

COMPANY REGISTRATION NUMBER: 07810575

Lifetime Brands Holdings Limited
Financial Statements
31 December 2021

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Lifetime Brands Holdings Limited

Financial Statements

Year ended 31 December 2021

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Lifetime Brands Holdings Limited

Officers and Professional Advisers

The board of directors

Mr J G Siegel
Mr R B Kay
Mr M B Canwell
Mr L Winoker

Company secretary

Gateley Secretaries Limited

Registered office

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 2021

Principal activities and business review

The principal activity of the company was that of a group loan 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' 2021 Annual Report, which does not form part of this report.

During the previous year the company received cash proceeds in connection with the winding up and dissolution of its subsidiary Lifetime Brands do Brasil Participadoes Ltda of US\$360,156 (£291,451). The company then entered into an intra-group loan agreement to lend these funds to Lifetime Brands Europe Limited.

After foreign exchange differences the profit before tax for the year amounted to £1,723 (31 December 2020: £265,225).

Financial risk management objectives and policies

The group has suitable policies in place to manage risks facing the company, and these are outlined in the financial statements of Lifetime Brands, Inc. As a group loan holding company, the company's key risks relate to the recoverability of amounts due from fellow subsidiaries within the Lifetime Brands Inc. subgroup.

During the year and after the year end the continuing macro-economic effects of the Covid-19 pandemic and the disruption caused by the United Kingdom's exit from the European Union "Brexit" have created additional risk to the operations of the company's fellow subsidiaries. This risk is being managed by the directors and management of the individual trading subsidiaries and overseen by the Lifetime Brands, Inc board.

This report was approved by the board of directors on 30 September 2022 and signed on behalf of the board by:

DocuSigned by:

Matthew Canwell

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Mr M B Canwell
Director

Registered office:
One Eleven
Edmund Street
Birmingham
B3 2HJ

Lifetime Brands Holdings Limited

Directors' Report

Year ended 31 December 2021

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

Directors

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

Mr J G Siegel
Mr R B Kay
Mr M B Canwell
Mr L Winoker

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

The directors have prepared a forecast for the business through to the end of September 2023 as part of a wider strategic plan to 2026. This strategic plan indicates that the company will be able to continue to meet its liabilities as they fall due only with the ongoing support of other group entities.

In order to effectively manage the group's overall finance costs, Lifetime Brands Inc has provided the company's fellow subsidiary and principal debtor with an internal revolving credit facility of up to \$40m which either party can terminate with 3 days' notice or shorten the term with 60 days' notice. This facility matures on 2 March 2023. The company also continues to have access to the group's external asset based lending facility of up to \$200m which matures on 26 August 2027, the level of access to which is dependent on available inventory and receivables and the extent of drawdown by other group entities. As a result the directors have concluded the company remains dependant on support by Lifetime Brands Inc.

The company has therefore obtained written confirmation from Lifetime Brands Inc. that it is able to and will provide financial support to the company to enable it to meet its liabilities as they fall due, but only to the extent that other monies are not available to do so, for a period of at least 12 months from the date of approval of these financial statements through to no earlier than 30 September 2023.

Having considered the ability of Lifetime Brands Inc. to provide this financial support through to the end of September 2023, the directors have concluded that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Qualifying indemnity provision

Lifetime Brands, Inc. provided qualifying third party indemnity provisions for the directors during the financial year and at the date of signing this report.

Lifetime Brands Holdings Limited

Directors' Report *(continued)*

Year ended 31 December 2021

Statement under s.172(1)

The directors have acted to promote the success of the company for the benefit of shareholders as a whole. In carrying out that role, the directors have also had regard for broader matters and other key stakeholders as explained below and elsewhere within this annual report. The directors and management team in the United Kingdom are integrated into, and work in conjunction with the directors and senior management team of Lifetime Brands as a whole in the United States of America. The annual report of Lifetime Brands Inc. is available on its website and explains the significant decisions and actions taken by the directors.

The main purpose of the Company was as an intermediate group company which held loans to fellow subsidiary undertakings with an objective to provide appropriate returns for its shareholder.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 these financial statements the directors are required to:

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/ or the group 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Lifetime Brands Holdings Limited

Directors' Report *(continued)*

Year ended 31 December 2021

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 30 September 2022 and signed on behalf of the board by:

DocuSigned by:

Matthew Canwell

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Mr M B Canwell
Director

Registered office:
One Eleven
Edmund Street
Birmingham
B3 2HJ

Lifetime Brands Holdings Limited

Independent Auditor's Report

Year ended 31 December 2021

Opinion

We have audited the financial statements of Lifetime Brands Holdings Limited for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12, 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue through to no earlier than 30 September 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Lifetime Brands Holdings Limited

Independent Auditor's Report *(continued)*

Year ended 31 December 2021

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 contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 set out on page 4, 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.

Lifetime Brands Holdings Limited

Independent Auditor's Report *(continued)*

Year ended 31 December 2021

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006);
- We understood how Lifetime Brands Holdings Limited is complying with those frameworks by making enquiries of management to identify if there are matters where there is a risk of breach of such frameworks that could have a material adverse impact on the Company. We read the minutes of the Board of Directors and we reviewed the legal expenses incurred to identify any litigation or claims in relation to breaches of these frameworks;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management. We considered the programmes and controls that the entity has established to address identified risks, or that otherwise prevent or detect fraud; and how senior management monitors those programs and controls. Due to the nature of the company and its limited levels of activity, we identified limited areas where the risk of fraud was considered to be higher. Where any such areas were identified, we performed audit procedures to address the identified fraud risk(s). These procedures principally comprised identifying the existence of manual journals and where necessary testing those journals to provide reasonable assurance that the financial statements were free from material fraud;
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of management, internal audit and, where relevant, legal counsel and performing focused testing on manual journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Lifetime Brands Holdings Limited

Independent Auditor's Report *(continued)*

Year ended 31 December 2021

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.

DocuSigned by:



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Andrew Merrick (Senior statutory auditor)

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

30 September 2022

Lifetime Brands Holdings Limited

Profit and Loss Account

Year ended 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		1,723	(26,226)
Profit on disposal of shares in subsidiary		—	291,451
Operating profit	4	1,723	265,225
Profit before taxation		1,723	265,225
Tax on profit	7	—	—
Profit for the financial year and total comprehensive income		1,723	265,225
Retained losses at the start of the year		(5,242,843)	(5,508,068)
Retained losses at the end of the year		(5,241,120)	(5,242,843)

All the activities of the company are from continuing operations.

The notes on pages 12 to 15 form part of these financial statements.

Lifetime Brands Holdings Limited

Balance Sheet

31 December 2021

	Note	2021 £	£	2020 £
Current assets				
Debtors	8	<u>266,949</u>		<u>265,226</u>
Net current assets			<u>266,949</u>	<u>265,226</u>
Total assets less current liabilities			<u>266,949</u>	<u>265,226</u>
Capital and reserves				
Called up share capital	10		2	2
Share premium account	11		5,508,067	5,508,067
Profit and loss account	11		<u>(5,241,120)</u>	<u>(5,242,843)</u>
Shareholders funds			<u>266,949</u>	<u>265,226</u>

These financial statements were approved by the board of directors and authorised for issue on 30 September 2022, and are signed on behalf of the board by:

DocuSigned by:

Matthew Canwell

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Mr M B Canwell
Director

Company registration number: 07810575

The notes on pages 12 to 15 form part of these financial statements.

Lifetime Brands Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 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

The directors have prepared a forecast for the business through to the end of September 2023 as part of a wider strategic plan to 2026. This strategic plan indicates that the company will be able to continue to meet its liabilities as they fall due only with the ongoing support of other group entities.

In order to effectively manage the group's overall finance costs, Lifetime Brands Inc has provided the company's fellow subsidiary and principal debtor with an internal revolving credit facility of up to \$40m which either party can terminate with 3 days' notice or shorten the term with 60 days' notice. This facility matures on 2 March 2023. The company also continues to have access to the group's external asset based lending facility of up to \$200m which matures on 26 August 2027, the level of access to which is dependent on available inventory and receivables and the extent of drawdown by other group entities. As a result the directors have concluded the company remains dependant on support by Lifetime Brands Inc.

The company has therefore obtained written confirmation from Lifetime Brands Inc. that it is able to and will provide financial support to the company to enable it to meet its liabilities as they fall due, but only to the extent that other monies are not available to do so, for a period of at least 12 months from the date of approval of these financial statements through to no earlier than 30 September 2023.

Having considered the ability of Lifetime Brands Inc. to provide this financial support through to the end of September 2023, the directors have concluded that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these 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.

Lifetime Brands Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is not established under the law of an EEA State.

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

4. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Foreign exchange differences	<u>(1,723)</u>	<u>26,226</u>

5. Auditor's remuneration

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

6. Particulars of employees

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

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.

Lifetime Brands Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

7. Tax on profit

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>1,723</u>	<u>265,225</u>
Profit on ordinary activities by rate of tax	327	50,393
Utilisation of tax losses	(327)	–
Unused tax losses	–	4,983
Capital proceeds on disposal of investment	–	(55,376)
Tax on profit	<u>–</u>	<u>–</u>

Factors that may affect future tax income

Subsequent to the year end the company elected to transfer its realised capital losses for tax to another group company.

Finance Act 2021 will increase the main rate of corporation tax to 25% effective from 1 April 2023. This change was announced at the budget on 3 March 2021 and the Act received Royal Assent on 10 June 2021. Accordingly this rate change was substantively enacted at 31 December 2021.

As no deferred tax asset is recognised in these accounts there is no numerical impact. If all realised non trading tax losses were to meet the conditions for recognitions this would lead to tax income of £6,126.

8. Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	<u>266,949</u>	<u>265,226</u>

The loan due from Lifetime Brands Europe Limited is denominated in US dollars, interest free, unsecured, and repayable on demand.

9. Deferred tax

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

	2021	2020
	£	£
Unused loan relationship deficits	6,126	4,983
Unused capital losses	1,304,154	991,157
Tax losses not recognised	<u>(1,310,280)</u>	<u>(996,140)</u>
	<u>–</u>	<u>–</u>

Deferred tax assets of £6,126 and £1,304,154 relating to loan relationship deficits and capital losses carried forwards are not recognised due to uncertainty about the timing of future taxable profits. This amount is calculated at 25% (2020: 19%), the rate of UK corporation tax substantially enacted as at 31 December 2021.

Lifetime Brands Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

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 2021. The consolidated financial statements of Lifetime Brands Inc. are available from 1000 Stewart Avenue, Garden City, New York 11530, United States of America.