Britax Childcare Holdings Limited

Annual report and financial statements

Registered number 05545515

Year ended 31 December 2020

Contents

Strategic report

Business review and principal activities

The Company acts as a holding company and licences Britax trademarks and domain names to related parties and third parties. The Company is a member of the Group headed by Britax Group Limited ("the Group").

The Group's principal activities are the manufacture and sale of premium branded children's car seats and wheeled goods with leading positions held in its core markets of Europe, Australia and the US.

The profit and loss account for the period is set out on page 11.

The Group manages its operations at a group level and the directors therefore believe that disclosures around development, performance and position of the business should be at that level. The Company's revenue is derived from brand royalty income from other Britax Group companies.

The loss before tax for the year was £3,128,000 (*2019:£ 40,083,000*). An impairment of intangible assets of £2,235,000 impacted the result in 2020, and an impairment of investments of *£40,430,000* impacted the result in 2019. The 2020 impairment resulted from a revaluation of one of the brand names owned by the company. The 2019 impairment resulted from reduced profit forecasts in the US subsidiary Group.

Principal risks and uncertainties

The following risks and uncertainties are the principal risks and uncertainties which could adversely affect the Group's business, operations, financial position, future financial performance and the accuracy of any forward looking statements contained in the strategic report, directors' report, the financial statements and the notes to the financial statements. This information should be read in conjunction with the other parts of the strategic report, the directors' report, the financial statements and the notes to the financial statements.

COVID-19

The Group operates globally and the continuing effects of the worldwide COVID-19 coronavirus pandemic, and resulting government restrictions on physical retail sales outlets, could affect retail sales of the Group's products which could have a resulting effect on the Group's sales to its distributors and retailers. Additionally, infections could affect the Group's employees and premises and adversely affect the operation and management of the Group and execution of its strategic plans. The Group primarily sells products at the wholesale level to distributors and retailers. Retail stores selling the Group's products have largely been allowed to remain open under exceptions to government restrictions based on the essential nature of these products. Additionally, retailers have largely adapted to the changing retail landscape with an increased focus on online sales and click-and-collect services. Separately, the Group has focused on further developing and increasing its own online direct to consumer sales where appropriate.

The Group has taken a number of initiatives to protect the health of its employees, including precautions to mitigate the potential spread of infections in the workplace, such as greater health awareness, guidance for employees, visitor restrictions, social distancing measures, use of face-coverings, increased cleaning protocols in premises and encouraging office staff to work from home where and when practical. These measures remain in place and the Group continues to operate effectively.

Market share

The Group manages competitive threats to its business by having on-going product innovation with a portfolio of world class brands which are synonymous with quality and the very highest standards of safety. Competitive risks are further mitigated by a broad distribution base, strong customer relationships and increasing consumer engagement.

FX and price fluctuations

The Group is subject to the risk of FX and other price fluctuations in raw material and finished goods prices. These risks are effectively managed through hedging programs, strong long-term supplier relationships and strategic purchasing initiatives.

Strategic report *(continued)*

Strategic plan execution

The Group's current commercial strategy is focused on market share and revenue growth, simplifying its business and product portfolio and reducing costs. There is a risk that the strategy may be unsuccessful or may only be partially successful. This risk and its potential impact on the Group's business are managed and mitigated by setting strategic plans which are reasonable and sustainable, ensuring the availability of necessary expertise and resources to support execution, prudent financial forecasting with appropriate sensitivities and periodic reviews to closely monitor and manage execution and performance and, if issues are identified, promptly initiate necessary remedial actions.

IT Infrastructure

The Group is operationally reliant on IT systems and networks. A cyber-attack or a failure of one of its key systems or networks could adversely impact the Group's operations. The Group uses experienced professionals and third-party service providers, suppliers and products to ensure that its IT infrastructure is proactively managed, key systems, networks and data are adequately secured and key data is regularly backed-up and available in the event of an attack or systems failure.

Loan funding

The Group has several companies using intra group loans to fund their activities. The Group has undertaken to support the Company in the event that another Group entity requires repayment of a liability, or if another Group entity is unable to repay a balance receivable by the Company.

Employees

Due to the spread of the Group's constituent businesses, responsibility has been devolved to the local management of the active subsidiaries who are accountable for employment arrangements and the implementation of the Group's overall policies. Within this framework, the management of each subsidiary is responsible for:

(a) the development of employee involvement and communication policies which are appropriate to their own particular needs and in line with accepted practices in its country of operation;

(b) ensuring that no employee or potential employee receives less favourable treatment on the grounds of sex, marital status, colour, race, sexual orientation, nationality, religious beliefs or disability;

(c) selection and promotion being based on the suitability of an individual's skills, aptitude and experience for the job; and

(d) fully and fairly considering applications for employment from disabled persons having regard to the aptitudes and abilities of the applicant. In the event of disability, every effort is made to ensure that suitable training for employment with the Group or elsewhere is given.

Strategic report *(continued)*

Restructuring of Britax Group

Since 2014, the Britax Group has suffered a fall in profits and struggled both to recover profitability and generate cash. Free cash flow from operations fell to levels below the debt servicing requirements, and as a result, the Group had insufficient cash to be able to invest in the required levels of new product development to sustain future growth. As of 31 December 2019, the total borrowings due for repayment in 2020 totalled €334.4m.

On 9th January 2020, the Group successfully completed its refinancing by recapitalising its existing debt through an injection of new Senior Debt of €96.9m repayable in 2024, a recapitalisation of the existing debt of €264.7m into equity and issuing new Springing Subordinated Debt of €40.1m. The cash servicing costs on the restructured debt averages €1.2m over the next 5 years, which compares to the annual cash cost of servicing the historical debt of €19.2m. The annual cash saving of €18m allows the Group to self-fund its operations and invest in new product development for future growth.

As a result of the transaction, cash at bank on 31 January 2020, was €59.5m compared to the balance on 31 December 2019 of €20.0m, providing a major increase in liquidity for the Group. Both the reduced debt service burden and the improved liquidity have enabled the new management team to begin its turnaround strategy for the business. The turnaround strategy includes restructuring activities, which have led to reduced operating cash outflows. As the Group has progressed through 2020, despite the impact of COVID 19, trading and cash flow from operations remains strong with cash at bank on 31 January 2021 of €49.9m.

Health, safety and the environment

The Group takes seriously its responsibilities to employees, customers and the environment. It requires each operating subsidiary to maintain its own health, safety and environmental policies and to implement good working practices and procedures so as to ensure that its operations and products comply with the appropriate law, regulations and standards.

COVID-19

During the COVID-19 pandemic in 2020 and 2021, the Group undertook a number of initiatives to protect the health of its employees, including encouraging office staff to work from home when practical. In addition, the Group introduced health checks, social distancing measures and increased cleaning protocols in its office facilities.

In its capacity as an administrative company the Group's financial results were unaffected by the pandemic and consequent lockdowns. The Group continues to adjust to changing COVID-19 operating environments as dictated by local requirements.

By order of the board

Nathan Fenwick

N Fenwick
Director
28/9/2021

Building A
Riverside Way
Camberley
Surrey
GU15 3YL

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Going concern

Notwithstanding net current liabilities of £49,758,000 as at 31st December 2020 and a loss for the year then ended of £3,128,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, including sensitivities around the loss of brand royalty income as a result of lost sales by Group companies as a result of Covid-19 and potential impairment of intangible assets. The improvements in Group liquidity after the balance sheet date as described on page 2 indicate that the company will have sufficient funds through funding from its parent company Britax Group Limited to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Britax Group Limited not seeking repayment of the amounts currently due to the group, which at 31st December 2020 amounted to £51,398,000, and providing additional financial support if required during that period. Britax Group Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. The Directors have reviewed the financial position of the Group including cashflow forecasts for at least the next 12 months from the date of approval of these financial statements, the details of which are disclosed in the consolidated accounts of Britax Group Limited, and, whilst the Directors acknowledge there can be no certainty that this support will continue as with any company placing reliance on other group entities for financial support, at the date of approval of these financial statements they have no reason to believe it will not do so or that the Group does not have the ability to provide this support.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Dividends

No dividends were paid out during the year *(2019: £Nil)*. The loss after taxation for the year was £831,000 *(2019: loss £40,279,000)*. The directors do not propose the payment of a final dividend.

Matters covered in the strategic report
Details of the principal risks and uncertainties facing the company and key policies in respect of employees are given in the strategic report.

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during the period were as follows:

M Akinlade	Appointed 1st September 2021
J Copeland	Appointed 27th January 2020, resigned 31st March 2020
N Fenwick	Appointed 20th May 2020
M Hinds	Appointed 27th January 2020, resigned 27th August 2021
M Pacharis	Appointed 1st September 2021
M Weccardt	Resigned 27th January 2020

The directors of the Company are entitled to be indemnified by the Company, limited to the extent permitted by applicable law and the Company's articles of association, in respect of losses arising out of, or in connection with, the execution of their powers, duties and responsibilities. During the financial year to which this directors' report relates, there was in force, for the benefit of one person who was a director of the Company during that financial year, a deed of indemnity given by an associated company. This deed of indemnity does not provide cover for matters arising from gross negligence, misconduct, wilful default, fraud or any matters prohibited by ss.232-235 (inclusive) of the Companies Act 2006. In addition, as at the date on which this directors' report is approved, there is in force, for the benefit of one of the directors of the Company, a deed of indemnity given by the Company's U.S. parent entity, Persimmon Midco LLC. This indemnity does not provide cover for matters arising from gross negligence, wilful default, wilful misconduct, fraud, criminal conduct or any matters prohibited by applicable law. In addition, during the financial year to which this directors' report relates, the Company's U.S. parent entity, Persimmon Midco LLC, maintained directors' and officers' liability insurance which provides cover for the directors of the Company and such cover remains in force as at the date on which this directors' report is approved.

Post balance sheet events

There are no material post balance sheet events.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006 a Board meeting held on 14th December 2020 provided for Grant Thornton LLP to be appointed as statutory auditors. The auditor will be deemed to be reappointed and Grant Thornton LLP will therefore continue in office.

By order of the board

Nathan Fenwick

N Fenwick
Director
28/9/2021

Building A
Riverside Way
Camberley
Surrey
GU15 3YL

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law, including FRS 101 *Reduced Disclosure Framework).*

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 and profit or loss of the company for that period. In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis of accounting 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 its 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

Independent auditor's report to the members of Britax Childcare Holdings Limited

Opinion

We have audited the financial statements of Britax Childcare Holdings Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and loss account and other comprehensive income, Balance Sheet, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' '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 2021 and of its loss 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

Conclusions relating to Going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the 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 strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, 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 either 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

<u>The engagement team's understanding of the legal and regulatory framework and which laws and regulations the engagement team identified as being significant in the context of the company</u>

The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. To understand these:

- We enquired of management, legal counsel and those charged with governance, concerning the company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, legal counsel and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations and whether they had any knowledge of actual, suspected or alleged fraud.
- We utilised our own specialists to assist us in identifying fraud risks based on discussions of the circumstances of the company.
- We corroborated our enquiries through our review of board minutes, and correspondence received from the company's advisors and regulatory bodies.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, being applicable law and FRS101.
- In addition, we concluded that there are certain significant laws and regulations, such as Employment Law and Health and Safety regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to employee matters, environmental matters, data protection, and bribery and corruption practices.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

<u>The engagement team's assessment of the susceptibility of the company's financial statements to material misstatement, including how fraud might occur</u>

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; and
  - potential management bias in determining estimates and judgements, particularly in relation to assessing the impairment of assets and calculating the fair value of certain financial liabilities.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing; with a focus on material manual journals, including those with unusual account combinations and those posted directly to cash, debtors' and creditors' control accounts;
  - challenging assumptions and judgements made by management in its significant accounting estimates.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

<u>The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations</u>

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the company operates; and
  - understanding of the legal and regulatory requirements specific to the company.

<u>Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team.</u>

- We communicated identified laws and regulations throughout the engagement team and remained alert to indications of non-compliance and the potential for fraud.

Use of our 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.

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
Date: 28/9/2021

Profit and loss account and other comprehensive income

for the year ended 31 December 2020

	Note	**2020** **£000**	2019 £000
Other income	*4*	**2,237**	2,552
Administrative expenses		**(876)**	(1,099)
Operating profit		**1,361**	1,453
Impairment of intangible asset	*7*	**(2,235)**	-
Impairment of investment in subsidiaries		**-**	(40,430)
Interest receivable	*2*	**-**	74
Interest payable	*3*	**(2,254)**	(1,180)
Loss before taxation	*4*	**(3,128)**	(40,083)
Taxation	*6*	**62**	(196)
Loss for the financial year being total comprehensive income		**(3,066)**	(40,279)

All amounts relate to continuing operations.

There is no difference between loss before taxation and profit for the financial year stated above and their historical equivalents.

The accompanying notes beginning on page 14 form an integral part of the financial statements.

Balance sheet
at 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Non-current assets					
Intangible assets	7		6,170		9,220
Investments	8		13,219		-
Deferred tax	12		-		70
			19,389		9,290
Current assets					
Debtors	9	1,090		566	
Cash at bank and in hand		619		7	
		1,709		573	
Creditors: amounts falling due within one year	10	(51,467)		(36,988)	
Net current liabilities			(49,758)		(36,415)
Total assets less current liabilities			(30,369)		(27,125)
Creditors: amounts falling due after more than one year	11		(735)		(913)
Net liabilities			(31,104)		(28,038)
Capital and reserves					
Share capital	13		5,650		5,650
Share premium account			1,800		1,800
Non distributable reserve			18,000		18,000
Profit and loss account			(56,554)		(53,488)
Shareholder's deficit			(31,104)		(28,038)

The accompanying notes beginning on page 14 form an integral part of the financial statements.

These financial statements were approved by the directors and signed on their behalf on 28/9/2021 by:

Nathan Fenwick

N Fenwick
Director

Registered company number: 05545515

Statement of changes in equity

	Share capital	Share premium account	Non distributable reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	5,650	1,800	18,000	(13,209)	12,241
Loss for the year being total comprehensive income	-	-	-	(40,279)	(40,279)
At 31 December 2019	5,650	1,800	18,000	(53,488)	(28,038)
At 1 January 2020	5,650	1,800	18,000	(53,488)	(28,038)
Loss for the year being total comprehensive income	-	-	-	(3,066)	(3,066)
At 31 December 2020	**5,650**	**1,800**	**18,000**	**(56,554)**	**(31,104)**

The accompanying notes beginning on page 14 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1 Principal accounting policies

Britax Childcare Holdings Limited (the "Company") is a company domiciled in England and incorporated in the UK, registered in England and Wales. The Company's registration number is 05545515 and the registered address is Building A, Riverside Way, Camberley, Surrey GU15 3YL. The Company is primarily involved in the manufacture, design and distribution of children's car seats, wheeled goods and related accessories.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/2015 cycle) issued in March 2018 and subsequent updates in May 2020 have been applied.

In these financial statements the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Group financial statements

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

Going concern

Notwithstanding net current liabilities of £49,758,000 as at 31st December 2020 and a loss for the year then ended of £831,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements, including sensitivities around the loss of brand royalty income as a result of lost sales by Group companies as a result of Covid-19 and potential impairment of intangible assets. The improvements in Group liquidity after the balance sheet date as described on page 2 indicate that the company will have sufficient funds through funding from its parent company Britax Group Limited to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Britax Group Limited not seeking repayment of the amounts currently due to the group, which at 31st December 2020 amounted to £51,398,000, and providing additional financial support if required during that period. Britax Group Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. The Directors have reviewed the financial position of the Group including cashflow forecasts for at least the next 12 months from the date of approval of these financial statements, the details of which are disclosed in the consolidated accounts of Britax Group Limited, and, whilst the Directors acknowledge there can be no certainty that this support will continue as with any company placing reliance on other group entities for financial support, at the date of approval of these financial statements they have no reason to believe it will not do so or that the Group does not have the ability to provide this support.

Notes *(continued)*

Going concern (continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Functional and presentation currency

These financial statements are presented in GBP, which is the Company's functional currency. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

Use of estimates and judgements

The preparation of the financial statements in conformity with FRS101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The principal accounting estimates, assumptions and judgements employed in the preparation of these financial statements which could affect the carrying amounts of assets and liabilities at the balance sheet date are as follows:

Impairment of investments

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. An impairment loss is recognised immediately in the profit and loss account. The Company's investment in Britax US Holdings Inc was fully impaired during the year as the recoverable values were deemed to be below the investment's carrying value.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities dominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due, but that it may still be collectible.

Notes *(continued)*

1 Accounting policies *(continued)*

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Brand names 20 years

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Notes *(continued)*

1 Accounting policies *(continued)*

Finance income and finance costs

Finance income comprises interest income on Group undertakings and on funds invested gains on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables).

Taxation

Tax expense comprises current and deferred tax, it is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes *(continued)*

2 Interest receivable

	2020	2019
	£000	£000
Interest receivable from Group undertakings	**-**	74

3 Interest payable

	2020	2019
	£000	£000
Interest payable to Group undertakings	**(2,254)**	(1,180)

4 Loss before taxation

Loss before taxation is stated after (crediting)/ charging

	2020	2019
	£000	£000
Brand royalty income	**(2,237)**	(2,552)
Depreciation and other amounts written off intangible assets	**815**	815
Foreign exchange (gains) / losses	**(54)**	(24)
Impairment of investment in subsidiaries	**-**	40,430
Impairment of intangible assets	**2,235**	-
Auditor's remuneration		
Audit of these financial statements	**10**	12

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Britax Group Limited.

5 Directors' remuneration

The four *(2019: four)* directors received no remuneration for their services to this Company for the year to 31 December 2020 *(2019: £Nil)*. The directors are remunerated at Group level and it is disclosed in the Britax Childcare Group Limited statutory accounts.

Notes *(continued)*

6 Taxation

Analysis of credit / (charge)

	2020 £000	2019 £000
UK corporation tax		
Current tax on loss for the year	**132**	(143)
Deferred tax charged to provision	**(70)**	(53)
Total tax credit / (charge)	**62**	(196)

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2019: lower)* than the standard rate of corporation tax in the UK of 19% *(2019: 19 %)* applied to the profit before tax. The differences are explained below:

	2020 £000	2019 £000
Current tax reconciliation		
Loss before taxation	**(3,128)**	(40,083)
Current tax at 19% *(2018: 19%)*	**594**	7,616
Effects of:		
Group relief not paid for	**(76)**	45
Expenses not allowable	**(94)**	-
Impairment of intangible asset	**(425)**	-
Impairment of investments	**-**	(7,682)
Amortisation not tax deductible	**-**	(155)
Other	**130**	-
Prior year adjustment	**(67)**	(20)
Total current tax credit / (charge) (see above)	**62**	(196)

Notes *(continued)*

7 Intangible assets

	Brand names £000
Cost or valuation	
At beginning and end of year	16,306
Amortisation	
At beginning of year	7,086
Impairment during the year	2,235
Charge for the year	815
At end of year	10,136
Net book value	
At 31 December 2020	**6,170**
At 31 December 2019	9,220

The impairment arose following a revaluation of the BOB brand.

There are no outstanding commitments for the acquisition of intangible assets.

The remaining amortisation periods of the two brand names are between 10 and 11 years.

Notes *(continued)*

8 Investments

	Interests in group undertakings £000
Cost	
At 1st January 2020	**228,624**
Additions	**13,219**
At 31st December 2020	**241,843**
Impairments	
At 1st January 2020	**(228,624)**
Impaired during the year	**-**
At 31st December 2020	**(228,624)**
Net Book value	
At 31st December 2020	**13,219**
At 1st January 2020	**-**

Interests in Group undertakings

The subsidiary companies are as follows:

Held directly by the Company	**Principal place of business/ registered office address**	**Registered number**	**Class of shares held**	**% Ownership 2020**	**% Ownership 2019**
Britax US Holdings Inc	4140 Pleasant Rd., Fort Mill SC 29708, United States	45-101-5826	Ordinary	**100**	100
Britax Childcare Group Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	04940417	Ordinary	**100**	100
Britax Do Brasil Administração E Participações LTDA	Rua Cardoso de Melo, 1.308, 6° Andar CEP 04548-004, São Paulo, SP, Brazil	35.228.181.46 1	Ordinary	**100**	100
Child Safety and Mobility De Mexico, S. De R.L. DE C.V.	Tobasco No,304 Roma Sur Cuauhtemoc D F. 06760, Mexico	CSM130205A W6	Ordinary	**100**	100
Held indirectly					
Britax Childcare Pensions Trust Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	05796904	Ordinary	**100**	100

8 Investments *(continued)*

Held directly by the Company	**Principal place of business/ registered office address**	**Registered number**	**Class of shares held**	**% Ownership 2020**	**2019**
Britax Puériculture SARL	Espace European de l'Entreprise, 11 avenue de l'Europe, 67300, Schiltigheim, France	382 816 239	Ordinary	**100**	100
Britax Child Safety, Inc.	4140 Pleasant Rd., Fort Mill SC 29708, United States	621625175	Ordinary	**100**	100
Britax Nordiska Barn AB	Jörgen Kocksgatan 4, 4:th floor, 21120 Malmö, Sweden	556356-9465	Ordinary	**100**	100
Britax Excelsior Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	00294545	Ordinary	**100**	100
Britax Childcare German Holdings GmbH	Theodor-Heuss-Str. 9, 89340, Leipheim, Bavaria , Germany	HRB 17032	Ordinary	**100**	100
Britax Römer Kindersicherheit GmbH	Theodor-Heuss-Str. 9, 89340, Leipheim , Bavaria , Germany	HRB 17004	Ordinary	**100**	100
Britax Childcare Hong Kong Limited	Unit B, 11th Floor Continental Electric Building 17 Wang Chiu Road, Kowloon Bay Hong Kong, Hong Kong SAR	810882	Ordinary	**100**	100
Britax Child Safety Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	00261123	Ordinary	**100**	100
Britax Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	00361829	Ordinary	**100**	100
Britax Childcare Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	03929808	Ordinary	**100**	100
Britax Pohjolan Lapset Oy	Kauppakartanonkatu 15 D, 00930 Helsinki, Finland	601901	Ordinary	**100**	100
Britax Norway AS	PO Box 34 , Rolvsøy, 1662, Norway	915 840 469	Ordinary	**100**	100
Britax Childcare (Zhongshan) Company Limited	Second Floor (Building 6), City Construction & Industrial Village Multi-function Buildg, East Jucheng Road, Xiaolan, Zhongshan, China	442000400023 219	Ordinary	**100**	100
Britax Childcare Investments Limited	Building A, Riverside Way, Camberley, Surrey GU15 3YL, United Kingdom	00759349	Ordinary	**100**	100
Britax Child Safety Ltd	44 Chipman Hill, Suite 1000, P.O. Box Station "A", Saint John NB E2L 4S6, Canada	506797	Ordinary	100	100

All subsidiaries are 100% owned by the Company. All shareholdings are of ordinary equity share capital. All companies operate principally in their country of incorporation.

Notes *(continued)*

9 Debtors

	2020 £000	2019 £000
Falling due within one year		
Amounts owed by group undertakings	**1,016**	512
Other debtors	**74**	54
	1,090	566

10 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	**51,398**	36,759
Accruals	**69**	226
Corporation tax payable	**-**	33
	51,467	36,988

The amount owed to group undertakings is unsecured, repayable on demand and attracts interest at 4.50%.

11 Creditors: amounts falling due after one year

	2020 £000	2019 £000
Accruals and deferred income	**735**	913

12 Deferred tax

The elements of deferred tax asset are as follows:

	Losses carried forward £000
At beginning of year	70
Profit and loss account	(70)
At end of year	-

The company has no unrecognised deferred tax assets.

Notes *(continued)*

13 Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid:		
300,000 Ordinary shares of £0.10 each	**30**	30
1,700,000 'A' Ordinary shares of £0.10 each	**170**	170
5,449,098 'B' Ordinary shares of £1 each	**5,450**	5,450
	5,650	5,650

All classes of shares rank pari passu in all rights.

14 Ultimate and immediate parent companies

The Company's immediate parent undertaking is CC4 (2011) Limited, incorporated in Great Britain. The smallest group in which the results of the Company are consolidated is Britax Group Limited. Copies of these consolidated financial statements of Britax Group Limited are available from The Secretary, Britax Group Limited, Building A, Riverside Way, Camberley, Surrey, GU15 3YL.

The ultimate controlling entity is Persimmon Midco LLC, an entity incorporated in Delaware, USA and controlled by the lenders, with the majority interest held by Avenue Capital .

15 Contingent liabilities

At the balance sheet date the Company was one of a number of subsidiaries of Britax Group Limited which were jointly and severally liable for guaranteeing the Group's senior and junior secured loans. At the balance sheet date these loans amounted to €145,288,000. The cross guarantee and debenture were in favour of Cortland Capital Market Services LLC, and dated 8 January 2020.

16 Post balance sheet events

There are no material post balance sheet events.