

THE BRITISH HONEY COMPANY PLC

Registered number: 09300046 (England and Wales)

INTERIM RESULTS

FOR THE PERIOD ENDED 30 JUNE 2021

The British Honey Company plc

Unaudited Interim Results for the six months ended 30 June 2021

Consolidated Revenues increase to £3.0 million; Cash position of £1.8 million at Period-End;

Positive trading momentum maintained with strong demand;

The British Honey Company plc (“British Honey”, “BHC” or “the Company”), the producer of premium British Honey, craft spirits and alcohol sanitiser products, is pleased to announce its Interim Results for the six month trading period ended 30 June 2021.

Financial Highlights

- Strong trading performance in Q4, 2020 has continued into the current year with significant increase in online sales during H1
- Total revenue from consolidated continuing operations during the period increased to £3.0 million (6 months to 30 June 2020: £1.0 million)
- Consolidated gross profit increased to £1.4 million (6 months to 30 June 2020: £0.7 million)
- Operating loss of £1.3 million (6 months to 30 June 2020: £1.0 million loss)
- Loss per share of 9.90 pence (6 months to 30 June 2020 (10.58 pence loss)
- Cash position at period end of £1.8 million (2020: £3.7 million)

Operational highlights

- £10 million acquisition of Union Distillers Limited (“Union”) completed; successful £4.6 million equity placing to fund the acquisition
- Collaboration Agreement and Share-Swap investment with List Distillery LLC (“List”) recently extended to 28 December 2021
- Expansion into whisky production with second distillery and bonded warehouse under construction, with completion expected during 2022
- Continued investment in market-leading proprietary IT/Software systems and infrastructure and setting up of new software subsidiary, eDistil Ltd
- Expansion of spirits brands, creating new flavours and offerings, including successful release of range of ready to drink products aimed at the fast-growing hard seltzer and low and no alcohol categories
- Reorganisation of the Board and senior management team
- First major shipment sent to China for the new Kepr’s bar in Xi’An in ShanXi province opened by Group’s Chinese partners

Commenting on the results and recent developments, BHC’s CEO, Michael Williams, said:

“Our focus over the past year has been to build scale and concentrate on business fundamentals. I am delighted with the continued progress we have made in the first half of the current year, especially the completion and successful acquisition of Union. Further investment in infrastructure and our increasing online sales presence will also continue to drive sales which are on target to reach £8 million for the enlarged Group for the year as a whole, notwithstanding the impact of COVID.

“As the hospitality and leisure sectors are emerging from “Lockdown” restrictions to the new “Normal”, BHC is very well placed to take full advantage of the opportunities presented by the significant shift in consumer purchasing and lifestyle habits. I look forward to reporting further significant progress at the year-end”.

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About The British Honey Company plc

Launched in 2014, BHC has an extensive collection of award-winning spirits brands crafted at its onsite distillery in Buckinghamshire. Its impressive range began with Keepr's British Honey Spirits infused with 100% pure honey from its own fully traceable apiaries and includes gin, rum, bourbon, vodka and a ready to drink selection of hard seltzers and a low alcohol gin and tonic.

In 2020 it expanded further after acquiring the brands of the London Distillery Company (Dodd's Organic Gin, Rye and Single Malt Whiskeys), securing an exciting partnership agreement with English Heritage to produce its gins and launching an affordable luxury spirits range, 1606. In the same year, BHC also developed its first alcohol sanitiser product in the UK in response to the Covid-19 outbreak.

In February 2021, BHC completed the acquisition of Union Distillers Limited, based in Market Harborough, Leicestershire, Union Distillers was founded in 2012 by Mark Gamble and his partner. Over the past eight years it has grown to become an independent producer and distributor of proprietary and "own-label" spirits. It has well-invested infrastructure which includes its own stills, bonded warehouse and a new bottling line to be installed. Union has a strong manufacturing capability, established brands and an extensive and growing retail and wholesale customer base. Products include its premium, proprietary "Two Birds" range of spirits comprising 11 gins, seven vodkas, a spiced rum, an absinthe and a 29% ABV espresso vodka liqueur. In addition, Union distils spirits on behalf of a range of B2B customers including some major German supermarkets with a UK presence. Like BHC, Union is also SALSA accredited.

Future development plans will see BHC open a second distillery on Oxfordshire's Tusmore Estate, expected late 2021, where it will produce a Tusmore Single Estate Triple Distilled Premium English Whiskey to add to its Single Malt Tusmore Whiskey, of which investment casks are currently available to purchase.

THE BRITISH HONEY COMPANY PLC

EXECUTIVE CHAIRMAN'S REPORT FOR THE PERIOD ENDED 30 JUNE 2021

A great deal has been achieved within the business since BHC's successful IPO in March last year. We now have two operational distilling sites at Wормinghall and Market Harborough as well as the Joint Venture Whisky Distillery which will be coming on stream at Tusmore, together with our partnerships in the US and China. During the period under review, we also successfully completed the acquisition of Union. The strong trading performance we experienced in Q4 of last year has continued into the current year with a significant increase in sales, particularly online.

The Interim Results to 30th June 2021 include four months' contribution from Union. Total revenue from consolidated continuing operations during the period increased to £3.0 million. The Company made an operating loss for the period of £1.4 million. Administrative expenses for the period of £2.8 million include costs relating to the acquisition of Union. The Company has also invested significantly during the period in its sales and marketing function and its online platforms, having experienced a 56% increase year-on-year in online sales.

Cash position at the period end stood at £1.8 million (2020: £3.7 million)

	6 months ended 30 June 2021 (includes 4 months contribution from Union)	6 months ended 30 June 2020 (restated for continuing operations)
	£'000	£'000
Turnover	£2,994	£1,025
Gross Profit / (Operating Loss)	(£1,308)	(£993)
Profit / (Loss) for the period	(£1,425)	(£993)
Earnings / (Loss) per share in pence	(9.90) pence	(10.58) pence

Following a detailed review, the planned expansion of our canning operations has proved challenging as a result of Covid restrictions. In its place, we are investing in new distilling and bottling capacity as we gear up for growth following the lifting of government restrictions for the hospitality sector, notwithstanding that the pandemic is still having an impact. We have commissioned a new bottling line which will increase its existing capacity by an additional 1,000,000 bottles per year.

Sanitiser products made a very meaningful contribution to Group revenues during 2020, however, they currently account for approximately only five percent of Group revenues. Demand for them has reduced as anticipated, whilst spirits and no/low sales have increased significantly, as the hospitality and retail sectors recover following the lifting of the UK Government's Covid-19 Lockdown measures, albeit BHC has maintained its HMRC Denaturing License.

BHC will continue to invest in its core business areas whilst also considering potential acquisitions, Joint Ventures and Partnership Agreements, particularly in relation to international expansion.

The Company also announces that it has commenced a process aimed at creating additional shareholder value by monetising its market leading proprietary software into a separate fully owned subsidiary, eDistil Ltd. The Company has sought to develop a scalable platform which can be utilised by new brands whether owned by BHC or third parties. Online sales growth has been driven in large part by the Group's proprietary software technology which has enabled seamless integration with a number of third party platforms, providing key online sales channels. BHC has invested and will continue to invest significantly in people to build its IT infrastructure and software.

THE BRITISH HONEY COMPANY PLC

**EXECUTIVE CHAIRMAN'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

During the half-year, further progress was made both in the UK and in the Company's two key overseas markets, the United States and China. Covid presents problems for BHC senior staff and advisors in visiting these two markets. BHC will be participating in further conversation regarding mutual trading relationships in both the USA and China as soon as staff are allowed to travel. List has produced its first English Heritage Gin and is expecting to enter into the US distribution channels in the Autumn. BHC also shipped its first order to China which will be brand and consumer tested in the new Keepr's bar in Xi'An in ShanXi province.

BHC has recently made a number of board and senior management changes which have resulted in a more streamlined and experienced main board. I would like to thank all the members who stepped down as a result of this process for their service to the Company. In parallel with these changes, the company has established an operational executive committee chaired by Robert Porter-Smith, that is now running the day-to-day operations of the Company.

Further investment in infrastructure and our increasing online sales presence will continue to drive sales which are on target to reach £8 million for the enlarged Group for the year as a whole, subject to Covid impact during the autumn and winter season and any supply issues that may occur and are being reported by major distilleries. BHC has not had any major supply issues to date but does receive regular shipments from the EU where delivery problems have been reported in the media.

As the hospitality and leisure sectors are emerging from "Lockdown" restrictions to the new "Normal", BHC is very well placed to take full advantage of the opportunities presented by the significant shift in consumer purchasing and lifestyle habits. I look forward to reporting further significant progress at the year-end.

Michael Williams
Executive Chairman

THE BRITISH HONEY COMPANY PLC

**CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £
Revenue	7	2,994,085	1,025,739
Cost of sales	8	(1,556,365)	(324,859)
Gross profit		<u>1,437,720</u>	<u>700,880</u>
Other operating income	9	53,860	1,959
Administrative expenses	10	(2,799,673)	(1,695,349)
Loss from operations		<u>(1,308,093)</u>	<u>(992,510)</u>
Finance income	12	4,224	2,760
Finance expense	12	(32,891)	(3,203)
Share of post-tax profits of equity accounted joint venture		(60,232)	-
Loss before tax		<u>(1,396,992)</u>	<u>(992,953)</u>
Tax expense	13	(28,346)	-
Loss for the period		<u><u>(1,425,338)</u></u>	<u><u>(992,953)</u></u>
		2021 Pence	2020 Pence
Earnings per share attributable to the ordinary equity holders of the parent			
Profit or loss			
Diluted	14	<u>(9.90)</u>	<u>(10.58)</u>
Profit or loss from continuing operations			
Diluted	14	<u>(9.90)</u>	<u>(10.58)</u>

The notes on pages 12 to 35 form part of these interim results.

THE BRITISH HONEY COMPANY PLC

CONSOLIDATED CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £
Loss for the period	(1,425,338)	(992,953)
Total comprehensive income	<u>(1,425,338)</u>	<u>(992,953)</u>

The notes on pages 12 to 35 form part of these interim results.

THE BRITISH HONEY COMPANY PLC
REGISTERED NUMBER: 09300046 (ENGLAND AND WALES)

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	6 months ended 30 June 2021 Unaudited £	6 months ended 31 December 2020 Audited £
Assets			
Non-current assets			
Property, plant and equipment	15	1,325,646	647,745
Right-of-use assets	16	489,874	112,675
Intangible assets	17	308,833	259,528
Goodwill	18	8,522,886	-
Investments in equity-accounted joint venture	19	200,806	56,998
Investments at fair value through profit or loss	20	500,000	500,000
		11,348,045	1,576,946
Current assets			
Inventories	21	1,220,770	614,128
Trade and other receivables	22	2,223,431	712,878
Cash and cash equivalents		1,774,373	2,458,244
		5,218,574	3,785,250
Total assets		16,566,619	5,362,196
Liabilities			
Non-current liabilities			
Trade and other liabilities	23	2,000,000	-
Loans and borrowings	24	2,041,425	117,309
Deferred tax liability	13	132,675	-
		4,174,100	117,309
Current liabilities			
Trade and other liabilities	23	936,171	418,487
Loans and borrowings	24	211,936	38,816
Provisions	25	35,163	-
		1,183,270	457,303
Total liabilities		5,357,370	574,612

THE BRITISH HONEY COMPANY PLC
REGISTERED NUMBER: 09300046 (ENGLAND AND WALES)

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	6 months ended 30 June 2021 Unaudited £	6 months ended 31 December 2020 Audited £
Net assets		11,209,249	4,787,584
Issued capital and reserves attributable to owners of the parent			
Share capital	26	1,647,273	952,546
Share premium reserve		11,708,910	4,764,137
Share based payment reserve		690,600	490,086
Retained earnings		(2,837,534)	(1,419,185)
		11,209,249	4,787,584
TOTAL EQUITY		11,209,249	4,787,584

The interim results on pages 1 to 35 were approved and authorised for issue by the board of directors on 7 September 2021 and were signed on its behalf by:



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N Agbo
 Director

The notes on pages 12 to 35 form part of these interim results.

THE BRITISH HONEY COMPANY PLC

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

	Share capital £	Share premium £	Share based payment reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
At 1 January 2021	952,546	4,764,137	490,086	(1,412,196)	4,794,573	4,794,573
Comprehensive income for the period						
Loss for the period	-	-	-	(1,425,338)	(1,425,338)	(1,425,338)
Total comprehensive income for the period	-	-	-	(1,425,338)	(1,425,338)	(1,425,338)
Contributions by and distributions to owners						
Issue of share capital	694,727	6,944,773	-	-	7,639,500	7,639,500
Equity share options issued	-	-	200,514	-	200,514	200,514
Total contributions by and distributions to owners	694,727	6,944,773	200,514	-	7,840,014	7,840,014
At 30 June 2021	1,647,273	11,708,910	690,600	(2,837,534)	11,209,249	11,209,249

The notes on pages 12 to 35 form part of these interim results.

THE BRITISH HONEY COMPANY PLC

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**

	Share capital £	Share premium £	Share based payment reserve £	Retained earnings £	Total attributable to equity holders of parent £	Total equity £
At 1 January 2020	503,418	3,611,386	100,691	(2,440,936)	1,774,559	1,774,559
Comprehensive income for the period						
Loss for the period	-	-	-	(992,953)	(992,953)	(992,953)
Total comprehensive income for the period	-	-	-	(992,953)	(992,953)	(992,953)
Contributions by and distributions to owners						
Issue of share capital	406,575	4,041,746	-	-	4,448,321	4,448,321
Transfer to/from retained earnings	-	(3,061,374)	-	-	(3,061,374)	(3,061,374)
Transfers between other reserves	-	(66,726)	-	3,061,374	2,994,648	2,994,648
Equity share options issued	-	(88,964)	270,317	-	181,353	181,353
Transfer between other reserves	-	-	4,921	61,805	66,726	66,726
Issue costs	-	(129,379)	-	-	(129,379)	(129,379)
Total contributions by and distributions to owners	406,575	695,303	275,238	3,123,179	4,500,295	4,500,295
At 30 June 2020	909,993	4,306,689	375,929	(310,710)	5,281,901	5,281,901

The notes on 12 to 35 form part of these interim results.

THE BRITISH HONEY COMPANY PLC

**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021**

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £
Cash flows from operating activities		
Loss for the period	(1,425,338)	(992,953)
Adjustments for		
Depreciation of property, plant and equipment	140,253	92,528
Depreciation on leased assets	71,968	18,779
Amortisation of intangible fixed assets	26,178	6,497
Finance income	(4,224)	(2,760)
Finance expense	33,962	3,204
Share of post-tax profits of equity accounted joint venture	60,232	-
Gain on sale of property, plant and equipment	(5,561)	(1,959)
Share-based payment expense	200,514	270,317
Share options exercised	-	24,000
Equity settled share-based payments	-	(112,964)
Income tax expense	28,346	-
Other non-cash movement	-	(3,987)
	<u>(873,670)</u>	<u>(699,298)</u>
Movements in working capital:		
(Increase) / Decrease in trade and other receivables	(839,725)	(257,657)
(Increase) / Decrease in inventories	(78,859)	(200,226)
Increase / (Decrease) in trade and other payables	211,947	169,085
Increase in provisions and employee benefits	6,513	-
	<u>(1,573,794)</u>	<u>(988,096)</u>
Cash generated from operations	(1,573,794)	(988,096)
Income taxes (paid) / received	(168,626)	40,402
	<u>(1,742,420)</u>	<u>(947,694)</u>
Net cash used in operating activities	<u>(1,742,420)</u>	<u>(947,694)</u>

THE BRITISH HONEY COMPANY PLC

**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

	2021 £	2020 £
Cash flows from investing activities		
Acquisition of subsidiary	(5,084,170)	-
Purchases of property, plant and equipment	(214,088)	(313,181)
Proceeds from disposal of property, plant and equipment	12,000	18,749
Purchase of intangibles	(51,962)	(161,875)
Payments to acquire joint venture	-	(50)
Amounts advanced to related parties	(200,000)	-
Repayments by related parties	50	-
Interest received	124	2,760
Net cash used in investing activities	(5,538,046)	(453,597)
Cash flows from financing activities		
Issue of ordinary shares	4,639,500	4,448,321
Share issue costs	-	(129,379)
Issue of convertible debt	1,657,352	-
Additions to finance lease liabilities	41,768	153,363
Payments of hire purchase lease creditors	(166,048)	(34,974)
Interest paid on convertible loan notes	(25,352)	-
Payment of lease liabilities	(78,754)	(23,333)
Net cash from financing activities	6,068,466	4,413,998
Net cash (decrease)/increase in cash and cash equivalents	(1,212,000)	3,012,707
Cash and cash equivalents at the beginning of period	2,458,244	730,232
Cash and cash equivalents acquired on acquisition of subsidiary	528,129	-
Cash and cash equivalents at the end of the period	1,774,373	3,742,939

The notes on pages 12 to 35 form part of these interim results.

Non-cash transactions

The Company issued 2,727,273 ordinary shares within the 6 months ended 30 June 2021 which were valued at £3,000,000 which formed part of the purchase price for the acquisition of Union Distillers Limited.

There is also a £2,000,000 earn-out consideration which forms part of the purchase price, which hasn't been paid yet.

THE BRITISH HONEY COMPANY PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2021

1. Reporting entity

The British Honey Company PLC (the 'Company') is a limited company incorporated in England and Wales. The Company's registered office is at Unit 3 Vista Place Coy Pond Business Park, Ingworth Road, Dorset, United Kingdom, BH12 1JY. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in the production and wholesale of spirits, the sale of honey products and alcohol sanitiser.

2. Basis of preparation

The Group's consolidated condensed interim results have been prepared in accordance with the requirements of the AQSE Growth Market Rules. As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Reporting" in preparing this interim financial information. The condensed interim reports should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs), in conformity with the Companies Act 2006.

The interim results do not constitute statutory accounts. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the UK. Statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors on the 28th June 2021.

2.1 Basis of measurement

The financial statements have been prepared on the historical cost basis.

i) New standards, interpretations and amendments not yet adopted

There were no new standards, amendments or interpretations applied to the interim results in the period.

The following standards and interpretations to published standards are not yet effective:

New standard or interpretation	EU Endorsement status	Mandatory effective date (period beginning)
IFRS 3 (Amendments)	Business combinations - reference to conceptual framework	*1 January 2022
IAS 16 (Amendments)	Property, plant and equipment	*1 January 2022
Annual Improvements	Annual Improvements to IFRS 2018-2020 cycle	*1 January 2022
IAS 1	Classification of Liabilities as Current or Non-Current	1 January 2022
IFRS 1, IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Practice Statement 2, IAS 1, IFRS8, IAS 34, IAS 26, IFRS 7	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16	~1 April 2021

THE BRITISH HONEY COMPANY PLC

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021**

2. Basis of preparation (continued)

i) New standards, interpretations and amendments not yet adopted (continued)

*Subject to endorsement

~This amendment has not affected the company within the current period.

The directors do not expect that the adoption of these Standards listed above will have a material impact on the financial statements of the Company.

3. Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the consolidated condensed interim financial statements for the period ended 30 June 2021.

The factors that were extant at the 31 December 2020 are still relevant to this report and as such reference should be made to the going concern note and disclosures in the 2020 Annual Report.

4. Functional and presentation currency

These consolidated interim results are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

5. Accounting estimates and judgements

In preparing these interim results, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in Note 2 (iv.) of the Statutory Financial Statements for the year ended 31 December 2020.

6. Accounting policies

The same accounting policies, presentation and methods of computation have been followed in these condensed interim reports as were applied in the preparation of the Annual financial statements for the year ended 31 December 2020 except for the impact of the adoption of the Standards and interpretations described below and new accounting policies adopted as a result of changes in the Company, as outlined below.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021

6. Accounting policies (continued)

6.1 Basis of consolidation

The consolidated interim results incorporate the interim results of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the interim results of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021

6. Accounting policies (continued)

6.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

6.3 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.4 Convertible debt

The debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond.

THE BRITISH HONEY COMPANY PLC

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021**

7. Revenue

The following is an analysis of the Group's revenue for the period from continuing operations:

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Sales by revenue streams:		
Sale of spirits	2,841,145	353,978
Sale of honey products	42,847	28,507
Sale of sanitiser and PPE	25,501	642,792
Delivery & shipping	84,481	462
Other income	111	-
	<u>2,994,085</u>	<u>1,025,739</u>

Analysis of revenue by country of destination:

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
United Kingdom	2,988,134	1,003,047
France	5,327	10,547
Switzerland	312	-
USA - Florida	312	12,145
	<u>2,994,085</u>	<u>1,025,739</u>

Receivables from contracts with customers solely comprise trade receivables.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
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8. Cost of Sales

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Purchase / Manufacture of spirits	1,493,280	149,435
Purchase / Manufacture of honey products	2,215	13,984
Purchase / Manufacture of sanitiser and PPE	639	161,440
Stock written-down or written-off	60,231	-
	<u>1,556,365</u>	<u>324,859</u>

9. Other operating income

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Other operating income	40,153	-
Government grants receivable	8,146	-
Profit on disposal of property, plant and equipment	5,561	1,959
	<u>53,860</u>	<u>1,959</u>

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10. Administrative expenses

	6 months ended 30 June 2021 Unaudited £	6 months ended 30 June 2020 Unaudited £
Advertising and marketing	105,795	85,323
Bad debt provision	1,015	-
Bank charges	1,528	2,104
Building costs and maintenance	298,603	53,858
Computer costs and consumables	61,549	13,907
Depreciation	238,398	117,578
Entertainment and travel	9,829	18,092
Equipment	3,141	6,377
Exceptional expenses	285,746	196,605
General office expenses	23,711	14,730
Motor running costs	9,236	16,013
Printing, Stationery and Postage	77,332	58,768
Professional fees	142,492	350,129
Salaries and wages	1,287,981	551,955
Share based payment expense	200,514	181,353
Yearly listing fees	52,803	28,557
	<u>2,799,673</u>	<u>1,695,349</u>

Exceptional expenses incurred during the period comprised:

	£	£
Audit and Accounting	-	99,245
Exceptional listing fees	-	29,180
Consultancy	1,480	-
List LLC	13,031	39,058
New product development	-	2,745
Software	-	10,823
The London Distillery	-	8,598
Tusmore Collection Ltd - Joint Venture	-	6,956
Union Distillers Limited - financing & professional costs	271,235	-
	<u>285,746</u>	<u>196,605</u>

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11. Employee benefit expenses

Group

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	1,139,123	501,857
Social security costs	117,192	43,904
Defined contribution pension cost	31,666	6,194
	1,287,981	551,955

Directors compensation

		Basic salaries and fees paid during the 6 months ended 30 June 2021 £	Basic contractual amount £	Bonuses £	Total £
G Luo	Non-Executive	5,000	10,000	-	10,000
P Seers	Non-Executive	15,000	25,000	-	25,000
N Agbo	Executive	5,134	60,000	10,000	70,000
M Williams	Executive	70,779	140,000	-	140,000
		95,913	235,000	10,000	245,000

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12. Finance income and expense

Recognised in profit or loss

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Finance income		
Interest on:		
- Bank deposits	123	2,760
Total interest income arising from financial assets measured at amortised cost or FVOCI	123	2,760
Share of joint ventures' interest receivable	4,090	-
Other interest receivable	11	-
Total finance income	4,224	2,760
Finance expense		
Finance leases (interest portion)	-	2,135
Interest on lease liabilities	7,539	1,068
Interest payable on convertible debt	25,352	-
Total finance expense	32,891	3,203
Net finance expense recognised in profit or loss	(28,667)	(443)

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
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13. Tax expense

13.1 Income tax recognised in profit or loss

The tax movements below refer only to that of the subsidiary, who has made taxable profits during the period:

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Current tax		
Current tax on profits for the period	(3,005)	-
Total current tax	(3,005)	-
Deferred tax expense		
Origination and reversal of timing differences	31,351	-
Total deferred tax	31,351	-
	28,346	-
	28,346	-
Total tax expense		
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	28,346	-
	28,346	-
	28,346	-

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to losses for the period are as follows:

	6 months ended 30 June 2021 £	6 months ended 30 June 2020 £
Reconciliation of effective tax rate		
Loss for the period	(1,425,338)	(992,953)
Income tax expense (including income tax on associate, joint venture and discontinued operations)	28,346	-
Loss before income taxes	(1,396,992)	(992,953)
Tax using the Company's domestic tax rate of 19% (2020:19%)	(265,428)	(188,661)
Expenses not deductible for tax purposes	38,098	40,649
Capital allowances for the year in excess of depreciation	30,723	(303)

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
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13. Tax expense (continued)

13.1 Income tax recognised in profit or loss (continued)

Disposal of property, plant and equipment	(1,057)	(1,497)
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	(8,988)	(11,417)
Share of net loss of joint Venture	11,444	8,223
Prior year tax adjustment	840	-
Unrecognised deferred tax	222,714	153,006
Total tax expense	<u>28,346</u>	<u>-</u>

At the period end, there were unrecognised deferred tax assets of £222,174 (December 2020: £153,006) in respect of unutilised tax losses for the Company. These have not been recognised as their recovery cannot be determined with reasonable certainty. The deferred tax liability raised relates only to that of Union Distillers Limited.

13.2 Current tax assets and liabilities

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Current tax assets		
Current tax liabilities		
Corporation tax payable	21,195	-
	<u>21,195</u>	<u>-</u>

13.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	6 months ended 31 December 2021 £	6 months ended 31 December 2020 £
Deferred tax liabilities - movements on temporary differences	(132,675)	-
	<u>(132,675)</u>	<u>-</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021

14. Earnings per share

(i) Basic earnings per share

Basic earnings per share, also being the diluted earnings due to the losses incurred, is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Total basic earnings per share attributable to the ordinary equity holders of the Company

(ii) Diluted earnings per share

	6 months ended 30 June 2021 Pence	6 months ended 30 June 2020 Pence
From continuing operations attributable to the ordinary equity holders of the Company	(9.90)	(10.58)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	<u>(9.90)</u>	<u>(10.58)</u>

(iii) Reconciliation of earnings used in calculating earnings per share

Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:

Loss from continuing operations attributable to the ordinary equity holders of the Company:

Used in calculating basic earnings per share	(1,425,338)	(992,953)
Used in calculating diluted earnings per share	(1,425,338)	(992,953)
Loss attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	<u>(1,425,338)</u>	<u>(992,953)</u>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
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14. Earnings per share (continued)

(iv) Weighted average number of shares used as the denominator

	6 months ended 30 June 2021 Number	6 months ended 30 June 2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	14,400,068	9,383,102
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	14,400,068	9,383,102

During the current period there were 6,947,273 shares issued to raise funds for the acquisition of Union Distillers Ltd, which was acquired on 24 February 2021.

15. Property, plant and equipment

	30 June 2021			31 Dec 2020		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation / Amortisation	Carrying Value
	£	£	£	£	£	£
Land	50,000	-	50,000	50,000	-	50,000
Leasehold Improvements	11,977	(7,288)	4,689	-	-	-
Plant & Machinery	1,711,501	(792,052)	919,449	760,520	(368,455)	392,065
Fixtures & Fittings	361,812	(145,819)	215,993	208,264	(88,502)	119,762
Motor Vehicles	178,543	(43,028)	135,515	120,846	(34,928)	85,918
	2,313,833	(988,187)	1,325,646	1,139,630	(491,885)	647,745

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**Reconciliation of Property, plant and Equipment
6 month ended 30 June 2021**

	Opening Balance £	Additions £	Disposals £	Depreciation £	Total £
Land	50,000	-	-	-	50,000
Leasehold improvements	4,840	-	-	(151)	4,689
Plant & machinery	945,032	79,162	-	(104,745)	919,449
Fixtures & Fittings	175,556	63,839	-	(23,402)	215,993
Motor Vehicles	87,619	67,423	(6,439)	(13,088)	135,515
	<u>1,263,047</u>	<u>210,424</u>	<u>(6,439)</u>	<u>(141,386)</u>	<u>1,325,646</u>

During the 6 month ended 30 June 2021, the Company acquired £615,302 of property, plant and equipment through the acquisition of Union Distillers Ltd which has been added to the Opening Balance above.

**Reconciliation of Property, plant and Equipment
6 months ended 31 December 2020**

	Opening Balance £	Additions £	Disposals £	Depreciation £	Total £
Land	50,000	-	-	-	50,000
Leasehold Improvements	-	-	-	-	-
Plant & Machinery	444,033	10,679	(1,389)	(61,258)	392,065
Fixtures & Fittings	107,998	33,511	(4,648)	(17,099)	119,762
Motor Vehicles	62,541	75,215	(42,020)	(9,818)	85,918
	<u>664,572</u>	<u>119,405</u>	<u>(48,057)</u>	<u>(88,175)</u>	<u>647,745</u>

16. Right-of-use assets

The company holds several leases that it accounts for under IFRS 16. Other leases are either small in value or cover a period of less than 12 months, upon which the short-term exemption has been taken. The leases are for the Company's factory and office spaces.

To determine the split between principal and interest in the lease the Company applied the interest rate implicit in the lease, where available, alternatively an estimate of the interest it would have to pay in order to finance payments under the new lease was used.

Lease liabilities are shown in note 27.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2021**

	30 June 2021			31 Dec 2020		
	Cost £	Accumulated Depreciation / Amortisation £	Carrying Value £	Cost £	Accumulated Depreciation / Amortisation £	Carrying Value £
Right-of-Use Assets	915,474	(425,600)	489,874	153,363	(40,688)	112,675
	<u>915,474</u>	<u>(425,600)</u>	<u>489,874</u>	<u>153,363</u>	<u>(40,688)</u>	<u>112,675</u>

**Reconciliation of Right-of-use assets
6 months ended 30 June 2021**

	Opening Balance £	Additions £	Disposals £	Depreciation £	Total £
Right-of-Use Assets	561,843	-	-	(71,969)	489,874
	<u>561,843</u>	<u>-</u>	<u>-</u>	<u>(71,969)</u>	<u>489,874</u>

During the 6 month ended 30 June 2021, the Company acquired £449,168 of right-of-use assets through the acquisition of Union Distillers Ltd which has been added to the Opening Balance above.

**Reconciliation of Right-of-use assets
6 months ended 31 December 2020**

	Opening Balance £	Additions £	Disposals £	Depreciation £	Total £
Right-of-Use Assets	131,454	-	-	(18,779)	112,675
	<u>131,454</u>	<u>-</u>	<u>-</u>	<u>(18,779)</u>	<u>112,675</u>

17. Intangible Assets

	30 June 2021			31 Dec 2020		
	Cost £	Accumulated Amortisation £	Carrying Value £	Cost £	Accumulated Amortisation £	Carrying Value £
Brand and Trademarks	204,529	(40,298)	164,231	191,215	(28,566)	162,649
Website development	18,720	-	18,720	-	-	-
Internally generated software	178,257	(52,375)	125,882	133,345	(36,466)	96,879
	<u>401,506</u>	<u>(92,673)</u>	<u>308,833</u>	<u>324,560</u>	<u>(65,032)</u>	<u>259,528</u>

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**Reconciliation of Intangible assets
6 months ended 30 June 2021**

	Opening Balance	Additions	Disposals	Amortisation	Total
	£	£	£	£	£
Brand and Trademarks	167,503	7,050	-	(10,322)	164,231
Website development	18,720	-	-	-	18,720
Internally generated software	96,879	44,912	-	(15,909)	125,882
	<u>283,102</u>	<u>51,962</u>	<u>-</u>	<u>(26,231)</u>	<u>308,833</u>

During the 6 month ended 30 June 2021, the Company acquired £23,574 of intangible assets through the acquisition of Union Distillers Ltd which has been added to the Opening Balance above.

**Reconciliation of Intangible assets
6 months ended 31 December 2020**

	Opening Balance	Additions	Disposals	Amortisation	Total
	£	£	£	£	£
Brand and Trademarks	172,519	-	-	(9,870)	162,649
Internally generated software	61,442	48,937	-	(13,500)	96,879
	<u>233,961</u>	<u>48,937</u>	<u>-</u>	<u>(23,370)</u>	<u>259,528</u>

During 2020 The British Honey Company Plc purchased the trade and assets of The London Distillery Company Limited by way of an Administrative Sale Agreement. The consideration for the assets acquired was £65,975 in cash and the issue of 132,363 shares in order to settle a loan with the previous owners. The assets acquired included inventory, plant and equipment and Brands and Trademarks.

Union Distillers Ltd have acquired the right to use the trademark "Two Birds", which was registered on 9th July 2012.

On the 11th March 2020 Union Distillers entered into a Trade Mark Co-Existence agreement with Two Birds IP Pty Limited (based in Australia), in order to sell and distribute Union Distillers Brand "Two Birds" within Australia and New Zealand. Two Birds IP Pty Limited hold their own trademarks within these countries and hence the agreement was entered into with certain conditions, one of which being Royalties being due to Two Birds IP Pty Limited.

The royalty agreement provides that the company will pay Two Birds IP Pty Limited royalties on a per bottle basis on sales made in Australia and New Zealand.

Royalty payments are included in cost of sales.

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18. Goodwill

Group

	30 June 2021 £	31 December 2020 £
Cost	8,522,886	-
	<u>8,522,886</u>	<u>-</u>
	<u>8,522,886</u>	<u>-</u>
	30 June 2021 £	31 December 2020 £
Cost		
Acquired through business combinations	8,522,886	-
Closing balance	<u>8,522,886</u>	<u>-</u>

As allowed by IFRS 3 an acquirer has a maximum period of 12 months to finalise the acquisition accounting. The adjustment period ends when the acquirer has gathered all the necessary information, subject to the one year maximum. The Purchase Price allocation has not yet been conducted and will be complete before the year-end accounts.

Please refer to Note 29 Acquisition of Subsidiary for further information.

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19. Joint venture

The following entity has been included in the consolidated financial statements using the equity method:

Name	Basis of accounting	Relationship to the entity	Proportion of ownership interest held (%)	
			30 June 2021	31 December 2020
1) Tusmore Collection Limited	Equity accounting	Joint Venture	50	50

(i) Summarised financial information (material joint ventures)

Tusmore Collection Limited

	6 months ended 30 June 2021 £	1 month ended 30 June 2020 £
As at 30 June 2021		
Non-current assets	888,179	-
Current assets	9,194	100
Non-current liabilities	(608,538)	-
Current liabilities	(495,761)	-
Included in the above amounts are:		
Cash and cash equivalents	9,194	-
Current financial liabilities	(495,761)	-
Non-current financial liabilities	(608,538)	-
Net assets	(206,926)	100
Group share of net assets	(103,463)	50
Period ended 30 June 2021		
Administrative costs	(120,464)	-
Total comprehensive income	(120,464)	-

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19. Joint venture (continued)

Carrying value of the investment in the joint venture is determined as follows:

Joint Venture	Basis of accounting	30 June 2021	31 December 2020
		£	£
Investment in Joint Venture at Cost		50	50
Loan notes issued to Joint Venture	Equity accounting	304,269	100,229
Share of losses of Joint Venture		(103,513)	(43,281)
		<u>200,806</u>	<u>56,998</u>

20. Other non-current investments

Group

	30 June 2021	31 December 2020
	£	£
Unlisted investments - List Distillery LLC	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

On 30 June 2020 the Company acquired a 10% equity interest in List Distillery LLC (“List”) in exchange for 452,523 of its own ordinary shares (fair value of which was £500,000). The investment has continued to be valued at the fair value of the Company's shares on the date of issue, as the Company has the right to swap back its holding for its own shares should a further investment in List Distillery LLC not take place or continue to invest at the same valuation.

The Company has identified the United States as one of its key territories where it wishes to focus its overseas marketing efforts and that, in particular, to develop its existing relationship with List, a Florida based distillery whose bourbon and rum the Company bottles and sells in the UK under the Kepr’s and Dodd’s Brands. This trading relationship became more formal when on 30 March 2020 the Company entered into a collaboration agreement with List. Given the fragmented nature of the US retail spirits market, the Company considered this to be a highly cost-effective way of market entry and penetration. Over the course of the next five years the Company wishes to expand the range and volume of products sold into the US market and this may be achieved through organic growth or through selective acquisitions.

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21. Inventories

Group

	30 June 2021 £	31 December 2020 £
Raw materials	196,368	142,533
Finished goods and goods for resale	1,024,402	471,595
	<u>1,220,770</u>	<u>614,128</u>

22. Trade and other receivables

Group

	30 June 2021 £	31 December 2020 £
Trade receivables	2,051,190	427,386
Less: provision for impairment of trade receivables	(4,377)	(1,834)
Trade receivables - net	<u>2,046,813</u>	<u>425,552</u>
Prepayments and accrued income	127,910	252,809
Tax recoverable	-	4,425
Other receivables	48,708	30,092
Total trade and other receivables	<u>2,223,431</u>	<u>712,878</u>
Total current portion	<u>(2,223,431)</u>	<u>(712,878)</u>

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23. Trade and other payables

Group

	30 June 2021 £	31 December 2020 £
Trade payables	542,674	181,818
Other payables	2,007,737	3,471
Accruals	33,679	155,743
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	2,584,090	341,032
Other payables - tax and social security payments	298,058	77,455
Deferred income	54,023	-
Total trade and other payables	2,936,171	418,487
Less: current portion - trade payables	(542,674)	(181,818)
Less: current portion - other payables	(305,795)	(80,926)
Less: current portion - accruals	(33,679)	(155,743)
Less: current portion - deferred income	(54,023)	-
Total current portion	(936,171)	(418,487)
Total non-current position	2,000,000	-

The above non-current £2,000,000 relates to the earn-out consideration payable to the previous shareholders of Union Distillers Limited.

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24. Loans and borrowings

Group

	30 June 2021 £	31 December 2020 £
Non-current		
Convertible debt	1,657,352	-
Lease liabilities	384,073	117,309
	2,041,425	117,309
Current		
Lease liabilities	211,936	38,816
	211,936	38,816
Total loans and borrowings	2,253,361	156,125

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

Lease liabilities are shown in note 27.

25. Provisions

Group

	Provision for holiday pay £
At 1 January 2021	28,650
Charged to profit or loss	6,513
	35,163
At 30 June 2021	35,163
Due within one year or less	35,163
	35,163

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26. Share Capital

Class:	Nominal value:	30 June 2021 No. of shares	31 Dec 2020 No. of shares	30 June 2021 £	31 Dec 2020 £
Ordinary Shares	10p per share	16,472,735	9,525,462	1,647,273	952,546

New shares were issued in February 2021 (6,947,273 shares) which gave rise to a total share premium of £6,947,273 before issue costs of £2,500.

Within the 6 months ended 30 June 2021, there were 1,516,000 share options granted under the Company's share option scheme to key management personnel and employees.

27. Leases

Group

(i) Leases as a lessee

The Group holds several leases that it accounts for under IFRS 16. Other leases are either small in value or cover a period of less than 12 months, upon which the short-term exemption has been taken.

Lease liabilities are due as follows:

	30 June 2021 £	31 December 2020 £
Contractual undiscounted cash flows due		
Not later than one year - IFRS 16 lease liabilities	200,149	37,016
Not later than one year - other borrowings	11,787	1,800
Between one year and five years - IFRS 16 lease liabilities	310,103	77,509
Between one year and five years - other borrowings	73,970	39,800
	<u>596,009</u>	<u>156,125</u>
 Lease liabilities included in the Condensed Consolidated Statement of Financial Position		
	<u>211,936</u>	<u>38,816</u>
 Non-current	384,073	117,309
Current	<u>211,936</u>	<u>38,816</u>

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	30 June 2021	31 December 2020
	£	£
IFRS 16 lease liability reconciliation		
Balance brought forward	114,525	132,607
Additions - through business combinations	492,991	-
Finance charges	10,867	1,918
Repayments	(108,131)	(20,000)
Closing balance	<u>510,252</u>	<u>114,525</u>
Other		
Balance brought forward	41,600	22,923
Additions - through business combinations	152,723	41,600
Additions	41,768	-
Finance charges	2,963	524
Repayments	(153,297)	(23,447)
Closing balance	<u>85,757</u>	<u>41,600</u>
28. Notes supporting statement of cash flows		
	30 June 2021	30 June 2020
	£	£
Cash at bank available on demand	204,581	139,329
Short term deposits	1,569,792	2,318,846
Cash on hand	-	69
Cash and cash equivalents in the statement of financial position	<u>1,774,373</u>	<u>2,458,244</u>
Cash and cash equivalents in the statement of cash flows	<u>1,774,373</u>	<u>2,458,244</u>

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FOR THE PERIOD ENDED 30 JUNE 2021**

29. Acquisition of Subsidiary

On the 24th February 2021, the Company acquired 100% of Union Distillers Limited for an initial consideration of £8,034,000 and an earn-out consideration of up to £2,000,000, to be satisfied through a combination of cash and BHC shares.

Transfer costs to the value of £50,170 were incurred and form part of the purchase price.

	As at 25th February 2021
Tangible assets	1,083,237
Bank and Cash	528,129
Inventories	527,786
Trade & Other Receivables	675,253
Trade & Other Payables	(618,768)
Loans and Borrowings	<u>(634,353)</u>
	1,561,284
Goodwill	8,522,886
Aquisition of Subsidiary	<u><u>10,084,170</u></u>

30. Commitments

All commitments remain as stated in the Financial Statements for the year ended 31 December 2020.

31. Subsequent events

There were no disclosable transactions or events subsequent to 30 June 2021.

32. Approval of interim financial results

The condensed consolidated interim financial results were approved by the Board of Directors on 7th September 2021.