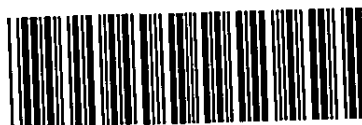


Silver Cross (IP) Limited

Report and Financial Statements

31 December 2012

MONDAY



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30/09/2013

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COMPANIES HOUSE

Directors

D A Halsall
W J Lockwood
N J Paxton

Secretary

W J Lockwood

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Bankers

HSBC
49A Fishergate
Preston
Lancashire PR1 3BH

Registered Office

Micklethorn
Broughton
Skipton
North Yorkshire BD23 3JA

Registered No 05123060

Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The profit for the year after taxation amounted to £120,880 (2011 – profit of £120,418) The directors do not recommend a final dividend (2011 – £nil)

Principal activity

The principal activity of the company during the year was that of the ownership and management of Silver Cross Group intellectual property

Directors

The directors who served the company during the year were as follows

D A Halsall
W J Lockwood
N J Paxton

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

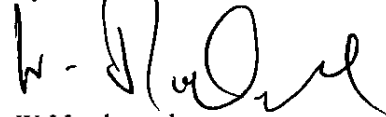
Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

By order of the Board



W J Lockwood
Secretary

Date 27 09 13

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

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

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

Independent auditors' report

to the members of Silver Cross (IP) Limited

We have audited the financial statements of Silver Cross (IP) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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 financial statements.

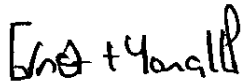
Independent auditors' report (continued)

to the members of Silver Cross (IP) Limited

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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Alistair Denton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds
Date 27/9/13

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover		-	-
Administrative expenses		(79,863)	(59,652)
Other operating income	2	231,759	220,846
Profit on ordinary activities before taxation		151,896	161,194
Tax	5	(31,016)	(40,776)
Profit for the financial year	12	120,880	120,418

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £120,880 in the year ended 31 December 2012 (2011 – profit of £120,418)

Balance sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible fixed assets	6	-	-
Investments	7	-	1
		-	1
Current assets			
Debtors	8	1,164,960	1,053,885
Creditors: amounts falling due within one year	9	(780,466)	(790,272)
Net current Assets		384,494	263,613
Net Assets		384,494	263,614
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account	11	383,494	262,614
Shareholders' funds	12	384,494	263,614

These financial statements were approved by the directors on 27 September 2013 and are signed on their behalf by



D A Halsall

Director

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Group financial statements

The company is exempt from the requirement to prepare and deliver group financial statements by virtue of section 401 of the Companies Act 2006 and accordingly the financial statements present information about the company as an individual undertaking and not about its group

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from the including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a group statement of cash flows

Intangible fixed assets

Intellectual property is stated at cost and is written off over its' expected useful economic life or over the period of five years, whichever is the shorter. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows

Intellectual property	–	5 years
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Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that 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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Notes to the financial statements

at 31 December 2012

2. Other operating income

	2012	2011
	£	£
Other operating income	<u>231,759</u>	<u>220,846</u>

3. Operating Profit

This is stated after charging

	2012	2011
	£	£
Net Loss on foreign currency translation	<u>6,741</u>	<u>1,178</u>

The audit fee for the company has been paid by Silver Cross (UK) Limited. Fees for non-audit services provided have been disclosed in the group financial statements.

4. Staff costs

No salaries or wages have been paid to employees in the year (2011 - £nil). The directors did not receive any remuneration from the company during the year (2012 - £nil). The directors are also a director of Silver Cross (UK) Limited and they consider that their qualifying services provided to this company represents an insignificant proportion of their group responsibilities and accordingly have concluded that a £nil apportionment of their group remuneration would be attributed to these services.

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2012	2011
	£	£
Current tax:		
UK corporation tax on the profit for the year	33,297	38,358
Adjustment in respect of prior years	(894)	-
Double taxation relief	(1,251)	-
Foreign tax	1,220	1,914
Adjustment in respect of prior years	(2,516)	-
Foreign tax adjustment in respect of previous period	-	1,664
Total current tax (note 5(b))	<u>29,856</u>	<u>41,936</u>
Deferred tax:		
Reversal of timing differences	1,160	(1,160)
Tax on profit on ordinary activities	<u>31,016</u>	<u>40,776</u>

Notes to the financial statements

at 31 December 2012

5. Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	151,896	161,194
Profit on ordinary activities multiplied by the tax rate above	37,210	42,705
<i>Effects of</i>		
Others	(3,913)	–
Adjustments in respect of previous periods	(3,410)	1,664
Unrelieved foreign tax	1,129	754
Marginal relief	–	(3,339)
Tax credit	(1,160)	152
Current tax for the year (note 5(a))	29,856	41,936

(c) Deferred tax

The movement in the deferred taxation provision during the year was

	£
At 1 January 2012	1,160
Profit and loss account movement arising during the year	(1,160)
At 31 December 2012	–

Deferred taxation (2011 – 25%) comprises

	2012 £	2011 £
Other timing differences	–	1,160

Notes to the financial statements

at 31 December 2012

5. Tax (continued)

(d) Factors that may affect future tax charges

The 2012 Budget announced a number of changes to the corporation tax rate. These included a reduction in the UK corporation tax rate from 26% to 24% effective from 1 April 2012, and a further reduction in the UK corporation tax rate to 23% effective from 1 April 2013.

The rate reduction to 24% was substantively enacted on 26 March 2012, the further reduction to 23% was substantively enacted on 3 July 2012. Deferred tax has therefore been provided at 23%.

Proposed further changes to reduce the rate of UK corporation tax to 21% from 1 April 2014, and 20% from 1 April 2015 have been announced but these changes had not been substantively enacted by the balance sheet date.

6. Intangible fixed assets

	<i>Intellectual property £</i>
Cost	
At 1 January 2012 and at 31 December 2012	<u>500,000</u>
Amortisation	
At 1 January 2012 and at 31 December 2012	<u>500,000</u>
Net book value	
At 31 December 2012	<u>—</u>
At 31 December 2011	<u>—</u>

7. Investments

	<i>Subsidiary undertakings £</i>
Cost	
At 1 January 2012	1
Disposal	<u>(1)</u>
At 31 December 2012	<u>—</u>
Net book value	
At 31 December 2011	<u>1</u>
At 31 December 2012	<u>—</u>

Silver Cross (America) Limited whose principal activities were that of distributors of prams and related nursery products was dissolved on 19 March 2012. Silver Cross (America) Limited was incorporated in the United States of America.

Notes to the financial statements

at 31 December 2012

8. Debtors

	2012	2011
	£	£
Amounts owed by group undertakings	1,164,960	1,052,725
Deferred tax	-	1,160
	<u>1,164,960</u>	<u>1,053,885</u>

9. Creditors: amounts falling due within one year

	2012	2011
	£	£
Amounts owed by group undertakings	750,000	750,000
Corporation tax	30,466	40,272
	<u>780,466</u>	<u>790,272</u>

10. Issued share capital

	2012		2011	
<i>Allotted, called up and fully paid</i>	<i>No</i>	<i>£</i>	<i>No</i>	<i>£</i>
A shares of £1 each	550	550	550	550
B shares of £1 each	450	<u>450</u>	450	<u>450</u>
		<u>1,000</u>		<u>1,000</u>

Dividends may be paid on the A shares only with the consent of the majority of B shareholders. Similarly dividends may be paid on the B shares, only with consent of the majority of the A shareholders. In all other respects A and B shares rank *pari passu*.

11. Movements on reserves

	<i>Profit and loss account</i>
	£
At 1 January 2012	262,614
Profit for the financial year	<u>120,880</u>
At 31 December 2012	<u>383,494</u>

Notes to the financial statements

at 31 December 2012

12. Reconciliation of shareholders' funds

	2012	2011
	£	£
Profit for the financial year	120,880	120,418
Opening shareholders' funds	263,614	143,196
Closing shareholders' funds	<u>383,494</u>	<u>263,614</u>

13. Related party transactions

The company has taken advantage of the exemption under FRS 8 'Related Party Transactions' from disclosing transactions with other wholly owned members of the group

14. Ultimate parent undertaking and controlling party

The directors consider the ultimate parent undertaking and controlling party to be Silver Cross Nurseries Limited, which is the only undertaking that prepares group financial statements including the financial statements of the company. Copies of the group financial statements can be obtained from The Registrar of Companies, Companies House, Mandy, Cardiff, CF4 3UZ

In the opinion of the directors the ultimate parent undertaking and controlling party is the controlling shareholder of Silver Cross Nurseries Limited, D A Halsall, a director of the company