

**DENBY USA LIMITED**

**ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**



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**DENBY USA LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Christopher Emmott Sebastian Lazell (appointed 1 April 2021) Robert Barton (appointed 1 April 2021)
<b>Company secretary</b>	Robert Barton
<b>Registered number</b>	03112680
<b>Registered office</b>	Denby Pottery Denby Derbyshire DE5 8NX
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT
<b>Bankers</b>	Bank of America 1229 Route 27 Somerset NJ 08873 USA
<b>Solicitors</b>	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

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DENBY USA LIMITED

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**DENBY USA LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**Principal activity**

The Company's principal activity is the marketing and distribution of premium quality casual tableware in North America.

**Results and dividends**

The profit for the year, after taxation, amounted to £308,000 (2020: loss £314,000).

The directors do not recommend a dividend for the year (2020: Nil).

**Directors**

The directors who served during the year were:

Christopher Emmott  
Sebastian Lazell (appointed 1 April 2021)  
Robert Barton (appointed 1 April 2021)

**Directors' responsibilities statement**

The directors are responsible for preparing the 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**DENBY USA LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Future Developments**

During 2021 strategic web-based business remained strong on both internal and external platforms but retail customers' business with Denby also recovered from the very difficult Covid-19 market conditions of 2020. The Company anticipates this model to continue into 2022 and is investing its resources into systems and processes aligned to meeting the needs of the changed trading circumstances.

**Going concern**

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The Group has prepared financial projections beyond twelve months from the date of approval of these financial statements using its experience to date of the various impacts of Covid-19 on its operations and financial performance. On both realistic and conservative planning assumptions and with the committed support of Denby Holdings Limited for at least twelve months from the date of approval of the financial statements, the Company can see no reason why it should not continue to prepare its financial statements on a going concern basis.

**Qualifying third party indemnity provisions**

Directors' and officers' insurance cover was in place throughout 2021 to provide appropriate cover for their reasonable actions on behalf of group companies.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 May 2022 and signed on its behalf.

*Chris Emmott*

**Christopher Emmott**  
Director



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENBY USA LIMITED

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### Opinion

We have audited the financial statements of Denby USA Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENBY USA LIMITED (CONTINUED)

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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 twelve months from when the financial statements are authorised for issue.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENBY USA LIMITED (CONTINUED)

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### **Matter on which we are required to report under the Companies Act 2006**

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 Directors' report.

### **Matters on which we are required to report by exception**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of the director**

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.

### **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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENBY USA LIMITED (CONTINUED)**

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**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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are Financial Reporting Standard 102 and the Companies Act 2006;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors, and from inspection of the Company's board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the directors;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the appropriateness of the collective competence and capabilities of the engagement team including the consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation and knowledge of the industry in which the Company operates.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENBY USA LIMITED (CONTINUED)**

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**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.

*Grant Thornton UK LLP*

Donna Steel  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Sheffield

18 May 2022

## DENBY USA LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £000	2020 £000
Turnover	7,120	6,757
Cost of sales	(3,929)	(3,714)
<b>Gross profit</b>	<b>3,191</b>	<b>3,043</b>
Distribution costs	(3,050)	(3,533)
Other operating income	4 138	147
<b>Operating profit/(loss)</b>	<b>279</b>	<b>(343)</b>
Interest receivable/(payable) and expenses	2	(44)
<b>Profit/(loss) before tax</b>	<b>281</b>	<b>(387)</b>
Tax on profit/(loss)	27	73
<b>Profit/(loss) for the financial year</b>	<b>308</b>	<b>(314)</b>
Currency translation differences	41	53
<b>Other comprehensive income for the year</b>	<b>41</b>	<b>53</b>
<b>Total comprehensive income for the year</b>	<b>349</b>	<b>(261)</b>

The notes on pages 11 to 18 form part of these financial statements.

**DENBY USA LIMITED**  
**REGISTERED NUMBER:03112680**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	6	49	58
		<u>49</u>	<u>58</u>
<b>Current assets</b>			
Stocks	7	662	329
Debtors: amounts falling due within one year	8	2,642	2,791
Cash at bank and in hand	9	1,426	12
		<u>4,730</u>	<u>3,132</u>
Creditors: amounts falling due within one year	10	(6,119)	(4,879)
<b>Net current liabilities</b>		<u>(1,389)</u>	<u>(1,747)</u>
<b>Total assets less current liabilities</b>		<u>(1,340)</u>	<u>(1,689)</u>
<b>Net liabilities</b>		<u>(1,340)</u>	<u>(1,689)</u>
<b>Capital and reserves</b>			
Called up share capital	11	130	130
Profit and loss account	12	(1,470)	(1,819)
		<u>(1,340)</u>	<u>(1,689)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 May 2022.

*Chris Emmott*

**Christopher Emmott**  
Director

The notes on pages 11 to 18 form part of these financial statements.

## DENBY USA LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	130	(1,558)	(1,428)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(314)	(314)
Currency translation differences	-	53	53
<b>Other comprehensive income for the year</b>	-	53	53
<b>Total comprehensive income for the year</b>	-	(261)	(261)
At 1 January 2021	130	(1,819)	(1,689)
<b>Comprehensive income for the year</b>			
Profit for the year	-	308	308
Currency translation differences	-	41	41
<b>Other comprehensive income for the year</b>	-	41	41
<b>Total comprehensive income for the year</b>	-	349	349
<b>At 31 December 2021</b>	<b>130</b>	<b>(1,470)</b>	<b>(1,340)</b>

The notes on pages 11 to 18 form part of these financial statements.

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Denby USA Limited is a private company limited by shares and incorporated in England & Wales. Registered number 03112680. The registered office is located at Denby Pottery, Denby, Derbyshire, DE5 8NX.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The Group has prepared financial projections beyond twelve months from the date of approval of these financial statements using its experience to date of the various impacts of Covid-19 on its operations and financial performance. On both realistic and conservative planning assumptions and with the committed support of Denby Holdings Limited for at least twelve months from the date of approval of the financial statements, the Company can see no reason why it should not continue to prepare its financial statements on a going concern basis.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 10% - 33% straight-line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

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DENBY USA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.11 Foreign currency translation**

**Functional and presentation currency**

The Company's functional currency is USD. This differs from the presentational currency which is GBP. The reason for the difference is that the entity primarily operates in North America.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.12 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year which they are incurred.

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**DENBY USA LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**2. Accounting policies (continued)****2.14 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Company has tax losses of approximately £148,000 (2020: £568,000) available to carry forward against future taxable profits, subject to agreement with HM Revenue & Customs.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions around the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The depreciation policy of tangible fixed assets - As described in note 2.4, the directors have assumed a useful economic life of each class of tangible asset. These assumptions are based on the director's experience and with reference to the standard practice of similar businesses.

**4. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Government grants receivable	<b>138</b>	<b>147</b>

Government grant income comprises amounts received in respect of the US Coronavirus Aid, Relief and Economic Security Act.

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**5. Employees**

The average monthly number of employees, including directors, during the year was 10 (2020: 10).

**6. Tangible fixed assets**

	<b>Fixtures &amp; fittings £000</b>
<b>Cost or valuation</b>	
At 1 January 2021	622
Additions	6
Disposals	(482)
At 31 December 2021	<u>146</u>
<b>Depreciation</b>	
At 1 January 2021	564
Charge for the year on owned assets	15
Disposals	(482)
At 31 December 2021	<u>97</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>49</u></u>
<i>At 31 December 2020</i>	<u><u>58</u></u>

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**7. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Finished goods and goods for resale	<b>662</b>	<b>329</b>

**8. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>948</b>	<b>1,315</b>
Amounts owed by group undertakings	<b>1,399</b>	<b>1,456</b>
Other debtors	<b>193</b>	<b>6</b>
Prepayments and accrued income	<b>102</b>	<b>14</b>
	<b>2,642</b>	<b>2,791</b>

**9. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>1,426</b>	<b>12</b>

**10. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Other loans	<b>-</b>	<b>42</b>
Trade creditors	<b>179</b>	<b>383</b>
Amounts owed to group undertakings	<b>5,921</b>	<b>4,419</b>
Other creditors	<b>-</b>	<b>24</b>
Accruals and deferred income	<b>19</b>	<b>11</b>
	<b>6,119</b>	<b>4,879</b>

The other loans relates to stock and fixed asset financing, and are secured by a fixed and floating charge over the assets of subsidiary companies.

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**DENBY USA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
130,000 (2020: 130,000) Ordinary shares of £1 each	<b>130</b>	<b>130</b>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**12. Reserves****Profit & loss account**

Includes all current and prior year retained profits and losses.

**13. Contingent liabilities**

Guarantees on behalf of group undertakings give rise to a contingent liability to the extent of all monies and other liabilities which are due to the Company's asset finance providers. The maximum amount of contingency at the year end was £2,228,000 (2020: £1,170,000).

**14. Capital commitments**

The Company had no capital commitments at 31 December 2021 or 31 December 2020.

**15. Controlling party**

The parent undertaking of the Company is Denby Group Limited, a company registered in the UK. The ultimate controlling party of the Company is Hilco Trading, LLC, a company registered in the USA.

The smallest group of undertakings for which consolidated group accounts, which include the Company, have been drawn up is headed by Denby Holdings Limited, Denby, Derbyshire, DE5 8NX.