

Full Circle Brewing Co. Ltd., LLC



ANNUAL REPORT

620 F Street

Fresno, CA 93706

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fullcirclebrewing.com

This Annual Report is dated December 29, 2021.

BUSINESS

Founded in 1998, FCB owns and operates the longest running brewery in Central California. We create a variety of craft beers. Ingredients are sourced from a variety of national and regional hop and grain vendors.

The current ownership group acquired the brewery in 2016 and breathed new life into this California staple. A refreshed brand, new recipes, and a bigger vision, allowed for significant growth.

FCB supplies beer through its taproom, online store and distributors throughout the state of California. Our products can be found in crafty liquor stores as well as big box stores such as Savemart, Costco, Vons, Total Wines, Bevmo, Wholefoods, Trader Joes, and others.

FCB's products are currently sold in California, Nevada, Pennsylvania, and Ohio.

FCB's target customer are Millennials and early Gen Xers. We are focused on producing flavor profiles that resonate with not only the craft beer enthusiast but, also new entrants to the market.

We view our craft beers and their fresh seasonal fruit-forward flavor, as the gateway for the average consumer into the craft beer market.

We are organized as an LLC and have recently acquired the intellectual property rights to Sonoma Cider.

Previous Offerings

Full Circle Brewing Co. Issued Class A voting shares in the amount of 62,500 on September 30, 2019.

Full Circle Issued Class B non-voting shares in the amount of 13,500 and 41,375 on August 31, 2018 and March 29th 2018 respectively.

Name: Class B Units

Type of security sold: Equity

Final amount sold: \$165,000.00

Number of Securities Sold: 41,375

Use of proceeds: Production

Date: March 29, 2018

Offering exemption relied upon: Regulation CF

Name: Class B Units

Type of security sold: Equity

Final amount sold: \$53,700.00

Number of Securities Sold: 13,500

Use of proceeds: Production Expansion

Date: August 31, 2018

Offering exemption relied upon: Regulation CF

Name: Class A Units

Type of security sold: Equity

Final amount sold: \$287,500.00

Number of Securities Sold: 62,500

Use of proceeds: Production Expansion

Date: September 30, 2019

Offering exemption relied upon: 506(b)

REGULATORY INFORMATION

The company has not previously failed to comply with the requirements of Regulation Crowdfunding;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATION

Operating Results – 2020 Compared to 2019

Circumstances which led to the performance of financial statements:

Results of operations

Year ended December 31, 2020 compared to year ended December 31, 2019

Revenue

Revenues in 2020 were \$2,137,166, compared to \$1,366,142 for 2019, an increase of 56%. The increase primarily resulted from filling out capacity put on line in 2019, adding new distributors throughout the state of California, Nevada, and Pennsylvania, and significantly increasing our points of distribution. This trend continues in 2021 including a boost by pursuing and achieving chain store penetration.

Cost of sales

Cost of sales in 2020 was \$1,081,041, an increase of approximately \$402,457, from costs of \$678,584 in fiscal year 2019. The increase was largely due to an increase in overall sales.

Gross profit

Our gross profit during 2020 was \$1,267,296, compared to \$708,783 for 2019, an increase of over 44%.

Expenses

The Company's expenses consist of, among other things, compensation and benefits, marketing and sales expenses, fees for professional services, utilities, and rents. Expenses in 2020, were \$1,553,746 compared to \$1,287,995 in 2019. Approximately \$145,769 of this increase was due to increased compensation and benefits costs. The Company hired more employees in 2020.

Net Loss

Our net loss for 2020, was \$286,450 compared to a net loss of \$579, 172 for 2019.

This increase was caused by an increase in wholesale sales to distributors.

Historical results and cash flows:

We plan to continue our growth curve as we bring on additional distributors and gain more market penetration. Our wide footprint allows for small moves in market and chain penetration to yield significant growth.

The largest expenses relate to payroll and cost of goods sold. With the utilization of more capacity, we believe our administration and marketing fees will grow to a smaller percentage of overall revenues, and our production team will be able to produce more beer while leveraging entry level support staff and economies of scale.

We are in the process of contracting for more of our raw materials needs which we anticipate will lower our per unit cost of goods sold. This includes grain, hops, and adjuncts.

We have generated cash required in the past with a combination of debt, equity and cash flows. We anticipate that we will increase the portion of our cash needs that can be satisfied from revenues as we control costs, grow efficiencies, and increase our revenues by adding distribution and increasing our chain penetration.

Liquidity and Capital Resources

At December 31, 2020, the Company had cash of \$179,904.00. [*The Company intends to raise additional funds through an equity financing.*]

Debt

Notes payable Consist of the following:

Note payable to On Deck Capital. The interest rate is 34.4 percent. The note requires principal and interest payments of \$ 2,585 per week. The balance totaled \$ 86,754 as of December 31, 2020.

Note payable to Fresno First Bank at 6.25 percent with periodic adjustments, payable \$ 1,404 per month, principal, and interest; the note matures August 2026, the note is secured by an interest in the assets of the business and personal residences of Members. The balance totaled \$ 692,575 as of December 31, 2020.

Note payable to Fresno First Bank for improvements and operation. The interest rate is 6.0 percent. The note requires interest only payments in 2018 and principal and interest payments starting in 2019. The balance totaled \$ 536,424 as of December 31, 2020.

Note payable to Fresno First Bank for 2nd deed of trust. The interest rate is 6.0 percent payable \$ 1,492 per month, principal, and interest; the note matures August 2026. The balance totaled \$ 89,887 as of December 31, 2020.

Note payable to Fresno First Bank for improvements and operation. The interest rate is 6.0 percent. The note requires interest only payments in 2019 and principal and interest payments starting May 2021. The note matures January 2025. The balance totaled \$98,083 as of December 31, 2020.

Note payable to the Small Business Administration with monthly payments of \$731 commencing 12 months after the note inception, interest rate at 3.75%. The maturity date is May 2050. The balance totaled \$150,000 as of December 31, 2020.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

Our directors and executive officers as of the date hereof, are as follows:

Name: Arthur Lee Moye III

Arthur Lee Moye III's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Chief Executive Officer and Managing Member

Dates of Service: April 01, 2016 - Present

Responsibilities: Responsible for the strategic Planning and oversight of the company. Mr. Moye currently receives an annual salary of \$25,000 per year and is the managing member of the company owning 706,519 Class A Units.

Name: Jason Heersche

Jason Heersche's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: Financial Controller

Dates of Service: August 01, 2020 - Present

Responsibilities: Oversee the financial operations of the Company. Mr. Heersche currently receives an annual salary of \$75,000 per year.

Other business experience in the past three years:

Employer: Wine Group Title

Title: Strategic Financial Analyst

Dates of Service: January 01, 2009 - January 01, 2017

Responsibilities: Financial oversight

Other business experience in the past three years:

Employer: Made in Nature

Title: Financial Controller

Dates of Service: January 01, 2017 - July 01, 2020

Responsibilities: Financial oversight

PRINCIPAL SECURITY HOLDERS

Set forth below is information regarding the beneficial ownership of our Common Stock, our only outstanding class of capital stock, as of December 31, 2020, by (i) each person whom we know owned, beneficially, more than 10% of the outstanding shares of our Common Stock, and (ii) all of the current officers and directors as a group. We believe that, except as noted below, each named beneficial owner has sole voting and investment power with respect to the shares listed. Unless otherwise indicated herein, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned.

Title of class: Class A Units

Member Name: The Moye Family Trust, Co-Trustee, Arthur Moye & Nicole Moye

Amount and nature of Beneficial ownership: 706,519

Percent of class: 58.0

RELATED PARTY TRANSACTIONS

Name of Entity: Arthur Lee Moye III

Relationship to Company: 20%+ Owner

Nature / amount of interest in the transaction: Personal Revolving Credit Card Balance for initial start up expenses.

Material Terms: 6% interest, Revolving term \$12,784.

Name of Entity: 620 F Street LLC

Names of 20% owners: ARTHUR MOYE, CEO OF FULL CIRCLE BREWING

Relationship to Company: Officer

Nature / amount of interest in the transaction: Full Circle Brewing Co. LTD LLC leases its manufacturing facilities from an affiliate party, 620 F Street LLC.

Material Terms: 620 F Street LLC is owned by the founding principals who purchased the land and the brewery operations from the original owners of Full Circle Brewing Co. in 2016. 620 F Street LLC ("Landlord") owns the building ("620 F Street" or "Leased Premises") that Full Circle Brewing ("Tenant") inhabits and operates out of. Lease rates are determined by Fair Market Rents of comparable properties with similar use. Full Circle Brewing is currently in a 120 month lease with 620 F Street LLC. The initial terms of the lease and Tenant's obligations commenced on July 1, 2016 and run through June 30, 2026 unless terminated earlier or by mutual written consent of the parties. Thereafter, the lease shall revert to a month to month lease unless terminated. Tenant pays Landlord, without deduction or offset; MONTHLY RENT: Months Rental Rate 1 – 7 (partial 2016) \$2,200.00 per month 8 – 31 2018 \$2,400.00 32 – 55 2020 \$2,600.00 56 – 80 2022 \$2,800.00 81 – 105 2024 \$3,000.00 106 – 120 (partial 2026) \$3,200.00 plus the cost of insurance on the Leased Premises, personal taxes or assessments levied against the Leased Premises, repair and maintenance expenses, utilities of any kind furnished to the Leased Premises.

OUR SECURITIES

Our authorized membership consists of Class A, Class B, and Class C. There are a total of 5,087,049 issued, of which 214,000 are outstanding.

The following is a summary of the rights of our capital stock as provided in our membership agreement.

Class A - Voting

Class B - Non Voting

Class C - Non Voting

What it means to be a minority holder

As a minority holder you will have limited ability, if at all, to influence our policies or any other

corporate matter, including the election of directors, changes to our company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the company or of assets of the company or transactions with related parties.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will decrease, even though the value of the company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

RISK FACTORS

Uncertain Risk

An investment in the Company (also referred to as "we", "us", "our", or "Company") involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Class C non voting units should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other risks inherent in the investment in the Company.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

Any valuation at this stage is difficult to assess

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited

Any Class C non voting units purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an “accredited investor,” as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the educational software development industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering Class C units in the amount of up to \$535,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in “Use of Proceeds.”

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Units. Interest on debt securities could increase costs and negatively impact operating results. Preferred units could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of other unit classes. In addition, if we need to raise more equity capital from the sale of units, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved

for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

Minority Holder; Securities with No Voting Rights

The Class C non voting units that an investor is buying has no voting rights attached to them. This means that you will have no rights in dictating on how the Company will be run. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

We are an early stage company and have limited revenue and operating history

The Company has a short history. If you are investing in this company, it's because you think that Full Circle Brewing Co. LTD, LLC is a good idea, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough peoples so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective

Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it

might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them

Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

We rely on third parties to provide services essential to the success of our business

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

Covid

COVID has and will continue impacted the craft beer industry in both negative and positive ways. There is a risk of investment loss due for unforeseen and swift changes in the market and the regulations in the craft beer industry.

We compete for shelf space in retail stores and for marketing focus by independent distributors, most of whom carry extensive product portfolios.

We sell our products regionally, primarily through independent distributors and brokers for resale to retail outlets, restaurants, hotels and private clubs across the Central Valley, California. Sales to distributors are expected increase and to represent a substantial portion of our net revenues in the future. A change in our relationship with any of our significant distributors could harm our business and reduce our sales. The laws and regulations of several states prohibit changes of distributors, except under certain limited circumstances, making it difficult to terminate a distributor for poor performance without reasonable cause, as defined by applicable statutes. Any difficulty or inability to replace distributors, poor performance of our major distributors or our inability to collect accounts receivable from our major distributors could harm our business. There can be no assurance that the distributors and retailers we use will continue to purchase our products or provide our products with adequate levels of promotional support. Consolidation at the retail tier, among club and chain grocery stores in particular, can be expected to heighten competitive pressure to increase marketing and sales spending or constrain or reduce prices.

Contamination of our craft beers could harm our business.

We are subject to certain hazards and product liability risks, such as potential contamination, through tampering or otherwise, of ingredients or products. Contamination of any of our craft beers could cause us to destroy our craft beer held in inventory and could cause the need for a product recall, which could significantly damage our reputation for product quality. We maintain insurance against certain of these kinds of risks, and others, under various insurance policies. However, our insurance may not be adequate or may not continue to be available at a price or on terms that are satisfactory to us and this insurance may not be adequate to cover any resulting liability.

A decrease in craft beer score ratings by important rating organizations could have a negative impact on our ability to create greater demand and pricing.

Brands are issued ratings or scores by local and national craft beer rating organizations, and higher scores usually translate into greater demand and higher pricing. We cannot guarantee that the Company will be able to obtain and/or maintain high craft beer score ratings, which may negatively affect operations and thus, profitability.

We rely upon our suppliers to produce our products consistently, on time and with the highest level of quality.

Many of our products are only available from only one supplier. The operations of our suppliers can be subject to additional risks beyond our control, including shipping delays, labor disputes, trade restrictions or any other change in local conditions. Any disruption in our supply chain could have a material adverse effect on our business.

The Purchase Price per Unit as contemplated in the Agreement was determined by the Manager.

The purchase price for the Units was not determined by an appraisal or any other similar valuation method. Because the Company has no prior operating history to aid in establishing a fair market price of the Units, the purchase price for each Unit was arbitrarily set by the Manager. No independent investment- banking firm was retained to assist in determining the appropriate purchase price for the Units.

There may be U.S. tax consequences of an investment in the Units.

An investment in the Units, as well as conversion, sale, or other disposition of the Units, may result in tax consequences in the United States under federal, state, or other tax laws, and/or in foreign jurisdictions such as the jurisdiction in which a Investor may reside or conduct business.

The Manger will have broad discretion in the use of the proceeds from the sale of the Units.

The Manager will have broad discretion in the application of the proceeds from the sale of the Units. The failure of management to apply such proceeds effectively could have a material adverse effect on the Company's business, results of operations, and financial condition.

Various diseases, pests and certain weather conditions could affect quality and quantity of hops and grains.

Various diseases, pests, fungi, viruses, drought, frosts and certain other weather conditions could affect the quality and quantity of hops and grains, decreasing the supply of our products and negatively impacting our operating results. Future government restrictions regarding the use of certain materials used in hops and grains growing may increase costs and/or reduce production. We cannot guarantee that our hop and grain suppliers will succeed in preventing disease in their existing farm lands or that we will succeed in preventing disease. If hop and grain crops become contaminated with diseases, operating results would decline, perhaps significantly.

Class action or other litigation relating to alcohol abuse or misuse could adversely affect our business.

Companies in the beverage alcohol industry are, from time to time, exposed to class action or other litigation relating to alcohol advertising, product liability, alcohol abuse problems or health consequences from the misuse of alcohol. It is also possible that governments could assert that the use of alcohol has significantly increased government funded health care costs. Litigation or assertions of this type have adversely affected companies in the tobacco industry, and it is possible that we, as well as our suppliers, could be named in litigation of this type. Also, lawsuits have been brought in a number of states alleging that beverage alcohol manufacturers and marketers have improperly targeted underage consumers in their advertising. Plaintiffs in these cases allege that the defendants' advertisements, marketing and promotions violate the consumer protection or deceptive trade practices statutes in each of these states and seek repayment of the family funds expended by the underage consumers. While we have not been named in these lawsuits, we could be named in similar lawsuits in the future. Any class action or other litigation asserted against us could be expensive and time-consuming to defend against, depleting our cash and diverting our personnel resources and, result in significant harm to our business.

Regulatory decisions and legal, regulatory and tax changes could limit our business activities, increase our operating costs and reduce our margins.

Our business is subject to extensive regulation. This may include regulations regarding production, distribution, marketing, advertising and labeling of beverage alcohol products. We are required to comply with these regulations and to maintain various permits and licenses. We are also required to conduct business only with holders of licenses to import, warehouse,

transport, distribute and sell beverage alcohol products. We cannot assure you that these and other governmental regulations applicable to our industry will not change or become more stringent. Moreover, because these laws and regulations are subject to interpretation, we may not be able to predict when and to what extent liability may arise. Additionally, due to increasing public concern over alcohol-related societal problems, including driving while intoxicated, underage drinking, alcoholism and health consequences from the abuse of alcohol, various levels of government may seek to impose additional restrictions or limits on advertising or other marketing activities promoting beverage alcohol products. Failure to comply with any of the current or future regulations and requirements relating to our industry and products could result in monetary penalties, suspension or even revocation of our licenses and permits. Costs of compliance with changes in regulations could be significant and could harm our business, as we could find it necessary to raise our prices in order to maintain profit margins, which could lower the demand for our products and reduce our sales and profit potential. Also, the distribution of beverage alcohol products is subject to extensive taxation. An increase in taxation could significantly harm our sales revenue and margins, both through the reduction of overall consumption and by encouraging consumers to switch to lower-taxed categories of beverage alcohol.

RESTRICTIONS ON TRANSFER

The common stock sold in the Regulation CF offering, may not be transferred by any purchaser, for a period of one-year beginning when the securities were issued, unless such securities are transferred:

- (1) to the Company;
- (2) to an accredited investor;
- (3) as part of an offering registered with the SEC; or
- (4) to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

SIGNATURES

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100-503), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned, on December 29, 2021.

Full Circle Brewing Co. Ltd., LLC

By */s/ Arthur Moye*

Name: Arthur Moye

Title: Chief Executive Officer

Exhibit A

FINANCIAL STATEMENTS

FULL CIRCLE BREWING CO. LTD, LLC.
(A Limited Liability Company)

Annual Financial Report(s)

For the Years Ended December 31, 2020 and 2019

FULL CIRCLE BREWING CO. LTD, LLC.
(A Limited Liability Company)

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Jaribu W. Nelson, CPA

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Members of
Full Circle Brewing Co. LTD, LLC.
Fresno, California

I have reviewed the accompanying financial statements of Full Circle Brewing Co. LTD, LLC., which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income and members' equity and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Jaribu W. Nelson, CPA

Clovis, California
April 8, 2021

FULL CIRCLE BREWING CO. LTD, LLC.
BALANCE SHEETS
DECEMBER 31, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH	\$ 179,904	\$ 96,199
ACCOUNTS RECEIVABLE	136,698	24,141
INVENTORY	251,874	141,453
TOTAL CURRENT ASSETS	568,476	261,793
FIXED ASSETS		
BUILDING AND IMPROVEMENTS	1,334,844	910,884
ACCUMULATED DEPRECIATION	<u>(206,745)</u>	<u>(145,443)</u>
TOTAL FIXED ASSETS	<u>1,128,099</u>	<u>765,441</u>
OTHER ASSETS		
OTHER	2,257	7,422
AMORTIZED COSTS	73,697	69,055
ACCUMULATED AMORTIZATION	<u>(8,126)</u>	<u>(5,044)</u>
TOTAL OTHER ASSETS	<u>67,828</u>	<u>71,433</u>
TOTAL ASSETS	<u><u>1,764,403</u></u>	<u><u>1,098,667</u></u>
 <u>LIABILITIES AND MEMBERS' EQUITY</u> 		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	229,659	134,911
ACCRUED EXPENSES	124,009	43,473
LINES OF CREDIT	140,169	27,954
NOTES PAYABLE - CURRENT PORTION	227,122	55,306
TOTAL CURRENT LIABILITIES	<u>720,959</u>	<u>261,644</u>
LONG-TERM LIABILITIES		
SHAREHOLDER LOANS	47,446	12,784
NOTES PAYABLE - NET OF CURRENT PORTION	1,426,601	1,169,790
TOTAL LONG-TERM LIABILITIES	<u>1,474,047</u>	<u>1,182,574</u>
TOTAL LIABILITIES	2,195,006	1,444,218
MEMBERS' EQUITY (DEFICIT)	<u>(430,603)</u>	<u>(345,551)</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u><u>\$ 1,764,403</u></u>	<u><u>\$ 1,098,667</u></u>

See notes to financial statements.

FULL CIRCLE BREWING CO. LTD, LLC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
INCOME		
SALES	\$ 2,137,166	\$ 1,366,142
OTHER INCOME	213,738	32,977
DISCOUNTS & ALLOWANCES	<u>(2,567)</u>	<u>(11,752)</u>
TOTAL INCOME	2,348,337	1,387,367
COST OF GOODS SOLD	<u>1,081,041</u>	<u>678,584</u>
TOTAL COSTS OF GOODS SOLD	1,081,041	678,584
GROSS MARGIN	1,267,296	708,783
OPERATING EXPENSES		
ADVERTISING	26,426	17,871
AMORTIZATION	3,082	3,082
AUTOMOBILE	47,941	29,975
BAD DEBTS	14,292	15,354
BANK CHARGES	51,339	41,586
COMMISSIONS	9,654	11,658
COMPUTER & TECHNOLOGY	45,236	17,048
DEPRECIATION	61,302	65,702
DUES & SUBSCRIPTIONS	13,736	16,001
INSURANCE	54,060	41,132
INTEREST	56,506	81,816
LICENSES & PERMITS	4,280	2,458
MEALS & ENTERTAINMENT	11,620	20,503
MERCHANT FEES	7,461	845
MISCELLANEOUS	2,993	3,264
OFFICE	14,308	18,350
PROFESSIONAL FEES	98,127	70,360
RENTS	95,148	111,112
REPAIRS & MAINTENANCE	15,702	14,879
SALARIES & WAGES	660,591	514,822
SUPPLIES	17,022	19,479
TAXES	163,192	80,791
TRAVEL	4,078	7,515
UTILITIES	<u>75,650</u>	<u>82,352</u>
TOTAL EXPENSES	<u>1,553,746</u>	<u>1,287,955</u>
NET INCOME	(286,450)	(579,172)
BEGINNING MEMBERS' EQUITY (DEFICIT)	(345,551)	(93,879)
CONTRIBUTIONS	237,448	327,500
SYNDICATION FEES	<u>(36,050)</u>	<u>-</u>
ENDING MEMBERS' EQUITY (DEFICIT)	<u>\$ (430,603)</u>	<u>\$ (345,551)</u>

See notes to financial statements.

FULL CIRCLE BREWING CO. LTD, LLC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (loss)	\$ (286,450)	\$ (579,172)
Adjustments to reconcile change in operating capital to net cash used for operating activities		
Amortization and Depreciation	64,384	65,702
Changes in:		
Accounts receivable	(112,557)	23,613
Inventory	(110,421)	(48,774)
Other assets	5,165	(24,337)
Accounts payable	94,748	46,608
Accrued expenses	<u>80,536</u>	<u>32,092</u>
Net cash used for operating activities	(264,595)	(484,268)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of machinery and equipment	<u>(428,602)</u>	<u>(109,752)</u>
Net cash used for investing activities	(428,602)	(109,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(421,373)	(240,302)
New borrowings on notes payable	850,000	707,000
Shareholder loans	34,662	7,841
Net activity on lines of credit	112,215	(191,325)
Member contributions	237,448	327,500
Syndication fees	<u>(36,050)</u>	<u>-</u>
Net cash provided by financing activities	<u>776,902</u>	<u>610,714</u>
CHANGE IN CASH AND CASH EQUIVALENTS	83,705	16,694
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF THE YEAR	<u>96,199</u>	<u>79,505</u>
CASH AND CASH EQUIVALENTS AS OF END OF YEAR	<u>\$ 179,904</u>	<u>\$ 96,199</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	<u>\$ 56,506</u>	<u>\$ 81,816</u>

See notes to financial statements.

FULL CIRCLE BREWING CO. LTD, LLC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Full Circle Brewing Co. Ltd, LLC (the Company) is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The Company has prepared these financial statements on the accrual basis of accounting.

Nature of Operations

Full Circle Brewing Co. Ltd, LLC is headquartered in the City of Fresno, California and was established in 1998. The Company provides craft beers and live entertainment.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers deposits in banks and other investments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded at the amount the Company expects to collect on balances outstanding at year-end. The Company has estimated an allowance for doubtful accounts totaling \$6,008 and \$15,354 for the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, and 2019, the balances totaled \$ 136,698 and \$ 24,141, respectively.

Inventory

Inventories consist of goods ready for resale and are carried at lower of cost (FIFO) or market.

Fixed Assets

Acquisitions of fixed assets consist of items with a useful life of greater than one year. Fixed assets are stated at cost. Depreciation is computed using the modified accelerated cost recovery system.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable by, or provided for the Company. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the regulations of the Company.

Uncertain Tax Positions

Generally, the Company's tax return remains open for tax examinations for three years after filing of the return. There are no tax examinations currently in process.

Revenue Recognition

The Company recognizes revenue as the product has been shipped. The Company records all amounts in accordance with the agreed upon billing rate with the Client and Company.

**FULL CIRCLE BREWING CO. LTD, LLC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Fixed assets as of December 31, 2020 and 2019 consisted of the following:

	2020	2019
Machinery & equipment	\$ 298,569	\$ 210,939
Brewery infrastructure	875,711	553,311
Transportation equipment	36,254	25,575
Office equipment	1,539	1,539
Roller rink	17,974	17,974
Construction in progress	-	21,133
Other	53,256	42,581
Leasehold improvements	<u>51,541</u>	<u>37,832</u>
Subtotal	1,334,844	910,884
Less accumulated depreciation	<u>(206,745)</u>	<u>(145,443)</u>
Total	<u>\$ 1,128,099</u>	<u>\$ 765,441</u>

Depreciation expense for the years ended December 31, 2020 and 2019 totaled \$ 61,302 and \$ 65,702, respectively.

NOTE B – LINES OF CREDIT

The Company has lines of credit established with Capital One, Chase, American Express, Fresno First Bank, and On Deck Capital and the interest rates are variable. The balance totaled \$ 140,169 as of December 31, 2020.

NOTE C – SHAREHOLDER LOAN

The Company has a shareholder loan with members of the company for overhead costs. The loans bear no interest and are due upon demand. As of December 31, 2020 the balance totaled \$ 47,446.

NOTE D – NOTES PAYABLE

Notes payable consisted of the following:

Note payable to On Deck Capital. The interest rate is 34.4 percent. The note requires principal and interest payments of \$ 2,585 per week. The balance totaled \$ 86,754 as of December 31, 2020.

Note payable to Fresno First Bank at 6.25 percent with periodic adjustments, payable \$ 1,404 per month, principal, and interest; the note matures August 2026, the note is secured by an interest in the assets of the business and personal residences of Members. The balance totaled \$ 692,575 as of December 31, 2020.

Note payable to Fresno First Bank for improvements and operation. The interest rate is 6.0 percent. The note requires interest only payments in 2018 and principal and interest payments starting in 2019. The balance totaled \$ 536,424 as of December 31, 2020.

Note payable to Fresno First Bank for 2nd deed of trust. The interest rate is 6.0 percent payable \$ 1,492 per month, principal, and interest; the note matures August 2026. The balance totaled \$ 89,887 as of December 31, 2020.

FULL CIRCLE BREWING CO. LTD, LLC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

NOTE D – NOTES PAYABLE (continued)

Note payable to Fresno First Bank for improvements and operation. The interest rate is 6.0 percent. The note requires interest only payments in 2019 and principal and interest payments starting May 2021. The note matures January 2025. The balance totaled \$98,083 as of December 31, 2020.

Note payable to the Small Business Administration with monthly payments of \$731 commencing 12 months after the note inception, interest rate at 3.75%. The maturity date is May 2050. The balance totaled \$150,000 as of December 31, 2020.

Total notes payable	\$ 1,653,723
Less current portion	<u>(227,122)</u>
Net long-term note payable	<u>\$ 1,426,601</u>

Maturities of the long-term note payable are as follows:

2021	\$ 227,122
2022	157,919
2023	168,288
2024	179,343
2025	165,391
Thereafter	<u>755,660</u>
Total	<u>\$1,653,723</u>

Interest expense for the years ended December 31, 2020 and 2019 totaled \$55,605 and \$81,846, respectively.

NOTE E – DESCRIPTION OF LEASING ARRANGEMENTS

The Company leases its current location under a long-term lease agreement expiring June 2021. Rent expense totaled \$95,148 and \$111,112 for the years ended December 31, 2020 and 2019, respectively.

The Company entered into two capital leases for equipment acquired during the prior year. The lease agreements expire in 60 months. The additions were reflected in fixed assets and notes payable, respectively.

Future minimum lease payments on the facility are as follows:

2020	\$ 57,869
2021	41,069
2022	13,319

FULL CIRCLE BREWING CO. LTD, LLC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

NOTE F – MEMBERS' EQUITY

The Company has three classes of shares. Class A allows for a member to have voting rights. Classes B & C are non-voting shares. Member contributions totaled \$45,000 for Class A shares and \$192,448 Class C shares.

On 9/14/2020, the Company authorized a 4 for 1 stock split. The effect of the stock split was to create 214,000 non-voting Class C Shares.

Syndication fees represent costs incurred with the syndication of limited partnership interests. These costs are reflected as a direct reduction of members' equity. Approximately \$78,058 and \$0 were incurred for the years ended December 31, 2020 and 2019, respectively.

NOTE G – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined the events regarding the novel Coronavirus require disclosure in accordance with accounting standards. During March 2020, Governor Newsom issued an emergency proclamation declaring a State of Emergency in California due to the novel Coronavirus (COVID-19). The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Organization are unknown.

CERTIFICATION

I, Arthur Moye, Principal Executive Officer of Full Circle Brewing Co. Ltd., LLC, hereby certify that the financial statements of Full Circle Brewing Co. Ltd., LLC included in this Report are true and complete in all material respects.

Arthur Moye

Principal Executive Officer