

Registered number: NI047415



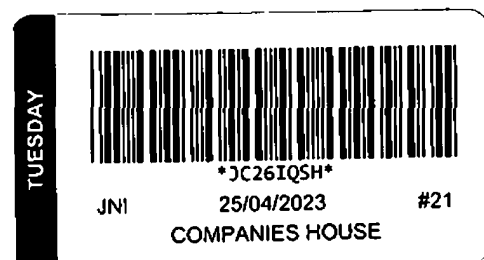
SOUL FEET LTD

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JULY 2022



SOUL FEET LTD
REGISTERED NUMBER: NI047415

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	25,679	34,957
Tangible assets	5	582,242	498,914
Investments	6	50,000	25,000
		<u>657,921</u>	<u>558,871</u>
Current assets			
Stocks	7	55,341	47,135
Debtors	8	124,154	86,346
Cash at bank and in hand		649,204	598,930
		<u>828,699</u>	<u>732,411</u>
Creditors: amounts falling due within one year	9	(688,718)	(638,665)
Net current assets		<u>139,981</u>	<u>93,746</u>
Total assets less current liabilities		<u>797,902</u>	<u>652,617</u>
Creditors: amounts falling due after more than one year	10	(170,396)	(91,524)
Provisions for liabilities			
Deferred taxation	12	(114,793)	(90,052)
Net assets		<u>512,713</u>	<u>471,041</u>
Capital and reserves			
Called up share capital		100	100
Retained earnings		512,613	470,941
Total shareholders' funds		<u>512,713</u>	<u>471,041</u>

SOUL FEET LTD
REGISTERED NUMBER: NI047415

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2022

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 the 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.

The Company has opted not to file the statement of income and retained earnings 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 by:

Designed by:

A S Heyes
Director

Date: 20-Apr-2023

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1. General information

Soul Feet Ltd (the "Company") 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, BT39 0QR.

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 following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

The Company continues to manage its daily working capital requirements utilising existing bank loans and facilities. Management projections show that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

2.3 Revenue (continued)

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.

Within intangible assets, there are franchise license fees. They are amortised over 5 years.

2.5 Tangible assets

Tangible 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.

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 and 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

2.6 Investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 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 Statement of Financial Position 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.

2.8 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.

2.9 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.

2.10 Financial instruments

The Company only enters into basic financial instrument 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 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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.

2.11 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.

2.12 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 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 Statement of Income and Retained Earnings within 'other operating income'.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in Statement of Income and Retained Earnings except that a charge 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 reporting 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 Statement of Financial Position 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 reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

3. Employees

The average monthly number of employees, including directors, during the year was 117 (2021: 103).

4. Intangible assets

	Goodwill & franchise licence fees £
Cost	
At 1 August 2021	78,860
Disposals	(737)
At 31 July 2022	<u>78,123</u>
Accumulated amortisation	
At 1 August 2021	43,903
Charge for the year	8,541
At 31 July 2022	<u>52,444</u>
Net book value	
At 31 July 2022	<u><u>25,679</u></u>
At 31 July 2021	<u><u>34,957</u></u>

SOUL FEET LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

5. Tangible assets

	Leasehold costs £	Store fit out £	Store equipment £	Office equipment £	Total £
Cost					
At 1 August 2021	4,338	914,592	713,852	47,159	1,679,941
Additions	-	70,503	132,075	3,758	206,336
At 31 July 2022	<u>4,338</u>	<u>985,095</u>	<u>845,927</u>	<u>50,917</u>	<u>1,886,277</u>
Accumulated depreciation					
At 1 August 2021	4,338	738,572	407,114	31,003	1,181,027
Charge for the year	-	40,804	78,843	3,361	123,008
At 31 July 2022	<u>4,338</u>	<u>779,376</u>	<u>485,957</u>	<u>34,364</u>	<u>1,304,035</u>
Net book value					
At 31 July 2022	<u>-</u>	<u>205,719</u>	<u>359,970</u>	<u>16,553</u>	<u>582,242</u>
At 31 July 2021	<u>-</u>	<u>176,020</u>	<u>306,738</u>	<u>16,156</u>	<u>498,914</u>

6. Investments

	Unlisted investments £
Cost or valuation	
At 1 August 2021	25,000
Additions	25,000
At 31 July 2022	<u>50,000</u>

The fair value of the unlisted investments at 31 July 2022 was £50,000 (2021: £25,000).

The additions of £25,000 relates to an 11.8% unlisted investment in Buyin Ltd.

7. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>55,341</u>	<u>47,135</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8. Debtors

	2022 £	2021 £
Trade debtors	56	86
Other debtors	65,756	46,966
Prepayments and accrued income	58,342	39,294
	<u>124,154</u>	<u>86,346</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	10,033	82,806
Net obligations under finance leases and hire purchase contracts (note 11)	41,173	18,988
Trade creditors	281,013	223,297
Corporation tax	13,319	91,381
Taxation and social security	92,341	29,151
Other creditors	42,911	38,864
Accruals and deferred income	207,928	154,178
	<u>688,718</u>	<u>638,665</u>

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

	2022 £	2021 £
Bank loans	32,007	11,608
Net obligations under finance leases and hire purchase contracts (note 11)	138,389	79,916
	<u>170,396</u>	<u>91,524</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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**
11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Not later than 1 year	41,173	18,988
Later than 1 year and not later than 5 years	138,389	79,916
	<u>179,562</u>	<u>98,904</u>

12. Deferred taxation

	2022 £
At beginning of year	90,052
Charged to profit or loss	24,741
At end of year	<u>114,793</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	114,928	90,185
Short term timing differences	(135)	(133)
	<u>114,793</u>	<u>90,052</u>

13. 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 £38,808 (2021: £28,965).

Pension contributions of £651 (2021: £535) were outstanding at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. Commitments under operating leases

At 31 July the Company had future minimum lease payments under non-cancelable operating leases as follows:

	2022 £	2021 £
Rental properties		
Not later than 1 year	316,442	322,938
Later than 1 year and not later than 5 years	875,432	799,107
Later than 5 years	1,483,674	1,050,952
	<u>2,675,548</u>	<u>2,172,997</u>
	2022 £	2021 £
Vehicles		
Not later than 1 year	34,190	23,959
Later than 1 year and not later than 5 years	53,090	20,983
	<u>87,280</u>	<u>44,942</u>

15. Ultimate controlling party

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