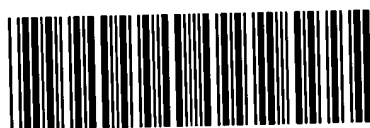


# **Silver Cross (IP) Limited**

## **Report and Financial Statements**

31 December 2016

THURSDAY



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COMPANIES HOUSE

**Directors**

J D Halsall  
W J Lockwood  
N J Paxton  
L Shao  
W Song  
X Zhang

**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 2016.

### Results and dividends

The profit for the year after taxation amounted to £355,245 (2015 – £278,987). The directors do not recommend a final dividend (2015 – £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.

There was no change to the nature of the business of the company during 2015. Results are entirely dependent on the performance of the licences.

The company has taken advantage of the exemption under 'Companies Act 2006' which permits 'small companies' to not include a Strategic Report

### Directors

The present directors of the company are shown in page 1. L Shao was appointed a director on 27 October 2016, Dr J C Ma resigned on 14 October 2016 and Y Fan resigned on 4 February 2017.

### 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, 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.

On behalf of the Board



J D Halsall  
Director

29 March 2017

## 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;
- 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 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 and to identify any information that is apparently, materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' Report has been prepared in accordance with applicable legal requirements.

# Independent auditors' report

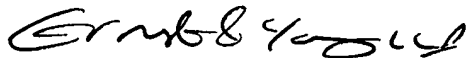
to the members of Silver Cross (IP) Limited (continued)

## Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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 from the requirement to prepare a Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



Eddie Diamond (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Leeds

27 April 2017

## Profit and loss account

for the year ended 31 December 2016

		2016	2015
	Notes	£	£
Administrative expenses		14,755	(31,404)
Other operating income	2	429,257	386,580
Bank interest receivable/(payable)		90	(303)
<b>Profit on ordinary activities before taxation</b>		<b>444,102</b>	<b>354,873</b>
Tax	5	(88,857)	(75,886)
<b>Profit for the financial year</b>		<b>355,245</b>	<b>278,987</b>

All amounts relate to continuing activities.

There was no comprehensive income other than the profit attributable to the shareholders of the company of £355,245 in the year ended 31 December 2016 (2015 – £278,987) and therefore no separate statement of comprehensive income has been prepared.

**Balance sheet**

at 31 December 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Intangible fixed assets	6	-	-
<b>Current assets</b>			
Debtors	7	2,225,216	1,783,941
<b>Creditors:</b> amounts falling due within one year	8	(904,778)	(818,748)
<b>Net current Assets</b>		<u>1,320,438</u>	<u>965,193</u>
<b>Net Assets</b>		<u>1,320,438</u>	<u>965,193</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>1,319,438</u>	<u>964,193</u>
<b>Shareholders' funds</b>		<u>1,320,438</u>	<u>965,193</u>

These financial statements have been prepared in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

These financial statements were approved by the directors on 29 March 2017 and are signed on their behalf by:



J D Halsall

Director



## Notes to the financial statements

at 31 December 2016

### 1. Accounting policies

#### **Statement of Compliance**

Silver Cross (IP) Limited is a limited liability company incorporated in England. The registered office is Micklethorn, Broughton, Skipton, North Yorkshire BD23 3JA.

The company's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the company for the year ended 31 December 2016.

The company transitioned from previously extant UK GAAP to FRS102 as at 1 January 2015. An explanation of how the transition to FRS102 has affected the reported financial position and financial performance is given in note 11.

#### **Basis of preparation**

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

The financial statements are prepared in sterling which is the functional currency of the company.

The following disclosure exemptions have been adopted:

- The requirement to present a statement of cash flows and related notes
- The requirements relating to certain disclosures in respect of related party transactions.
- Financial instrument disclosures, including:
  - Categories of financial instruments
  - Items of income, expenses, gains or losses relating to financial instruments, and
  - Exposure to and management of financial risks

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Licence income**

Income from licences is credited to the profit and loss account as it becomes receivable.

#### **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 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

#### **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 exception that 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.

## Notes to the financial statements

at 31 December 2016

### *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 profit on ordinary activities before taxation.

### *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.

## 2. Other operating income

	2016	2015
	£	£
Licence income	<u>429,257</u>	<u>386,580</u>

## 3. Profit on ordinary activities before taxation

This is stated after charging:

	2016	2015
	£	£
Net profit on foreign currency translation	<u>72,357</u>	<u>16,680</u>

The audit fee for the company has been paid by Silver Cross (UK) Limited.

## 4. Staff costs

The directors did not receive any remuneration from the company during the year (2015 – £nil). The directors are also directors 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. There were no employees in the year other than the directors.

## Notes to the financial statements

at 31 December 2016

### 5. Tax

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 £	2015 £
<b>Current tax:</b>		
UK corporation tax on the profit for the year	88,803	71,276
Double taxation relief	(2,794)	(2,218)
Foreign tax	2,794	2,218
Adjustment in respect of prior years	54	4,610
Total current tax (note 5(b))	<u>88,857</u>	<u>75,886</u>
<b>Deferred tax:</b>		
Reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>88,857</u>	<u>75,886</u>

#### (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 20.0% (2015 – 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>444,012</u>	<u>354,873</u>
Profit on ordinary activities multiplied by the tax rate above	88,801	71,849
<b>Effects of:</b>		
Adjustments in respect of previous periods	54	4,610
Effects of other tax rates/credits	-	(573)
Tax on profit on ordinary activities (note 5(a))	<u>88,857</u>	<u>75,886</u>

#### (c) Deferred tax

No provision for deferred tax arises from these accounts and there is no unprovided deferred tax.

#### (d) Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 20% (2015: 20.25%). The Finance Act 2015 enacted a reduction in the main rate of corporation tax to 19% with effect from 1 April 2017, and the Finance Act 2016 enacted a further reduction to 17% with effect from 1 April 2020. Deferred tax has therefore been provided at a rate of 17%.

## Notes to the financial statements

at 31 December 2016

### 6. Intangible fixed assets

	<i>Intellectual property</i> £
Cost:	
At 1 January 2016 and at 31 December 2016	<u>500,000</u>
Amortisation:	
At 1 January 2016 and at 31 December 2016	<u>500,000</u>
Net book value:	
At 1 January 2016 and at 31 December 2016	<u>-</u>

### 7. Debtors

	2016 £	2015 £
Amounts owed by fellow subsidiary undertakings	<u>2,225,216</u>	<u>1,783,941</u>

### 8. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to parent undertaking	750,000	750,000
Corporation tax	<u>154,778</u>	<u>68,748</u>
	<u>904,778</u>	<u>818,748</u>

### 9. Issued share capital

	2016		2015	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
A shares of £1 each	550	550	550	550
B shares of £1 each	450	<u>450</u>	450	<u>450</u>
		<u>1000</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.

## Notes to the financial statements

at 31 December 2016

### 10. Related party transactions

The company has taken advantage of the exemption from disclosing transactions with other wholly owned members of the group.

### 11. Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 December 2016. The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

### 12. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Fosun International Limited, a company incorporated in Hong Kong. The directors consider Fosun International Limited to be the company's controlling party. Copies of the group financial statements of Fosun International Limited and can be obtained from [ir.fosun.com](http://ir.fosun.com).