

Registered number: 07433883

SALT-WATER SANDALS UK LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

SALT-WATER SANDALS UK LIMITED

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SALT-WATER SANDALS UK LIMITED

COMPANY INFORMATION

Director	Ms Rachael J R Laine
Registered number	07433883
Registered office	G05 Regent Studios 1 Thane Villas London N7 7PH
Accountants	Blick Rothenberg Limited Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH

REGISTERED NUMBER:07433883

SALT-WATER SANDALS UK LIMITED**BALANCE SHEET
AS AT 30 NOVEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	93,980	130,796
Tangible assets	5	82,603	106,312
		<u>176,583</u>	<u>237,108</u>
Current assets			
Stocks	6	438,170	667,287
Debtors: amounts falling due within one year	7	787,579	888,403
Cash at bank and in hand		491,739	749,934
		<u>1,717,488</u>	<u>2,305,624</u>
Creditors: amounts falling due within one year	8	(379,027)	(632,451)
Net current assets		<u>1,338,461</u>	<u>1,673,173</u>
Total assets less current liabilities		<u>1,515,044</u>	<u>1,910,281</u>
Creditors: amounts falling due after more than one year	9	(745,944)	(924,432)
Net assets		<u><u>769,100</u></u>	<u><u>985,849</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		769,000	985,749
		<u>769,100</u>	<u>985,849</u>

Total equity

769,100

985,849

REGISTERED NUMBER:07433883

SALT-WATER SANDALS UK LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2021**

The director considers 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 director acknowledges her 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 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 by:

Ms Rachael J R Laine
Director

Date: 22 August 2022

The notes on pages 4 to 12 form part of these financial statements.

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

1. General information

Salt-Water Sandals Limited is a private company limited by shares registered in England and Wales. Its registered office is G05 Regent Studios 1 Thane Villas, London, N7 7PH.
The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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:

2.2 Going concern

On 30 January 2020 the World Health Organisation declared Coronavirus (COVID-19) a public health emergency. Following the outbreak of COVID-19 the company took advantage of some of the economic measures put in place by the UK Government and the company adapted its operations and overhead base accordingly.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

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.

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.4 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.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 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.

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

SALT-WATER SANDALS UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021****2. Accounting policies (continued)****2.9 Taxation**

Tax is recognised in profit or loss 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 balance sheet date in the countries where the company operates and generates income.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

The estimated useful lives range as follows:

Computer software	-	5	years
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2.11 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25%
Website development	-	25%

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 profit or loss.

2.12 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 weighted average 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 profit or loss.

SALT-WATER SANDALS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.13 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.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

SALT-WATER SANDALS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets 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 profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

2.16 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.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2020 - 13).

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

4. Intangible assets

	Computer software
	£
Cost	
At 1 December 2020	187,771
Additions	827
At 30 November 2021	<u>188,598</u>
Amortisation	
At 1 December 2020	56,975
Charge for the year on owned assets	37,643
At 30 November 2021	<u>94,618</u>
Net book value	
At 30 November 2021	<u><u>93,980</u></u>
At 30 November 2020	<u><u>130,796</u></u>

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

5. **Tangible fixed assets**

	Office equipment	Website development	Total
	£	£	£
Cost or valuation			
At 1 December 2020	33,283	113,998	147,281
Additions	166	-	166
At 30 November 2021	<u>33,449</u>	<u>113,998</u>	<u>147,447</u>
Depreciation			
At 1 December 2020	21,969	19,000	40,969
Charge for the year on owned assets	5,889	17,986	23,875
At 30 November 2021	<u>27,858</u>	<u>36,986</u>	<u>64,844</u>
Net book value			
At 30 November 2021	<u>5,591</u>	<u>77,012</u>	<u>82,603</u>
At 30 November 2020	<u>11,314</u>	<u>94,998</u>	<u>106,312</u>

6. **Stocks**

	2021	2020
	£	£
Finished goods and goods for resale	<u>438,170</u>	<u>667,287</u>

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

7. Debtors

	2021 £	2020 £
Trade debtors excluding factored debts	215,546	340,672
Factored debts	3,414	23,931
Other debtors	537,135	506,415
Prepayments and accrued income	31,484	17,385
	<u>787,579</u>	<u>888,403</u>

Debts of £23,931 (2020: £21,031) are secured on the factored receipts.

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	179,521	26,832
Trade creditors	120,187	562,803
Corporation tax	10,759	-
Other taxation and social security	13,298	6,223
Other creditors	43,902	27,593
Accruals and deferred income	11,360	9,000
	<u>379,027</u>	<u>632,451</u>

Bank loans of £179,521 (2020: £26,832) are secured by a fixed and floating charge over all assets of the company.

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

	2021 £	2020 £
Bank loans	<u>745,944</u>	<u>924,432</u>

Bank loans of £15,465 (2020: £14,432) are secured by a fixed and floating charge over all assets of the company. The director has provided a personal guarantee of £91,000 against the bank loan of £910,000 received in the year.

SALT-WATER SANDALS UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

10. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
100 (2020 -100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

11. 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 £9,558 (2020: £10,061). Contributions totalling £3,486 (2020: £1,394) were payable to the fund at the balance sheet date and are included in creditors.

12. Related party transactions

As at the balance sheet date, the director owed the company £16,746 (2020: £153,942). Interest of £2,804 (2020: £6,396) was charged on the overdrawn balance. The overdrawn balance was fully repaid in June 2022.

