

Company Registration No. 03522710 (England and Wales)

FACKELMANN BRANDS UK LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020
PAGES FOR FILING WITH REGISTRAR

FACKELMANN BRANDS UK LTD

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FACKELMANN BRANDS UK LTD

BALANCE SHEET

AS AT 30 JUNE 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 17,165 | | 24,062 |
| Current assets | | | | | |
| Stocks | | 1,075,630 | | 904,425 | |
| Debtors | 5 | 214,692 | | 290,085 | |
| Cash at bank and in hand | | 181,715 | | 75,813 | |
| | | <u>1,472,037</u> | | <u>1,270,323</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(4,108,268)</u> | | <u>(3,582,542)</u> | |
| Net current liabilities | | | <u>(2,636,231)</u> | | <u>(2,312,219)</u> |
| Total assets less current liabilities | | | <u>(2,619,066)</u> | | <u>(2,288,157)</u> |
| Creditors: amounts falling due after more than one year | 7 | | - | | (60,000) |
| Net liabilities | | | <u>(2,619,066)</u> | | <u>(2,348,157)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Profit and loss reserves | | | <u>(2,619,068)</u> | | <u>(2,348,159)</u> |
| Total equity | | | <u>(2,619,066)</u> | | <u>(2,348,157)</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 January 2021 and are signed on its behalf by:

Mr M Hafner
Director

Company Registration No. 03522710

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Fackelmann Brands UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Suite 1, Second Floor, Pendragon House, Ridings Park, Cannock, Staffordshire, WS11 7FD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Fackelmann Brands UK Ltd is a wholly owned subsidiary of European Quality Housewares Limited ("EQH") and the results of Fackelmann Brands UK Ltd are included in the consolidated financial statements of EQH which are available to the public.

1.2 Going concern

The company meets its day to day working capital requirements through funding provided by the company's ultimate parent undertaking, European Quality Housewares Limited ("EQH"). The directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of financial support from EQH, who have indicated that support is ongoing and will not be withdrawn within 12 months from the date of approval of these financial statements.

1.3 Turnover

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------------------------|-------------------|
| Fixtures and fittings and equipment | 25% Straight line |
| Motor vehicles | 20% Straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2020 Number | 2019 Number |
|-------|----------------|----------------|
| Total | 7 | 10 |

3 Intangible fixed assets

| | Goodwill £ |
|------------------------------------|---------------|
| Cost | |
| At 1 July 2019 and 30 June 2020 | 240,000 |
| Amortisation and impairment | |
| At 1 July 2019 and 30 June 2020 | 240,000 |
| Carrying amount | |
| At 30 June 2020 | - |
| At 30 June 2019 | - |

4 Tangible fixed assets

| | Plant and machinery etc £ |
|------------------------------------|---------------------------------|
| Cost | |
| At 1 July 2019 | 71,147 |
| Additions | 4,555 |
| At 30 June 2020 | 75,702 |
| Depreciation and impairment | |
| At 1 July 2019 | 47,085 |
| Depreciation charged in the year | 11,452 |
| At 30 June 2020 | 58,537 |
| Carrying amount | |
| At 30 June 2020 | 17,165 |
| At 30 June 2019 | 24,062 |

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

| | | |
|---|----------------|----------------|
| 5 Debtors | 2020 | 2019 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 180,215 | 246,957 |
| Other debtors | 34,477 | 43,128 |
| | <u>214,692</u> | <u>290,085</u> |

| | | |
|---|------------------|------------------|
| 6 Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Trade creditors | 55,345 | 56,375 |
| Amounts owed to group undertakings | 3,954,840 | 3,394,119 |
| Taxation and social security | 13,898 | 8,595 |
| Other creditors | 84,185 | 123,453 |
| | <u>4,108,268</u> | <u>3,582,542</u> |

Included within other creditors is £60,000 (2019 - £60,000), which related to the fine incurred due to the breach of health and safety regulations. The amount is payable in instalments. The remaining balance is payable by January 2021.

| | | |
|--|-------------|---------------|
| 7 Creditors: amounts falling due after more than one year | 2020 | 2019 |
| | £ | £ |
| Other creditors | - | 60,000 |
| | <u>-</u> | <u>60,000</u> |

| | | |
|--------------------------------------|-------------|-------------|
| 8 Called up share capital | 2020 | 2019 |
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 20,000 Ordinary shares of 0.01p each | 2 | 2 |
| | <u>2</u> | <u>2</u> |

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Adrian Stevens FCCA.

The auditor was Edwards.

FACKELMANN BRANDS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

9 Audit report information

(Continued)

10 Parent company

The immediate parent company and ultimate controlling party is European Quality Housewares Limited. Their registered address is Room 601-602, 6/f Kai Tak Commercial Building, 317-321 Des Voeux Road, Central District, Hong Kong.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.