

Mayborn (UK) Limited
Annual report and financial statements
for the year ended 31 December 2022

Registered Number: 01894022

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Mayborn (UK) Limited
Annual report and financial statements
for the year ended 31 December 2022
Contents

	Page
Directors and advisers for the year ended 31 December 2022.....	3
Strategic report for the year ended 31 December 2022.....	4
Directors' report for the year ended 31 December 2022.....	7
Statement of comprehensive income for the year ended 31 December 2022	9
Statement of financial position as at 31 December 2022	10
Statement of changes in equity for the year ended 31 December 2022	12
Statement of accounting policies for the year ended 31 December 2022	13
Notes to the financial statements for the year ended 31 December 2022	19

Mayborn (UK) Limited

Directors and advisers for the year ended 31 December 2022

Directors

Steve Parkin
James Taylor
Neal Austin

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Solicitors

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LS1 4AP
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HSBC Bank plc
8 Canada Square
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United Kingdom

Mayborn (UK) Limited

Strategic report for the year ended 31 December 2022

The directors present their strategic report on the company for the year ended 31 December 2022.

Principal activities and future outlook

The principal activity of the company is the design, manufacture and distribution of baby accessories (e.g. bottles, soothers, feeding cups). The company is particularly well known for its Tommee Tippee brand name and also supplies a small amount of customer branded products

The company will continue to innovate its product offering in order to maintain and grow sales in existing markets and will actively work to develop new markets for its products, where there are opportunities to do so profitably.

The company recorded revenue of £137,027,000 (2021: £132,289,000). Net assets of the company were £110,507,000 (2021: £91,366,000) with profit after tax £15,888,000 (2021: £11,912,000).

Business environment, principal risks and uncertainties

The company operates in the baby accessories sector, with the Tommee Tippee brand of feeding, comfort and hygiene products and the Gro brand of sleep; both are leading brands in a number of markets. Quality and reliability of product and brand reputation is critical in this sector and the company has robust processes in place to mitigate this risk by ensuring high quality standards are maintained.

The market is fragmented but is expected to consolidate over the next few years driven by the cost of developing and launching new products and costs of satisfying the requirements of sophisticated consumers shopping both online and in store.

The retail channels for the baby accessories sector continue to evolve, with consumers continuing to move online. There continues to be challenges for our retail partners on the high street and we are working closely with these partners to mitigate any risks this may present. In response to this, the company has established a multi-channel strategy which will enable it to become one of the few branded baby product suppliers with the range and ability to service all retail channels, regardless of where the consumer decides to shop, and continues to expand its own direct-to-consumer channel.

The company's overriding strategy is to achieve attractive and sustainable growth and returns through its leadership in established markets and its challenger position in its newer markets.

There are three key elements to the company's growth strategy. They are:

- Accelerate growth through increasing depth and breadth of distribution within existing channels and with existing customers;
- Drive innovation through high quality products that deliver unique benefits to mother and baby, supported by creative brand communications;
- Drive supply chain efficiencies through new product development and value engineering.

Mayborn (UK) Limited

Strategic report for the year ended 31 December 2022 (continued)

Business environment, principal risks and uncertainties (continued)

The company continues to invest in the creation, research, design and development of products to ensure that they remain innovative and functionally superior to those of our competitors and that they deliver our category plan.

Financial risks and their management are discussed in the directors' report. The main risks focus on Liquidity, Foreign Exchange, Credit and Interest Rate risks. These are all managed effectively by the Board and Management Team. The company look to take mitigating actions and interventions to minimise these risks. All the risks are continually assessed and reviewed.

Section 172(1) statement

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The interests of the company's employees;
- The need to foster the company's relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment; and
- The desirability of the company maintaining a reputation for high standards of business conduct.

The Directors actively review the strategic direction of the company on an annual basis, and the company operates to a 5 year strategic plan which is refined each year to reflect changing circumstances and direction. The board is composed of experienced directors, being the Chief Executive Officer and Chief Financial Officer of the group, and their decision-making process is based on monthly meetings of the executive team, supported by comprehensive management information. The involvement of the full executive team means that all stakeholders such as customers and employees are appropriately represented and considered in the decision-making process. The Directors are not of the view that any decisions made in the current year represent such a change in strategic direction that they should be considered Principal decisions. Despite the acceleration of change in consumer behaviours, the current strategic plan with its focus on digital investment remains entirely appropriate.

Employees

The directors regularly present all staff with information on company performance and strategic objectives at quarterly Team Briefings. Individual teams are informed and briefed on departmental objectives by their line manager. Team Briefings include an opportunity for employees to provide feedback or questions to the directors, and the group carries out regular employee surveys to ensure that the views of employees can be taken into account.

Environment

The company is developing a corporate social responsibility strategy that sets the overall aim to be environmentally responsible and a great place to work. During 2021 initiatives have continued to reduce the use of single use plastic products within the company's operations, and core product lines are now manufactured almost entirely from recycled materials.

Mayborn (UK) Limited

Strategic report for the year ended 31 December 2022 (continued)

Community Engagement

Over the past year the company continued to engage with a number of charities working to make parent's lives better, including our longstanding relationship with the Lullaby Trust, who work to reduce the impact of Sudden Infant Death Syndrome.

Health and safety at work

Work aimed at further developing and robustly implementing the company's integrated safety management system has continued throughout the year. We continue to have a strong record across our manufacturing facilities and are committed to maintain and improve standard in this area.

Customer Experience

As a key element of our strategy, the Customer Experience is a fundamental aspect of our aim to be the world's best loved baby company. We continue to invest significantly in the development of innovative new products which are designed to improve the parenting experience.

Key performance indicators ("KPIs")

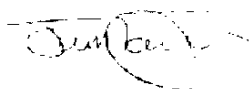
The directors believe that the key performance indicators are revenue growth and profitability growth.

The company recorded revenue of £137,027,000 (2021: £132,289,000), with profit after tax of £15,888,000 (2021: £11,912,000).

Results and dividends

The performance of the company was in line with expectations. The results and financial position as at the year end are set out in the statement of comprehensive income and statement of financial position on pages 9 and 10 respectively. No dividend was paid during the year (2021: £nil). The directors do not propose the payment of a final dividend for the year (2021: £nil).

On behalf of the board



J Taylor
Director
8 August 2023

Mayborn (UK) Limited

Directors' report for the year ended 31 December 2022

The directors present their annual report together with the un-audited financial statements of the company for the year ended 31 December 2022.

Principal activities and future outlook

The principal activities and future outlook of the company have been discussed further in the strategic report on page 4.

Financial risk management policy

The company's exposure to currency and credit risk is discussed in note 1 to the financial statements.

Results and dividends

The results of the company and the financial position as at the year end are set out in the statement of comprehensive income and statement of financial position on pages 9 and 10 respectively. A dividend of £nil was paid during the year (2021: £nil).

The company has incurred exceptional costs in the year of £2.6m (2021: £0.7m). These principally covered costs associated with the strategic review of the business and litigation, and are more fully disclosed in note 4 to the financial statements

Research and development

The company will continue to invest in developing new products and in improving existing ones. Research costs are expensed in the statement of comprehensive income as incurred. Costs associated with development are capitalised and amortised, over their useful economic life of 5 years, from the launch of the related product.

Going concern

The directors are of the opinion that the financial statements should be prepared on a going concern basis.

There remains strong demand for the company's products, the company has strong balance sheet reserves, and the Board is satisfied that there is no reason to believe that the company's current funding and liquidity position is not sufficient.

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed in the Directors and advisors for the year on page 3.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with ~~United Kingdom Generally Accepted~~ Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

Mayborn (UK) Limited

Directors' report for the year ended 31 December 2022 (continued)

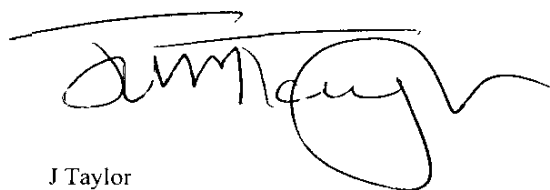
Statement of directors' responsibilities in respect of the financial statements (continued)

- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

On behalf of the board

A handwritten signature in black ink, appearing to read 'J Taylor', with a large, stylized loop at the end.

J Taylor
Director
8 August 2023

Mayborn (UK) Limited

Statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	2	137,027	132,289
Cost of sales		(81,539)	(78,959)
Gross Profit		55,488	53,330
Admin expenses		(22,068)	(26,621)
Exceptional admin expenses	4	(2,597)	(650)
Total admin expenses		(24,665)	(27,271)
Distribution costs		(22,881)	(18,581)
Other operating income		9,848	6,994
Operating profit	5	17,790	14,472
Finance income	6	2,393	1,807
Finance costs	6	(5,111)	(4,696)
Profit before taxation		15,072	11,583
Tax on profit	7	816	329
Profit for the financial year		15,888	11,912
Other comprehensive (expense)/income			
Profits recognised directly in equity:			
Items that will not be reclassified to profit or loss -			
Remeasurements on defined benefit scheme	8	(801)	842
Tax on items that will not be reclassified to profit or loss		200	(211)
Items that may be subsequently reclassified to profit or loss -			
Cash flow hedges net of deferred taxation		(970)	(25)
Other comprehensive income for the year		(1,571)	606
Total comprehensive income for the year		14,317	12,518

Mayborn (UK) Limited
Registered Number: 01894022

Statement of financial position as at 31 December 2022

	Note	2022 £'000	2021 Restated £'000
Assets			
Non-current assets			
Property, plant and equipment	9	4,577	4,259
Intangible assets and Goodwill	10	25,077	12,433
Deferred tax asset	11	7,199	2,338
Retirement benefit surplus	8	8,995	9,646
		45,848	28,676
Current assets			
Inventories	12	14,916	15,290
Trade and other receivables	13	157,360	127,198
Cash and cash equivalents	15	33,963	53,682
		206,239	196,170
Total assets		252,087	224,846
Liabilities			
Non – current liabilities			
Lease liabilities	16	(1,842)	(1,968)
Current liabilities			
Derivative financial instruments	14	(1,319)	(90)
Trade and other payables	16	(138,419)	(131,422)
		(139,738)	(131,512)
Total liabilities		(141,580)	(133,480)
Net assets		110,507	91,366
Shareholders' equity			
Called up share capital	17	8,500	8,500
Capital contribution		27,301	22,477
Hedging reserve		(368)	602
Retained earnings		75,074	59,787
Total equity		110,507	91,366

Mayborn (UK) Limited
Registered Number: 01894022

Statement of financial position as at 31 December 2022 (continued)

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 176;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 9 to 37 were approved by the Board on 8 August 2023 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'James Taylor', written over a horizontal line.

James Taylor
Director

Mayborn (UK) Limited

Statement of changes in equity for the year ended 31 December 2022

	Capital contribution £'000	Called up share capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	17,974	8,500	627	47,244	74,345
Movement on hedging reserve net of deferred tax	-	-	(25)	-	(25)
Re-measurements on defined benefit scheme	-	-	-	842	842
Tax on items that will not reclassified to profit or loss	-	-	-	(211)	(211)
Capital contribution from parent	4,503	-	-	-	4,503
Profit for the year	-	-	-	11,912	11,912
At 31 December 2021	22,477	8,500	602	59,787	91,366
Movement on hedging reserve net of deferred tax	-	-	(970)	-	(970)
Re-measurements on defined benefit scheme	-	-	-	(801)	(801)
Tax on items that will not reclassified to profit or loss	-	-	-	200	200
Capital contribution from parent	4,824	-	-	-	4,824
Profit for the year	-	-	-	15,888	15,888
At 31 December 2022	27,301	8,500	(368)	75,074	110,507

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022

Mayborn (UK) Limited is a private company limited by shares which is incorporated and domiciled in the UK. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), and in accordance with the Companies Act 2006. The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivatives) through fair value through profit or loss. A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The following exemptions from the requirements of IFRS have been applied in the preparation of the financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information); - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

These separate financial statements contain information about Mayborn (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under s400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of Success Bidco 2 Limited.

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022 (continued)

Going concern

The company financial statements have been prepared on a going concern because:

- Recognition has been given to the plans that are in place which it is considered will achieve positive returns to enable the company to fully discharge its liabilities; and
- The directors have reviewed cash flow forecasts and are satisfied that the company is expected to generate sufficient cash flow in the next year to enable all liabilities falling due for at least 12 months from the date the financial statements are approved to be met.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. All revenue of the Company is from sales of baby feeding, sleep time, hygiene and accessory products at a point in time with the delivery of the product seen as the only performance obligation under the contract. Payment terms provided for the Company's receivables are generally 30 – 60 days from date of invoice.

Revenue is recognised on delivery when control of the goods has passed to the buyer. Revenue is recorded net of value added tax, discounts and rebates. Any rebates or discounts are recognised on sales to the extent that it is deemed highly likely that the revenue will not subsequently reverse and are recognised in line with the sale of the underlying item.

All unused product can be returned to the Company in exchange for a credit or a refund and standard warranties are given across the product range. These costs and allowances are set against Gross Revenue to result in the Revenue recognised in these Statements.

Other operating income

Other operating income represents the benefit of recharging other group companies for services undertaken on their behalf, and royalty payments made by other group companies for use of brand names owned by the company. It also includes foreign exchange gains arising from operating activities.

Exceptional Items

Exceptional costs incurred by the Company are separately identified on the face of the statement of comprehensive income, to provide a better understanding of the financial performance of the business. Exceptional items are one off costs / income which are material both in size and nature.

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022 (continued)

Foreign currency accounting

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Property, plant and equipment

Plant and equipment is included at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to the working condition for its intended use. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. The residual lives of the assets are reassessed annually by management for appropriateness.

The following rates per annum are used:

Leasehold Property	7%
Leasehold improvements	10%
Equipment and vehicles	10 - 35%
Assets under construction are not depreciated	

The carrying values of plant and equipment are reviewed for impairment either annually, or when events or changes in circumstances indicate the carrying value may not be recoverable (whichever is earlier). If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Intangible assets

Acquired brands are shown at historical cost. They have finite useful economic lives and are carried at cost less accumulated amortisation. Brands are amortised on a straight-line basis to allocate the cost of a brand over its estimated useful life of between 10 and 30 years. Patents are amortised on a straight-line basis to allocate the cost of a patent over its useful life of 20 years. Software is capitalised on the basis of costs incurred to acquire and bring it into use and amortised on a straight-line basis over their useful economic lives of 4 years.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes an addition for production overheads where appropriate. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale. Stock provisions are based on company current stock levels compared with future sales forecast.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022 (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within “other operating charges”. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against “other operating charges” in the statement of comprehensive income.

Research and development costs

Research costs are expensed as incurred. Development costs are capitalised per IAS 38. Development costs are amortised on the launch of the project on a straight-line basis. The costs are amortised over their economic life, which is deemed to be 5 years.

Derivative financial instruments – Forward currency contracts

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resultant gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The company designates certain derivatives as cash flow hedges, being hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

The company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within “other gains/losses”. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss. When a hedging instrument expires, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

Changes in the fair value of those derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

The fair value of the forward currency contracts is estimated using a discounted cash flow technique.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, and short-term deposits with a maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022 (continued)

Leases

The company has adopted IFRS 16 *Leases* retrospectively from 1 January 2019. On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 Jan 2019 was 5%.

Pensions

The company operates a defined benefit pension scheme, the Baby & Child Retirement Plan, and a stakeholder plan. Contributions to the stakeholder scheme are charged to employee costs in the period in which they fall due.

The Baby & Child Retirement Benefit Plan is accounted for in full in this company’s financial statements as the majority of the scheme participants are employees of the company, and although the scheme also relates to other group companies, the directors believe that these amounts are not material to the individual financial statements of the companies involved.

The company recognises the pension deficit or surplus in the statement of financial position. The surplus is the fair value of the scheme’s assets less the present value of the accrued defined benefit obligations. Any surplus arising on the defined benefit pension scheme is restricted to the present value of the amount recoverable through future reductions in employer contributions. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality, long-dated corporate bonds that are denominated in the currency in which the benefits are paid.

The current service costs, past service costs, gains and losses on settlements and curtailments, and the interest cost on plan liabilities net of expected return on plan assets are included in employee costs.

Actuarial gains and losses are recognised as other comprehensive income in the period in which they arise.

Investments

The investment in subsidiary undertakings is carried in the statement of financial position at cost, less any impairment in value.

Mayborn (UK) Limited

Statement of accounting policies for the year ended 31 December 2022 (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances.

Pension assumptions - estimate

Changes in assumptions made in valuing the defined benefit pension deficit could have a significant effect on profit for the year and the financial position. These assumptions are reviewed on an annual basis and the most appropriate assumptions selected based on actuarial advice. The assumptions used at the year-end are disclosed in note 8.

Useful economic lives of Intangible Assets - estimate

The company estimates the expected useful life of intangible assets in order to calculate amortisation.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022

1. Financial risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management programme seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures.

(a) Market risk

The company operates internationally and is exposed to foreign exchange risk, primarily with respect to the Euro, the US Dollar, the Hong Kong Dollar and the Australian Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Currency risk is managed in overall terms at a group level. The group has a net inflow of Euros arising from its trading activities and has established a policy of selling forward 12 months' worth of its Euro revenue. The group also has a net outflow of Hong Kong dollars arising from its trading activities and has established a policy of purchasing forward 12 months' worth of its Hong Kong dollar requirements. Certain forward contracts undertaken by the group under this policy are treated under IAS 39 as cash flow hedges where they meet the requirements of the standard.

Interest bearing financial assets held by the company are restricted to cash balances which are subject to variable interest rates; income and cash flows are largely independent of the changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents, and derivative financial instruments, as well as credit exposures to wholesale and retail customers. The company has implemented policies that require appropriate credit checks on potential customers before sales are made, and credit limits are put in place as appropriate. Management monitors impairment through the utilisation of credit limits and payment history regularly. The credit risk to customers in the UK is deemed sufficiently low not to require insurance.

At the year end, one customer (2021: four) had a closing balance of more than 5% of total trade receivables totalling £2,019,000 (2021: £8,122,000). No credit limits (2021: none) were exceeded during the reporting year unless authorised and management does not expect any losses from non-performance by these counterparties other than those already provided for.

The table below shows the ageing analysis of trade receivables at the year end:

	Current	0-3 months past due	3-6 months past due	Over 6 months past due	Impaired	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2022	10,862	7,187	2,054	370	(250)	20,223
At 31 December 2021	9,555	10,397	101	587	(1,110)	19,530

All other receivables are considered to be current. Intercompany receivables are repayable on demand and are therefore classified as current until request for payment is made.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Financial risk management (continued)

(b) Credit risk (continued)

The carrying amounts of the company's trade receivables are denominated in the following currencies:

	2022 £'000	2021 £'000
Pounds	19,515	15,532
Euro	-	2,362
US Dollar	708	1,636
	20,223	19,530

Movements on the provision for impairment of trade receivables are as follows:

	2022 £'000	2021 £'000
At 1 January	1,110	1,856
Provisions utilised	-	-
Provisions released	(860)	(746)
Provisions created	-	-
At 31 December	250	1,110

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

(c) Liquidity risk

Management aims to manage liquidity risk through regular cash flow forecasting to ensure the company has sufficient available funds for operations and planned expansions. Liquidity risk can also be minimised through intercompany indebtedness within the Success Bidco 2 Limited group.

The table below analyses the company's financial liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the accounting reference date to the contractual maturity date. The carrying value of financial liabilities is not considered to differ significantly from the contractual undiscounted cash flows.

	Less than 1 year £'000
At 31 December 2022	
Trade and other payables	138,419
	Less than 1 year £'000
At 31 December 2021	
Trade and other payables	131,422

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

1 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the company's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 year £'000	Between 1-2 years £'000
At 31 December 2022		
Forward foreign exchange contracts – cash flow hedges:		
Outflow	10,940	-
Inflow	15,629	-
	Less than 1 year £'000	Between 1-2 years £'000
At 31 December 2021		
Forward foreign exchange contracts – cash flow hedges:		
Outflow	10,129	-
Inflow	19,322	-

(d) Capital risk management

The Company manages its capital to ensure its going concern status, maximise returns for shareholders and benefit all other stakeholders by maintaining an optimal capital structure and reduce its subsequent cost of capital.

2 Revenue

All revenue is derived from the sale of goods at a point in time.

Geographical analysis

The company's principal operations are located in the UK, North America, Hong Kong, Morocco, France, Australia and China. The following table shows an analysis of the company's sales by geographical market.

	2022 £'000	2021 £'000
United Kingdom	69,899	69,402
Europe/Africa/Middle East	19,469	13,029
The Americas	25,424	27,095
Far East/Australasia	22,235	22,763
	137,027	132,289

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Revenue (continued)

No contract assets or liabilities have been recognised in the Balance sheet of the company. Their impact, if any is immaterial. The right for payment of goods is unconditional, except for the passage of time. Therefore, all rights to payment have been recorded as trade receivables.

No assets related to costs to obtain or fulfil a contract have been recognised. Their impact, if any are not deemed material.

3 Employee benefit costs

	2022 £'000	2021 £'000
Wages and salaries	13,390	11,447
Social security costs	1,377	1,197
Other pension costs (note 8)	775	779
	15,542	13,423

The average monthly number of employees, including directors on service contracts, during the year was as follows:

	2022 Number	2021 Number
By activity:		
Sales and distribution	88	88
Administration	130	134
	218	222

Directors' emoluments

	2022 £'000	2021 £'000
Directors:		
Aggregate emoluments	1,103	1,383
Contributions to defined contribution scheme	27	26
The highest paid director:		
Aggregate emoluments	580	620

Retirement benefits are accruing to one director under a defined benefit scheme (2021: two).

Key management compensation

There are no employees other than the directors who are considered to be key management.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

4 Exceptional admin expenses

The company has incurred the following exceptional costs in the year:

	2022 £'000	2021 £'000
Litigation costs	1,168	544
Strategic review of the business costs	1,429	106
Exceptional admin expenses	2,597	650

5 Operating profit

	2022 £'000	2021 £'000
The operating profit is stated after charging/(crediting):		
Changes in inventories	374	(3,142)
Raw materials and consumables used	84,834	78,639
Employee benefit expenses	15,542	13,423
Depreciation & amortisation	4,821	4,357
Transportation expense	383	105
Advertising cost	13,843	11,251
Exceptional costs (Note 4)	2,597	650
Other expenses	6,613	19,444
Other income	(9,848)	(6,994)
Audit fees in respect of the company	78	84
Total cost of sales, distribution costs, exceptional admin expenses, admin expenses and other income	119,237	117,817

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

6 Finance income/(costs)

	2022 £'000	2022 £'000
Intercompany interest receivable	2,219	1,632
Bank interest receivable	174	175
Finance income	2,393	1,807
Intercompany interest payable	(2,472)	(2,209)
Bank interest payable	(2,519)	(2,365)
Interest element of leases	(120)	(122)
Finance costs	(5,111)	(4,696)

7 Tax on profit

(a) Analysis of charge in the year

	2022 £'000	2021 £'000
UK corporation tax	2,087	2,409
Adjustments in respect of prior years	107	258
Current taxation	2,194	2,667
Origination and reversal of timing differences	1,603	(2,300)
Adjustments in respect of prior years (note 11)	(225)	(38)
Deferred taxation	1,378	(2,338)
Total tax (credit)/charge	(816)	(329)

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Tax on profit

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2022 £'000	2021 £'000
Profit before tax	15,072	11,583
Multiplied by the standard rate of corporation tax in the UK: 19% (2021: 19%)	2,864	2,201
<i>Effects of:</i>		
Adjustments in respect of prior years	(314)	(368)
Expenses not deductible for tax purposes	(2,456)	(567)
Group relief received not paid for	(684)	(441)
Change in tax rate	(226)	(1,154)
Total tax (credit)/charge	(816)	(329)

(c) Factors affecting future tax charges

An increase to the UK corporation tax rate was announced by the UK government as part of their budget on 3 March 2021, such that the main rate will increase to 25% from 1 April 2023.

8 Retirement benefit surplus

The company operates a defined benefit scheme, the Baby & Child Retirement Benefit Plan. The Plan is a final salary scheme which provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary and length of service. The scheme has been closed to new entrants since 1 October 2003.

The Plan is a registered scheme under UK legislation and is contracted out of the State Second Pension. It was established under trust and is governed by the Plan's trust deed and rules dated 19 October 2006. The Plan Trustees are responsible for the operation and governance of the Plan, including making decisions regarding funding and investment strategy in conjunction with the company. The Plan is subject to the scheme funding requirements outlined in UK legislation.

The company is exposed to a number of risks through the defined benefit scheme, the most significant of which are:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit and result in an increase in the required employer contribution rate. The company has mitigated the level of investment risk by investing in long-term fixed interest securities with maturities which match the benefit payments as they fall due.

Life expectancy and inflation: Unanticipated increases in life expectancy will result in an increase in the Plan's liabilities. Future mortality rates cannot be predicted with certainty. As pensions in payment are linked to inflation, inflationary increases also result in higher sensitivity to changes in life expectancy.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Retirement benefit surplus (continued)

The last scheme funding valuation of the Plan was as at 30 September 2019. Contributions to the Plan in the year ending 31 December 2022 were nil (year ended 31 December 2021: £nil).

The company also operates a stakeholder plan. Contributions to the plan in the year ended 31 December 2022 were £775,000 (2021: £779,000), charged to employee benefit costs.

The amounts recognised in the statement of financial position are determined as follows:

	2022 £'000	2021 £'000
Present value of funded obligations	(20,325)	(32,095)
Fair value of plan assets	29,320	41,741
Pension surplus	8,995	9,646

The amounts recognised in the statement of comprehensive income are as follows:

	2022 £'000	2021 £'000
Past service cost	-	-
Interest income on net surplus	(150)	(130)
Total included in employee benefit costs	(150)	(130)
Remeasurement profit/(loss)	(801)	842
Deferred tax thereon (note 11)	200	(211)
Net total included within other comprehensive income	(601)	631
Cumulative remeasurement recognised in the statement of other comprehensive income	1,806	2,407

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Retirement benefit surplus (continued)

The movement in the present value of scheme liabilities over the year is as follows:

	2022 £'000	2021 £'000
At 1 January	32,095	32,229
Past service cost	-	-
Interest cost	528	479
Remeasurement loss/(gain) from change in financial assumptions	(13,247)	95
Remeasurement loss/(gain) from changes in demographic assumptions	(333)	462
Experiences loss/(gain) gains arising on liabilities	694	(261)
Benefits paid	(943)	(909)
At 31 December	18,794	32,095

The movement in the fair value of plan assets over the year is as follows:

	2022 £'000	2021 £'000
At 1 January	41,741	40,108
Interest income	679	609
Remeasurement gain/(loss)	(13,687)	1,138
Employer contributions	-	795
Expenses paid	(1)	-
Benefits paid	(943)	(909)
At 31 December	27,789	41,741

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	4.29%	1.57%
Inflation – RPI	3.22%	3.48%
Inflation – CPI	2.52%	2.68%
Future salary increases	N/A	N/A
Future pension increases	2.90%	3.37%

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Retirement benefit surplus (continued)

Mortality rate

Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each territory. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows;

	2022	2021
Male	21.0	21.2
Female	23.9	24.0

The average longevity in years of a pensioner retiring at age 65, 20 years after the accounting date is as follows:

	2022	2021
Male	22.52	22.5
Female	25.4	25.5

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.5%	Decrease by £3.0m
Inflation	Increase by 0.5%	Increase by £2.7m
Mortality improvement	0.25% p.a. increase in long-term improvement rate	Increase by £0.4m

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied consistently with calculating the pension liability recognised within the statement of financial position.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Retirement benefit surplus (continued)

Plan assets are comprised as follows:

	2022		2021	
	£'000	%	£'000	%
Corporate bonds	10,313	37.11	22,581	54.15
Inflation & Int bond	13,558	48.79	13,619	32.66
Diversified fund	3,782	13.61	5,496	13.18
Cash	100	0.36	45	0.01
Other	36	0.13	-	0.00
	27,789	100.00	41,741	100.00

The plan assets are invested in pooled investment funds which are not considered to have a quoted market price in an active market as defined in IFRS 13. The underlying investments of these funds are corporate bonds.

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Property, plant and equipment

	Leasehold Property £'000	Equipment and vehicles £'000	Assets under Construction £'000	Total £'000
Cost				
At 1 January 2021	2,247	9,005	1,116	12,368
Additions	-	-	291	291
Transfers from assets under course of construction	-	1,061	(1,061)	-
Disposals	-	(4,745)	-	(4,745)
At 31 December 2021	2,247	5,321	346	7,914
Additions	-	-	1,429	1,429
Transfers from assets under course of construction	-	234	(234)	-
Disposals	-	(453)	-	(453)
At 31 December 2022	2,247	5,102	1,541	8,890
Accumulated depreciation				
At 1 January 2021	315	6,033	-	6,348
Charged during the year	158	1,122	-	1,280
Disposals	-	(3,973)	-	(3,973)
At 31 December 2021	473	3,182	-	3,655
Charged during the year	158	953	-	1,111
Disposals	-	(453)	-	(453)
At 31 December 2022	631	3,682	-	4,313
Net book amount				
At 31 December 2021	1,774	2,139	346	4,259
At 31 December 2022	1,616	1,420	1,541	4,577

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Property, plant and equipment (continued)

Leased assets

This note provides information for leases where the company is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets	31 December 2022 £'000	1 January 2022 £'000
Short leasehold property	1,651	1,774
Plant and Equipment	0	4
	1,615	1,778
Lease liabilities		
Current	(127)	(127)
Non-Current	(1,842)	(1,968)
	(1,969)	(2,095)

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge on right-of-use assets	2022 £'000	2021 £'000
Short leasehold property	157	158
Plant and equipment	6	41
	163	199
Interest expense		
Interest expense	120	122

The total cash outflow for leases in 2022 was £247,000 (2021: £333,000).

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Property, plant and equipment (continued)

(iii) The company's leasing activities and how these are accounted for

The company leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 6 months to 25 years, but may have extension options as described below.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonable certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Property, plant and equipment (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

10 Intangible assets

	Development £'000	Software £'000	Brands £'000	Goodwill £'000	Total £'000
Cost					
At 1 January 2021	3,994	7,119	6,399	-	17,512
Additions	1,144	1,582	4,593	-	7,319
Disposals	(751)	(2,656)	-	-	(3,407)
At 31 December 2021	4,387	6,045	10,992	-	21,424
Additions	2,162	1,304	4,761	7,951	8,227
Disposals	(80)	(341)	(270)	-	(691)
At 31 December 2022	6,469	7,008	15,483	7,951	36,911
Accumulated Amortisation					
At 1 January 2021	1,998	3,832	3,366	-	9,196
Disposals	577	1,112	1,388	-	3,077
Charged during the year	(651)	(2,631)	-	-	(3,282)
At 31 December 2021	1,924	2,313	4,754	-	8,991
Charged during the year	661	1,253	1,620	-	3,534
Disposals	(80)	(341)	(270)	-	(691)
At 31 December 2022	2,505	3,225	6,104	-	11,834
Net book amount					
At 31 December 2020	1,996	3,287	3,033	-	8,316
At 31 December 2021	2,463	3,732	6,238	-	12,433
At 31 December 2022	3,964	3,783	9,379	7,951	25,077

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Deferred tax asset/(liability)

	Depreciation in excess of capital allowances £'000	Other short- term timing differences £'000	Cash flow hedges £'000	Retirement benefits scheme £'000	Total £'000
As at 1 January 2021	79	3,510	22	(1,260)	2,351
Adjustment in respect of prior years (Charged)/credited to statement of comprehensive income	3 (20)	(34) 1,011	(7) -	- (763)	(38) 228
Tax on actuarial loss on retirement benefits scheme	-	-	-	(211)	(211)
Tax on fair value gain on hedging instruments	-	-	8	-	8
As at 31 December 2021	62	4,487	23	(2,234)	2,338
Adjustment in respect of prior years (Charged)/credited to statement of comprehensive income	48 28	(273) 4,566	- -	- (15)	(225) 4,579
Tax on actuarial loss on retirement benefits scheme	-	-	-	200	200
Tax on fair value gain on hedging instruments	-	-	307	-	307
As at 31 December 2022	138	8,780	330	(2,049)	7,199
To be recovered within 12 months	-	8,780	330	-	9,110
To be recovered after more than 12 months	138	-	-	(2,049)	(1,911)
Deferred tax asset	138	8,780	330	-	9,248
Deferred tax liability	-	-	-	(2,049)	(2,049)
Total	138	8,780	330	(2,049)	7,199

Deferred income tax assets are recognised to the extent that the realisation of the asset through future taxable profits is considered probable.

12 Inventories

	2022 £'000	2021 £'000
Goods held for resale	14,916	15,290

The company consumed £84,834,371 (2021: £78,639,000) of inventories during the year.

Inventories are stated after a provision for impairment of £558,000 (2021: £718,000).

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	20,473	18,420
Less: provision for impairment of trade receivables	(250)	(1,110)
Net trade receivables	20,223	19,530
Owed by fellow subsidiary undertakings	124,423	103,387
Prepayments and accrued income	1,537	1,493
Taxation and social security	1,258	1,870
Other debtors	9,919	918
	157,360	127,198

There is no significant difference between the carrying value and fair value of trade and other receivables.

The amounts owed by fellow subsidiary undertakings and the parent company are unsecured, repayable on demand and subject to interest at 3.7% (2021: 2%).

Upon assessment of the impact of expected credit loss on the unprovided balance of trade and intercompany receivables, the directors have not identified any material amounts of expected credit loss.

14 Derivative financial instruments

	2022		2021	
	Asset £'000	Liability £'000	Asset £'000	Liability £'000
Forward foreign exchange contracts – cash flow hedges	-	(1,319)	-	(90)
Total	-	(1,319)	-	(90)

Trading derivatives are classified as a current asset or liability. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedge item is more than 12 months, and as a current asset or liability if the maturity of the hedge item is less than 12 months. The ineffective portion recognised in profit or loss amounts to £nil (2021: £nil).

The derivatives' fair value is categorised as Level 2, defined as inputs other than quoted prices that are observable for the asset or liability.

The hedged forecast transactions denominated in foreign currency are expected to occur at various dates during 2022.

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

15 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents comprise the following at 31 December:		
Cash at bank	33,963	53,682

16 Trade and other payables

	2022 £'000	2021 Restated £'000
Current trade and other payables		
Trade payables	3,569	2,940
Owed to fellow subsidiary undertakings	121,396	109,117
Other payables	183	6,397
Corporation tax	5,907	4,121
Accruals and deferred income	7,364	8,847
	138,419	131,422

The amounts owed to fellow subsidiary undertakings are unsecured, repayable on demand and subject to interest at 3.7% (2021: 2%).

	2022 £'000	2021 Restated £'000
Non-Current trade and other payables		
Lease liabilities	1,842	1,968
	1,842	1,968

In 2021, the lease liabilities were not correctly split between current and non-current on the face of the balance sheet. We have therefore reflected this in the current financial statements and notes, adjustments made were as follows:

	2021 as previously reported	Movement £'000	2021 (Restated) £'000
Lease liabilities (non-current)	-	1,968	1,968
Other payables (current)	8,365	(1,968)	6,397

Mayborn (UK) Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

17 Called up share capital

	2022 £'000	2021 £'000
Authorised		
10,000,000 (2021: 10,000,000) ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
8,500,002 (2021: 8,500,002) ordinary shares of £1 each	8,500	8,500

18 Contingent liabilities

Facilities agreement guarantee

The company and certain of its subsidiaries has jointly and severally agreed to the punctual performance of borrower or guarantors' obligations under the Facilities Agreement dated 27 March 2020, as signed with the Group's lenders. The total sum secured by these guarantees is £89,500,000 (2021: £119,500,000).

The Group has secured all monies due under the Facilities Agreement with fixed and floating charges over all property and assets of the company, together with the assets of certain subsidiaries, in favour of HSBC Bank Plc, also in its capacity as security agent for the beneficiaries of the Facilities Agreement.

19 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Success Bidco 2 Limited, a company registered in England and Wales. These financial statements are consolidated by Success Bidco 2 Limited. The ultimate parent company is Shanghai Jahwa United Co. Ltd, a company based in China. The ultimate controlling interest is held by Ping An Insurance (Group) Company of China Limited, a company based in China, due to their controlling interest in Shanghai Jahwa United Co. Ltd.

The largest group to consolidate these financial statements are those of Ping An Insurance (Group) Company of China Limited copies of which can be obtained from the company's website.