

Registered number: 05123060

SILVER CROSS (IP) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



SILVER CROSS (IP) LIMITED

COMPANY INFORMATION

Directors	N J Paxton W J Lockwood X Zhang W Zhang (appointed 8 January 2018) C A Walsh (appointed 23 May 2019)
Registered number	05123060
Registered office	Micklethorn Broughton Skipton North Yorkshire BD23 3JA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

SILVER CROSS (IP) LIMITED

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SILVER CROSS (IP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors who served during the year were:

N J Paxton
W J Lockwood
X Zhang
W Song (resigned 8 June 2018)
J D Halsall (resigned 23 May 2019)
W Zhang (appointed 8 January 2018)
L Shao (resigned 31 May 2018)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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 to 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.

Principal risks and uncertainties

Directors' assessment of the risks attached to the United Kingdom's exit of the European Union

Management have considered the impact on the business of various permutations of the ongoing Brexit negotiations, including a 'no-deal' outcome. However, given the uncertainty about the myriad possible tariff regimes that might apply post-Brexit and indeed the timing of Brexit itself, management do not base any long term strategic decisions on conjecture about the ultimate outcome. Management are confident that whilst there will be challenges to address, the commercial viability of the business model will not be jeopardised by changes to tariff regimes.

SILVER CROSS (IP) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

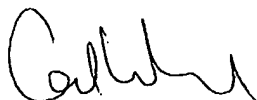
Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 September 2019 and signed on its behalf.



C A Walsh
Director

SILVER CROSS (IP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS (IP) LIMITED

Opinion

We have audited the financial statements of Silver Cross (IP) Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

SILVER CROSS (IP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS (IP) LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

SILVER CROSS (IP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS (IP) LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Charlene Lancaster (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St. Peter's Square
Manchester
M2 3DE

Date: 30 September 2019

SILVER CROSS (IP) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	4	548	504
Gross profit		548	504
Administrative expenses		(75)	(166)
Operating profit	5	473	338
Interest payable and expenses	8	-	(1)
Profit before tax		473	337
Tax on profit	9	(45)	(65)
Profit for the financial year		428	272

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 9 to 16 form part of these financial statements.

SILVER CROSS (IP) LIMITED
REGISTERED NUMBER: 05123060

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors: amounts falling due within one year	11	2,813	2,492
		<u>2,813</u>	<u>2,492</u>
Creditors: amounts falling due within one year	12	(793)	(900)
		<u></u>	<u></u>
Net current assets		2,020	1,592
Total assets less current liabilities		<u>2,020</u>	<u>1,592</u>
Net assets		<u>2,020</u>	<u>1,592</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	2,019	1,591
		<u></u>	<u></u>
Total equity		<u>2,020</u>	<u>1,592</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

30 September 2019


C A Walsh
 Director

The notes on pages 9 to 16 form part of these financial statements.

SILVER CROSS (IP) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	1	1,319	1,320
Comprehensive income for the year			
Profit for the year	-	272	272
Total comprehensive income for the year	-	272	272
At 1 January 2018	1	1,591	1,592
Comprehensive income for the year			
Profit for the year	-	428	428
Total comprehensive income for the year	-	428	428
At 31 December 2018	1	2,019	2,020

The notes on pages 9 to 16 form part of these financial statements.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Silver Cross (IP) Limited ('the Company') is a limited company incorporated in the United Kingdom and registered in England. The address of its registered office and principal place of business is:

Micklethorn
Broughton
Skipton
North Yorkshire
BD23 3JA

The financial statements have been presented in pound sterling which is the functional currency of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Fosun International Limited as at 31 December 2018 and these financial statements may be obtained from www.fosun.com.

2.4 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.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Licence income

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

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administration costs'.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience under the relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

The directors do not currently consider there to be any judgements, estimates or assumptions used to determine the carrying amounts of assets or liabilities.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £000	2017 £000
Licence income	548	504

5. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Exchange differences	(35)	47

SILVER CROSS (IP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Auditor's remuneration

The audit fee for the Company has been paid by fellow group subsidiary Silver Cross (UK) Limited.

7. Employees

The directors did not receive any remuneration from the Company during the year (2017 - £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.

8. Interest payable and similar expenses

	2018 £000	2017 £000
Bank interest payable	-	1

9. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	90	65
Adjustments in respect of previous periods	(45)	-
Total current tax	45	65
Taxation on profit on ordinary activities	45	65

SILVER CROSS (IP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	<u>473</u>	<u>337</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	90	67
Effects of:		
Rate difference - current year tax	-	(2)
Adjustments to tax charge in respect of prior periods	(45)	-
Total tax charge for the year	<u><u>45</u></u>	<u><u>65</u></u>

Factors that may affect future tax charges

Finance Bill 2016 provides that the rate from 1 April 2020 will be 17%.

SILVER CROSS (IP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Intangible assets

	Intellectual property £000
Cost	
At 1 January 2018	500
At 31 December 2018	<u>500</u>
Amortisation	
At 1 January 2018	500
At 31 December 2018	<u>500</u>
Net book value	
At 31 December 2018	<u><u>-</u></u>
At 31 December 2017	<u><u>-</u></u>

11. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	<u>2,813</u>	<u>2,492</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	750	750
Corporation tax	43	150
	<u>793</u>	<u>900</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

SILVER CROSS (IP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
550 A shares of £1.00 each	550	550
450 B shares of £1.00 each	450	450
	<u>1,000</u>	<u>1,000</u>

All shares rank pari passu.

14. Reserves

Profit and loss account

The profit and loss account represents the accumulated undistributed reserves of the Company.

15. Related party transactions

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

16. Controlling party

The immediate parent company of Silver Cross (IP) Limited is Silver Cross Nurseries Limited, a company incorporated in England. The ultimate parent undertaking of the group of the undertakings for which consolidated financial statements are drawn up and of which the Company is a member is Fosun International Limited, a company incorporated in Hong Kong. The principal place of business of Fosun International Limited is Tower S1, Bund Finance Center, 600 Zhongshan, No. 2 Road (E), Shanghai, China.

The directors consider Fosun International Limited to be the Company's controlling party. Copies of the group financial statements of Fosun International Limited can be obtained from www.fosun.com