

COMPANY REGISTRATION NUMBER: 03165273

Creative Tops Limited
Financial Statements
31 December 2017

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Creative Tops Limited
Financial Statements
Year ended 31 December 2017

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Creative Tops Limited

Officers and Professional Advisers

The board of directors

Mr M B Canwell
Mr G G Clarke
Mr J G Siegel
Mr D T Siegel
Mr R Shiftan
Mr R B Kay

Company secretary

Gateley Secretaries Limited

Registered office

47-48 Causeway Road
Earlstrees Industrial Estate
Corby
NN17 4DU

Auditor

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

Bankers

JPMorgan Chase Bank, NA
10 Aldermanbury Road
London
EC2M 7RF

Creative Tops Limited

Strategic Report

Year ended 31 December 2017

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Until 1 January 2017, the principal activity of the company was the manufacture, importation and distribution of co-ordinated design house-wares and gift-wares. Since that date the company has been non-trading.

The trade and assets of Creative Tops Limited transferred to Lifetime Brands Europe Limited, another company in the Lifetime Brands, Inc. group, on 1 January 2017. The transfer of net assets took place at net book value. No profit or loss was recorded, before associated costs.

Turnover for the year was £0 (2016: £28,960,514) due to the trade being transferred on 1 January 2017. The loss before tax for the year amounted to £61,959 (2016: loss before tax £553,664).

The company's ultimate parent company, Lifetime Brands, Inc, manages its operations on a divisional basis. For this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance, or position of the business. The performance of each division of Lifetime Brands, Inc, is discussed in Lifetime Brands' 2017 Annual Report, which does not form part of this report.

Financial risk management objectives and policies

The group has suitable policies in place to manage the risks facing the company, and these are outlined in the financial statements of Lifetime Brands, Inc.

This report was approved by the board of directors on 21.09.2018 and signed on behalf of the board by:



Mr G G Clarke
Director

Registered office:
47-48 Causeway Road
Earlstrees Industrial Estate
Corby
NN17 4DU

Creative Tops Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the financial statements of the company for the year ended 31 December 2017.

Directors

The directors who served the company during the year were as follows:

Mr P J Murphy	(Resigned 20 February 2018)
Mr M B Canwell	(Appointed 22 February 2018)
Mr G G Clarke	(Appointed 21 May 2018)
Mr J G Siegel	
Mr D T Siegel	
Mr R Shiftan	
Mr R B Kay	(Appointed 14 May 2018)
Ms P A Dawson	(Resigned 3 March 2017)

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Dividends

The directors do not recommend the payment of a dividend.

Going concern

After making enquiries and reviewing current activities the directors have reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

Creative Tops Limited

Directors' Report *(continued)*

Year ended 31 December 2017

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 01.09.2018 and signed on behalf of the board by:



Mr G G Clarke
Director

Registered office:
47-48 Causeway Road
Earlstrees Industrial Estate
Corby
NN17 4DU

Independent Auditor's Report to the Members of Creative Tops Limited

Year ended 31 December 2017

Opinion

We have audited the financial statements of Creative Tops Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet and the related notes 1 to 25, 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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We 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.

Independent Auditor's Report to the Members of Creative Tops Limited *(continued)*

Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Creative Tops Limited *(continued)*

Year ended 31 December 2017

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Helen McLeod-Jones (Senior Statutory Auditor)

For and on behalf of
Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

21/09/2018

Creative Tops Limited
Profit and Loss Account
Year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	–	28,960,514
Cost of sales		–	(22,302,647)
Gross profit		–	6,657,867
Administrative expenses		(61,959)	(7,101,697)
Other operating income		–	57,793
Operating loss	5	(61,959)	(386,037)
Other interest receivable and similar income		–	321
Amounts written back to financial instruments	9	–	1,654
Interest payable and similar expenses	10	–	(169,602)
Loss before taxation		(61,959)	(553,664)
Tax on loss	11	–	(14,295)
Loss for the financial year and total comprehensive loss		(61,959)	(567,959)
Retained earnings at the start of the year		2,215,479	2,783,438
Retained earnings at the end of the year		2,153,520	2,215,479

All the activities of the company are from discontinued operations.

The notes on pages 10 to 20 form part of these financial statements.

Creative Tops Limited

Balance Sheet

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	–	10,800
Tangible assets	13	–	552,236
		–	563,036
Current assets			
Stocks	14	–	7,330,924
Debtors	15	4,318,596	8,692,981
Financial instruments	16	–	520,807
Cash at bank and in hand		–	2,466,770
		4,318,596	19,011,482
Creditors: amounts falling due within one year	17	–	(15,193,963)
Net current assets		4,318,596	3,817,519
Total assets less current liabilities		4,318,596	4,380,555
Net assets		4,318,596	4,380,555
Capital and reserves			
Called up share capital	21	103	103
Share premium account	22	2,164,925	2,164,925
Capital redemption reserve	22	48	48
Profit and loss account	22	2,153,520	2,215,479
Shareholders funds		4,318,596	4,380,555

These financial statements were approved by the board of directors and authorised for issue on 21.09.2018, and are signed on behalf of the board by:



Mr G G Clarke
Director

Company registration number: 03165273

The notes on pages 10 to 20 form part of these financial statements.

Creative Tops Limited
Notes to the Financial Statements
Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 47-48 Causeway Road, Earlstrees Industrial Estate, Corby, NN17 4DU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

After making enquiries and reviewing current activities the directors have reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Lifetime Brands, Inc, which can be obtained from 1000 Stewart Avenue, Garden City, New York 11530, United States of America. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Functional currency: The functional currency is pounds sterling. The primary economic environment that the company operates in is the UK.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Valuation of finished goods:

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Estimates are required in relation to forecast sales volumes and stock balances. In situations where excess stock balances are identified, estimates of net realisable values for the excess volumes are made. Stock provision for estimated losses as of 31 December 2017 amounted to £0 (2016: £207,288).

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sales of Goods -

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Income tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Patents & Development Costs - 5%-50% Straight Line Basis

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Straight line over the life of the lease
Plant & Machinery	-	25% Reducing Balance Basis, 15%-33% Straight Line Basis
Computer Equipment	-	50% Reducing Balance Basis, 33% Straight Line Basis
Motor Vehicles	-	25% Reducing Balance Basis, 25% Straight Line Basis

The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate that the recoverable value of assets is less than their net realisable value.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	–	28,960,514
	<u>–</u>	<u>28,960,514</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017	2016
	£	£
United Kingdom	–	21,943,174
Rest of Europe	–	4,028,177
Rest of the World	–	2,989,163
	<u>–</u>	<u>28,960,514</u>

5. Operating loss

Operating profit or loss is stated after charging/crediting:

	2017	2016
	£	£
Amortisation of intangible assets	–	906
Depreciation of tangible assets	–	246,722
Gains on disposal of tangible assets	–	(5,793)
Impairment of trade debtors	–	51,979
Operating lease rentals	–	661,286
	<u>–</u>	<u>661,286</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	–	65,000
	<u>–</u>	<u>65,000</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	–	13,361
	<u>–</u>	<u>13,361</u>

The audit fee for the year is borne by Lifetime Brands Europe Limited.

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Production	–	31
Office and management	–	101
	<u>–</u>	<u>132</u>

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	–	3,980,842
Social security costs	–	421,711
Other pension costs	–	129,541
	<u>–</u>	<u>4,532,094</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	<u>–</u>	<u>221,266</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	<u>–</u>	<u>114,937</u>

In 2016, two of the directors were remunerated through the company and their remuneration is disclosed above.

In 2017 (and for three directors in 2016), the directors were remunerated by other group undertakings. The directors do not believe that it is practicable to apportion the remuneration of these directors between their services as directors of the company and their services to other group undertakings.

9. Amounts written back to financial instruments

Losses on financial instruments relate to unrealised losses on foreign exchange options when measured at fair value at the year end.

10. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	<u>–</u>	<u>169,602</u>

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. Tax on loss

Major components of tax expense

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	–	14,295
Tax on loss	<u>–</u>	<u>14,295</u>

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	(61,959)	(553,664)
Loss on ordinary activities by rate of tax	(11,927)	(110,733)
Effect of expenses not deductible for tax purposes	11,927	7,154
Effect of capital allowances and depreciation	–	9,250
Group relief	–	108,624
Tax on loss	<u>–</u>	<u>14,295</u>

All capital losses and trading losses related to the La Cafetiere trade were transferred to Lifetime Brands Europe Limited on 1 January 2017. This included an unrecognised deferred tax asset related to capital losses of £275,679, and an unrecognised deferred tax asset related to trading losses for the La Cafetiere trade of £2,075,809.

Factors that may affect future tax income

The standard rate of UK Corporation Tax reduced from 21% to 20% on 1 April 2015. The Finance Act 2015, which received Royal Assent on 26 March 2015, states that this rate will not change for financial year 2016. Deferred tax has been calculated accordingly in these financial statements.

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact further reductions in the main tax rate down to 17% effective from 1 April 2020. As these tax rates were not substantively enacted at the balance sheet date, the relevant rate reductions are not yet reflected in these financial statements in accordance with FRS 102 Section 32, as it is a non-adjusting event occurring after the reporting period.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

12. Intangible assets

	Development costs £
Cost	
At 1 January 2017	40,924
Additions	–
Transfer of business (note 23)	(40,924)
At 31 December 2017	<u>–</u>
Amortisation	
At 1 January 2017	30,124
Charge for the year	–
Transfer of business (note 23)	(30,124)
At 31 December 2017	<u>–</u>
Carrying amount	
At 31 December 2017	<u>–</u>
At 31 December 2016	<u>10,800</u>

13. Tangible assets

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2017	460,868	644,751	1,031,036	66,461	2,203,116
Transfer of business (note 23)	(460,868)	(644,751)	(1,031,036)	(66,461)	(2,203,116)
At 31 December 2017	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Depreciation					
At 1 January 2017	241,608	544,153	824,675	40,444	1,650,880
Transfer of business (note 23)	(241,608)	(544,153)	(824,675)	(40,444)	(1,650,880)
At 31 December 2017	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Carrying amount					
At 31 December 2017	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
At 31 December 2016	<u>219,260</u>	<u>100,598</u>	<u>206,361</u>	<u>26,017</u>	<u>552,236</u>

14. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>–</u>	<u>7,330,924</u>

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

15. Debtors

	2017 £	2016 £
Trade debtors	–	5,369,486
Amounts owed by group undertakings	4,318,596	2,538,290
Deferred tax asset	–	25,678
Prepayments and accrued income	–	715,292
Other debtors	–	44,235
	<u>4,318,596</u>	<u>8,692,981</u>

The debtors above include the following amounts falling due after more than one year:

	2017 £	2016 £
Deferred tax asset	–	25,678

Amounts owed by group undertakings are repayable on demand.

16. Financial instruments

	2017 £	2016 £
Foreign exchange options	–	520,807

Financial instruments relate to foreign exchange options purchased but not settled during the year. These have been valued on a mark-to-market basis at the year end.

17. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	–	5,738,509
Trade creditors	–	2,034,867
Amounts owed to group undertakings	–	5,197,221
Accruals and deferred income	–	1,685,396
Social security and other taxes	–	537,970
	<u>–</u>	<u>15,193,963</u>

Amounts owed to group undertakings are repayable on demand.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

18. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2017 £	2016 £
Included in debtors (note 15)	—	25,678

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017 £	2016 £
Accelerated capital allowances	—	(29,676)
Change in tax rates	—	3,998
	—	(25,678)

Deferred taxation relates to depreciation charged in advance of capital allowances claimed and is calculated at a corporation tax rate of 18% (2016: 18%).

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £Nil (2016: £129,541).

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	—	520,807

21. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Creative Tops Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

23. Business combinations

Transfer of Creative Tops

On 1 January 2017, the trade and assets of Creative Tops Limited were transferred to Lifetime Brands Europe Limited at book value. Both companies are 100% subsidiaries of Thomas Plant (Birmingham) Holdings Limited. The transfer was settled by an interest-free, repayable on demand, intercompany account.

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	–	691,718
Later than 1 year and not later than 5 years	–	1,495,122
	–	<u>2,186,840</u>

25. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Thomas Plant (Birmingham) Holdings Limited, a company incorporated in England. The ultimate parent undertaking and controlling party is Lifetime Brands Inc., which is incorporated in Delaware, United States of America.

Lifetime Brands Inc. is the parent undertaking of the largest and smallest group undertaking to consolidate these financial statements as 31 December 2017. The consolidated financial statements of Lifetime Brands Inc. are available from 1000 Stewart Avenue, Garden City, New York 11530, United States of America.