Company registration number 05534506 (England and Wales)

DANZAK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PAGES FOR FILING WITH REGISTRAR

DANZAK LIMITED

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DANZAK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	4		6,609		4,856
Current assets					
Stocks		732,507		153,190	
Debtors falling due after more than one year	5	3,375		3,375	
Debtors falling due within one year	5	455,984		283,556	
Cash at bank and in hand		1,234,673		583,493	
		2,426,539		1,023,614	
Creditors: amounts falling due within one year	6	(719,334)		(158,614)	
Net current assets			1,707,205		865,000
Total assets less current liabilities			1,713,814		869,856
Provisions for liabilities			(113,429)		(49,675)
Net assets			1,600,385		820,181
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves			1,600,384		820,180
Total equity			1,600,385		820,181

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 29 September 2023 and are signed on its behalf by:

R. Krulik
Director

Company Registration No. 05534506

DANZAK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Danzak Limited is a private company limited by shares incorporated in England and Wales. The company number is 05534506 and the registered office address is 10 Station Road, Henley on Thames, Oxfordshire, RG9 1AY. The business address is The Coach House, Nuffield Place, Henley on Thames, Oxfordshire, RG9 5RY.

The principle activity of the company is the retail of luggage and other travel accessories.

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.

1.2 Going concern

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

1.3 Turnover

Turnover 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Sale of goods are recognised when goods are shipped and title has passed.

1.4 Tangible fixed assets

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

Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

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

Fixtures, fittings & equipment	15% Reducing Balance
Computer equipment	4 Years 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 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stock is valued at the lower of cost and net realisable value using a weighted average cost.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

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 rate method. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1 Accounting policies **(Continued)**

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Government grants

COVID-19, the various support initiatives for businesses from local, National Government and other Industry or sector organisations have been collectively recognised as Government grants. These grant schemes have ceased before the start of this accounting year. Therefore, the grant income is not comparable with the 2021 accounting year.

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which they become receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable.

Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

1.16 Foreign exchange

Transactions in foreign currencies are recorded at a fixed rate set at the begining of the financial year and during the year if appropriate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at an exchange rate effective at the year end. All differences are taken to profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2022 Number	2021 Number
Total	7	6

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2022	21,977
Additions	3,995
At 31 December 2022	25,972
Depreciation	
At 1 January 2022	17,121
Depreciation charged in the year	2,242
At 31 December 2022	19,363
Carrying amount	
At 31 December 2022	6,609
At 31 December 2021	4,856

5 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	387,826	202,035
Corporation tax recoverable	28,760	-
Amounts owed by group undertakings	-	74,163
Prepayments and accrued income	12,488	7,358
Deferred tax asset (note 7)	26,910	-
	455,984	283,556

Amounts falling due after more than one year:	2022 £	2021 £
Other debtors	3,375	3,375
Total debtors	459,359	286,931

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	131,835	50,988
Amounts owed to group undertakings	240,792	-
Corporation tax	192,406	3,469
Other taxation and social security	55,132	69,639
Other creditors	99,169	34,518
	719,334	158,614

7 Deferred taxation

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantially enacted on 24 May 2021. This will increase the company's future current tax accordingly. The deferred tax asset at 31 December 2022 has been calculated based on these rate, reflecting the expected timing of reversal of the related timing differences.

8 Called up share capital

Ordinary share capital	2022 Number	2021 Number	2022 £	2021 £
Issued and fully paid				
Ordinary Share of £1 each	1	1	1	1

8 Called up share capital **(Continued)**

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.

Senior Statutory Auditor: Simon Thomas ACA
Statutory Auditor: Kench & Co Ltd

10 Operating lease commitments

Lessee
Operating lease payments represent rentals payable by the company for lease of their office. Leases are negotiated for an average term of 6 years and rentals are fixed for an average of 3 years with an option to extend for a further 3 years at the prevailing market rate.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Total	3,375	16,875

11 Related party transactions

At the start of the year US Luggage LLC (the parent Company) owed Danzak Limited £74,163. During the year the Company made purchases of £1,765,001 (2021: £806,012,) from US Luggage LLC and repaid £1,450,046 (2021: £1,405,960). The balance due to US Luggage LLC as at 31 December 2022 was £240,792.

12 Parent company

The ultimate parent Company is U.S. Luggage LLC, a Company registered in the United States of America.

The financial statements of the company are consolidated in the financial statements of U.S Luggage LLC, a company registered in the United States of America. These consolidated financial statements are available from its registered office, 400 Wireless Boulevard, Hauppauge, NY 117988, USA.

13 Non-audit services provided by auditor

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements including the relevant disclosures required.