

**Soul Feet Ltd**

**Unaudited**

**Financial statements**

**For the year ended 31 July 2017**



**Statement of financial position**  
**As at 31 July 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Intangible assets	4		14,669		14,513
Tangible assets	5		521,957		381,923
			<u>536,626</u>		<u>396,436</u>
<b>Current assets</b>					
Stocks	6	36,920		26,943	
Debtors: amounts falling due within one year	7	72,799		57,665	
Cash at bank and in hand	8	185,771		292,193	
		<u>295,490</u>		<u>376,801</u>	
Creditors: amounts falling due within one year	9	(445,498)		(410,843)	
<b>Net current liabilities</b>			<u>(150,008)</u>		<u>(34,042)</u>
<b>Total assets less current liabilities</b>			<u>386,618</u>		<u>362,394</u>
Creditors: amounts falling due after more than one year	10		(100,994)		(68,642)
<b>Provisions for liabilities</b>					
Deferred taxation		(62,649)		(50,622)	
			<u>(62,649)</u>		<u>(50,622)</u>
<b>Net assets</b>			<u>222,975</u>		<u>243,130</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Retained earnings			222,875		243,030
<b>Total shareholders' funds</b>			<u>222,975</u>		<u>243,130</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

**Soul Feet Ltd**  
**Registered number: NI047415**


**Statement of financial position (continued)**  
**As at 31 July 2017**

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27/4/18.

**Mr Adam Heyes**

Director

A handwritten signature in black ink, appearing to read 'Adam Heyes', with a long horizontal stroke extending to the right.

The notes on pages 3 to 13 form part of these financial statements.

**Notes to the financial statements  
For the year ended 31 July 2017**

**1. General information**

Soul Feet Ltd is a private company, limited by shares, incorporated in Northern Ireland, registration number NI047415. The registered office is 1 Ballymena Road, Doagh, Ballyclare, County Antrim, Northern Ireland, BT39 0QR.

The company's principal activity during the year involved running franchises for Subway outlets.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from the financial instrument disclosures, required under FRS 102 para 11.39 to 11.48A.

**Notes to the financial statements  
For the year ended 31 July 2017**

**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**Notes to the financial statements  
For the year ended 31 July 2017**

**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold costs	- 20% straight line
Store fit out	- 10%/14.30% straight line
Store equipment	- 20% reducing balance
Office equipment	- 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income and retained earnings.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow

**Notes to the financial statements  
For the year ended 31 July 2017**

**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

**Notes to the financial statements  
For the year ended 31 July 2017**

**2. Accounting policies (continued)**

**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.13 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.



**Notes to the financial statements  
For the year ended 31 July 2017**

**2. Accounting policies (continued)**

**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 99 (2016- 91).

**Soul Feet Ltd**

**Notes to the financial statements  
For the year ended 31 July 2017**

**4. Intangible assets**

	Goodwill £
<b>Cost</b>	
At 1 August 2016	35,238
Additions	3,333
At 31 July 2017	<u>38,571</u>
<b>Amortisation</b>	
At 1 August 2016	20,725
Charge for the year	3,177
At 31 July 2017	<u>23,902</u>
<b>Net book value</b>	
At 31 July 2017	<u><u>14,669</u></u>
At 31 July 2016	<u><u>14,513</u></u>

**5. Tangible assets**

	Leasehold costs £	Store fit out £	Store equipment £	Office equipment £	Total £
<b>Cost</b>					
At 1 August 2016	-	734,557	274,623	28,504	1,037,684
Additions	4,338	95,839	151,767	4,032	255,976
At 31 July 2017	<u>4,338</u>	<u>830,396</u>	<u>426,390</u>	<u>32,536</u>	<u>1,293,660</u>
<b>Depreciation</b>					
At 1 August 2016	-	549,032	89,326	17,403	655,761
Charge for year on owned assets	868	44,073	67,974	3,027	115,942
At 31 July 2017	<u>868</u>	<u>593,105</u>	<u>157,300</u>	<u>20,430</u>	<u>771,703</u>
<b>Net book value</b>					
At 31 July 2017	<u><u>3,470</u></u>	<u><u>237,291</u></u>	<u><u>269,090</u></u>	<u><u>12,106</u></u>	<u><u>521,957</u></u>
At 31 July 2016	<u><u>-</u></u>	<u><u>185,525</u></u>	<u><u>185,297</u></u>	<u><u>11,101</u></u>	<u><u>381,923</u></u>

**Soul Feet Ltd**

**Notes to the financial statements  
For the year ended 31 July 2017**

**6. Stocks**

	2017 £	2016 £
Finished goods and goods for resale	36,920	26,943
	<u>36,920</u>	<u>26,943</u>

**7. Debtors**

	2017 £	2016 £
Trade debtors	4,151	703
Other debtors	30,940	24,377
Prepayments and accrued income	37,708	32,585
	<u>72,799</u>	<u>57,665</u>

**8. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	185,771	292,193

**9. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank loans	30,873	13,183
Trade creditors	187,184	213,880
Corporation tax and overseas tax	6,858	19,228
Taxation and social security	81,062	76,501
Obligations under finance lease and hire purchase contracts	-	2,074
Other creditors	20,342	26,571
Accruals and deferred income	119,179	59,406
	<u>445,498</u>	<u>410,843</u>

**Notes to the financial statements**  
For the year ended 31 July 2017

**10. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans	100,994	68,642
	<u>100,994</u>	<u>68,642</u>

**Bank security**

Bank loan facilities are secured by personal guarantees to the sum of £100,000 and a fixed and floating charge over company assets.

**11. Called up share capital**

	2017 £	2016 £
<b>Allotted and fully paid</b>		
100 (2016: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**12. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £20,728 (2016: £20,032).

Pension contributions of £12 (2016: £122) were outstanding at the year end.

**Notes to the financial statements**  
**For the year ended 31 July 2017**

**13. Commitments under operating leases**

At 31 July 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
<b>Rental</b>		
Not later than 1 year	275,859	254,100
Later than 1 year and not later than 5 years	819,500	907,000
Later than 5 years	215,000	458,500
	<u>1,310,359</u>	<u>1,619,600</u>

	2017 £	2016 £
<b>Vehicles</b>		
Not later than 1 year	15,406	21,309
Later than 1 year and not later than 5 years	5,690	21,096
	<u>21,096</u>	<u>42,405</u>

**14. Dividends**

	2017 £	2016 £
Interim paid: £1,000 per share (2016: £800 per share)	100,000	80,000
	<u>100,000</u>	<u>80,000</u>

**15. Ultimate controlling parties and related party transactions**

The company had the following transactions with related parties during the year. These are related parties as defined by Financial Reporting Standard 102 "Related Party Disclosure" by virtue of common influence.

The ultimate controlling parties are Mr David Heyes, Mr Tristan Scott Heyes and Mr Adam Heyes by virtue of their shareholdings.

Transactions with related parties are as follows:

Name of related party (relationship)	Nature of transaction	Amount of transaction		Amount owed to/(from) related party	
		2017 £	2016 £	2017 £	2016 £
Directors' loans	Loan	-	1,000	-	-
	Repayment	-	-	-	-

**Soul Feet Ltd**

**Notes to the financial statements  
For the year ended 31 July 2017**

**16. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.