	2019
	£	£
Wages and salaries	33,994	33,456
Social security costs	3,788	3,735
Pension costs – defined benefit scheme (see page 5):	-	-
	<u>37,782</u>	<u>37,191</u>
	=====	=====

The company paid no directors' emoluments in the year (2019: £nil)

9 Taxation

	2020 £	2019 £
Current taxation - UK corporation tax charge for the year	21,854	23,228
	=====	=====

The standard rate of tax for the year, based on the UK average rate of corporation tax, is 19% (2019: 19%). 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:

	2020 £	2019 £
Profit on ordinary activities before tax	115,027	122,262
	=====	=====
Tax on ordinary activities at standard rate	21,855	23,230
<i>Factors affecting the charge for the period:</i>		
Depreciation in excess of capital allowances	(1)	(2)
	<u>21,854</u>	<u>23,228</u>
	=====	=====
Total actual amount of current tax	21,854	23,228
	=====	=====

Notes to the Financial Statements (continued)

10 Tangible fixed assets

Cost	Office Equipment £
At 1 October 2019	93
Additions	-
Disposals	-
At 30 September 2020	<u>93</u>
Depreciation:	
At 1 October 2019	93
Charge for the year	-
Disposals	-
At 30 September 2020	<u>93</u>
Net book value	
30 September 2020	<u>-</u>
30 September 2019	<u>-</u>

11 Debtors: amounts falling due within one year

	2020 £	2019 £
Prepayments and accrued income	567	558
Amounts due from fellow group undertakings	3,747,068	3,655,106
	<u>3,747,635</u>	<u>3,655,664</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	148	1,350
	<u>=====</u>	<u>=====</u>

13 Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid:		
500,001 Ordinary shares of £1 each	500,001	500,001
	<u>=====</u>	<u>=====</u>

Usborne Trading Limited
Notes to the Financial Statements (continued)

14 Profit and Loss Account

	2020	2019
	£	£
Opening balance	2,654,313	2,555,279
Retained profit for the year	93,173	99,034
Closing balance	<u>2,747,486</u>	<u>2,654,313</u>
	=====	=====

15 Reconciliation of movements in shareholders' funds

	2020	2019
	£	£
Retained profit for the financial year	93,173	99,034
Opening shareholders' funds	3,654,314	3,555,280
Closing shareholders' funds	<u>3,747,487</u>	<u>3,654,314</u>
	=====	=====

16 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.

17 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. Mrs P Thompson is the ultimate controlling party (and was so in the previous period) by virtue of her interests in the shares of Thompson Investments (London) Limited.