

USBORNE PUBLISHING LIMITED

REPORT AND ACCOUNTS

for the year ended

31 JANUARY 2014

TUESDAY



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COMPANIES HOUSE

USBORNE PUBLISHING LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

T.P. Usborne
R.M. Robinson

SECRETARY

A. Parsons

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 LLP
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

STRATEGIC REPORT

The directors present the strategic report for Usborne Publishing Limited for the year ended 31 January 2014.

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 growth is 8.05% in 2014 against 4.98% in 2013
- b) Gross profit margin is 42.19% in 2014 against 42.31% in 2013
- c) Return on capital is 22.81% in 2014 against 24.89% in 2013
- d) Sales per employee are £247,768 in 2014 against £236,263 in 2013
- e) Average salary per employee is £37,833 in 2014 against £38,456 in 2013
- f) Current ratio of assets to liabilities is 5.76 in 2014 against 5.22 in 2013
- g) Debtor collection period (in days) is 103 in 2014 against 101 in 2013
- h) Stock turnover period (in months) is 7.25 in 2014 against 7.95 in 2013

All the figures for 2013 are prior to restatement.

USBORNE PUBLISHING LIMITED

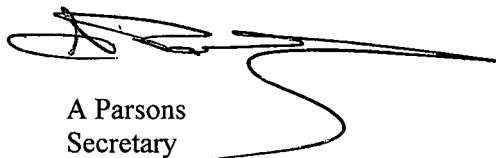
STRATEGIC REPORT

Review of business and future developments (continued)

Non-financial

- a) New titles added to list year are 320 in 2014
- b) Recycling of paper increased to 209,733 litres in 2014 from 134,750 in 2013
- c) Recycling of packaging decreased in 2014 to 258 tons from 277 tons in 2013
- d) Hazardous waste (IT equipment) of 355kg compared with 567kg was recycled under the WEEE legislation in 2014

Approved by the Board of Directors
and signed on their behalf



A Parsons
Secretary

USBORNE PUBLISHING LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended 31 January 2014.

Results for the year and dividends

The profit for the year after taxation was £5,346,291 (2013: £4,920,657). On 8 April 2013 the company declared and paid a dividend of £2,000,000 (2013: £2,000,000), of which £1,475,000 (2013: £1,475,000) was in respect of the 'A' ordinary shares and the balance of £525,000 (2013: £525,000) 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 2014 total corporation tax and income tax payable is £4,899,776 (2013: £4,976,977).

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 2014, 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 £87,695 (2013: £79,820)

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:

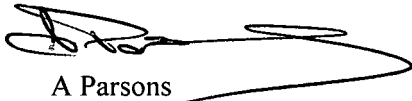
- So far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that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



A Parsons
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 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 24. 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 7, 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 Financial Reporting Councils (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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

24 October 2014

USBORNE PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 JANUARY 2014

| | Notes | 2014 £ | 2013 (Restated) £ |
|------------------------------------------------------|-------|--------------|-------------------------|
| Turnover | 3 | 50,544,656 | 46,780,128 |
| Cost of sales | | (29,220,627) | (28,738,119) |
| Gross profit | | 21,324,029 | 18,042,009 |
| Distribution costs | | (2,215,260) | (2,171,254) |
| Administrative expenses | | (10,297,662) | (8,972,079) |
| Other operating income | 4 | 4,155 | 6,186 |
| Operating profit | 7 | 8,815,262 | 6,904,862 |
| Interest receivable | | 115,798 | 187,860 |
| Interest payable | 8 | (1,273) | (6,080) |
| Profit on ordinary activities before taxation | | 8,929,787 | 7,086,642 |
| Taxation | 9 | (2,078,641) | (1,740,351) |
| Profit for the financial year | 20 | 6,851,146 | 5,346,291 |

All the company's activities are classed as continuing.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 JANUARY 2014

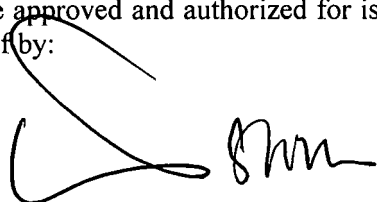
| | 2014 £ | 2013 (Restated) £ |
|--------------------------------------------------------|-------------|-------------------------|
| Profit for the year | 6,851,146 | 5,346,291 |
| Total recognised gains and losses relating to the year | 6,851,146 | 5,346,291 |
| Prior year adjustment (note 2) | (1,323,785) | |
| Total recognised gains and losses since last accounts | 5,527,361 | |

BALANCE SHEET as at 31 JANUARY 2014

| | Notes | 2014 £ | 2013 (Restated) £ |
|-------------------------------------------------------|-------|-------------|-------------------------|
| Fixed assets | | | |
| Tangible | 11 | 282,348 | 297,881 |
| Investments | 12 | 15 | 15 |
| | | <hr/> | <hr/> |
| | | 282,363 | 297,896 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Stocks | 13 | 17,660,890 | 16,129,571 |
| Debtors | 14 | 15,861,708 | 14,485,693 |
| Investments | 15 | 9,905 | 9,905 |
| Cash at bank and in hand | | 13,965,868 | 11,655,762 |
| | | <hr/> | <hr/> |
| | | 47,498,371 | 42,280,931 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due within one year | 16 | (8,244,822) | (7,889,611) |
| | | <hr/> | <hr/> |
| Net current assets | | 39,253,549 | 34,341,320 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 39,535,912 | 34,689,216 |
| | | <hr/> | <hr/> |
| Provisions for liabilities | 17 | (381,763) | (386,213) |
| | | <hr/> | <hr/> |
| Net assets | | 39,154,149 | 34,303,003 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 18 | 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 | 19 | 36,684,730 | 31,833,584 |
| | | <hr/> | <hr/> |
| Shareholders' funds | 20 | 39,154,149 | 34,303,003 |
| | | <hr/> | <hr/> |

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

T.P. Usborne
Director



18 October 2014

USBORNE PUBLISHING LIMITED

CASH FLOW STATEMENT for the year ended 31 JANUARY 2014

| | Notes | 2014 £ | 2013 £ |
|-----------------------------------------------------------------------------|--------------|-------------------|-------------------|
| Net cash inflow from operating activities | (a) | 6,136,747 | 6,496,569 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 115,798 | 187,860 |
| Interest paid | | (1,273) | (6,080) |
| Net cash inflow from returns on investments and servicing of finance | | 114,525 | 181,780 |
| Taxation | | | |
| UK taxation paid | | (1,759,459) | (2,490,583) |
| Overseas taxation paid | | (51,959) | (47,026) |
| Net cash outflow on taxation | | (1,811,418) | (2,537,609) |
| Capital expenditure | | | |
| Purchase of tangible fixed assets | | (133,748) | (131,800) |
| Proceeds from sale of tangible fixed assets | | 4,000 | - |
| Net cash outflow from capital expenditure | | (129,748) | (131,800) |
| Equity dividends paid | | (2,000,000) | (2,000,000) |
| Increase in cash | (b), (c) | 2,310,106 | 2,008,940 |

USBORNE PUBLISHING LIMITED

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 JANUARY 2014

| | | | |
|----|----------------------------------------------------------------------------------------|----------------------|----------------------|
| a) | Reconciliation of operating profit to net cash inflow from operating activities | 2014 | 2013 |
| | | £ | £ |
| | Operating profit | 8,815,262 | 6,904,862 |
| | Depreciation | 149,281 | 141,458 |
| | (Profit) on sale of tangible fixed assets | (4,000) | - |
| | (Increase)/ decrease in stocks | (1,531,319) | 756,890 |
| | (Increase) in debtors | (1,384,822) | (580,860) |
| | Increase/ (decrease) in creditors | 96,795 | (747,544) |
| | (Decrease)/increase in provisions for liabilities | (4,450) | 21,763 |
| | | <hr/> | <hr/> |
| | Net cash inflow from operating activities | 6,136,747 | 6,496,569 |
| | | <hr/> | <hr/> |
| b) | Reconciliation of net cash flow to movement in net funds | | |
| | | | |
| | Cash at 1 February | 11,655,762 | 9,646,822 |
| | Net cash inflow | 2,310,106 | 2,008,940 |
| | | <hr/> | <hr/> |
| | Cash at 31 January | 13,965,868 | 11,655,762 |
| | | <hr/> | <hr/> |
| c) | Analysis of net funds | At 1 February | At 31 January |
| | | 2013 | 2014 |
| | | £ | £ |
| | Cash at bank and in hand | 11,655,762 | 13,965,868 |
| | | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014

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 2014 (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.

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

2 Prior year adjustment

The prior year adjustment £1,323,785 relates to a write-down of stock by £1,749,419 less tax of £425,634.

As a result, comparative figures for the year ended 31 January 2014 have been adjusted as follows:

| | Profit for the year £ | Net assets £ |
|---------------------------------------|--------------------------------------|-------------------------|
| As previously reported | 6,670,076 | 35,626,788 |
| Effect of stock write-down net of tax | (1,323,785) | (1,323,785) |
| | <hr/> | <hr/> |
| | 5,346,291 | 34,303,003 |
| | <hr/> | <hr/> |

3 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:

| | 2014 £ | 2013 £ |
|----------|-------------------|-------------------|
| U.K | 21,626,933 | 20,796,036 |
| Overseas | 28,917,723 | 25,984,092 |
| | <hr/> | <hr/> |
| | 50,544,656 | 46,780,128 |
| | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

| | | |
|---------------------------------|-------------|-------------|
| 4 Other operating income | 2014 | 2013 |
| | £ | £ |
| Dividends receivable | 4,155 | 6,186 |
| | <hr/> | <hr/> |

5 Employees

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

| | Number | Wages and salaries | Social security | Pension costs | Total |
|-----------------------------|---------------|---------------------------|------------------------|----------------------|------------------|
| | | £ | £ | £ | £ |
| Year ended 31 January, 2014 | <u>204</u> | <u>7,717,885</u> | <u>895,464</u> | <u>758,248</u> | <u>9,371,597</u> |
| Year ended 31 January, 2013 | <u>198</u> | <u>7,614,189</u> | <u>812,710</u> | <u>675,565</u> | <u>9,102,464</u> |

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

| | 2014 | 2013 |
|--------------------------|-------------|-------------|
| | No. | No. |
| Administration | 27 | 26 |
| Editorial and production | 112 | 110 |
| Sales | 64 | 62 |
| | <hr/> | <hr/> |
| | 203 | 198 |
| | <hr/> | <hr/> |

| | | |
|--------------------------------|----------|----------|
| 6 Directors' emoluments | £ | £ |
| Aggregate emoluments | 168,529 | 164,847 |
| | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

| | | | |
|----------|------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 7 | Operating profit is stated after charging/(crediting): | 2014 £ | 2013 £ |
| | Operating lease rentals | | |
| | - Hire of plant and machinery | 147,671 | 161,126 |
| | - Other | 483,399 | 484,098 |
| | Depreciation | 149,281 | 141,458 |
| | Auditors' remuneration - audit | 57,845 | 58,770 |
| | - taxation services (paid to related company of the auditors) | 12,980 | 16,775 |
| | Foreign exchange loss/ (profit) | 184,539 | (601,953) |
| 8 | Interest payable | £ | £ |
| | Bank interest | 1,273 | 6,080 |
| 9 | Taxation | £ | £ |
| | UK corporation tax based on the profit for the year at 23.16% (2013: 24.33%) | 2,066,411 | 1,744,530 |
| | Adjustment in respect of prior years | 3,423 | 1,408 |
| | Total current tax charge | 2,069,834 | 1,745,938 |
| | Deferred tax (see note 22) | 8,807 | (5,587) |
| | Tax on profit on ordinary activities | 2,078,641 | 1,740,351 |
| | Tax reconciliation | | |
| | Profit on ordinary activities before tax | 8,929,787 | 7,086,642 |
| | Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.16% (2013: 24.33%) | 2,068,139 | 1,723,991 |
| | Tax effects of: | | |
| | Capital allowances for period in excess of depreciation | (5,392) | 7,022 |
| | Expenses not deductible for tax purposes | 3,431 | 2,913 |
| | Other short term timing differences | 233 | 940 |
| | Foreign tax for which deficit tax relief is not available | - | 12,181 |
| | Fixed asset differences | - | 364 |
| | Income not taxable for tax purposes | - | (2,881) |
| | Adjustment in respect of prior years | 3,423 | 1,408 |
| | Total current tax charge | 2,069,834 | 1,745,938 |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

| | | | | |
|--------------------------------------|-------------------------------|---------------------------------------|---------------------------|--------------|
| 10 Dividends paid | | | 2014 | 2013 |
| | | | £ | £ |
| £150 dividend per 'A' ordinary share | | | 1,475,000 | 1,475,000 |
| £150 dividend per 'B' ordinary share | | | 525,000 | 525,000 |
| | | | <hr/> | <hr/> |
| | | | 2,000,000 | 2,000,000 |
| | | | <hr/> | <hr/> |
| 11 Tangible fixed assets | | | | |
| | Computer equipment | Furniture and fittings | Motor vehicles | Total |
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 February 2013 | 808,029 | 243,662 | 193,153 | 1,244,844 |
| Additions | 59,190 | 38,150 | 36,408 | 133,748 |
| Disposals | - | - | (40,681) | (40,681) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 January 2014 | 867,219 | 281,812 | 188,880 | 1,337,911 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | |
| At 1 February 2013 | 606,891 | 216,369 | 123,703 | 946,963 |
| Charge for year | 96,589 | 15,933 | 36,759 | 149,281 |
| Disposals | - | - | (40,681) | (40,681) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 January 2014 | 703,480 | 232,302 | 119,781 | 1,055,563 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | |
| At 31 January 2014 | 163,739 | 49,510 | 69,099 | 282,348 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 January 2013 | 201,138 | 27,293 | 69,450 | 297,881 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

12 Investments held as fixed assets

Shares in
group
undertakings
– subsidiaries
£

At 31 January 2013 and 31 January 2014

15

At 31 January 2014 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 has ceased trading.

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

12 Investments held as fixed assets (continued)

| | |
|---------------------------------------------------------------------|----------|
| Additional information in respect of Usborne Publishing Inc. | £ |
| Cost | |
| Share of undistributed post incorporation losses at 1 February 2013 | (57,230) |
| Profit retained in the year | 2,020 |
| | <hr/> |
| Balance at 31 January 2014 | (55,210) |
| | <hr/> |

| 13 | Stocks | 2014 £ | 2013 (Restated) £ |
|----|---------------------------------------------|------------|-------------------------|
| | Work in progress | 609,540 | 1,069,184 |
| | Finished goods | 17,051,350 | 15,060,387 |
| | | <hr/> | <hr/> |
| | | 17,660,890 | 16,129,571 |
| | | <hr/> | <hr/> |
| 14 | Debtors | | |
| | Trade debtors | 14,315,022 | 12,961,655 |
| | Other debtors | 473,604 | 477,402 |
| | Prepayments and accrued income | 1,049,675 | 1,014,422 |
| | Deferred taxation (note 22) | 23,407 | 32,214 |
| | | <hr/> | <hr/> |
| | | 15,861,708 | 14,485,693 |
| | | <hr/> | <hr/> |
| 15 | Investments | | |
| | Listed investments – at cost | | |
| | (Market value 2014: £51,086, 2013: £58,733) | 9,905 | 9,905 |
| | | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

| | | | |
|-----------|-------------------------------------------------------|-------------|-------------|
| 16 | Creditors: amounts falling due within one year | 2014 | 2013 |
| | | £ | £ |
| | Trade creditors | 5,200,250 | 5,151,441 |
| | Corporation tax | 626,160 | 367,744 |
| | Other creditors | 672,901 | 754,024 |
| | Accruals and deferred income | 1,745,511 | 1,616,402 |
| | | <hr/> | <hr/> |
| | | 8,244,822 | 7,889,611 |
| | | <hr/> | <hr/> |
| 17 | Provisions for liabilities | £ | £ |
| | Dilapidations provision | | |
| | At 1 February 2013 | 386,213 | 364,450 |
| | (Decrease)/increase in provision | (4,450) | 21,763 |
| | | <hr/> | <hr/> |
| | At 31 January 2014 | 381,763 | 386,213 |
| | | <hr/> | <hr/> |
| 18 | Called up share capital | £ | £ |
| | Authorised | | |
| | 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/> |
| | Allotted and fully paid | | |
| | 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.

USBORNE PUBLISHING LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)

19 Profit and loss account

| | 2014 £ | 2013 £ |
|-------------------------------------------------|-------------|------------|
| Balance at 1 February 2013 as previously stated | 33,157,369 | 28,487,293 |
| Prior year adjustment (note 2) | (1,323,785) | - |
| | <hr/> | <hr/> |
| Balance at 1 February 2013 as restated | 31,833,584 | 28,487,293 |
| Retained profit for the year | 4,851,146 | 4,670,076 |
| | <hr/> | <hr/> |
| Balance at 31 January 2014 | 36,684,730 | 33,157,369 |
| | <hr/> | <hr/> |

20 Reconciliation of movements in shareholders' funds

| | £ | (Restated) £ |
|-------------------------------------|-------------|-----------------|
| Profit for the financial year | 6,851,146 | 5,346,291 |
| Dividends | (2,000,000) | (2,000,000) |
| | <hr/> | <hr/> |
| Net addition to shareholders' funds | 4,851,146 | 3,346,291 |
| Opening shareholders' funds | 34,303,003 | 30,956,712 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 39,154,149 | 34,303,003 |
| | <hr/> | <hr/> |

21 Operating lease commitments

At 31 January 2014 the company was committed to making the following payments during the next year in respect of operating leases:

| | Land and Buildings £ | Other £ |
|----------------------|----------------------------|------------|
| Leases which expire: | | |
| Within 1 year | 363,933 | 59,765 |
| Within 2-5 years | 31,230 | 39,445 |
| In more than 5 years | 63,453 | - |
| | <hr/> | <hr/> |
| | 458,616 | 99,210 |
| | <hr/> | <hr/> |

USBORNE PUBLISHING LIMITED**NOTES TO THE ACCOUNTS for the year ended 31 JANUARY 2014 (continued)**

| 22 Deferred taxation | 2014 | 2013 |
|------------------------------------------------------------|-------------|-------------|
| | £ | £ |
| The amount of recognised deferred tax asset is as follows: | | |
| Accelerated capital allowances | 8,422 | 15,268 |
| Other timing differences | 14,985 | 16,946 |
| | <hr/> | <hr/> |
| | 23,407 | 32,214 |
| | <hr/> | <hr/> |
| Movement in deferred taxation | | £ |
| At 1 February 2013 | | 32,214 |
| Profit and loss account (note 9) | | (8,807) |
| | | <hr/> |
| At 31 January 2014 (note 14) | | 23,407 |
| | | <hr/> |

23 Post balance sheet event

Post year end the company declared an interim dividend of £226 per share to be paid to the holders of "A" shares and "B" shares.

24 Ultimate controlling party

At 31 January 2014 the ultimate controlling party was T.P. Usborne a shareholder and director of the company.