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Registered number: NI047415

Soul Feet Ltd

Unaudited

Financial statements

For the year ended 31 July 2018

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Soul Feet Ltd

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Soul Feet Ltd

Company information

Directors	Mr David Heyes Mr Adam Heyes Mr Tristan Heyes Mr Paul Heyes
Company secretary	Mr David Heyes
Registered number	NI047415
Registered office	1 Ballymena Road Doagh Ballyclare County Antrim Northern Ireland BT39 0QR
Chartered Accountants	PricewaterhouseCoopers LLP Chartered Accountants Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
Bankers	Ulster Bank Limited Arches Retail Park Belfast BT5 4AF

Soul Feet Ltd
Registered number: NI047415

Statement of financial position
As at 31 July 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible fixed assets	4		**17,503**		14,669
Tangible fixed assets	5		**504,612**		521,957
			522,115		536,626
Current assets					
Stocks	6	**46,439**		36,920	
Debtors: amounts falling due within one year	7	**72,523**		72,799	
Cash at bank and in hand	8	**89,674**		185,771	
		208,636		295,490	
Creditors: amounts falling due within one year	9	**(432,513)**		(445,498)	
Net current liabilities			**(223,877)**		(150,008)
Total assets less current liabilities			**298,238**		386,618
Creditors: amounts falling due after more than one year	10		**(66,585)**		(100,994)
Provisions for liabilities					
Deferred taxation		**(63,635)**		(62,649)	
			(63,635)		(62,649)
Net assets			**168,018**		222,975
Capital and reserves					
Called up share capital	11		**100**		100
Retained earnings			**167,918**		222,875
Total shareholders' funds			**168,018**		222,975

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.

Soul Feet Ltd
Registered number: NI047415

Statement of financial position (continued)
As at 31 July 2018

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

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 26 April 2019.

Mr Adam Heyes

Director

The notes on pages 4 to 13 form part of these financial statements.

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 entites 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 it 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.

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.

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% straight line/14.30% reducing balance
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

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'.

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.

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 108 (2017- 99).

Notes to the financial statements
For the year ended 31 July 2018

4. Intangible assets

	Franchise license fees £
Cost	
At 1 August 2017	38,572
Additions	6,820
At 31 July 2018	45,392
Amortisation	
At 1 August 2017	23,902
Charge for the year	3,987
At 31 July 2018	27,889
Net book value	
At 31 July 2018	17,503
At 31 July 2017	14,669

5. Tangible assets

	Leasehold costs £	Store fit out £	Store equipment £	Office equipment £	Total £
Cost					
At 1 August 2017	4,338	830,395	426,391	32,536	1,293,660
Additions	-	16,227	81,567	810	98,604
At 31 July 2018	4,338	846,622	507,958	33,346	1,392,264
Depreciation					
At 1 August 2017	868	593,106	157,300	20,430	771,704
Charge for year on owned assets	868	41,855	70,642	2,583	115,948
At 31 July 2018	1,736	634,961	227,942	23,013	887,652
Net book value					
At 31 July 2018	2,602	211,661	280,016	10,333	504,612
At 31 July 2017	3,470	237,289	269,091	12,106	521,956

6. Stocks

	2018 £	2017 £
Finished goods and goods for resale	**46,439**	36,920
	46,439	36,920

7. Debtors

	2018 £	2017 £
Trade debtors	**2,165**	4,151
Other debtors	**27,840**	30,940
Prepayments and accrued income	**42,518**	37,708
	72,523	72,799

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	**89,674**	185,771

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	**32,642**	30,873
Trade creditors	**146,145**	187,184
Corporation tax and overseas tax	**12,748**	6,858
Taxation and social security	**80,950**	81,062
Other creditors	**54,057**	20,342
Accruals and deferred income	**105,971**	119,179
	432,513	445,498

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

	2018 £	2017 £
Bank loans	**66,585**	100,994
	66,585	100,994

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

	2018 £	2017 £
Allotted and fully paid		
100 (2017: 100) ordinary shares of £1 each	**100**	100

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 £24,661 (2017: £20,728).

Pension contributions of £491 (2017: £12) were outstanding at the year end.

13. Commitments under operating leases

At 31 July 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Rental		
Not later than 1 year	**323,078**	275,859
Later than 1 year and not later than 5 years	**735,527**	819,500
Later than 5 years	**160,000**	215,000
	1,218,605	1,310,359

	2018 £	2017 £
Vehicles		
Not later than 1 year	**11,172**	15,406
Later than 1 year and not later than 5 years	**5,939**	5,690
	17,111	21,096

14. Ultimate controlling parties and related party transactions

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

There were no transactions with related parties.