

REGISTERED NUMBER: 07300779 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

FOR

BAKETIME LIMITED

BAKETIME LIMITED (REGISTERED NUMBER: 07300779)

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FOR THE YEAR ENDED 30 JUNE 2021**

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BAKETIME LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021**

DIRECTORS:

N M I Abdoola
Dr D Hitihamu
M A Abdoola

REGISTERED OFFICE:

Imperial Food Park
Imperial Avenue
South Bank
Middlesbrough
TS6 6BA

REGISTERED NUMBER:

07300779 (England and Wales)

AUDITORS:

Sedulo Audit Limited
Statutory Auditors
Regency Court
62-66 Deansgate
Manchester
M3 2EN

BALANCE SHEET
30 JUNE 2021

| | Notes | 30.6.21 £ | £ | 30.6.20 £ | £ |
|--|-------|------------------|---------------------|------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 188,119 | | 378,880 |
| CURRENT ASSETS | | | | | |
| Stocks | 5 | 119,174 | | 55,005 | |
| Debtors | 6 | 981,418 | | 984,092 | |
| Cash at bank and in hand | | <u>128,512</u> | | <u>61,702</u> | |
| | | 1,229,104 | | 1,100,799 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>2,954,617</u> | | <u>2,864,794</u> | |
| NET CURRENT LIABILITIES | | | <u>(1,725,513)</u> | | <u>(1,763,995)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | (1,537,394) | | (1,385,115) |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 8 | | <u>7,604,760</u> | | <u>7,364,766</u> |
| NET LIABILITIES | | | <u>(9,142,154)</u> | | <u>(8,749,881)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 10 | | 1,975 | | 1,975 |
| Share premium | | | 974,025 | | 974,025 |
| Retained earnings | | | <u>(10,118,154)</u> | | <u>(9,725,881)</u> |
| SHAREHOLDERS' FUNDS | | | <u>(9,142,154)</u> | | <u>(8,749,881)</u> |

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11 November 2021 and were signed on its behalf by:

N M I Abdoola - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

1. STATUTORY INFORMATION

Baketime Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in Pound Sterling (GBP), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

During the year forecast increased sales orders failed to materialize, in part due to the effects of the ongoing Covid-19 pandemic which did not subside as expected during the first half of the year. Further lockdown periods had a detrimental effect on new product development and sales orders.

Subsequent to the year end the trading environment remains difficult, and future forecasts prepared by the directors indicate that the company is expected to continue to record losses in the short term whilst sales levels build up and the effect of sales enquiries and new product developments take full effect, and as the general economic outlook improves as the effects of the ongoing Covid pandemic begin to subside. This is expected to realise from the second half onwards with the company targeting to make small profits by the end of the year. Thereafter the directors expect that targeted increased sales levels will be maintained into the 1st and 2nd quarters of 2022/23 and the company will report profits.

However, the directors acknowledge that the full impact of the pandemic on market recovery and hence on the company cannot be assessed with complete certainty at the current time, and in particular the effect on sales orders, sales patterns and price pressures, and these and anticipated short term losses will necessarily impact on cash flow moving forward. They acknowledge that additional funding and careful management of working capital are needed to ensure funds are available as required to finance activity.

The Lion Match Company (Pty) Limited, the parent of the company's immediate parent, LMC Baketime Holdings Limited, has provided confirmation that it will not seek repayment of existing loans for a period of at least one year from the date of the signing of these financial statements. Other loan creditors have provided confirmation that they will not seek repayment of loans until such time as the company has sufficient funds available.

In addition, The Lion Match Company (Pty) Limited has confirmed that it will provide additional funding as and when required, this latter being subject to the approval of the South African Reserve Bank and their own financial resources. The directors acknowledge that such approval is not certain but note that historically it has been received as part of the business case put forward, and believe that actual and forecast improved performance will strengthen that case whilst reducing the requirement for such funding.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

In addition, the company is continuing to seek financing for new plant and equipment and potential grant funding towards anticipated expansion, including accessing relevant Government assistance where available..

Accordingly, the directors acknowledge that the above may indicate a material uncertainty over the company's ability to continue as a going concern. However, at the time of signing these accounts they are satisfied that they have taken all possible steps to protect the company, and that sufficient resources will be available to enable it to meet its operational requirements as and when they fall due, and accordingly they continue to adopt the going concern basis of accounting in preparing the financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In preparing these financial statements the directors have had to make the following judgements which may have a material effect thereon:

- the directors have had to determine whether there are indicators of impairment of the company's tangible assets, taking into consideration the economic viability and expected future performance of the asset and, where it is a component of a large cash generating unit, the viability and expected performance of that unit.
- the directors have had to determine that preparing the accounts on a going concern basis is appropriate having regard to the company's ongoing performance and confirmed ongoing financial support from fellow group undertakings.
- tangible fixed assets are depreciated over their useful lives taking into account residual values. The directors have assessed the estimated lives of the assets having regard to factors such as technological innovation, product life cycles and maintenance programmes, and have assessed residual values having considered issues such as future market conditions, the remaining life of the asset and projected disposal values.

Turnover

Turnover represents sale of goods at invoiced amounts net of local sales taxes. Sales of goods are recognised when the company has substantially transferred all the risks and rewards of ownership to the buyer, retains no effective control over the goods sold, can be reliably measured, and it is probable that the company will receive the consideration due under the transaction.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

| | |
|-----------------------|-------------------------------|
| Plant and machinery | - 25% on cost and 10% on cost |
| Fixtures and fittings | - 25% on cost |
| Motor vehicles | - 25% on cost |

Tangible fixed assets are initially recognised at historic cost, which includes expenditure incurred in bringing the asset to its present location and condition.

They are assessed at each reporting date for evidence of impairment. Impairment losses are recognised for the amount by which the carrying amount exceeds recoverable amount. Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that previously recognised impairment losses may no longer exist or be reduced, and any reversal recognised in the accounts.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES - continued

Government grants

Grants are classified as either a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

- Raw materials and goods for resale are valued at purchase cost on a first in first out basis
- Work in progress and finished goods are valued at the cost of direct materials and labour

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and sale.

Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

The company only enters into transactions in 'basic' financial instruments which result in the recognition of assets and liabilities; these include trade and other debtors and creditors, bank balances, loans from banks and other third parties, and loans to related parties.

Basic financial assets (other than those classified as payable within one year) are initially measured at cost, and are subsequently carried at cost or amortised cost using the effective interest method, less any impairment losses. Basic financial assets classified as receivable within one year are not amortised.

Basic financial liabilities (other than those classified as payable within one year) are initially recognised at present value of future cash flows and subsequently at amortised costs using the effective interest method. Basic financial liabilities classified as payable within one year are not amortised.

Financial assets and liabilities are offset, with the net amounts reported in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research and development expenditure on new product development and production processes is written off in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Exchange differences arising from translation are taken into account in arriving at the operating result and are presented in 'finance income or costs' where they relate to borrowings and cash balances, and 'other operating income' in all other cases.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Finance costs

Finance costs are charged to the statement of comprehensive income over the terms of the loan using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Transaction costs are initially recognised as a reduction in the proceeds of the associated loan.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 44 (2020 - 58) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

4. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|-----------------------|-----------------------------|----------------------------------|------------------------|------------------|
| COST | | | | |
| At 1 July 2020 | 2,680,929 | 460,976 | 23,124 | 3,165,029 |
| Additions | 1,600 | 5,300 | - | 6,900 |
| At 30 June 2021 | <u>2,682,529</u> | <u>466,276</u> | <u>23,124</u> | <u>3,171,929</u> |
| DEPRECIATION | | | | |
| At 1 July 2020 | 2,312,582 | 450,443 | 23,124 | 2,786,149 |
| Charge for year | 191,738 | 5,923 | - | 197,661 |
| At 30 June 2021 | <u>2,504,320</u> | <u>456,366</u> | <u>23,124</u> | <u>2,983,810</u> |
| NET BOOK VALUE | | | | |
| At 30 June 2021 | <u>178,209</u> | <u>9,910</u> | <u>-</u> | <u>188,119</u> |
| At 30 June 2020 | <u>368,347</u> | <u>10,533</u> | <u>-</u> | <u>378,880</u> |

5. STOCKS

| | 30.6.21 £ | 30.6.20 £ |
|----------------|----------------|---------------|
| Raw materials | 116,103 | 52,219 |
| Finished goods | <u>3,071</u> | <u>2,786</u> |
| | <u>119,174</u> | <u>55,005</u> |

There is no material difference between the replacement cost of stocks and the amounts stated above.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 £ | 30.6.20 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 177,147 | 93,139 |
| Amounts owed by group undertakings | 750,000 | 750,000 |
| Other debtors | 19,538 | 90,306 |
| Prepayments | <u>34,733</u> | <u>50,647</u> |
| | <u>981,418</u> | <u>984,092</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 | 30.6.20 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 106,302 | 155,162 |
| Amounts owed to group undertakings | 2,199,552 | 2,105,789 |
| Social security and other taxes | 179,319 | 68,601 |
| Other creditors | 422,955 | 492,787 |
| Accrued expenses | 46,489 | 42,455 |
| | <u>2,954,617</u> | <u>2,864,794</u> |

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 30.6.21 | 30.6.20 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>7,604,760</u> | <u>7,364,766</u> |

9. SECURED DEBTS

The following secured debts are included within creditors:

| | 30.6.21 | 30.6.20 |
|----------------------------|------------------|------------------|
| | £ | £ |
| Owed to group undertakings | <u>7,604,760</u> | <u>7,364,766</u> |

Amounts owed to group undertakings bear interest at LIBOR+3%.

Amounts owed to group undertakings are secured by fixed and floating charges over the assets and undertakings of the company.

10. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 30.6.21 | 30.6.20 |
|----------------------------------|----------|----------------|--------------|--------------|
| Number: | Class: | Nominal value: | £ | £ |
| 1,975 | ordinary | £1 | <u>1,975</u> | <u>1,975</u> |

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Gavin Bell BA ACA (Senior Statutory Auditor)
for and on behalf of Sedulo Audit Limited

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

12. RELATED PARTY DISCLOSURES

Included within Other creditors is a loan of £89,679 (2020: £59,469) owing to D Hitihamu, a director.

Included in Other creditors is a loan of £323,767 (2020: £343,390) owing to Imperial Property Development Limited, a company in which N M Ismail Abdoola and D Hitihamu are directors in common.

Included in Other debtors is a working capital loan of £3,361 (2020: £31,292 creditor) owed from The Bakersmill Company Limited, a company in which D Hitihamu is a director in common.

The loans are repayable on demand and interest free.

13. ULTIMATE PARENT COMPANY

The immediate parent undertaking is LMC Baketime Holdings Limited, a company registered in England and Wales. The ultimate parent undertaking is Fasic Investment Corporation Limited, a company registered in South Africa.

The largest group in which the results of the company are consolidated is that headed by Fasic Investment Corporation Limited. The smallest group in which they are consolidated is that headed by LMC Baketime Holdings Limited. These consolidated accounts are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.