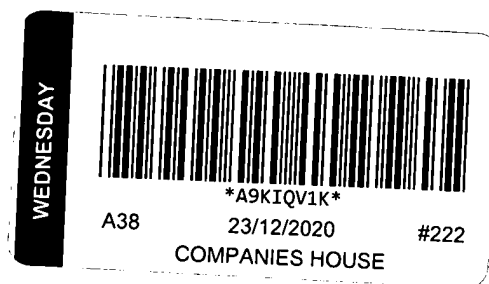


# Silver Cross Nurseries Limited

Registered number: 07112004

## Annual report and financial statements

For the year ended 31 December 2019



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**SILVER CROSS NURSERIES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	W Zhang N J Paxton X Zhang C A Walsh (appointed 23 May 2019)
<b>Registered number</b>	07112004
<b>Registered office</b>	Micklethorn Broughton Skipton North Yorkshire BD23 3JA
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

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**SILVER CROSS NURSERIES LIMITED**

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**SILVER CROSS NURSERIES LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Introduction**

The directors present their Strategic Report for the year ended 31 December 2019.

**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.

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 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.

This report was approved by the board on 22 December 2020 and signed on its behalf.



**C A Walsh**  
Director

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## **SILVER CROSS NURSERIES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,430k (2018 - £NIL).

Dividends of £2.2m were paid during the year (2018: £NIL) to parent company Plata Cross (UK) Limited.

#### **Directors**

The directors who served during the year were:

W Zhang  
N J Paxton  
J D Halsall (resigned 23 May 2019)  
X 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.

#### **Post balance sheet events**

Since the Statement of Financial Position date there has been a global pandemic from the outbreak of COVID-19. The 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.

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## SILVER CROSS NURSERIES LIMITED

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

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#### 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;
- 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.

#### 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 22 December 2020 and signed on its behalf.



**C A Walsh**  
Director

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**SILVER CROSS NURSERIES LIMITED**

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

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**Opinion**

We have audited the financial statements of Silver Cross Nurseries 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 19.

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 has caused 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.

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**SILVER CROSS NURSERIES LIMITED**

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

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**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; and
- we have not received all the information and explanations we require for our audit.



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**SILVER CROSS NURSERIES LIMITED**

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

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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](http://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 18:57 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

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**SILVER CROSS NURSERIES LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £000	2018 £000
Administrative expenses		(35)	-
Impairments	9	(935)	-
<b>Operating (loss)/profit</b>		<b>(970)</b>	<b>-</b>
Income from fixed assets investments		2,400	-
<b>Profit before tax</b>		<b>1,430</b>	<b>-</b>
<b>Profit for the financial year</b>		<b>1,430</b>	<b>-</b>

There was no other comprehensive income for 2019 (2018:£000NIL).

The notes on pages 10 to 19 form part of these financial statements.

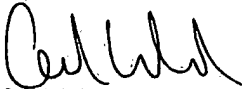
**SILVER CROSS NURSERIES LIMITED**  
**REGISTERED NUMBER: 07112004**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	10	8,502	8,126
		<u>8,502</u>	<u>8,126</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	3,826	2,798
		<u>3,826</u>	<u>2,798</u>
Creditors: amounts falling due within one year	12	(6,053)	(3,879)
<b>Net current liabilities</b>		<u>(2,227)</u>	<u>(1,081)</u>
<b>Total assets less current liabilities</b>		<u>6,275</u>	<u>7,045</u>
<b>Net assets</b>		<u>6,275</u>	<u>7,045</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Other reserves	14	26	26
Merger reserve	14	6,999	6,999
Profit and loss account	14	(751)	19
<b>Total equity</b>		<u>6,275</u>	<u>7,045</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 19 form part of these financial statements.

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**SILVER CROSS NURSERIES LIMITED**

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

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	Called up share capital £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2018	1	26	6,999	19	7,045
At 1 January 2019	1	26	6,999	19	7,045
Comprehensive income for the year					
Profit for the year	-	-	-	1,430	1,430
Dividends paid to parent	-	-	-	(2,200)	(2,200)
At 31 December 2019	1	26	6,999	(751)	6,275

The notes on pages 10 to 19 form part of these financial statements.

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## SILVER CROSS NURSERIES LIMITED

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

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#### 1. General information

Silver Cross Nurseries Limited ('the Company') is a private company, limited by shares and 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.

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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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](http://www.fosun.com).

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**SILVER CROSS NURSERIES LIMITED**

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

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**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 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 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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**SILVER CROSS NURSERIES LIMITED**

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

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**2. Accounting policies (continued)****2.8 Financial instruments (continued)**

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.

**2.9 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.

**2.10 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 profit or loss within 'other operating income'.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.12 Material items on the face of the Statement of Comprehensive Income**

Material items on the face of the Statement of Comprehensive Income are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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**SILVER CROSS NURSERIES LIMITED**

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

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**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.

The directors have reviewed for impairment indicators at the reporting date, and have identified such indicators in several of the investments in subsidiaries held. Where impairment indicators have been identified, a full impairment review has been undertaken to assess whether the carrying value is supported against the value in use. There is considered to be judgement involved in determining the value in use from the discounted cash flow forecasts of the subsidiary investments. The key assumptions in the underlying discounted cash flows are the future expected performance of the subsidiary and the directors intentions, based on latest financial information and business plans. Where the carrying value is identified to exceed the value in use, an impairment loss has been recognised accordingly within the Statement of Comprehensive Income.

**4. Auditor's remuneration**

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

**Fees payable to the Company's auditor in respect of:**

Audit-related assurance services	1,000	-
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**5. 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.

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

	2019 No.	2018 No.
Directors	4	4



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**SILVER CROSS NURSERIES LIMITED**

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

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**6. Income from investments**

	<b>2019 £000</b>	<b>2018 £000</b>
Dividends received from subsidiary undertakings	<u>2,400</u>	<u>-</u>

**7. Taxation****Factors affecting tax charge for the year**

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

	<b>2019 £000</b>	<b>2018 £000</b>
Profit on ordinary activities before tax	<u>1,430</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19%)	272	-
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	178	-
Non-taxable income	(456)	-
Deferred tax not recognised	6	-
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**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%.

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**SILVER CROSS NURSERIES LIMITED**

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

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**8. Dividends**

	<b>2019 £000</b>	<b>2018 £000</b>
Ordinary shares	2,200	-
	<u>2,200</u>	<u>-</u>

The dividend was declared on 15 April 2019, prior to the indicators that the impairment review and impairments were required, which were not foreseen at the time of declaring the dividend when the Company had sufficient distributable reserves.

**9. Impairments**

	<b>2019 £000</b>	<b>2018 £000</b>
Impairment of intercompany balances	812	-
Impairment of investments in subsidiaries	123	-
	<u>935</u>	<u>-</u>

The Company has impaired in full the balance of £123k following management's review of the value in use and expected group reorganisations, prior to any impacts of Covid-19 (Note 10).

The directors have reviewed the intercompany balances due from group undertaking for impairment. An impairment against intercompany balances from group undertakings of £812k has been made to reflect the uncertainty over recoverability. The directors assessment is that these impairments are of a one-off nature.

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**SILVER CROSS NURSERIES LIMITED**

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

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**10. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost</b>	
At 1 January 2019	8,126
Additions	499
At 31 December 2019	<u>8,625</u>
<b>Impairment</b>	
Charge for the period	123
At 31 December 2019	<u>123</u>
<b>Net book value</b>	
At 31 December 2019	<u>8,502</u>
At 31 December 2018	<u>8,126</u>

During the year, the Company made an additional capital contribution to Silver Cross (China) Trading Limited.

Impairment reviews have been undertaken following identification of impairment indicators, and subsequently impairments have been recognised for Silver Cross Europe S.L. (£5k), Micralite Limited (£4k) and British Baby Products Inc (£114k) for a total of £123k (2018: nil).

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**SILVER CROSS NURSERIES LIMITED**

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

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**10. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
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	Dormant	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

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**SILVER CROSS NURSERIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<u>3,826</u>	<u>2,798</u>

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

**12. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<u>6,053</u>	<u>3,879</u>
	<u>6,053</u>	<u>3,879</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.

**13. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
1,000 (2018 -1,000) Ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

**14. 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.

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**SILVER CROSS NURSERIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. 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.

**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 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](http://www.fosun.com)