

Company Registration No. 08276744 (England and Wales)

HONEST BREW LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

83 Baker Street
London
W1U 6AG

HONEST BREW LTD

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HONEST BREW LTD

COMPANY INFORMATION

Directors	A. Reeve	
	A. Causer	
	K. Foreman	
	S. Henry	
	S. Moon	(Appointed 13 July 2017)
Company number	08276744	
Registered office	0GC Leroy House 436 Essex Road London N1 3QP	
Accountants	Taylorcocks 83 Baker Street London W1U 6AG	

HONEST BREW LTD

BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		36,883		5,848
Current assets					
Stocks		197,950		66,521	
Debtors	4	159,661		50,995	
Cash at bank and in hand		894,892		249,168	
		<u>1,252,503</u>		<u>366,684</u>	
Creditors: amounts falling due within one year	5	<u>(552,069)</u>		<u>(211,223)</u>	
Net current assets			700,434		155,461
Total assets less current liabilities			<u>737,317</u>		<u>161,309</u>
Capital and reserves					
Share premium account	7	2,390,621		899,621	
Profit and loss reserves		<u>(1,653,304)</u>		<u>(738,312)</u>	
Total equity			<u>737,317</u>		<u>161,309</u>

HONEST BREW LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 28 September 2018 and are signed on its behalf by:

A. Reeve

Director

Company Registration No. 08276744

The notes on pages 4 to 9 form part of these financial statements

HONEST BREW LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Honest Brew Ltd (08276744) is a private company limited by shares incorporated in England and Wales. The registered office is OGC Leroy House, 436 Essex Road, London, N1 3QP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from memberships is recognised by reference to when goods are dispatched. The additional credit issued by the company as an incentive when topping up is recognised immediately in the statement of profit and loss.

Revenue from gift credits is recognised by reference to when goods are dispatched.

Revenue from gift vouchers is recognised by reference to the stage of completion. Vouchers cover a period of time and revenue is released to the statement of profit and loss when goods are dispatched. Gift vouchers expire 12 months from purchase, after this point the full amount is recognised in the statement of profit and loss.

At the balance sheet date, any unused revenue is deferred.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

HONEST BREW LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	3 years straight line
Brewing equipment	3 years straight line
Office equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

HONEST BREW LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

HONEST BREW LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Provisions for dilapidations are recognised on a lease by lease basis and are based on the Company's best estimate of the likely committed cash outflow.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2016 - 9).

HONEST BREW LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Tangible fixed assets

	Leasehold improvements	Brewing equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2017	-	8,507	8,633	17,140
Additions	7,925	3,399	27,473	38,797
At 31 December 2017	7,925	11,906	36,106	55,937
Depreciation and impairment				
At 1 January 2017	-	8,507	2,786	11,293
Depreciation charged in the year	957	512	6,292	7,761
At 31 December 2017	957	9,019	9,078	19,054
Carrying amount				
At 31 December 2017	6,968	2,887	27,028	36,883
At 31 December 2016	-	-	5,848	5,848

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	55,210	29,786
Other debtors	41,857	493
Prepayments and accrued income	62,594	20,716
	159,661	50,995

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	364,332	139,609
Other taxation and social security	19,731	14,389
Other creditors	94,517	42,661
Accruals and deferred income	73,489	14,564
	552,069	211,223

HONEST BREW LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****6 Called up share capital**

	2017	2016
	£	£
Issued and fully paid		
10,200,000 Ordinary Shares of 0.0000000001p each	-	-
6,727,023 Ordinary A Shares of 0.0000000001p each	-	-
5,298,689 Ordinary B Shares of 0.0000000001p each	-	-
1,430,491 C Investment Shares of 0.0000000001p each	-	-
5,646,690 Ordinary D Shares of 0.0000000001p each	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

During the period 13 July 2017 - 27 September 2017, 822,334 Ordinary A shares of £0.0000000001 were issued at a premium of £150,000 for the consideration of cash.

During the period 13 July 2017 - 27 September 2017, 1,704,971 Ordinary B shares of £0.0000000001 were issued at a premium of £311,000 for the consideration of cash.

During the period 13 July 2017 - 27 September 2017, 5,646,690 Ordinary D shares of £0.0000000001 were issued at a premium of £1,030,000 for the consideration of cash.

During the year, 39,000 Ordinary shares of £0.0000000001 were cancelled.

7 Share premium account

	2017	2016
	£	£
At beginning of year	899,621	651,221
Issue of new shares	1,491,000	248,400
	<u>-</u>	<u>-</u>
At end of year	<u>2,390,621</u>	<u>899,621</u>

8 Operating lease commitments**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	118,581	20,000
	<u>-</u>	<u>-</u>

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.