

Honest Brew Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

Honest Brew Ltd

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Honest Brew Ltd

Company Information

Directors	Mr Keith Nicholas Foreman Mr Andrew Reeve
Registered office	Ogc Leroy House 436 Essex Road LONDON N1 3QP
Accountants	Clearstone Business Services Ltd Chartered Management Accountants The Dock Hub Wilbury Villas Hove BN3 6AH

Honest Brew Ltd

(Registration number: 08276744) Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>4</u>	48,500	-
Tangible assets	<u>5</u>	23,662	36,682
		<u>72,162</u>	<u>36,682</u>
Current assets			
Stocks		57,543	303,975
Debtors	<u>6</u>	21,642	169,779
Cash at bank and in hand		440,874	464,660
		<u>520,059</u>	<u>938,414</u>
Creditors: Amounts falling due within one year	<u>7</u>	<u>(562,346)</u>	<u>(597,257)</u>
Net current (liabilities)/assets		<u>(42,287)</u>	<u>341,157</u>
Total assets less current liabilities		29,875	377,839
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(29,520)</u>	<u>(29,519)</u>
Net assets		<u>355</u>	<u>348,320</u>
Capital and reserves			
Share premium reserve		4,256,621	3,590,621
Profit and loss account		<u>(4,256,266)</u>	<u>(3,242,301)</u>
Shareholders' funds		<u>355</u>	<u>348,320</u>

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Honest Brew Ltd

(Registration number: 08276744)
Balance Sheet as at 31 December 2019

Approved and authorised by the Board on 15 December 2020 and signed on its behalf by:

.....

Mr Keith Nicholas Foreman
Director

Honest Brew Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ogc Leroy House
436 Essex Road
LONDON
N1 3QP

These financial statements were authorised for issue by the Board on 15 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Honest Brew Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Brewing Equipment	Straight Line Method 33.3%
Office and Computer Equipment	Straight Line Method 33.3%
Leasehold Improvements	Straight Line Method 33.3%

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
	Straight Line Method 10%

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Honest Brew Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 16 (2018 - 16).

Honest Brew Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

4 Intangible assets

	Internally generated software development costs £	Other intangible assets £	Total £
Cost or valuation			
Amortisation			
Amortisation charge	2,000	(50,500)	(48,500)
At 31 December 2019	2,000	(50,500)	(48,500)
Carrying amount			
At 31 December 2019	(2,000)	50,500	48,500

The aggregate amount of research and development expenditure recognised as an expense during the period is £ 25,445 (2018 - £31,856).

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2019	7,925	59,345	67,270
At 31 December 2019	7,925	59,345	67,270
Depreciation			
At 1 January 2019	957	42,651	43,608
At 31 December 2019	957	42,651	43,608
Carrying amount			
At 31 December 2019	6,968	16,694	23,662
At 31 December 2018	6,968	29,714	36,682

Included within the net book value of land and buildings above is £6,968 (2018 - £6,968) in respect of long leasehold land and buildings.

Honest Brew Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

6 Debtors

	2019 £	2018 £
Trade debtors	1,710	169,384
Prepayments	3,922	-
Other debtors	16,010	395
	<u>21,642</u>	<u>169,779</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings		-	772
Trade creditors		499,519	433,149
Taxation and social security		15,424	56,706
Accruals and deferred income		14,500	18,787
Other creditors		32,903	87,843
		<u>562,346</u>	<u>597,257</u>

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings		<u>29,520</u>	<u>29,519</u>

Wilbury Villas

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Hove BNC's rules relating to electronic form, authentication and manner of delivery under section 1072 of
the Companies Act 2006.