

Company Registration No. 02961916 (England and Wales)

RAINBOW PROPERTIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

RAINBOW PROPERTIES LIMITED

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RAINBOW PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	3		15,884		25,622
Investment properties	4		17,125,000		17,658,957
Investments	5		-		3,752,400
			<u>17,140,884</u>		<u>21,436,979</u>
Current assets					
Debtors	6	7,724,298		962,774	
Cash at bank and in hand		13,605		35,923	
		<u>7,737,903</u>		<u>998,697</u>	
Creditors: amounts falling due within one year	7	<u>(162,082)</u>		<u>(8,265,861)</u>	
Net current assets/(liabilities)			<u>7,575,821</u>		<u>(7,267,164)</u>
Total assets less current liabilities			<u>24,716,705</u>		<u>14,169,815</u>
Creditors: amounts falling due after more than one year	8		(12,227,309)		(1,041,417)
Provisions for liabilities			<u>(3,201,801)</u>		<u>(2,246,546)</u>
Net assets			<u><u>9,287,595</u></u>		<u><u>10,881,852</u></u>
Capital and reserves					
Called up share capital			20,000		20,000
Investment property reserve			10,007,925		11,494,984
Profit and loss reserves			<u>(740,330)</u>		<u>(633,132)</u>
Total equity			<u><u>9,287,595</u></u>		<u><u>10,881,852</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

RAINBOW PROPERTIES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The financial statements were approved and signed by the director and authorised for issue on 22 December 2022

G Ziser
Director

Company Registration No. 02961916

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Rainbow Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor 9 Hampstead West, 224 Iverson Road, West Hampstead, London, United Kingdom, NW6 2HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents rental income and is recognised on an accruals basis.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	25% RBM
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account. The fair value movements in investment property valuations and the associated deferred tax are then transferred out of the profit and loss reserves into other reserves.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Investment property reserves

The investment property reserve comprises the fair value uplift on the company's investment property net of the associated deferred tax any movement in the fair value of the investment property and/or the deferred tax associated with it during the year is transferred from the profit and loss account into this reserve as a reserve movement in the Statement of Changes in Equity. The reserve is non-distributable.

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	1	3

3 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 April 2021	69,614
Disposals	(25,029)
At 31 March 2022	44,585
Depreciation and impairment	
At 1 April 2021	43,992
Depreciation charged in the year	6,405
Eliminated in respect of disposals	(21,696)
At 31 March 2022	28,701
Carrying amount	
At 31 March 2022	15,884
At 31 March 2021	25,622

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	15,043	24,252
	15,043	24,252

4 Investment property

	2022 £
Fair value	
At 1 April 2021	17,658,957
Disposals	(46,491)
Revaluations	(487,466)
At 31 March 2022	17,125,000

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Investment property (Continued)

Investment property comprises of rental properties.

The freehold investment property was valued on an existing use open market value basis by 3rd party chartered surveyors on 12 August 2021. In the opinion of the director, the market value of the property at 31 March 2022 is represented by the net book value above.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022	2021
	£	£
Cost	3,917,426	3,917,426
Accumulated depreciation	-	-
Carrying amount	3,917,426	3,917,426
5 Fixed asset investments	2022	2021
	£	£
Investments	-	3,752,400
Movements in fixed asset investments		
		Unlisted investments
		£
Cost or valuation		
At 1 April 2021		3,752,400
Disposals		(3,752,400)
At 31 March 2022		-
Carrying amount		
At 31 March 2022		-
At 31 March 2021		3,752,400

RAINBOW PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Trade debtors		24,853	43,221
Other debtors		7,547,045	919,553
Prepayments and accrued income		152,400	-
		<u>7,724,298</u>	<u>962,774</u>
		<u><u>7,724,298</u></u>	<u><u>962,774</u></u>
7 Creditors: amounts falling due within one year		2022	2021
		£	£
Bank loans		33,321	8,131,837
Obligations under finance leases		4,882	6,079
Trade creditors		7,577	1,947
Other creditors		70,655	124,498
Accruals and deferred income		45,647	1,500
		<u>162,082</u>	<u>8,265,861</u>
		<u><u>162,082</u></u>	<u><u>8,265,861</u></u>
8 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Bank loan		12,219,149	1,028,376
Obligations under finance leases		8,160	13,041
		<u>12,227,309</u>	<u>1,041,417</u>
		<u><u>12,227,309</u></u>	<u><u>1,041,417</u></u>
The bank loan is secured by fixed or floating charges on the investment property of the company.			
9 Deferred taxation			
The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:			
		Liabilities	Liabilities
		2022	2021
Balances:		£	£
Revaluation of investment properties		3,201,801	2,246,546
		<u>3,201,801</u>	<u>2,246,546</u>
		<u><u>3,201,801</u></u>	<u><u>2,246,546</u></u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.