

Mayborn Group Limited
Annual report
for the year ended 31 December 2021

Registered number 00419737

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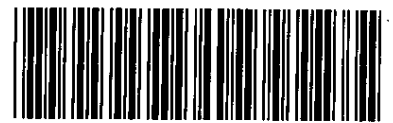


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Mayborn Group Limited

Annual report

for the year ended 31 December 2021

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Mayborn Group Limited

Directors and advisers for the year ended 31 December 2021

Directors

Steve Parkin

James Taylor

Min Han

Registered office

Mayborn House

Balliol Business Park

Newcastle Upon Tyne

NE12 8EW

England

United Kingdom

Solicitors

Squire Patton Boggs (UK) LLP

6 Wellington Place

Leeds

LS1 4AP

England

Bankers

HSBC Bank plc

8 Canada Square,

London,

E14 5HQ

United Kingdom

Mayborn Group Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the un-audited financial statements of the company for the year ended 31 December 2021.

Principal activities and review of business

The principal activity is to carry on the business of a holding company. The directors do not anticipate any changes to this in the future.

The directors are satisfied with the results for the year, the financial position at the year end and the future prospects of the company.

Results and dividends

The results of the company and the financial position as at the year end are set out in the statement of comprehensive income and the statement of financial position on pages 5 and 6, respectively.

The results for 2021 show a loss on ordinary activities before taxation of 362,000 (2020 loss: £193,000), with dividend income of £nil received (2020: £nil) and net assets of the company of £29,243,000 (2020: £29,605,000). Exceptional costs of £nil were incurred in the year (2020: £nil).

No dividend was proposed or paid during the year (2020: £nil).

Principal risks and uncertainties

Due to the nature of the business, the directors do not consider there to be any significant operational risks other than financial risks discussed below.

Financial risk management

The company's operations expose it to a variety of financial risks. However it has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Currency risk

The company is part of the Success Bidco 2 Limited group; currency risk is managed at a group level. The majority of the company's indebtedness is to members of the Success Bidco 2 Limited group and is denominated in sterling and consequently the company has no currency risk.

Price risk

The company does not trade and is consequently not exposed to a commodity price risk. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Mayborn Group Limited

Directors' report for the year ended 31 December 2021 (continued)

Financial risk management (continued)

Credit risk

The company has no customers and is therefore not exposed to customer credit risk. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to financial institutions with an investment grade rating or better.

Liquidity risk

The company's principal asset is its investment in its subsidiaries. This is funded through indebtedness with other members of the Success Bidco 2 Limited group.

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed in the Directors and advisers for the year on page 1.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework', and in accordance with the Companies Act 2006. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 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 the financial statements comply with the Companies Act 2006.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the board



James Taylor
Director
26 July 2022

Mayborn Group Limited

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Admin expenses		(298)	(157)
Operating loss	2	(298)	(157)
Finance costs	3	(128)	(114)
Finance income	4	64	78
Loss on ordinary activities before income tax		(362)	(193)
Income tax	5	-	-
Loss for the year		(362)	(193)
Total comprehensive expense for the year		(362)	(193)

Mayborn Group Limited

Statement of financial position as at 31 December 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Investments in subsidiaries	6	27,020	27,020
Deferred income tax asset	7	1	1
		27,021	27,021
Current assets			
Trade and other receivables	8	15,367	15,284
		15,367	15,284
Total assets		42,388	42,305
Current liabilities			
Trade and other payables	9	(13,145)	(12,700)
Total liabilities		(13,145)	(12,700)
Net assets		29,243	29,605
Capital and reserves			
Called up share capital	10	1,155	1,155
Share premium account		11,415	11,415
Capital redemption reserve		102	102
Retained earnings		16,571	16,933
Total equity		29,243	29,605

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 17 were approved by the board of directors on 26 July 2022 and signed on its behalf by:



James Taylor
Director

Registered number: 00419737

Mayborn Group Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	1,155	11,415	102	16,126	29,798
Loss for the year & total comprehensive expense	-	-	-	(193)	(193)
Balance at 31 December 2020	1,155	11,415	102	16,933	29,605
Profit for the year & total comprehensive income	-	-	-	(362)	(362)
Balance at 31 December 2021	1,155	11,415	102	16,571	29,243

Mayborn Group Limited

Statement of accounting policies for the year ended 31 December 2021

Mayborn Group Limited is a private company limited by shares which is incorporated and domiciled in England within the UK. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), and in accordance with the Companies Act 2006. The company transitioned to FRS 101 from IFRS on 1/1/20 and no amendments to recognition, measurement or disclosures were required to comply with FRS 101. The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivatives) through fair value through profit or loss. A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The following exemptions from the requirements of IFRS have been applied in the preparation of the financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information); - 111 (statement of cash flows information);
 - and
 - 134–136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

Exemption from consolidation

Under section 400 of the Companies Act 2006 the company is exempt from the requirement to prepare group financial statements because it is itself a wholly owned subsidiary undertaking of Success Bidco 2 Limited, a company established under the law of England and Wales, whose financial statements are publicly available.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, and short term deposits with a maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Mayborn Group Limited

Statement of accounting policies for the year ended 31 December 2021 (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within “other operating charges”. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against “other operating charges” in the statement of comprehensive income.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Investments

Investments are valued at original cost less provision for any diminution in value. The carrying value of investments are reviewed for impairment annually.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is recognised in respect of timing differences arising from the unremitted earnings of subsidiaries and joint ventures, except where the entity can control the reversal of the timing difference and it will not reverse in the foreseeable future.

Mayborn Group Limited

Statement of accounting policies for the year ended 31 December 2021 (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. The carrying value of the investments in subsidiaries held by the company represents the only critical accounting estimate made in the preparation of the accounts. The investment values are reviewed annually for impairment against the carrying value of the underlying assets or expected future cashflows.

Foreign currency accounting

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Exchange differences arising from the retranslation of the opening net assets of subsidiaries and joint ventures which have currencies of operation other than sterling are taken to reserves, together with the differences

arising when the profit and loss accounts are translated at average rates and compared with rates ruling at the year end. Other exchange differences are taken to the statement of comprehensive income.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021

1 Employee benefit costs

The monthly average number of persons (including directors) employed by the company during the year were nil (2020: nil).

2 Operating loss

The operating loss is stated after charging:

	2021	2020
	£'000	£'000
Audit fee	5	7
Other expenses	293	150
Total Admin Expenses	298	157

3 Finance costs

	2021	2020
	£'000	£'000
Intercompany interest	(128)	(114)
	(128)	(114)

4 Finance income

	2021	2020
	£'000	£'000
Intercompany interest income	64	78
	64	78

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Income tax

(a) Analysis of income tax in year

	2021	2020
	£'000	£'000
Current tax on profit for the year	-	-
Adjustment in respect of previous years	-	-
Current income tax	-	-
Origination and reversal of timing differences	-	-
Total income tax	-	-

(b) Factors affecting tax in the year

The tax charge assessed for the year is lower (2020: lower) than the effective rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below.

	2021	2020
	£'000	£'000
Profit/(loss) before income tax	(362)	(193)
Multiplied by the effective rate of corporation tax in the UK 19% (2020: 19%)	(69)	(37)
Effects of:		
Group relief received not paid for	69	-
Income not allowable for tax purposes	-	-
Expenses not deductible for tax purposes	-	37
Total income tax	-	-

(c) Factors affecting future tax charge

An increase to the UK corporation tax rate was announced by the UK government as part of their budget on 3 March 2021, such that the main rate will increase to 25% from 1 April 2023.

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Investments in subsidiaries

	Investments in subsidiaries
	£'000
Cost	
At 1 January 2021 and at 31 December 2021	46,049
Impairment provisions	
At 1 January 2021 and at 31 December 2021	(19,029)
Net book value	
At 31 December 2020 and at 31 December 2021	27,020

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Investments in subsidiaries (continued)

All direct and indirect remaining subsidiaries of the company are listed below.

Companies registered at: Mayborn House, Balliol Business Park, Newcastle Upon Tyne, NE12 8EW, United Kingdom.

Subsidiary companies	Main activities	% ordinary shares	Country of registration
Mayborn (UK) Limited	Design and distribution of baby accessory products	100%	England
Sangenic International Limited	Manufacture and distribution of the Sangenic nappy disposal system	100%	England
Steri-bottle UK Ltd	Sourcing and distribution of baby accessory products	100%	England
Kindertec Limited	Sourcing and distribution of baby accessory products	100%	England
Gro-Group Holdings Limited	Holding company	100%	England
Gro-Group International Limited	Distribution of baby products	100%	England
Tommee Tippee Limited	Dormant	100%	England
Gro-Group Limited	Holding Company	100%	England

Companies with other registered offices:

Subsidiary companies	Main activities	% ordinary shares	Registered office
Mayborn Italy S.R.L	Distribution of baby products	100%	Regus Milano Brera, Piazzale Biancamano 8, 2012, Milan, Italy
Gro-Company Australia Pty Ltd	Distribution of baby products	100%	Unit 21, 15 Ricketts Road, Mount Waverley, Victoria 3149, Australia
Mayborn USA Inc	Distribution of baby accessory products	100%	Portion, 11th Floor 1010 Washington Boulevard, Stamford, Connecticut 06910
Mayborn ANZ PTY Limited	Distribution of baby accessory products	100%	Unit 21, 15 Ricketts Road, Mount Waverley, Victoria 3149, Australia
Mayborn France SARL	Distribution of baby accessory products	100%	56 Rue de Paris, Boulogne Billancourt, 92100, France
Mayborn Morocco SARL	Manufacture of baby accessory products	100%	Lot n° Y, Zone Franche d'Exportation de Tanger, 90100 Tangier, Morocco
PMM China Limited	Holding company	100%	14/F, China Aerospace Centre, 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Investments in subsidiaries (continued)

Subsidiary companies	Main activities	% ordinary shares	Registered office
Mayborn (Shenzhen) Trading Co., Ltd	Sourcing of baby products	100%	Office 8528 & Office 8530, 85th Floor, PingAn International Finance Centre, No 5033 Yitian Rd, Futian District, Shenzhen, Guangdong, China
Jackel International China Limited	Manufacturing of baby accessory products	100%	Su Jiu ind. Area, Chang Ping, Dong Guan, Guang Dong, China
Product Marketing Mayborn Limited	Sourcing and distribution of baby accessory products	100%	Unit 122, 25/F., Two Harbour Square, 180 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
Jackel China Limited	Manufacturing of baby accessory products	100%	Unit 122, 25/F., Two Harbour Square, 180 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong
Mayborn Canada Inc	Dormant	100%	600 – 1741 Lower Water Street, Halifax, Nova Scotia, B3J 0J2, Canada
Tommee Tippee Americas	Distribution of baby products	100%	Portion, 11th Floor 1010 Washington Boulevard, Stamford, Connecticut 06910
Mayborn Deutschland GmbH	Distribution of baby products	100%	Mies van der Rohe Business Park, Girmesgath 5, 47803 Krefeld

The directors believe the carrying value of investments is supported by their underlying net assets.

7 Deferred income tax asset

	Depreciation in excess of capital allowances
	£'000
As at 1 January 2020	1
Charged to statement of comprehensive income	-
As at 31 December 2020	1
Charged to statement of comprehensive income	-
As at 31 December 2021	1

The deferred tax asset has been recognised on the basis that management consider it to be fully recoverable against future profits of the business.

The company has an unrecognised deferred tax asset of £535,000 (2020: £452,000) in relation to unutilised tax losses carried forward which has not been recognised due to uncertainty over timing of future profits.

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Trade and other receivables

	2021	2020
	£'000	£'000
Owed by subsidiary companies	14,964	14,964
Prepayments and other receivables	403	320
	15,367	15,284

The amounts owed by subsidiary companies are due on demand, unsecured and are subject to interest at 2% (2020: 2.5%).

Upon assessment of the impact of expected credit loss on the unprovided balance of trade and intercompany receivables, the directors have not identified any material amounts of expected credit loss.

9 Trade and other payables

	2021	2020
	£'000	£'000
Owed to fellow group undertakings	13,142	12,693
Trade Payables	-	-
Accruals and deferred income	3	7
	13,145	12,700

The amounts owed to fellow group undertakings are due on demand, and unsecured. Trading balances are subject to interest at 2% (2020: 2.5%).

10 Called up share capital

	Number of ordinary shares	£'000
Authorised share capital		
Ordinary shares of 1p each at 31 December 2020 and 2021	200,000,000	2,000
Allotted called up and fully paid share capital		
Ordinary shares of 1p each at 31 December 2020 and 2021	115,487,255	1,155

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Contingent liabilities

Facilities agreement guarantee

The company and certain of its subsidiaries has jointly and severally agreed to the punctual performance of borrower or guarantors' obligations under the Facilities Agreement dated 27 March 2020, as signed with the Group's lenders. The total sum secured by these guarantees is £119,500,000 (2020: £120,000,000).

The Group has secured all monies due under the Facilities Agreement with fixed and floating charges over all property and assets of the company, together with the assets of certain subsidiaries, in favour of HSBC Bank Plc, also in its capacity as security agent for the beneficiaries of the Facilities Agreement.

12 Related party transactions

Key management compensation

There were no directors emoluments in the year. There are no employees other than the directors who are considered to be key management.

Transactions and balances with group undertakings

Transactions have taken place during the year with related parties, all of whom are subsidiary companies, or subsidiaries of the ultimate parent company, Ping An Insurance (Group) Company of China Limited. The balances outstanding at 31 December in respect of these transactions are:

	2021	2020
	£'000	£'000
Amounts owed by fellow group undertakings:		
Jake Acquisitions Limited	1	1
Sangenic International Limited	3,271	3,207
Cotton Bottoms Limited	-	-
Gro – Group Limited	11,705	11,705
Steri-bottle UK Limited	51	51
	15,028	14,964

Mayborn Group Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12 Related party transactions (continued)

	2021	2020
	£'000	£'000
Amounts owed to fellow group undertakings:		
Process Improvements (1989) Limited	-	-
Jake Holdings Limited	2,306	2,260
Jake Investments Limited	772	757
Mayborn Florist Sundries Limited	-	-
Niche Plastics Limited	-	-
Kindertec Limited	107	107
Haditos Limited	-	-
Lord Sheraton Limited	-	-
Technomould Limited	-	-
Success Bidco 2 Limited	6,661	6,661
Mayborn (UK) Limited	3,296	2,908
Brookline Delta Limited	-	-
	13,142	12,693

13 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Success Bidco 2 Limited, a company registered in England and Wales. The immediate parent undertaking of the company is Jake Acquisitions Limited, a company registered in England and Wales. These financial statements are consolidated by Success Bidco 2 Limited, the smallest company within the group to consolidate. Copies of these statements can be obtained from the company's website. The ultimate parent company is Shanghai Jahwa United Co. Ltd, a company based in China. The ultimate controlling interest is held by Ping An Insurance (Group) Company of China Limited, a company based in China, due to their controlling interest in Shanghai Jahwa United Co. Ltd.

The largest group to consolidate these financial statements are those of Ping An Insurance (Group) Company of China Limited copies of which can be obtained from the company's website.