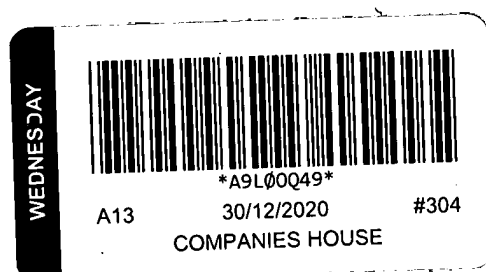


COMPANY REGISTRATION NUMBER: 03411690

**Lifetime Brands Europe Limited**  
**Financial Statements**  
**31 December 2019**



**Lifetime Brands Europe Limited**  
**Financial Statements**  
**Year ended 31 December 2019**

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# **Lifetime Brands Europe Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Mr M B Canwell  
Mr J G Siegel  
Mr R B Kay  
Mr L Winoker  
Mrs C L Budgen  
Mr C S Siegel  
Mr R T Jones  
Mr D T Siegel

### **Company secretary**

Gateley Secretaries Limited

### **Registered office**

The Hub  
Nobel Way  
Birmingham  
B6 7EU

### **Auditor**

Ernst & Young LLP  
1 Colmore Square  
Birmingham  
B4 6HQ

### **Bankers**

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

# **Lifetime Brands Europe Limited**

## **Strategic Report**

**Year ended 31 December 2019**

### **Principal activity**

The company designs, sources and sells branded kitchenware, tableware and other products used in the home and markets its products under a number of widely-recognised brand names and trademarks, which are either owned or licensed by the Company. The Company's products, which are targeted primarily towards consumers purchasing moderately priced kitchenware, tableware and housewares, are sold through virtually every major level of trade.

### **Customers**

The company's products are sold globally to a diverse customer base including speciality retailers (such as Dunelm, Next & Robert Dyas), commercial stores (such as Lakeland), department stores (such as John Lewis & House of Fraser), warehouse clubs (such as Makro), grocery stores (such as Tesco, Waitrose and Sainsbury's), off-price retailers (such as TK Maxx), garden centre groups (such as Dobbies, Wyevale & Blue Diamond), and e-commerce (such as Amazon). The company also does business with independent retailers, including through its business-to-business internet site and app.

### **Distribution**

As of 31 December 2019, the company has substantially completed the consolidation of its operations into the purpose-built Hub at Aston, Birmingham. This state-of-the-art facility is capable of receiving, holding and processing stock across the company's extensive product lines. Investment in seamless digital systems enables swift pick, pack and despatch and integration into customers' systems for efficient ordering and invoicing.

### **Sales & marketing**

The company's sales and marketing staff coordinate directly with its wholesale customers to devise marketing strategies and merchandising concepts and to furnish advice on advertising and product promotion. These efforts are supported from the principal offices and showroom in Aston, Birmingham; and Hong Kong. At the heart of the company is a culture of innovation and new product development. Utilising the latest available design tools, technology and materials, the company creates new products, redesigns existing products and creates packaging and merchandising concepts.

### **Sources of supply**

The company sources its products from hundreds of suppliers, almost all of which are located outside the United Kingdom. Most of the company's suppliers are located in China. The company orders products substantially in advance of the anticipated time of their sale. The company does not have formal long-term arrangements with its suppliers and its arrangements allow for flexibility in modifying the quantity, composition and delivery dates of orders.

### **Employees**

At 31 December 2019, the company had approximately 270 full-time employees. The company also hires seasonal workers at its distribution centre through temporary staffing agencies. None of the company's employees are represented by a labour union or subject to collective bargaining agreements.

### **Premises**

At 31 December 2019, the company was fully settled in at its new home in Aston, Birmingham. Product design & sourcing, finance, warehousing and distribution, customer showroom and sales, and all head office functions are located together at The Hub. The move out of multiple smaller, old premises into one purpose-built facility is part of a long term strategic vision for the company and will yield significant efficiencies in the future.

# Lifetime Brands Europe Limited

## Strategic Report *(continued)*

Year ended 31 December 2019

### Business review

#### Results of operations

The key financial performance indicators during the period were as follows:

	31/12/2019	31/12/2018
	£	£
Turnover	65,531,525	69,387,076
Gross profit	12,734,409	16,131,996
Administrative expenses	(20,529,370)	(16,712,478)
Operating loss	(7,794,961)	(580,482)

#### Analysis of results

Turnover for the year amounted to £65,531,525 (2018: £69,387,076). Trading activity was slightly decreased across all areas of the company due to the continued challenging trading and general economic conditions.

Demand from customers remained strong across the year, but operational challenges have not enabled the company to turn this into sales growth in 2019. Alongside a decrease in turnover the gross profit also decreased compared to the prior year. This was in part due to increased cost of warehouse operations and temporary help required during the consolidation of operations into a single site.

The continued restructuring of operations has led to additional administrative expenses, primarily in relation to staff costs and also repairs across the company's leased property portfolio. During 2019 the company was still trading from multiple properties which has led to operational challenges and increased overheads. The company has also continued and increased its investment in marketing and advertising across 2019, primarily through trade shows.

Detailed focus continues in the development of new product and ranges and this is core to the company's future development strategy across all markets. The operating loss for the year was £7,794,961 (2018: loss £580,482).

#### Balance sheet analysis

The company's move to new premises in Aston, Birmingham was completed during 2019, with total capital expenditure being £5,581,823. This capital expenditure has created a brand-new state of the art warehouse facility, tailored around the company's requirements for stock holding and efficient processing of pick, pack and despatch operations. At the same central site, the company now also boasts an impressive showroom facility to showcase its products across all brands, alongside retail point of sale and kitchen / home demonstration facilities. Rounding out the capital expenditure are the new office facilities, also at the one central site.

Changes in the company's working capital reflect the operational challenges of continuing to trade from multiple locations in 2019, with high stock levels and increased trade debtors:

	2019	2018
	£	£
Stock	23,871,783	24,179,954
Trade debtors	23,677,131	18,870,729

Together with the operating loss and capital expenditure, this increase in trade debtors has led to increased borrowing.

# **Lifetime Brands Europe Limited**

## **Strategic Report** *(continued)*

### **Year ended 31 December 2019**

The company's balance sheet reflects challenging conditions, with net assets decreasing significantly to £19,253,720 (2018: £26,163,788).

#### **Future developments**

The COVID-19 pandemic and consequent government restrictions continue to affect the United Kingdom and the rest of the world. The company has experienced a reduction in sales at certain retailers that have been closed or have had a limited number of stores that are open during the pandemic. This reduction in sales has been offset by higher sales at retailers that have remained open. In addition, the company's e-commerce sales have increased during the pandemic.

The company's distribution centre remains operational and continues to support e-commerce and brick-and-mortar retail customers. The company has not experienced disruptions in its supply chain related to the COVID-19 pandemic. In response to the COVID-19 pandemic, the company implemented cost reductions in April 2020.

The severity, magnitude and duration, as well as the economic consequences of the COVID-19 pandemic, remain uncertain, rapidly changing and difficult to predict.

#### **Principal risks and uncertainties**

The company is subject to risks and uncertainties associated with economic and political conditions around the world, including but not limited to; government regulations, taxes including value-added taxes, import and export duties/tariffs and quotas, anti-dumping regulations, incidents and fears involving security, man-made or natural disasters, health epidemics, terrorism and wars, political unrest and other restrictions on trade and travel.

As noted on the previous page, the coronavirus pandemic remains a key risk and the company's responses to it will continue to evolve. In particular the impact that further periods of local or national lockdown restrictions may have on its bricks and mortar customer base and the extent to which increased sales through other channels will continue to compensate for any decline in sales to retailers who rely more on the customer visiting their stores. The company is monitoring the impact continuously in an effort to both support its customers and manage all aspects of the company's risk.

The company's operations and sales may be materially adversely affected by the exit of the U.K. from the European Union. On January 31, 2020, the U.K. left the European Union ("Brexit"). The U.K.'s exit from the European Union is unprecedented and it remains unclear what impact this will have on the U.K.'s access to the EU Single Market and on the legal and regulatory environment in which the company operates, as well as its effect on the global macroeconomic environment. The company remains committed to servicing its customers throughout the European Union, delivering upwards of 7,000 parcels each year. Customs procedures and freight forwarding agents are in place, together with all relevant government agency registrations. The group already has a presence directly in Europe, via its fellow subsidiary KitchenCraft Lifetime Brands B.V. Netherlands.

The company's financial risk management objective is broadly to make neither profit or loss from exposure to currency or interest rate risks. The company's policy is to pay suppliers in accordance with their stated terms, matching the maturity of the forward contract currency purchases. The company does not use hedge accounting. Credit risk applies to financial instruments such as trade debtors. Policies and procedures exist to ensure the management of trade debtors minimises as far as is reasonably practicable the company's exposure to credit risk.

The company's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments are its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

# **Lifetime Brands Europe Limited**

## **Strategic Report** *(continued)*

### **Year ended 31 December 2019**

This report was approved by the board of directors on 23 December 2020 and signed on behalf of the board by:

DocuSigned by:

*Matthew Canwell*

47577BAA982F43F...

Mr M B Canwell  
Director

Registered office:  
The Hub  
Nobel Way  
Birmingham  
B6 7EU

# **Lifetime Brands Europe Limited**

## **Directors' Report**

### **Year ended 31 December 2019**

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

#### **Directors**

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

Mr M B Canwell	
Mr J G Siegel	
Mr R B Kay	
Mr L Winoker	(Appointed 12 March 2019)
Mrs C L Budgen	(Appointed 3 June 2019)
Mr K N Murden	(Appointed 20 November 2019 and resigned 1 April 2020)
Mr C S Siegel	(Appointed 20 November 2019)
Mr R T Jones	(Appointed 20 November 2019)
Mr G G Clarke	(Resigned 29 March 2019)
Mr D T Siegel	(Resigned 12 March 2019 and re-appointed 3 June 2019)
Mr R Shiftan	(Resigned 12 March 2019)
Mr A T Elliott	(Served from 3 June 2019 to 20 November 2019)

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Going concern**

The directors have prepared forecasts for the business through to the end of December 2021. These forecasts indicate that the company will be able to continue to operate under the facilities available to it through the Lifetime Brands Inc. group's long term debt financing arrangements, which along with cash generated from operating activities continue to represent the company's principal source of cash to fund liquidity needs. The directors note that the operating cash flows of the company and the group have improved through 2020 due to positive trading performance in the second half of the year, stock rationalisation, reduced capital expenditure and active management of working capital.

In support of this conclusion, the company has obtained written confirmation from Lifetime Brands Inc. that 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.

Having considered the ability of Lifetime Brands Inc. to provide this financial support through to the end of December 2021, 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.

#### **Employment of disabled persons**

The company is committed to promoting equality of opportunity for all staff and job applicants. Where staff or job applicants are disabled or become disabled, they are encouraged to tell the company about their condition so that the company can support them as appropriate. If staff experience difficulties at work because of their disability, staff may wish to contact Human Resources to discuss any reasonable adjustments that would help overcome or minimise the difficulty. The company will consider the matter carefully and try to accommodate needs within reason. The company will monitor physical features of our premises to consider whether they place disabled workers, job applicants or service users at a substantial disadvantage compared to other staff. Where reasonable, the company will take steps to improve access .



# **Lifetime Brands Europe Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2019**

### **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. This report expands on some relevant highlights in relation to the United Kingdom and this company below:

### **Engagement with employees and workers**

We are committed to creating positive working relationships and to ensuring that all employees are valued and treated with dignity and respect at work. Frequent two-way communication between the directors and all employees is achieved in the following ways:

The directors engaged and consulted directly with employees specifically around the move to the new offices and warehouse at The Hub from Corby and other locations, involving employee representatives at both locations. Feedback and suggestions on a number of staff benefits and ways of working were implemented. Managers brought staff over to see the building in advance of the move and, importantly, directors held individual meetings with people to understand their concerns and to resolve individual issues.

2019 was the third year of monitoring the gender pay gap (GPG) at Lifetime Brands Europe Limited. The directors are committed to supporting long term improvement in this area and believe that our employees performing equal work receive equal reward. Mean GPG was 22.3% in 2017, reducing to 14.7% in 2018 and reduced further to 6.4% in 2019. The Median GPG reduced from 11.2% in 2017, to -0.4% in 2018 and -14.5% in 2019. There is no GPG in bonus for 2019. Our progress has been excellent and we are committed to continuing with our regular pay and benefits, audits to ensure continued fairness and consistency in our pay structures.

The company's policy ensures compliance with all applicable employment laws and commit to ensuring fairness in the hiring and advancement of all colleagues without discrimination. We require all staff to comply with the company's code of conduct and ethics within all business dealings.

Any recruiters who we engage with for the supply of temporary workers must be licensed by the Gangmasters Labour Abuse Authority (GLAA) and will work to the same strict standards as per our own operating procedures.

As we look forward across 2020 the impact of COVID-19 on our people has been significant. We will deal with requests for working from home informally. In common with most organisations who have the majority of office and sales staff working from home, we have had to adopt new ways of working, venture into more technological ways of working and communicating and been mindful and supportive of the advantages and challenges to individuals of home working, whilst also being aware of those whose jobs do not enable them to work from home.

### **Relationships with customers**

Customer satisfaction is extremely important to the company's reputation and its ability to maintain or grow market share. To ensure we create long term value for our customers we research social, economic, design and product trends to create a comprehensive range of innovative products. We position our products using tiered segmentation and compelling consumer branding to deliver complete and authoritative product solutions to our partners, ensuring they perform commercially.

# **Lifetime Brands Europe Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2019**

### **Relationships with customers** *(continued)*

We work 12 months in advance of the selling season by using a critical path that is aligned to our customers' buying calendars. Many customers utilise supplier scorecard systems so we use these scores to measure our own performance against their absolute measures and the relativity of our competitors. We are seeing a consolidation of in store ranges with retailers now moving back to having fewer, larger suppliers providing greater scale and more efficient partnerships with increased services. This includes the significant growth of digital pure plays and both local and cross border marketplaces. Along with these are also the new drop shipment, omni-channel retailers, who are looking to capitalise on extended ranges displayed on their websites and fulfilled by their suppliers.

### **Supply chain quality**

The company is committed to maintaining a reputation for high standards of business conduct. We support the promotion of ethical business policies and practices in order to protect workers from any kind of abuse, deprivation of a person's liberty, or exploitation, in relation to our business and supply chain. We have also embarked on a programme to communicate and regulate our policies to existing and new suppliers, as well as our sourcing agents and employees throughout the business where we make it clear from the outset our expectations; insisting on only working with suppliers who share our ethical values; completion of robust Self-Assessment Questionnaires (SAQ); mapping our supply chains; and adopting a diligent approach in our selection of new suppliers through factory visits and our rigorous factory evaluation and verification process.

### **Key developments and decisions**

During the year, the board has considered the following significant decisions and developments for the company: Completion of the move out of Corby and other locations and into Aston under a 15 year long term lease. As noted in the Strategic Report, the move out of multiple smaller, old premises into one purpose-built facility is a long term strategic vision for the company and will yield significant efficiencies in the future.

Further investment in apps, technology and online service offering to customers, which require significant capabilities around technical integration to connect the product data, stock and ordering transactions seamlessly. We have these technologies and the effectively managed range, stock levels and service measures to respond effectively to all selling channels

Both these key strategic decisions will support the long term future for employment in Birmingham, the home of operations for the company since 1850. Across 2020, the coronavirus pandemic has disrupted business significantly, but the new facilities and technologies have enabled the company to respond to the challenge; both for employees working from home, and for customers responding to new digital and online operations.

### **Events after the end of the reporting period**

Subsequent to the year end, Covid-19 was declared a global pandemic by the World Health Organisation. Covid-19 spread during the first half of 2020 and has led to periodic national and regional lockdowns across the UK and other countries, which has impacted the company.

Further explanation of the impact of Covid-19 on the company has been discussed above and is set out in notes 3 and 25 to the financial statements. However, as this is considered a non-adjusting post balance sheet event no adjustments have been made to the amounts presented in the financial statements as a result of the pandemic.

The ongoing impact of Covid-19 on the business, both favourable and adverse, cannot be accurately estimated at this time.

# Lifetime Brands Europe Limited

## Directors' Report *(continued)*

Year ended 31 December 2019

### 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.

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.

A resolution to reappoint Ernst & Young LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 23 December 2020 and signed on behalf of the board by:

DocuSigned by:

*Matthew Canwell*

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Mr M B Canwell  
Director

Registered office:  
The Hub  
Nobel Way  
Birmingham  
B6 7EU

# **Lifetime Brands Europe Limited**

## **Independent Auditor's Report to the Members of Lifetime Brands Europe Limited**

**Year ended 31 December 2019**

### **Opinion**

We have audited the financial statements of Lifetime Brands Europe Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, balance sheet and the related notes 1 to 26, 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 2019 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 below. 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.

### **Emphasis of matter**

We draw attention to notes 3 and 25 of the financial statements, which describe the financial and operational consequences the company is facing as a result of Covid-19 which is impacting the company's customer base and demand for its products. Our opinion is not modified in respect of this matter.

### **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.

## **Lifetime Brands Europe Limited**

### **Independent Auditor's Report to the Members of Lifetime Brands Europe Limited** *(continued)*

**Year ended 31 December 2019**

#### **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 this 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 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, 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 Europe Limited**

### **Independent Auditor's Report to the Members of Lifetime Brands Europe Limited** *(continued)*

**Year ended 31 December 2019**

#### **Auditor's responsibilities for the audit of the financial statements**

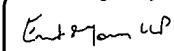
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 [www.frc.org.uk/auditorsresponsibilities](http://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.

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

23 December 2020

# Lifetime Brands Europe Limited

## Profit and Loss Account

Year ended 31 December 2019

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	<b>65,531,525</b>	69,387,076
Cost of sales		(52,797,116)	(53,255,080)
<b>Gross profit</b>		<b>12,734,409</b>	16,131,996
Administrative expenses		(20,529,370)	(16,712,478)
<b>Operating loss</b>	<b>5</b>	<b>(7,794,961)</b>	(580,482)
Other interest receivable and similar income	<b>9</b>	–	2,845
Interest payable and similar expenses	<b>10</b>	(391,274)	(288,287)
<b>Loss before taxation</b>		<b>(8,186,235)</b>	(865,924)
Tax on loss	<b>11</b>	1,276,167	121,043
<b>Loss for the financial year and total comprehensive income</b>		<b>(6,910,068)</b>	(744,881)
<b>Retained earnings at the start of the year</b>		<b>25,389,121</b>	26,134,002
<b>Retained earnings at the end of the year</b>		<b>18,479,053</b>	25,389,121

All the activities of the company are from continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

# Lifetime Brands Europe Limited

## Balance Sheet

31 December 2019

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	12		1,473,764		1,652,195
Tangible assets	13		5,369,492		473,143
Investments	14		4,000		4,000
			<u>6,847,256</u>		<u>2,129,338</u>
<b>Current assets</b>					
Stocks	15	23,871,783		24,179,954	
Debtors	16	28,331,157		23,785,402	
Cash at bank and in hand		<u>1,264,078</u>		<u>2,599,771</u>	
		<u>53,467,018</u>		<u>50,565,127</u>	
<b>Creditors: amounts falling due within one year</b>	17	(41,060,554)		(26,530,677)	
<b>Net current assets</b>			<u>12,406,464</u>		<u>24,034,450</u>
<b>Total assets less current liabilities</b>			<u>19,253,720</u>		<u>26,163,788</u>
<b>Net assets</b>			<u><u>19,253,720</u></u>		<u><u>26,163,788</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		690,000		690,000
Capital redemption reserve	22		84,667		84,667
Profit and loss account	22		<u>18,479,053</u>		<u>25,389,121</u>
<b>Shareholders funds</b>			<u><u>19,253,720</u></u>		<u><u>26,163,788</u></u>

These financial statements were approved by the board of directors and authorised for issue on 23 December 2020, and are signed on behalf of the board by:

DocuSigned by:  
  
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Mr M B Canwell  
 Director

Company registration number: 03411690



# **Lifetime Brands Europe Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2019**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Hub, Nobel Way, Birmingham, B6 7EU.

### **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 forecasts for the business through to the end of December 2021. These forecasts indicate that the company will be able to continue to operate under the facilities available to it through the Lifetime Brands Inc. group's long term debt financing arrangements, which along with cash generated from operating activities continue to represent the company's principal source of cash to fund liquidity needs. The directors note that the operating cash flows of the company and the group have improved through 2020 due to positive trading performance in the second half of the year, stock rationalisation, reduced capital expenditure and active management of working capital.

In support of this conclusion, the company has obtained written confirmation from Lifetime Brands Inc. that is able to and will provide financial support to the company to enable 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.

Having considered the ability of Lifetime Brands Inc. to provide this financial support through to the end of December 2021, 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) No disclosure has been given for the aggregate remuneration of key management personnel.

# **Lifetime Brands Europe Limited**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2019**

### **3. Accounting policies** *(continued)*

#### **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. Accordingly these financial statements are for this company as a separate entity.

#### **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.

#### **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 2019 amounted to £1,452,793 (2018: £1,341,856).

##### **Valuation of trade debtors:**

Accounts receivable are measured at transaction price less impairment losses. Estimates are required in relation to future sales returns and customer chargebacks, and any bad debts. Total accounts receivable provisions for impairment losses as of 31 December 2019 amounted to £2,449,022 (2018: £1,024,689).

#### **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.

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 3. Accounting policies *(continued)*

##### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### 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.

##### 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:

IT software	-	20% straight line
Licences	-	10% straight line

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.

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 3. Accounting policies *(continued)*

#### Tangible assets *(continued)*

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 lease term of 15 years
Fixtures & fittings	-	10-33% Straight line
Motor vehicles	-	33% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Investments

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

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost on profit or loss in the period it arises.

#### Business combinations

Business combinations relating to group reconstructions with no change to the ultimate ownership of an entity are accounted for using acquisition accounting.

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 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.

#### 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.

#### Defined contribution plans

The company operates defined contribution pension schemes. The pension charge represents the amount payable by the company in respect of the period.

#### 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.

### 4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	<u>65,531,525</u>	<u>69,387,076</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:

	2019	2018
	£	£
United Kingdom	49,095,590	49,164,996
Rest of Europe	13,234,274	15,383,511
Rest of World	3,201,661	4,838,569
	<u>65,531,525</u>	<u>69,387,076</u>

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 5. Operating loss

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Amortisation of intangible assets	369,963	324,005
Depreciation of tangible assets	493,942	386,996
Operating lease rentals	<u>2,858,756</u>	<u>1,403,019</u>

### 6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>219,116</u>	<u>144,591</u>

### 7. Staff costs

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

	2019	2018
	No.	No.
Marketing, buying, and quality control	61	79
Sales and administration	91	106
Warehouse	115	125
Management	9	12
	<u>276</u>	<u>322</u>

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

	2019	2018
	£	£
Wages and salaries	9,591,691	11,191,617
Social security costs	989,790	687,203
Other pension costs	425,760	367,963
	<u>11,007,241</u>	<u>12,246,783</u>

### 8. Directors' remuneration

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

	2019	2018
	£	£
Remuneration	594,063	459,412
Company contributions to defined contribution pension plans	54,127	44,683
	<u>648,190</u>	<u>504,095</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2019	2018
	No.	No.
Defined contribution plans	<u>6</u>	<u>3</u>

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 8. Directors' remuneration *(continued)*

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

	2019	2018
	£	£
Aggregate remuneration	259,563	221,001
Company contributions to defined contribution pension plans	23,006	30,338
	<u>282,569</u>	<u>251,339</u>

Six of the directors were remunerated through the company and their remuneration is disclosed above.

The other six directors who served during the year 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. Other interest receivable and similar income

	2019	2018
	£	£
Other interest receivable and similar income	–	2,845
	<u>–</u>	<u>2,845</u>

#### 10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	391,274	288,287
	<u>391,274</u>	<u>288,287</u>

#### 11. Tax on loss

##### Major components of tax income

	2019	2018
	£	£
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(1,276,167)	(121,043)
<b>Tax on loss</b>	<u>(1,276,167)</u>	<u>(121,043)</u>

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 11. Tax on loss *(continued)*

##### Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Loss on ordinary activities before taxation	<b>(8,186,235)</b>	(865,924)
Loss on ordinary activities by rate of tax	<b>(1,555,385)</b>	(164,526)
Effect of expenses not deductible for tax purposes	<b>104,277</b>	14,553
Effect of capital allowances and depreciation	<b>23,177</b>	14,055
Other timing differences	<b>1,627</b>	(307)
Effect of deferred tax measured at 17%	<b>150,137</b>	15,182
Tax on loss	<b>(1,276,167)</b>	(121,043)

##### Factors that may affect future tax income

Finance (No 2) Act 2015 and Finance Act 2016 provided for reductions in the main rate of corporation tax to 19% effective from 1 April 2017 and to 17% effective from 1 April 2020.

Finance Bill 2019-21 will amend these reductions in the main rate of corporation tax, which will now remain at 19%. This was substantively enacted 11 March 2020 on delivery of the budget by the Chancellor.

The deferred tax asset recognised in these accounts is calculated at 17%, the rate substantively enacted at the balance sheet date expected to apply when the timing differences reverse. The effect of the Finance Bill 2019-21 in next year's financial statements will be to increase the deferred tax asset by £166,163

#### 12. Intangible assets

	IT software £	Brand goodwill and licences £	Total £
<b>Cost</b>			
At 1 January 2019	1,579,925	500,000	<b>2,079,925</b>
Additions	191,532	—	<b>191,532</b>
<b>At 31 December 2019</b>	<b>1,771,457</b>	<b>500,000</b>	<b>2,271,457</b>
<b>Amortisation</b>			
At 1 January 2019	402,730	25,000	<b>427,730</b>
Charge for the year	319,963	50,000	<b>369,963</b>
<b>At 31 December 2019</b>	<b>722,693</b>	<b>75,000</b>	<b>797,693</b>
<b>Carrying amount</b>			
<b>At 31 December 2019</b>	<b>1,048,764</b>	<b>425,000</b>	<b>1,473,764</b>
At 31 December 2018	1,177,195	475,000	1,652,195



# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2019

#### 12. Intangible assets *(continued)*

Brand goodwill & licences relates to the UK business of Maxwell & Williams. This asset is being amortised over 10 years to June 2028.

All amortisation of intangible assets is included in administrative expenses in the profit and loss account

#### 13. Tangible assets

	Short leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2019	458,196	1,502,093	148,791	<b>2,109,080</b>
Additions	5,300,084	90,207	–	<b>5,390,291</b>
<b>At 31 December 2019</b>	<b>5,758,280</b>	<b>1,592,300</b>	<b>148,791</b>	<b>7,499,371</b>
<b>Depreciation</b>				
At 1 January 2019	309,196	1,215,316	111,425	<b>1,635,937</b>
Charge for the year	287,633	190,755	15,554	<b>493,942</b>
<b>At 31 December 2019</b>	<b>596,829</b>	<b>1,406,071</b>	<b>126,979</b>	<b>2,129,879</b>
<b>Carrying amount</b>				
<b>At 31 December 2019</b>	<b>5,161,451</b>	<b>186,229</b>	<b>21,812</b>	<b>5,369,492</b>
At 31 December 2018	149,000	286,777	37,366	473,143

#### 14. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2019 and 31 December 2019	<b>4,000</b>
<b>Impairment</b>	
At 1 January 2019 and 31 December 2019	<b>–</b>
<b>Carrying amount</b>	
<b>At 31 December 2019</b>	<b>4,000</b>
At 31 December 2018	4,000

#### Subsidiaries, associates and other investments

##### Direct investments

Investments in subsidiaries comprises a 100% holdings in Kitchen Craft (Asia) Limited, registered office: Hong Kong Managers and Secretaries Limited, Units 1607-1608, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong, which was dormant throughout the period.

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>23,871,783</u>	<u>24,179,954</u>

### 16. Debtors

	2019 £	2018 £
Trade debtors	23,677,131	18,870,729
Amounts owed by group undertakings	2,067,521	2,093,701
Deferred tax asset	1,412,379	136,212
Prepayments and accrued income	764,985	1,732,918
Corporation tax repayable	114,000	114,000
Other debtors	295,141	837,842
	<u>28,331,157</u>	<u>23,785,402</u>

Amounts owed by group undertakings are repayable on demand.

### 17. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	24,889,229	10,021,866
Trade creditors	5,151,488	4,221,530
Amounts owed to group undertakings	4,790,170	5,323,693
Accruals and deferred income	5,717,569	6,654,337
Social security and other taxes	294,482	244,433
Other creditors	217,616	64,818
	<u>41,060,554</u>	<u>26,530,677</u>

Amounts owed to group undertakings are repayable on demand.

### 18. Deferred tax

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

	2019 £	2018 £
Included in debtors (note 16)	<u>1,412,379</u>	<u>136,212</u>

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

	2019 £	2018 £
Accelerated capital allowances	174,523	(31,390)
Unused tax losses	(1,586,902)	(104,822)
	<u>(1,412,379)</u>	<u>(136,212)</u>

No net reversal of the deferred tax asset is expected in the year beginning 1 January 2020.

# Lifetime Brands Europe Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 19. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £425,760 (2018: £367,963).

The total amount of employee and employer pension contributions unpaid and included in other creditors was £53,741 (2018: £24,278)

### 20. Financial instruments

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

	2019 £	2018 £
<b>Financial assets measured at fair value through profit or loss</b>		
Currency purchase forward contracts	<u>–</u>	<u>22,039</u>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Currency purchase forward contracts	<u>136,758</u>	<u>–</u>

The total amount outstanding under these contracts at 31 December 2019 was the right to purchase USD \$7,294,000 at fixed exchange rates across January, February, March and April 2020. These have been valued on a mark-to-market basis at the year end.

### 21. Called up share capital

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>

### 22. Reserves

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.

### 23. Operating leases

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

	2019 £	2018 £
Not later than 1 year	1,885,524	2,191,944
Later than 1 year and not later than 5 years	6,626,529	6,606,551
Later than 5 years	16,125,310	17,843,254
	<u>24,637,363</u>	<u>26,641,749</u>

# **Lifetime Brands Europe Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 31 December 2019**

#### **24. Contingencies**

At 31 December 2019 there were contingent liabilities of £125,000 (2018 £125,000) in respect of HM Revenue & Customs guarantees. From 1 July 2013 the company entered into an agreement with HMRC relating to outstanding liabilities for the bonded warehouse. Based on current compliance, the directors do not expect any claims to be made against this agreement.

#### **25. Events after the end of the reporting period**

Subsequent to the year end, Covid-19 was declared a global pandemic by the World Health Organisation. Covid-19 spread during the first half of 2020 and has led to periodic national and regional lockdowns across the UK and other countries which has impacted the company.

The far reaching consequences for the UK economy and economies outside the UK created a degree of uncertainty which has impacted on the company and continues to do so. The directors have taken all possible steps to mitigate against the negative impacts and to protect the business and also to ensure that the company is well positioned to take advantage of those markets which have, in fact, seen an increase in activity as a result of the pandemic.

During 2020, to date, gross sales revenue has been maintained and is comparable with the prior year, however there has been an increase in sales to online retailers while sales to bricks and mortar stores have decreased. Within this the business has also seen an increased level of demand for some product lines as restrictions on the leisure sector has resulted in an increased interest in products connected with home baking and similar activities.

There have also been some cost saving and restructuring decisions that were taken in April 2020. These measures have had a positive impact over the last half of 2020. However, despite these measures and the use of the government job retention scheme (furlough), cost pressures and the need to provide increased support and allowances to customers are such that the company is likely to report a further operating loss for 2020 ahead of what is currently expected to be an improved performance in 2021.

The exact impact on the company's results and financial position at 31 December 2020 or subsequent years cannot be accurately predicted. However, as the Covid-19 pandemic is considered a non-adjusting post balance sheet event no adjustments have been made to the amounts presented in these financial statements as a result of the pandemic.

#### **26. 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 at 31 December 2019. The consolidated financial statements of Lifetime Brands, Inc. are available from 1000 Stewart Avenue, Garden City, New York 11530, United States of America.