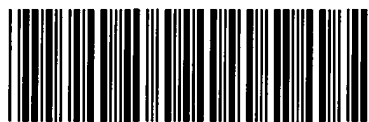


COMPANY REGISTRATION NUMBER: 07810575

Lifetime Brands Holdings Limited
Financial Statements
31 December 2016

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Lifetime Brands Holdings Limited

Financial Statements

Year ended 31 December 2016

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Lifetime Brands Holdings Limited

Officers and Professional Advisers

The board of directors	Mr J G Siegel Mr D T Siegel Mr R Shiftan
Company secretary	Gateley Secretaries Limited
Registered office	c/o Gateley Secretaries Limited One Eleven Edmund Street Birmingham B3 2HJ
Auditor	Ernst & Young LLP 1 Colmore Square Birmingham B4 6HQ

Lifetime Brands Holdings Limited

Strategic Report

Year ended 31 December 2016

The principal activity of the company was that of a holding company.

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' 2016 Annual Report, which does not form part of this report.


The profit before tax for the period amounted to £0 (31 December 2015: loss before tax £45,480).

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

Future developments

The company is likely to remain as a holding company for the foreseeable future.

This report was approved by the board of directors on 26 September 2017 and signed on behalf of the board by:



Mr R Shiftan
Director

Registered office:
c/o Gateley Secretaries Limited
One Eleven
Edmund Street
Birmingham
B3 2HJ

Lifetime Brands Holdings Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Principal activities

The principal activity of the company was that of a holding company.

Directors

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

Mr J G Siegel
Mr D T Siegel
Mr R Shifan

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, due to continuing support from group companies. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Financial instruments

The company has no financial instruments at the year end.

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.

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.

Lifetime Brands Holdings Limited

Directors' Report *(continued)*

Year ended 31 December 2016

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.

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 26 September 2017, and signed on behalf of the board by:



Mr R Shifan
Director

Registered office:
c/o Gateley Secretaries Limited
One Eleven
Edmund Street
Birmingham
B3 2HJ

Independent Auditor's Report to the Members of Lifetime Brands Holdings Limited

Year ended 31 December 2016

We have audited the financial statements of Lifetime Brands Holdings Limited for the year ended 31 December 2016 which comprise the profit and loss account, balance sheet, statement of changes in equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements:

Independent Auditor's Report to the Members of Lifetime Brands Holdings Limited
(continued)

Year ended 31 December 2016

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Helen McLeod-Jones (Senior Statutory Auditor)

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

Date: *26 September 2017*

Lifetime Brands Holdings Limited

Profit and Loss Account

Year ended 31 December 2016

	Note	2016 £	2015 £
Amounts written off investments	6	—	45,480
Loss before taxation		—	(45,480)
Tax on loss	7	—	—
Loss for the financial year and total comprehensive income		—	(45,480)

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

Lifetime Brands Holdings Limited

Balance Sheet

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	8	1	1
Creditors: amounts falling due within one year	9	—	(5,508,068)
Net current assets/(liabilities)		—	(5,508,068)
Total assets less current liabilities		<u>1</u>	<u>(5,508,067)</u>
Capital and reserves			
Called up share capital	10	2	1
Share premium account	11	5,508,067	—
Profit and loss account	11	(5,508,068)	(5,508,068)
Shareholders funds		<u>1</u>	<u>(5,508,067)</u>

These financial statements were approved by the board of directors and authorised for issue on 26 September 2017, and are signed on behalf of the board by:



Mr R Shifan
Director

Company registration number: 07810575

The notes on pages 10 to 13 form part of these financial statements.

Lifetime Brands Holdings Limited

Statement of Changes in Equity

Year ended 31 December 2016

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2015	1	—	(5,462,588)	(5,462,587)
Loss for the year			(45,480)	(45,480)
Total comprehensive income for the year	—	—	(45,480)	(45,480)
At 31 December 2015	1	—	(5,508,068)	(5,508,067)
Profit for the year			—	—
Issue of shares	1	5,508,067	—	5,508,068
Total investments by and distributions to owners	1	5,508,067	—	5,508,068
At 31 December 2016	2	5,508,067	(5,508,068)	1

The notes on pages 10 to 13 form part of these financial statements.

Lifetime Brands Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is c/o Gateley Secretaries Limited, One Eleven, Edmund Street, Birmingham, B3 2HJ.

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, due to continuing support from group companies. 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) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Lifetime Brands Holdings Limited
Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

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.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

4. Operating profit

The audit fee for the year is borne by Creative Tops Limited.

5. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year.

The three 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.

6. Amounts written off investments

	2016	2015
	£	£
Impairment of other fixed asset investments	<u>—</u>	<u>45,480</u>

Lifetime Brands Holdings Limited
Notes to the Financial Statements (continued)
Year ended 31 December 2016

7. Tax on loss

Reconciliation of tax income

The tax assessed on the result on ordinary activities for the year is the same as (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Loss on ordinary activities before taxation	-	(45,480)
Loss on ordinary activities by rate of tax	-	(9,210)
Effect of expenses not deductible for tax purposes	-	9,210
Tax on loss	-	-

Factors that may affect future tax income

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 Spring Budget 2016 announced a further reduction in the corporation tax rate to 17% for the Financial Year beginning 1 April 2020, which was substantively enacted on 6 September 2016. As this change was not enacted at the balance sheet date, deferred tax has been calculated at 18% which is the enacted future tax rate at the balance sheet date.

8. Investments

	Shares in group undertakings £
Cost	
At 1 January 2016 and 31 December 2016	5,508,069
Impairment	
At 1 January 2016 and 31 December 2016	5,508,068
Carrying amount	
At 31 December 2016	1

On 31 May 2016, our subsidiary Lifetime Brands do Brasil Participacoes Ltda sold its 40% investment in GS International S.A.

Lifetime Brands Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	<u>—</u>	<u>5,508,068</u>

Refer to Note 10.

10. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>

On 17 May 2016, the company issued 1 Ordinary share of £1 at a premium of £5,508,067 (total £5,508,068) to Thomas Plant (Birmingham) Holdings Limited. This related to assignment and capitalisation of an intra-group loan payable to Lifetime Brands, Inc., in relation to Lifetime Brands do Brasil Participadoes Ltda, of £5,508,068.

11. Reserves

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

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

12. 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 2016. The consolidated financial statements of Lifetime Brands Inc. are available from 1000 Stewart Avenue, Garden City, New York 11530, United States of America.