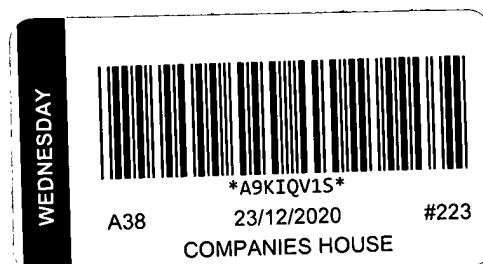


Silver Cross (IP) Limited

Registered number: 05123060

Directors' report and financial statements

For the year ended 31 December 2019



SILVER CROSS (IP) LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | N J Paxton X Zhang W Zhang 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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| Notes to the Financial Statements | 10 - 18 |

SILVER CROSS (IP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is the holding of intellectual property and receipt of royalties in relation to the Silver Cross trademark.

Directors

The directors who served during the year were:

N J Paxton
W J Lockwood (resigned 12 May 2020)
X Zhang
J D Halsall (resigned 23 May 2019)
W Zhang
C A Walsh (appointed 23 May 2019)

Directors' indemnities

Pursuant of the Company's articles of association, the Directors were throughout the financial year ended 31 December 2019 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006. This was the same in the financial year ended 31 December 2018.

Going Concern Statement

To assess the appropriateness of the preparation of the accounts on a going concern basis, a range of financial forecasts (for the trading entities within the group) have been prepared to model hypothetical scenarios reflecting material deterioration in demand, or ability to meet demand, as a result of further disruption due to Covid19. Based on this assessment, the Directors have a reasonable expectation that the Company and the companies within the Group have adequate resources to continue in operation for the foreseeable future.

Principal risks and uncertainties

Directors assessment of the risks relating to Covid 19

As a result of the virus outbreak in the UK the Management team took immediate measures both to safeguard the wellbeing of employees and also to adapt the business to the evolving circumstances. Scenario-based forecasts were produced for each trading entity within the Group to illustrate the potential impact on liquidity and financial performance of the key risks identified. Whilst the lasting impact economic impact of the outbreak is yet to be determined and detrimental trading conditions may persist, Management are confident that the business is well-positioned to adapt to the challenges and to pursue long-term strategic objectives. Given the interdependence between group companies, Directors have not separately conducted further individual assessment of specific key risks relating to the holding companies and the IP companies.

Directors' assessment of the risks attached to the UK's exit from the EU

Given the scope of the business, management do not perceive there to be any material risks relating to the UK's exit from the EU.

SILVER CROSS (IP) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Post balance sheet events

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and continues to cause widespread disruption to normal patterns of business activity across the world, including the UK. The impact of the pandemic on the Company is described in the Strategic Report.

Management have evaluated scenario-based forecasts to illustrate the potential impact on liquidity and financial performance of the trading companies within the Silver Cross group. Overall, demand for the group's products has proven to be resilient and Management are confident that the group is well-positioned to adapt to any further challenges caused by the pandemic and to capitalise on new opportunities, whilst pursuing longer-term strategic growth objectives.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

SILVER CROSS (IP) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

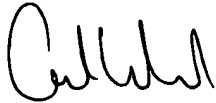
Auditor

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 22 December 2020 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 2019 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 2019 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.

Emphasis of Matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 11 and non- adjusting post balance sheet events on page 18.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID-19 continues to evolve and, based on the information available at this point in time, the directors have assessed the impact of COVID-19 on the business and have concluded that COVID-19 is a non-adjusting post balance sheet event and that adopting the going concern basis for preparation of the financial statements is appropriate.

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; and
- 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 2, 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 (Dec 22, 2020 13:56 GMT)

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: 22 December 2020

SILVER CROSS (IP) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 £000 | As restated 2018 £000 |
|--------------------------------------|------|-------------------|-----------------------------|
| Turnover | 4 | 801 | 748 |
| Gross profit | | <u>801</u> | <u>748</u> |
| Administrative expenses | | (103) | (75) |
| Operating profit before tax | 5 | <u>698</u> | <u>673</u> |
| Tax on profit | 8 | 28 | (112) |
| Profit for the financial year | | <u><u>726</u></u> | <u><u>561</u></u> |

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 10 to 18 form part of these financial statements.


SILVER CROSS (IP) LIMITED
REGISTERED NUMBER: 05123060

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 £000 | As restated 2018 £000 |
|--|------|--------------|-----------------------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 3,730 | 3,163 |
| | | <u>3,730</u> | <u>3,163</u> |
| Creditors: amounts falling due within one year | 11 | (701) | (860) |
| Net current assets | | <u>3,029</u> | <u>2,303</u> |
| Total assets less current liabilities | | <u>3,029</u> | <u>2,303</u> |
| Net assets | | <u>3,029</u> | <u>2,303</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 1 | 1 |
| Profit and loss account | 13 | 3,028 | 2,302 |
| Total equity | | <u>3,029</u> | <u>2,303</u> |

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

22 December 2020


C A Walsh
 Director

The notes on pages 10 to 18 form part of these financial statements.

SILVER CROSS (IP) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital £000 | Profit and loss account £000 | Total equity £000 |
|--|---------------------------------------|---------------------------------------|----------------------|
| At 1 January 2018 (as previously stated) | 1 | 1,620 | 1,621 |
| Prior year adjustment | - | 121 | 121 |
| | <u>1</u> | <u>1,741</u> | <u>1,742</u> |
| At 1 January 2018 (as restated) | | | |
| Comprehensive income for the year | | | |
| Profit for the year (as restated) | - | 561 | 561 |
| | <u>1</u> | <u>1,990</u> | <u>1,991</u> |
| At 1 January 2019 (as previously stated) | | | |
| Prior year adjustment | - | 312 | 312 |
| | <u>1</u> | <u>2,302</u> | <u>2,303</u> |
| At 1 January 2019 (as restated) | | | |
| Comprehensive income for the year | | | |
| Profit for the year | - | 726 | 726 |
| | <u>1</u> | <u>3,028</u> | <u>3,029</u> |
| At 31 December 2019 | | | |

The notes on pages 10 to 18 form part of these financial statements.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Silver Cross (IP) Limited ('the Company') is a private company, limited by shares 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 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 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 11.42, 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;
- 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 2019 and these financial statements may be obtained from www.fosun.com.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Going concern

To assess the appropriateness of the preparation of the accounts on a going concern basis, a range of financial forecasts (for the trading entities within the group) have been prepared to model hypothetical scenarios reflecting material deterioration in demand, or ability to meet demand, as a result of further disruption due to Covid19. Based on this assessment, the Directors have a reasonable expectation that the Company and the companies within the Group have adequate resources to continue in operation for the foreseeable future.

2.4 Intangible 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

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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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 profit or loss 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 2019

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in profit or loss 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:

| | 2019 £000 | As restated 2018 £000 |
|----------------|--------------|-----------------------------|
| Licence income | 801 | 748 |

5. Operating profit

The operating profit is stated after charging:

| | 2019 £000 | 2018 £000 |
|----------------------|--------------|--------------|
| Exchange differences | 25 | (35) |

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Auditor's remuneration

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 2 | 2 |

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 (2018 - £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. Taxation

| | 2019 £000 | As restated 2018 £000 |
|---|--------------|-----------------------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 128 |
| Adjustments in respect of previous periods | (28) | (16) |
| Total current tax | <u>(28)</u> | <u>112</u> |
| Taxation on (loss)/profit on ordinary activities | <u>(28)</u> | <u>112</u> |

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2018 -lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 £000 | As restated 2018 £000 |
|---|--------------|-----------------------------|
| Profit on ordinary activities before tax | 698 | 673 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19%) | 133 | 128 |
| Effects of: | | |
| Adjustments to tax charge in respect of prior periods | (28) | (16) |
| Group relief claimed | (133) | - |
| Total tax (credit)/charge for the year | (28) | 112 |

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020, was enacted in September 2017.

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. There are no deferred tax assets or liabilities recognised, therefore this change will impact future potential tax charges.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Intangible assets

| | Intellectual property £000 |
|-----------------------|----------------------------------|
| Cost | |
| At 1 January 2019 | 500 |
| At 31 December 2019 | <u>500</u> |
| Amortisation | |
| At 1 January 2019 | 500 |
| At 31 December 2019 | <u>500</u> |
| Net book value | |
| At 31 December 2019 | <u>-</u> |
| At 31 December 2018 | <u>-</u> |

10. Debtors

| | 2019 £000 | As restated 2018 £000 |
|------------------------------------|--------------|-----------------------------|
| Amounts owed by group undertakings | 3,730 | 3,163 |
| | <u>3,730</u> | <u>3,163</u> |

Amounts owed by 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 2019

11. Creditors: Amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 401 | 750 |
| Corporation tax | 300 | 110 |
| | <u>701</u> | <u>860</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The parent company has provided support that the intercompany balances will not be recalled for a period of at least 12 months from the date these financial statements are signed.

12. Share capital

| | 2019 £ | 2018 £ |
|---|--------------|--------------|
| Allotted, called up and fully paid | | |
| 550 (2018 -550) A Shares shares of £1.00 each | 550 | 550 |
| 450 (2018 -450) B Shares shares of £1.00 each | 450 | 450 |
| | <u>1,000</u> | <u>1,000</u> |

All shares rank pari passu.

13. Reserves

Profit and loss account

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

14. Prior year adjustment

An adjustment has been made to reclassify royalty income previously recognised in another group company (Silver Cross (UK) Limited) to Silver Cross (IP) Limited, to correctly align revenue recognition with the terms of the agreement.

This has resulted in a restatement of opening equity at 1 January 2018 of £150k, a restatement of prior year other income to increase it by £200k, an increase in prior year intercompany receivable of £350k and an increase to the equity balance as at 31 December 2018 of £350k.

The tax impact of the restatements is considered to be material to these financial statements and accordingly a prior year adjustment of £67k has been made to the tax charge.

SILVER CROSS (IP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Related party transactions

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

16. Post balance sheet events

Post year end the developments and circumstances around COVID 19 have been identified as a significant but non-adjusting event that would affect the Company. Due to the uncertainties surrounding the potential implications to the Company, no estimate can be made at this time as to the financial effect thereof, however the impact of this on the entities ability to continue as a going concern has been included within note 2.3.

17. 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.