

**USBORNE PUBLISHING LIMITED**

**REPORT AND ACCOUNTS**

**for the year ended**

**31 JANUARY 2011**

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**USBORNE PUBLISHING LIMITED**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

T P Usborne  
R M. Robinson

**SECRETARY**

K M. Ball

**REGISTERED OFFICE**

Usborne House  
83-85 Saffron Hill  
London EC1N 8RT

**BANKERS**

National Westminster Bank plc  
1 Princes Street  
London EC2R 8PA

**AUDITORS**

Nexia Smith & Williamson  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

**ACCOUNTANTS AND TAX ADVISERS**

Smith & Williamson  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

**SOLICITORS**

Davenport Lyons  
1 Old Burlington Street  
London W1X 1LA

**COMPANY'S REGISTERED NUMBER**

1124359

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## **USBORNE PUBLISHING LIMITED**

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## **USBORNE PUBLISHING LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the accounts of the company for the year ended 31 January 2011

#### **Activities**

The principal activity of the company continued to be publishing

#### **Review of business and future developments**

The company had a satisfactory year and, in the opinion of the directors, the state of the company's affairs and its future prospects are satisfactory

The principal risks and uncertainties facing the company are considered to be

- a) Demographic – falls in birth rates may affect the overall size of the markets in which the company operates
- b) The company has to replace a certain proportion of its product list each year and, in a very competitive market, the new product may not be successful
- c) A significant proportion of the company's product is sourced and sold overseas and costs and revenues are therefore at risk from adverse currency exchange movements
- d) Books are a mature leisure market and have to compete with an ever-increasing electronic leisure sector, so publishing may attract a lower share of leisure expenditure.
- e) The major physical raw material is paper which can be subject to cyclical variation in availability and competing requirements from sectors other than book publishing

The company reviews the following key performance indicators to aid assessment of the performance of the business:

#### **Financial**

- a) Year on year turnover change is 2.59% in 2011 against 9.46% in 2010
- b) Gross profit margin is 43.6% in 2011 against 42.22% in 2010
- c) Return on capital is 24.1% in 2011 against 24.7% in 2010
- d) Sales per employee are £218,962 in 2011 against £216,961 in 2010
- e) Average salary per employee is £33,828 in 2011 against £32,817 in 2010
- f) Current ratio of assets to liabilities is 3.88 in 2011 against 4.14 in 2010
- g) Debtor collection period (in days) is 113 in 2011 against 86.24 in 2010
- h) Stock turnover period (in months) is 8.82 in 2011 against 7.38 in 2010

## **USBORNE PUBLISHING LIMITED**

### **DIRECTORS' REPORT**

#### **Review of business and future developments (continued)**

##### **Non-financial**

- a) New titles added to list year are 315 in 2011
- b) Recycling of paper increased to 143,000 litres in 2011 from 111,100 in 2010
- c) Recycling of packaging decreased in 2011 to 258 tons from 338 tons in 2010
- d) Hazardous waste (IT equipment) of 280kg compared with 1,126kg was recycled under the WEEE legislation in 2010

#### **Results for the year and dividends**

The profit for the year after taxation was £4,647,512 (2010 £4,204,347) On 3 March 2010 the company declared and paid a dividend of £1,500,000 (2010 £1,500,000), of which £1,106,250 (2010 £1,106,250) was in respect of the 'A' ordinary shares and the balance of £393,750 (2010 £393,750) was in respect of the 'B' ordinary shares

Due to the profitability of the business the company pays significant amounts of corporation tax and income tax. For the year ended 31 January 2011 total corporation tax and income tax payable is £4,080,980 (2010: £3,794,322)

#### **Financial risk management**

The principal current assets of the company are cash or assets that are converted into cash within a short period of time Therefore the principal financial instruments employed by the company are cash or cash equivalents and the directors ensure that the business maintains sufficient cash reserves and available cash facilities to minimise liquidity risk The company's income stream is based on pre-agreed arrangements with clients thereby reducing price and credit risk Conversion of current assets into cash in accordance with these arrangements is closely monitored. The company regularly monitors and reacts accordingly to any exposure to fluctuations in foreign exchange rates

#### **Directors**

The directors of the company at 31 January 2011, both of whom served throughout the year were.

T P Usborne  
R M Robinson

#### **Charitable donations**

During the year the company made donations for charitable purposes amounting to £59,179 (2010 £47,191)

The company also donates books which are not considered saleable to charities in Africa.

## **USBORNE PUBLISHING LIMITED**

### **DIRECTORS' REPORT**

#### **Disclosure of information to the auditors**

In the case of each person who was director at the time this report was approved:

- So far as that director was aware there was no relevant available information of which the group's auditors were unaware, and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the group's auditors were aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

#### **Auditors**

A resolution for the re-appointment of Nexia Smith & Williamson will be proposed at the next Annual General Meeting

Approved by the Board of Directors  
and signed on their behalf



K M Ball  
Secretary

## **USBORNE PUBLISHING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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.

# Nexia Smith & Williamson

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF USBORNE PUBLISHING LIMITED

We have audited the accounts of Usborne Publishing Limited for the year ended 31 January 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the accounts 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 January 2011 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the accounts.

### 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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.

*Nexia Smith & Williamson*

Keith Jackman  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

Date

18 October 2011



**USBORNE PUBLISHING LIMITED****PROFIT AND LOSS ACCOUNT for the year ended 31 JANUARY 2011**

	Notes	2011 £	2010 £
Turnover	2	40,288,926	39,269,953
Cost of sales		(22,722,858)	(22,692,068)
<b>Gross profit</b>		<b>17,566,068</b>	<b>16,577,885</b>
Distribution costs		(1,983,241)	(1,921,317)
Administrative expenses		(9,154,678)	(8,836,040)
Other operating income	3	6,651	6,952
<b>Operating profit</b>	6	<b>6,434,800</b>	<b>5,827,480</b>
Interest receivable		29,630	24,248
Interest payable	7	(1,790)	(163)
<b>Profit on ordinary activities before taxation</b>		<b>6,462,640</b>	<b>5,851,565</b>
Taxation	8	(1,815,128)	(1,647,218)
<b>Profit for the financial year</b>	18	<b>4,647,512</b>	<b>4,204,347</b>

All the company's activities are classed as continuing and there are no recognised gains or losses in either year other than the profit for the year

**BALANCE SHEET as at 31 JANUARY 2011**

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible	10	263,325	262,957
Investments	11	15	15
		<hr/>	<hr/>
		263,340	262,972
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	12	16,708,438	13,952,308
Debtors	13	12,235,816	10,622,565
Investments	14	9,905	9,905
Cash at bank and in hand		6,832,532	6,299,168
		<hr/>	<hr/>
		35,786,691	30,883,946
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	15	(9,223,341)	(7,467,740)
		<hr/>	<hr/>
<b>Net current assets</b>		26,563,350	23,416,206
		<hr/>	<hr/>
<b>Net assets</b>		26,826,690	23,679,178
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	16	10,000	10,000
Share premium account		2,448,469	2,448,469
Capital reserve		1,000	1,000
Capital redemption reserve		9,950	9,950
Profit and loss account	17	24,357,271	21,209,759
		<hr/>	<hr/>
<b>Shareholders' funds</b>	18	26,826,690	23,679,178
		<hr/>	<hr/>

The accounts were approved and authorized for issue by the Board of Directors on 18 OCT 2011 and were signed on its behalf by:

T P Usborne  
Director



**USBORNE PUBLISHING LIMITED**

**CASH FLOW STATEMENT for the year ended 31 JANUARY 2011**

	<b>Notes</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Net cash inflow from operating activities</b>	(a)	3,517,320	6,013,321
<b>Returns on investments and servicing of finance</b>			
Interest received		29,630	24,248
Interest paid		(1,790)	(163)
<b>Net cash inflow from returns on investments and servicing of finance</b>		27,840	24,085
<b>Taxation</b>			
UK taxation paid		(1,365,620)	(1,432,660)
Overseas taxation paid		(15,420)	(15,372)
<b>Net cash outflow on taxation</b>		(1,381,040)	(1,448,032)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(139,756)	(132,598)
Proceeds from sale of tangible fixed assets		9,000	9,450
<b>Net cash outflow from capital expenditure</b>		(130,756)	(123,148)
<b>Equity dividends paid</b>		(1,500,000)	(1,500,000)
<b>Increase in cash</b>	(b), (c)	533,364	2,966,226

# **USBORNE PUBLISHING LIMITED**

## **NOTES TO THE CASH FLOW STATEMENT for the year ended 31 JANUARY 2011**

<b>a) Reconciliation of operating profit to net cash inflow from operating activities</b>			
	<b>2011</b>	<b>2010</b>	
	<b>£</b>	<b>£</b>	
Operating profit	6,434,800	5,827,480	
Depreciation	132,008	132,535	
(Profit) on sale of tangible fixed assets	(1,620)	(1,412)	
(Increase)/ decrease in stocks	(2,756,130)	393,715	
(Increase)/ decrease in debtors	(1,676,094)	43,837	
Increase/ (decrease) in creditors	1,384,356	(382,834)	
Net cash inflow from operating activities	3,517,320	6,013,321	
<b>b) Reconciliation of net cash flow to movement in net funds</b>			
Cash at 1 February	6,299,168	3,332,942	
Net cash inflow	533,364	2,966,226	
Cash at 31 January	6,832,532	6,299,168	
<b>c) Analysis of net funds</b>			
	<b>At 1 February</b>		<b>At 31 January</b>
	<b>2010</b>	<b>Cashflow</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	6,299,168	533,364	6,832,532

## **USBORNE PUBLISHING LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011**

#### **1 Accounting policies**

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice. A summary of the more important accounting policies adopted is described below.

##### **Accounting convention**

The accounts have been prepared under the historical cost convention.

##### **Investments**

Investments held as fixed assets are stated at cost less provisions for any impairment in value. Those held as current assets are stated at the lower of cost and net realisable value.

##### **Pension costs**

The company operates a money purchase pension scheme.

Contributions to the money purchase scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme and represent contributions payable by the company to the fund.

##### **Stocks and work in progress**

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost is defined as direct publication costs, together with a proportion of relevant overheads. Assets held by suppliers but which are deemed in substance to be assets of the company have been included in stocks.

##### **Depreciation**

Depreciation is calculated to write off the cost of fixed assets in equal annual instalments on the following bases -

Furniture and fittings	20 to 33 3%
Computer equipment	25%

Motor vehicles are assumed to have a life of four years when purchased new, when purchased, at one year old, they are depreciated at 20% per annum for disposal after four years.

##### **Royalty income**

Royalty advances are credited to the profit and loss account when invoiced, royalties in excess of advances are credited when received.

## USBORNE PUBLISHING LIMITED

### NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)

#### 1 Accounting policies (continued)

##### Foreign currency

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction

Assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date unless covered by forward purchases of currency where the forward rate is used. Any profit or loss arising is taken to the profit and loss account

##### Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, if on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted

##### Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases

##### Provisions

Provision for dilapidations is made in accordance with FRS12, where there is an obligation in the lease to make good any alterations to the leasehold property

##### Financial risk management

The financial risk management policies are detailed in the Directors' Report.

#### 2 Turnover

Turnover represents the value of goods and services delivered to customers during the period, less returns, and is stated net of value added tax

Geographical analysis of turnover:

	2011 £	2010 £
U K	17,777,013	17,877,515
Overseas	22,511,913	21,392,438
	<hr/>	<hr/>
	40,288,926	39,269,953
	<hr/>	<hr/>

**USBORNE PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

<b>3 Other operating income</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Dividends receivable	6,651	6,952
	<hr/>	<hr/>

**4 Employees**

The average weekly number of employees, excluding directors, of the company during the year and their aggregate remuneration were as follows -

	<b>Number</b>	<b>Wages and salaries</b>	<b>Social security</b>	<b>Pension costs</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Year ended 31 January, 2011	<hr/> 184	<hr/> 6,224,307	<hr/> 654,461	<hr/> 524,875	<hr/> 7,403,643
Year ended 31 January, 2010	<hr/> 181	<hr/> 5,940,004	<hr/> 661,518	<hr/> 596,636	<hr/> 7,198,158

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

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
Administration	25	25
Editorial and production	108	104
Sales	51	52
	<hr/> 184	<hr/> 181

<b>5 Directors' emoluments</b>	<b>£</b>	<b>£</b>
Aggregate emoluments	150,170	144,819
	<hr/>	<hr/>

# **USBORNE PUBLISHING LIMITED**

## **NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

<b>6</b>	<b>Operating profit</b>		
	is stated after charging/(crediting)	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	Operating lease rentals		
	- Hire of plant and machinery	149,991	116,536
	- Other	454,089	456,089
	Depreciation	132,008	132,535
	Auditors' remuneration - audit	54,474	54,556
	- taxation services (paid to related company of the auditors)	27,147	33,905
	Foreign exchange (profit)	(615,296)	(514,896)
<b>7</b>	<b>Interest payable</b>	<b>£</b>	<b>£</b>
	Bank interest	1,790	163
<b>8</b>	<b>Taxation</b>	<b>£</b>	<b>£</b>
	UK corporation tax based on the profit for the year at 28% (2010 28%)	1,752,808	1,656,986
	Adjustment in respect of prior years	(523)	5,503
	Total current tax charge	1,752,285	1,662,489
	Deferred tax (see note 20)	62,843	(15,271)
	Tax on profit on ordinary activities	1,815,128	1,647,218
	<b>Tax reconciliation</b>		
	Profit on ordinary activities before tax	6,462,640	5,851,565
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	1,809,539	1,638,438
	Tax effects of		
	Capital allowances for period in excess of depreciation	(11,118)	(6,480)
	Expenses not deductible for tax purposes	4,217	3,103
	Other short term timing differences	(49,830)	21,925
	Adjustment in respect of prior years	(523)	5,503
	Total current tax charge	1,752,285	1,662,489



**USBORNE PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

<b>9</b>	<b>Dividends paid</b>		<b>2011</b>	<b>2010</b>
			<b>£</b>	<b>£</b>
	£150 dividend per 'A' ordinary share		1,106,250	1,106,250
	£150 dividend per 'B' ordinary share		393,750	393,750
			<hr/>	<hr/>
			1,500,000	1,500,000
			<hr/>	<hr/>
<b>10</b>	<b>Tangible fixed assets</b>			
		<b>Computer equipment</b>	<b>Furniture and fittings</b>	<b>Motor vehicles</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>			<b>Total</b>
	At 1 February 2010	545,143	232,062	950,805
	Additions	118,413	1,218	139,756
	Disposals	-	-	(18,450)
		<hr/>	<hr/>	<hr/>
	At 31 January 2011	663,556	233,280	1,072,111
		<hr/>	<hr/>	<hr/>
	<b>Depreciation</b>			
	At 1 February 2010	408,368	173,909	687,848
	Charge for year	79,527	26,748	132,008
	Disposals	-	-	(11,070)
		<hr/>	<hr/>	<hr/>
	At 31 January 2011	487,895	200,657	808,786
		<hr/>	<hr/>	<hr/>
	<b>Net book value</b>			
	At 31 January 2011	175,661	32,623	263,325
		<hr/>	<hr/>	<hr/>
	At 31 January 2010	136,775	58,153	262,957
		<hr/>	<hr/>	<hr/>

## USBORNE PUBLISHING LIMITED

### NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)

#### 11 Investments held as fixed assets

Shares in group  
undertakings -  
subsidiaries

At 31 January 2010 and 31 January 2011

£15

At 31 January 2011 the company had the following subsidiary undertakings

Company	Country of incorporation	Activity	Proportion of ordinary shares held	Aggregate amount of share capital and reserves	Profit for the year
Usborne Publishing Inc	U S A	Non- trading	100%	See below	See below
Usborne Books at Home Limited	England	Dormant	100%	£2	£nil
Usborne Music Publishing Limited	England	Dormant	100%	£2	£nil
Usborne Reference Publishing Limited	England	Dormant	100%	£2	£nil
Usborne Education Limited	England	Dormant	100%	£2	£nil

Usborne Books at Home Limited, Usborne Music Publishing Limited, Usborne Reference Publishing Limited and Usborne Education Limited have not traded

Usborne Publishing Inc have been omitted from group accounts since in the opinion of the Directors, its inclusion is not material for the purpose of giving a true and fair view. Usborne Publishing Inc ceased trading in the year

# **USBORNE PUBLISHING LIMITED**

## **NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

### **11 Investments held as fixed assets (continued)**

Additional information in respect of Usborne Publishing Inc		£
Cost		-
Share of undistributed post incorporation losses at 1 February 2010		(56,626)
(Loss) retained in the year		(21)
		<hr/>
Balance at 31 January 2011		(56,647)
		<hr/>

### **12 Stocks**

	2011 £	2010 £
Work in progress	1,146,852	1,286,889
Finished goods	15,561,586	12,665,419
	<hr/>	<hr/>
	16,708,438	13,952,308
	<hr/>	<hr/>

### **13 Debtors**

Trade debtors	11,265,882	9,278,794
Other debtors	653,906	963,310
Prepayments and accrued income	275,053	276,643
Deferred taxation (note 20)	40,975	103,818
	<hr/>	<hr/>
	12,235,816	10,622,565
	<hr/>	<hr/>

### **14 Investments**

Listed investments – at cost		
(Market value 2011 £100,081, 2010 £88,274 )		
	9,905	9,905
	<hr/>	<hr/>

**USBORNE PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

<b>15 Creditors: amounts falling due within one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	5,369,113	4,397,476
Corporation tax	912,048	540,803
Other creditors	891,303	1,227,635
Accruals and deferred income	1,683,427	1,028,230
Dilapidations provision	367,450	273,596
	<hr/>	<hr/>
	9,223,341	7,467,740
	<hr/>	<hr/>
<b>16 Called up share capital</b>	<b>£</b>	<b>£</b>
<b>Authorised</b>		
7,375 'A' Ordinary shares of £1 each	7,375	7,375
2,625 'B' Ordinary shares of £1 each	2,625	2,625
9,950 undesignated shares of £1 each	9,950	9,950
	<hr/>	<hr/>
	19,950	19,950
	<hr/>	<hr/>
<b>Allotted and fully paid</b>		
7,375 'A' Ordinary shares of £1 each	7,375	7,375
2,625 'B' Ordinary shares of £1 each	2,625	2,625
	<hr/>	<hr/>
	10,000	10,000
	<hr/>	<hr/>
The 'A' shares and 'B' shares rank pari passu in all respects.		
<b>17 Profit and loss account</b>	<b>£</b>	<b>£</b>
Balance at 1 February 2010	21,209,759	18,505,412
Retained profit for the year	3,147,512	2,704,347
	<hr/>	<hr/>
Balance at 31 January 2011	24,357,271	21,209,759
	<hr/>	<hr/>

**USBORNE PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

**18 Reconciliation of movements in shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	4,647,512	4,204,347
Dividends	(1,500,000)	(1,500,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	3,147,512	2,704,347
Opening shareholders' funds	23,679,178	20,974,831
	<hr/>	<hr/>
Closing shareholders' funds	26,826,690	23,679,178
	<hr/>	<hr/>

**19 Operating lease commitments**

At 31 January 2011 the company was committed to making the following payments during the next year in respect of operating leases

	<b>Land and Buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>
Leases which expire		
Within 1 year	20,026	121,069
Within 2-5 years	434,364	38,579
	<hr/>	<hr/>
	454,390	159,648
	<hr/>	<hr/>

**20 Deferred taxation**

The amount of recognised deferred tax asset is as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	24,775	37,187
Other timing differences	16,200	66,631
	<hr/>	<hr/>
	40,975	103,818
	<hr/>	<hr/>

**Movement in deferred taxation**

	<b>£</b>
At 1 February 2010	103,818
Profit and loss account (note 8)	(62,843)
	<hr/>
At 31 January 2011 (note 13)	40,975
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**USBORNE PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2011 (continued)**

**21 Post balance sheet event**

Post year end the company declared an interim dividend of £150 per share to be paid to the holders of "A" shares and "B" shares.

**22 Ultimate controlling party**

At 31 January 2011 the ultimate controlling party was T P Usborne a shareholder and director of the company