

Registered number: 07112004

SILVER CROSS NURSERIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



SILVER CROSS NURSERIES LIMITED

COMPANY INFORMATION

Directors	W Zhang (appointed 8 January 2018) N J Paxton X Zhang C A Walsh (appointed 23 May 2019)
Registered number	07112004
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 NURSERIES LIMITED

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SILVER CROSS NURSERIES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

The directors present their Strategic Report for the year ended 31 December 2018.

Business review

The Company continues to operate as a holding company for a group of businesses providing consumers with high quality prams and related products.

There are no significant factors impacting the Company's operations in the year.

Principal risks and uncertainties

The Company operates as a holding company and the principal risk is that its subsidiaries may decline in value.

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

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

Going concern

The Company is in a net current liability position, however the Group is profitable overall and will offer support should Silver Cross Nurseries Limited require it.

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



C A Walsh
Director

SILVER CROSS NURSERIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2017 - £NIL).

No dividends have been paid during the year (2017: £NIL). The directors do not recommend a final dividend.

Directors

The directors who served during the year were:

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' responsibilities statement

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SILVER CROSS NURSERIES LIMITED

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

Disclosure of information to auditor

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

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

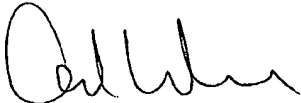
Auditor

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

This report was approved by the board on

30 September 2019

and signed on its behalf.



C A Walsh
Director

SILVER CROSS NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS NURSERIES LIMITED

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's operations, including the carrying value of investments.

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

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

SILVER CROSS NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS NURSERIES 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 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.

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 Strategic Report or 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.

SILVER CROSS NURSERIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SILVER CROSS NURSERIES 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 (Senior statutory auditor)

for and on behalf of

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

Date: 30 September 2019

SILVER CROSS NURSERIES LIMITED

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

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and consequently made neither a profit nor a loss.

SILVER CROSS NURSERIES LIMITED
REGISTERED NUMBER: 07112004

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Investments	6	8,126	8,172
		<u>8,126</u>	<u>8,172</u>
Current assets			
Debtors: amounts falling due within one year	7	2,798	2,605
		<u>2,798</u>	<u>2,605</u>
Creditors: amounts falling due within one year	8	(3,879)	(3,732)
Net current liabilities		<u>(1,081)</u>	<u>(1,127)</u>
Total assets less current liabilities		<u>7,045</u>	<u>7,045</u>
Net assets		<u>7,045</u>	<u>7,045</u>
Capital and reserves			
Called up share capital	9	1	1
Other reserves	10	26	26
Merger reserve	10	6,999	6,999
Profit and loss account	10	19	19
Total equity		<u>7,045</u>	<u>7,045</u>

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



C A Walsh
Director

30 September 2019

The notes on pages 10 to 16 form part of these financial statements.

SILVER CROSS NURSERIES LIMITED

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

	Called up share capital £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	1	26	6,999	19	7,045
At 1 January 2018	1	26	6,999	19	7,045
At 31 December 2018	1	26	6,999	19	7,045

The notes on pages 10 to 16 form part of these financial statements.

SILVER CROSS NURSERIES LIMITED

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

1. General information

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

Micklethorn
Broughton
Skipton
North Yorkshire
BD23 3JA

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

In preparing these financial statements, the Company has taken advantage of disclosure exemptions, as permitted by FRS 102 paragraph 1.12.

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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

SILVER CROSS NURSERIES LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

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

2.4 Group financial statements

Group financial statements are not prepared under the exemption permitted by section 401 of the Companies Act 2006 as the Company is a wholly owned subsidiary of a company which prepares consolidated financial statements and which are publicly available. Accordingly, the financial statements present information about the Company as an individual undertaking and not about its group.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 Financial instruments

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

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

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

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.

SILVER CROSS NURSERIES LIMITED

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

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors are conscious that in the preparation of these financial statements their judgments have been used in certain areas, namely the carrying value of investments and consideration of any impairment in that value. The directors are satisfied that there are no indicators of impairment in the carrying value of the investments in these financial statements.

4. Auditor's remuneration

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

SILVER CROSS NURSERIES LIMITED

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

5. Employees

The directors did not receive any remuneration from the Company during the year (2017: £NIL). The directors are also directors of Silver Cross (UK) Limited and they consider that their qualifying services provided to this company represents an insignificant proportion of their group responsibilities and accordingly have concluded that a £NIL apportionment of their group remuneration would be attributed to these services. There were no employees in the year other than the directors.

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Directors	<u>4</u>	<u>4</u>

6. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2018	8,172
Additions	604
Transfers intra group	(650)
At 31 December 2018	<u>8,126</u>
Net book value	
At 31 December 2018	<u>8,126</u>
At 31 December 2017	<u>8,172</u>

The group headed up by Silver Cross Nurseries Limited reorganised its investments in its subsidiary companies during the course of the year. The investments in Micralite Limited, Micralite (Pacific) Limited and Micralite (IP) Limited were transferred to Micralite (Holdings) Limited (also a subsidiary of Silver Cross Nurseries Limited), at fair value which was equal to the carrying value of the investment.

The Company made a capital contribution of £600,000 during the year in Silver Cross (China) Trading Limited.

SILVER CROSS NURSERIES LIMITED

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

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Silver Cross (UK) Limited*	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Manufacture of prams and related nursery products	Ordinary	100%
Silver Cross (Pacific) Limited*	Suite 2302, 23/F, Crocodile Centre, 79 Hoi Yuen Road, Kwun Tong, Kowloon, HK	Manufacture of prams and related nursery products	Ordinary	100%
Silver Cross (IP) Limited*	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Owner of intellectual property	Ordinary	100%
Silver Cross (China) Trading Limited*	Room 8404a, Block 8, Phase III, no 550 Jumen Road, Shanghai 200023, PRC	Distributor of prams and related nursery products	Ordinary	100%
Silver Cross Europe S.L.*	Sant Cugat Business Park, Av. Via Augusta 15-25, 08174 Sant Cugat del Valles, Spain	Distributor of prams and related nursery products	Ordinary	100%
Micralite (Holdings) Limited*	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Holding company	Ordinary	100%
Micralite Limited**	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Manufacture of prams and related nursery products	Ordinary	100%
Micralite (Pacific) Limited**	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Dormant	Ordinary	100%
Micralite (IP) Limited**	Micklethorn Broughton, Skipton, North Yorkshire, BD23 3JA	Owner of intellectual property	Ordinary	100%
British Baby Products Inc**	251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808	Manufacture of prams and related nursery products	Ordinary	100%

* Direct subsidiary undertakings

** Indirect subsidiary undertakings

SILVER CROSS NURSERIES LIMITED

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

7. Debtors

	2018	2017
	£000	£000
Amounts owed by group undertakings	<u>2,798</u>	<u>2,605</u>

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

8. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Amounts owed to group undertakings	<u>3,879</u>	<u>3,732</u>

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

9. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

10. Reserves

Other reserves

Other reserves relate to the share based payments reserve.

Merger Reserve

The merger reserve represents amounts recognised on previous acquisitions being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Profit and loss account

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

11. Related party transactions

The Company has taken advantage of the exemption in section 33 of FRS 102 Related Party Disclosures from disclosing related party transactions with other group companies.

SILVER CROSS NURSERIES LIMITED

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

12. Controlling party

The Company is a wholly-owned subsidiary of Plata Cross (UK) Limited, a company registered in the United Kingdom, which itself is an indirect subsidiary of Fosun International Limited, a company registered 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 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. 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