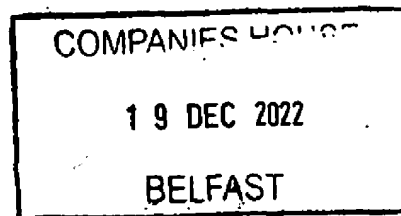




Financial Statements

Easibake Foods Limited

For the year ended 31 December 2021



Registered number: NI032868

Easibake Foods Limited

Company Information

Directors	Mr Richard James Cooper Mr Charles Rocky Moore
Registered number	NI032868
Registered office	Carn Industrial Estate Esky Drive Portadown BT63 5WD
Trading Address	Pontyfelin Industrial Estate Pontyfelin Avenue Poontypool Gwent, Wales NP4 0DQ
Independent auditor	Grant Thornton (NI) LLP Chartered Accountants & Statutory Auditors 12 - 15 Donegall Square West Belfast BT1 6JH
Bankers	Santander UK PLC 2 Triton Square Regent's Place London NW1 3AN

Easibake Foods Limited

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Easibake Foods Limited

Strategic report

For the year ended 31 December 2021

Introduction

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

Business review

The principal activity of the company continued to be the manufacture and marketing of quality frozen and chilled bakery products for the retail, food service, wholesale and food processing / sandwich manufacturing market sectors. The company reported a pre-tax profit of £1,609,590 (2020: profit £662,897) on turnover of £14,042,430 (2020: £19,067,570). Long term growth prospects are also strong as the company is committed to retaining high quality employees and is well positioned to benefit from an economic recovery thanks to continued capital investment, expenditure on research and development and a continuing commitment to excellence. Production takes place under strict hygiene regulations, operating to BRC Grade A standards.

Principal risks and uncertainties

The company uses various financial instruments including bank overdrafts, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are trade debt risk, currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Trade debt risk

The company has an excellent client listing of many well-known public companies and the historical default rate has been insignificant. The company credit checks any potential clients before beginning work and agrees payment commensurate with the directors view of the perceived risk.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses foreign currency contracts with financial institutions in order to ensure against adverse movements in exchange rates.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by overdraft facilities and a discrete invoice financing facility.

Financial key performance indicators

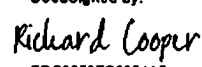
The directors consider that the following key performance indicators are the most effective measures to evaluate the performance of the business: Turnover £14,042,430 (2020: £19,067,570), Gross profit margin 18% (2020: 33%), Loss before tax £1,609,590 (2020: profit £662,897), Shareholders' funds £2,073,768 (2020: £3,469,774) and employee numbers 138 (2020: 126).

Easibake Foods Limited

Strategic report (continued)

For the period ended 31 December 2021

This report was approved by the board on 15 December 2022 and signed on its behalf.

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Mr Richard James Cooper
Director

Easibake Foods Limited

Directors' report

For the period ended 31 December 2021

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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 and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The loss for the period, after taxation, amounted to £1,396,006 (2020 - profit £343,487).

The directors do not recommend the payment of a dividend (2020 - £nil).

Directors

The directors who served during the period were:

Mr Richard James Cooper
Mr Charles Rocky Moore

Future developments

The company plans to continue its present activities and ongoing growth strategies.

Easibake Foods Limited

Directors' report (continued)

For the period ended 31 December 2021

Research and development activities

The Company continues to utilise its expertise to further advance its products and remain at the forefront of technology in the production of baked goods. The Company continues to work with new and existing customers and suppliers to develop its knowledge and product range. Total Company expenditure on research and development in the year was £508,872 (2020: £667,937).

Branches outside the United Kingdom

The company does not operate any branches outside of the United Kingdom.

Matters covered in the Strategic report

Under Schedule 7.1A of 'Large and Medium-Sized Companies and Groups (Accounting and Reporting) Regulations 2008', the company has elected to disclose the following director's report information in the Strategic Report:

- Principal activity and Business review;
- Principal risks and uncertainties; and
- Financial key performance indicators;

Important events during the reporting period

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. Management have taken a number of steps at this stage to reduce the ongoing costs. At this stage management have not identified any adjustments relating to the carrying value of the assets at the balance sheet date which would require to be made due to the impact of the pandemic.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 16 September 2022, Evron Foods Ltd (the company's parent company) sold certain trade and assets of Easibake Foods Ltd with a Net Book Value of £300k for a consideration of £1 which crystallised a loss of £300k. This will be reflected in the financial statements of the company for the year ended 31 December 2022.

Auditor

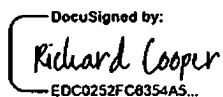
The auditor, Grant Thornton (NI) LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Easibake Foods Limited

Directors' report (continued)

For the period ended 31 December 2021

This report was approved by the board on 15 December 2022 and signed on its behalf.

DocuSigned by:

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Mr Richard James Cooper
Director



Independent auditor's report to the members of Easibake Foods Limited

Opinion

We have audited the financial statements of Easibake Foods Limited, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity for the period ended 31 December 2021, and the related 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, Easibake Foods Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the period then ended; 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 'Responsibilities of the auditor 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 United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities, and the responsibilities of the directors, with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Directors' report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and,



Independent auditor's report to the members of Easibake Foods Limited (continued)

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 in the financial statements, 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 and the Strategic Report for the period for which the financial statements are prepared is consistent with the financial statements, and
- the Directors' report and the Strategic 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 we have obtained in the course of the audit, we have not identified material misstatements in the Directors' report and the Strategic 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.



Independent auditor's report to the members of Easibake Foods Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Independent auditor's report to the members of Easibake Foods Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

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

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 misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Employment Law, Environmental Regulations and Health and safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and applicable tax laws. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of the board of directors meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including estimating useful lives of tangible fixed assets, allowance for the impairment of bad debt and allowance for the impairment in stock; and



Independent auditor's report to the members of Easibake Foods Limited (continued)

- review of the financial statement disclosures to underlying supporting documentation and inquiries of management

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in cursive script that reads "Neal Taylor".

Neal Taylor (Senior statutory auditor)

for and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants

Statutory Auditors

Belfast

19th December 2022

Easibake Foods Limited

Statement of comprehensive income

For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	14,042,430	19,067,570
Cost of sales		(11,455,531)	(12,799,961)
Gross profit		<u>2,586,899</u>	<u>6,267,609</u>
Administrative expenses		(4,346,552)	(6,069,008)
Other operating income	5	192,366	464,488
Operating (loss)/profit	6	<u>(1,567,287)</u>	<u>663,089</u>
Interest payable and similar expenses	9	(42,303)	(192)
(Loss)/profit before tax		<u>(1,609,590)</u>	<u>662,897</u>
Tax on (loss)/profit	10	213,584	(319,410)
(Loss)/profit for the financial period		<u>(1,396,006)</u>	<u>343,487</u>
Other comprehensive income for the period			
Unrealised surplus on revaluation of tangible fixed assets		-	1,312,251
Other comprehensive income for the period		-	<u>1,312,251</u>
Total comprehensive income for the period		<u>(1,396,006)</u>	<u>1,655,738</u>

The notes on pages 14 to 29 form part of these financial statements.

Easibake Foods Limited


Registered number: NI032868

Balance sheet

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	14,843,166	8,442,002
		<u>14,843,166</u>	<u>8,442,002</u>
Current assets			
Stocks	12	664,215	527,802
Debtors: amounts falling due within one year	13	2,429,125	2,185,182
Cash at bank and in hand	14	103,357	69,144
		<u>3,196,697</u>	<u>2,782,128</u>
Creditors: amounts falling due within one year	15	(13,835,581)	(6,717,893)
Net current liabilities		<u>(10,638,884)</u>	<u>(3,935,765)</u>
Total assets less current liabilities		<u>4,204,282</u>	<u>4,506,237</u>
Creditors: amounts falling due after more than one year	16	(1,758,282)	(450,647)
Provisions for liabilities			
Deferred tax	18	(372,232)	(585,816)
		<u>(372,232)</u>	<u>(585,816)</u>
Net assets		<u><u>2,073,768</u></u>	<u><u>3,469,774</u></u>
Capital and reserves			
Called up share capital	19	200,002	200,002
Revaluation reserve	20	1,062,923	1,062,923
Profit and loss account	20	810,843	2,206,849
		<u><u>2,073,768</u></u>	<u><u>3,469,774</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 December 2022.

DocuSigned by:

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Mr Richard James Cooper
 Director

The notes on pages 14 to 29 form part of these financial statements.

Easibake Foods Limited**Statement of changes in equity****For the period ended 31 December 2021**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	200,002	1,062,923	2,206,849	3,469,774
Comprehensive income for the period				
Loss for the period	-	-	(1,396,006)	(1,396,006)
At 31 December 2021	<u>200,002</u>	<u>1,062,923</u>	<u>810,843</u>	<u>2,073,768</u>

The notes on pages 14 to 29 form part of these financial statements.

Statement of changes in equity**For the period ended 31 December 2020**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2019	200,002	-	1,863,362	2,063,364
Comprehensive income for the period				
Profit for the period	-	-	343,487	343,487
Surplus on revaluation of freehold property	-	1,312,251	-	1,312,251
Deferred tax on revaluation	-	(249,328)	-	(249,328)
At 31 December 2020	<u>200,002</u>	<u>1,062,923</u>	<u>2,206,849</u>	<u>3,469,774</u>

The notes on pages 14 to 29 form part of these financial statements.

Easibake Foods Limited

Notes to the financial statements

For the period ended 31 December 2021

1. General information

Easibake Foods Limited is a limited company incorporated in Northern Ireland. The registered office is Carn Industrial Estate, Esky Drive, Portadown, Craigavon, BT63 5WD.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Bama Companies, Inc as at December 2021 and these financial statements may be obtained from the relevant US Government website.

2.3 Going concern

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

In making this assessment the directors have considered the ongoing COVID-19 pandemic, the directors have not considered that there has been any significant detrimental impact to the business at this time.

Easibake Foods Limited

Notes to the financial statements

For the period ended 31 December 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****2. Accounting policies (continued)****2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 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.

2.9 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****2. Accounting policies (continued)****2.12 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. 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 balance sheet 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 balance sheet 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 balance sheet date.

2.13 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:

Freehold property	-	2%
Plant and machinery	-	10%
Motor vehicles	-	25%
Fixtures and fittings	-	25%

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.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****2. Accounting policies (continued)****2.14 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.15 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 balance sheet 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.

2.16 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.

2.17 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.

2.18 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.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****2. Accounting policies (continued)****2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.21 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis

Easibake Foods Limited

Notes to the financial statements

For the period ended 31 December 2021

2. Accounting policies (continued)

2.21 Financial instruments (continued)

or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following are significant effects on the financial statements.

Allowance for impairment of trade debtors

The company estimates the allowance for doubtful debtors based on the assessment of specific accounts where the company has objective evidence comprising of default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgement used was based on the best available facts and circumstances including but not limited to, the length of relationship.

Allowances for impairment in the value of stock

The company estimates the impairment in the value of stock based on the current condition and use. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell.

Estimating useful lives of tangible fixed assets

The company estimates the useful lives of tangible fixed assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of those assets.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	14,042,430	19,067,570
	<u>14,042,430</u>	<u>19,067,570</u>

	2021 £	2020 £
United Kingdom	14,042,430	19,067,570
	<u>14,042,430</u>	<u>19,067,570</u>

5. Other operating income

	2021 £	2020 £
Government grants receivable	192,366	254,912
Insurance claims receivable	-	209,576
	<u>192,366</u>	<u>464,488</u>

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021 £	2020 £
Research & development charged as an expense	508,872	667,937
Exchange differences	-	569
Depreciation of tangible fixed assets	605,414	1,519,069
Other operating lease rentals	11,905	32,386
Share based payment	<u>70,555</u>	<u>84,555</u>

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****7. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>18,000</u>	<u>24,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	4,066,412	4,426,594
Social security costs	331,345	374,198
Cost of defined contribution scheme	70,555	84,555
	<u>4,468,312</u>	<u>4,885,347</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2021 No.	2020 No.
Production	106	90
Administration	32	36
	<u>138</u>	<u>126</u>

9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	28,692	192
Other loan interest payable	13,611	-
	<u>42,303</u>	<u>192</u>

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****10. Taxation**

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	319,410
	-	319,410
Total current tax	-	319,410
Deferred tax		
Origination and reversal of timing differences	(213,584)	-
Total deferred tax	(213,584)	-
Taxation on (loss)/profit on ordinary activities	(213,584)	319,410

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****10. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(1,609,590)</u>	<u>319,410</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(305,822)	125,950
Effects of:		
Capital allowances for period in excess of depreciation	-	135,141
Fixed asset differences	26,125	106,751
Adjustments to brought forward values	36,549	-
R&D expenditure credits	3,240	-
Adjustments to tax charge in respect of previous periods - deferred tax	(26,462)	-
Non-taxable income	(36,550)	(48,432)
Remeasurement of deferred tax for changes in tax rates	<u>89,336</u>	<u>-</u>
Total tax charge for the period	<u><u>(213,584)</u></u>	<u><u>319,410</u></u>

Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 and received Royal Assent in July 2021, states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****11. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	2,990,041	5,432,961	4,000	15,000	8,442,002
Additions	1,648,603	5,331,810	-	26,165	7,006,578
At 31 December 2021	4,638,644	10,764,771	4,000	41,165	15,448,580
Depreciation					
Charge for the period on owned assets	137,500	463,414	1,000	3,500	605,414
At 31 December 2021	137,500	463,414	1,000	3,500	605,414
Net book value					
At 31 December 2021	4,501,144	10,301,357	3,000	37,665	14,843,166
At 31 December 2020	2,990,041	5,432,961	4,000	15,000	8,442,002

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	4,501,144	2,990,041
	<u>4,501,144</u>	<u>2,990,041</u>

Freehold property was professionally valued by Lambert Smith and Hampton on 31 March 2021 at a value of £2,750,000.

12. Stocks

	2021 £	2020 £
Raw materials and consumables	519,059	415,974
Finished goods and goods for resale	145,156	111,828
	<u>664,215</u>	<u>527,802</u>

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****13. Debtors**

	2021 £	2020 £
Trade debtors	2,257,507	1,787,376
Other debtors	137,582	178,883
Prepayments and accrued income	34,036	218,923
	<u>2,429,125</u>	<u>2,185,182</u>

14. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	103,357	69,144
Less: bank overdrafts	(1,695,747)	(291,602)
	<u>(1,592,390)</u>	<u>(222,458)</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	1,695,747	291,602
Trade creditors	1,889,367	2,000,324
Amounts owed to group undertakings	7,728,172	3,150,185
Other taxation and social security	96,155	85,926
Accruals and deferred income	2,426,140	1,189,856
	<u>13,835,581</u>	<u>6,717,893</u>

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Bank loans and overdrafts are secured by;

1. Fixed and floating charges on all freehold and leasehold property owned by the company.
2. Fixed charged on the freehold land at Pontyfelin Industrial Estate, Pontypool, South Wales.
3. Fixed and floating charge covering all property or undertaking of the company.

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****16. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Bank loans	1,500,000	-
Accruals and deferred income	258,282	450,647
	<u>1,758,282</u>	<u>450,647</u>

17. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due 1-2 years		
Bank loans	1,500,000	-
	<u>1,500,000</u>	<u>-</u>

18. Deferred taxation

	2021 £	2020 £
At beginning of year	(585,816)	(17,078)
Charged to profit or loss	213,584	(568,738)
At end of year	<u>(372,232)</u>	<u>(585,816)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(372,232)	(585,816)
	<u>(372,232)</u>	<u>(585,816)</u>

Easibake Foods Limited**Notes to the financial statements****For the period ended 31 December 2021****19. Share capital**

	2021	2020
	£	£
Allotted, called up and fully paid		
200,002 (2020 - 200,002) Ordinary shares of £1.00 each	200,002	200,002

20. Reserves**Revaluation reserve**

This reserve comprises the gains arising from the revaluation of property, plant and equipment.

Profit and loss account

Includes all current and prior period profits and losses.

21. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £70,386 (2020: £84,555). The balance outstanding at the year end amounted to £30,679 (2020: £14,503).

22. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	3,031	3,031
Later than 1 year and not later than 5 years	3,571	6,602
	<u>6,602</u>	<u>9,633</u>

23. Related party transactions

The company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1A which allows non-disclosure of transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Easibake Foods Limited

Notes to the financial statements

For the period ended 31 December 2021

24. Post balance sheet events

On 16 September 2022, Evron Foods Ltd (the company's parent company) sold certain trade and assets of Easibake Foods Ltd with a Net Book Value of £300k for a consideration of £1 which crystallised a loss of £300k. This will be reflected in the financial statements of the company for the year ended 31 December 2022.

25. Controlling party

The company is a 100% subsidiary of Evron Foods Limited, a company incorporated in Northern Ireland, during the current and previous year.

The director considers that the ultimate controlling party is Bama Companies, Inc, a company incorporated in the USA. The ultimate controlling parties of Bama Companies, Inc are its shareholders.

The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Bama Companies, Inc.