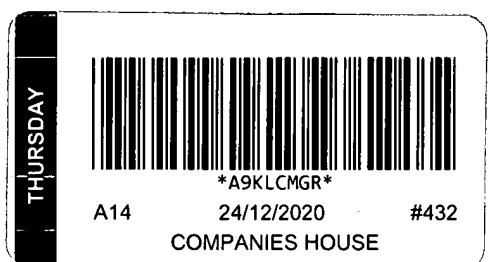


# **Rainbowwave Limited**

**Annual report and financial statements**

**For the year to 31 December 2019**

**Company Number 04501620**



# Rainbowwave Limited

Contents of the financial statements  
for the year ended 31 December 2019

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7	Statement of Comprehensive Income
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## **Company information**

### **Director**

M L Kambouroglou

### **Company secretary**

G Kambouroglou

### **Registered office and business address**

146 Royal College Street, London NW1 0TA

### **Company number**

04501620 (England and Wales)

### **Auditor**

RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB

## **Rainbowwave Limited**

Director's report  
For the year ended 31 December 2019

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The director presents the annual report and financial statements for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company continued to be that of fashion agency between the designers and the retailers.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

M L Kambouroglou

### **Results and dividends**

The results are set out on page 7.

Dividends of £1,799,000 were paid during the year (2018: £2,155,000).

### **Going Concern**

The COVID-19 virus has impacted the Company as it almost has certainly had an impact on all businesses and this is anticipated to continue for the coming months whilst a vaccine is made readily available and distributed. Until such time the Company continues to follow government guidelines in keeping our staff, visitors and offices safe.

The Director and core management team took the necessary actions and measures to reduce the impact of the pandemic to the business. The immediate action was to prepare the workforce that was needed to work remotely from home and plan to service our brands and retailers using a new digital platform. This immediate adaptation to the change in the business landscape has put the Company in a strong position for the future.

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 next twelve months and foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

### **Auditor**

The auditor, RSM UK Audit LLP, is appointed for the first time under section 485 of the Companies Act 2006.

## Rainbowwave Limited

Director's report  
For the year ended 31 December 2019

---

### Statement of director's responsibilities

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



M L Kambouroglou  
Director  
Date 22 December 2020

## **Rainbowwave Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOWWAVE LIMITED**

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#### **Opinion**

We have audited the financial statements of Rainbowwave Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter – prior period financial statements not audited**

The company was exempt from audit in the period ended 31 December 2018 and consequently the corresponding figures are unaudited.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Rainbowwave Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOWWAVE LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the director's responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Rainbowwave Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINBOWWAVE LIMITED**

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Westbrook (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

22 December 2020

# **Rainbowwave Limited**

## **Statement of Comprehensive Income For the year ended 31 December 2019**

	Note	Year end 2019 £'000	Unaud- ited 12 Month prorata 2018 £'000
Turnover	2	6,697	7,282
Cost of sales		(2,132)	(2,504)
<b>Gross profit</b>		<b>4,565</b>	<b>4,778</b>
Administrative expenses		(3,053)-	(2,670)
<b>Operating profit</b>	3	<b>1,512</b>	<b>2,108</b>
Interest payable		(3)	-
Interest receivable	7	-	1
<b>Profit before taxation</b>		<b>1,509</b>	<b>2,109</b>
Tax on profit	8	(292)	(402)
<b>Total Comprehensive Income for the year</b>		<b>1,217</b>	<b>1,707</b>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the Statement of Comprehensive Income.



# Rainbowwave Limited

Statement of Financial Position  
As at 31 December 2019

	Note	2019 £'000	2019 £'000	Unaudited 2018 £'000	Unaudited 2018 £'000
<b>FIXED ASSETS</b>					
Tangible assets	10		254		240
Investments	11		0		0
			<u>254</u>		<u>240</u>
<b>TOTAL FIXED ASSETS</b>					
<b>CURRENT ASSETS</b>					
Debtors	12	2,919		2,256	
Cash at bank		1,918		3,108	
		<u>4,837</u>		<u>5,364</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	(999)		(927)	
		<u></u>		<u></u>	
<b>NET CURRENT ASSETS</b>			3,838		4,437
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			4,092		4,677
<b>Provisions</b>	14		(37)		(41)
			<u></u>		<u></u>
<b>NET ASSETS</b>			4,055		4,636
			<u></u>		<u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		100		100
Profit and loss account			3,955		4,536
			<u></u>		<u></u>
<b>SHAREHOLDERS FUNDS</b>			4,055		4,636
			<u></u>		<u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 18 December 2020 date and signed on behalf by:



Name: M L Kambouroglou

Status: Director

Company number 04501620

## **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

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### **1 GENERAL INFORMATION**

Rainbowwave Limited is a private company limited by shares, registered in England and Wales. The registered office is 146 Royal College Street, London NW1 0TA.

Rainbowwave Limited is a wholly owned subsidiary of Rainbowwave Holdings Limited and the results of Rainbowwave Limited are included in the consolidated financial statements of Rainbowwave Holdings Limited which are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. Rainbowwave Limited has one subsidiary.

Prior period results are for a 12 month period to 31 December 2018 for comparability purposes.

### **GOING CONCERN**

The COVID-19 virus has impacted the Company as it almost has certainly had an impact on all businesses and this is anticipated to continue for the coming months whilst a vaccine is made readily available and distributed. Until such time the Company continues to follow government guidelines in keeping our staff, visitors and offices safe.

The Director and core management team took the necessary actions and measures to reduce the impact of the pandemic to the business. The immediate action was to prepare the workforce that was needed to work remotely from home and plan to service our brands and retailers using a new digital platform. This immediate adaptation to the change in the business landscape has put the Company in a strong position for the future.

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 next twelve months and foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the financial statements.

## **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

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### **FOREIGN CURRENCIES**

Transactions in currencies other than the functional currency are initially recorded at the exchange rate ruling and prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction. All translation differences are taken to the profit and loss account, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### **TURNOVER**

Turnover is recognised at the fair value of the consideration receivable for sales of goods in the ordinary course of business and excludes Value Added Tax.

### **OTHER INCOME**

Interest income is accrued on a time-apportioned basis.

### **EMPLOYEE AND RETIREMENT BENEFITS**

The costs of short-term employee benefits are recognised as a liability and an expense.

The costs of the defined contribution pension schemes are charged to the profit and loss account in the year that they are payable.

Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments.

### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated useful life as follows:

Land and buildings Leasehold	10%	Straight Line
Fixtures, fittings and equipment	25%	Reducing balance
Computer Equipment	25%	Reducing balance
IT equipment	33%	Straight Line

### **IMPAIRMENT OF FIXED ASSETS**

A review is undertaken at each reporting date to assess whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist an accounting adjustment will be made to the profit and loss account.

## **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

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### **OPERATING LEASES**

Rental payments under operating leases are charged to the profit and loss account as they are incurred.

Rent free periods or other incentives received for entering a lease are accounted for over the period of the lease so as to spread the benefit over the lease term.

### **CASH AND CASH EQUIVALENTS**

Cash at bank and in hand 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.

### **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 is provided in full respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### **FINANCIAL INSTRUMENTS**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are only offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability at the same time.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financial transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment loss.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor. Subsequent reversals of an impairment loss are recognised immediately in profit or loss.

## **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

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### **FINANCIAL INSTRUMENTS (*continued*)**

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Useful lives of property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimation of an asset's expected useful economic life and the expected residual value at the end of its life. The useful lives of the company's assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(b) Provisions

The company has recognised provisions for impairment on trade receivables in its financial statements which require management to make judgement. The judgements estimate and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

## Rainbowwave Limited

Notes to the financial statements  
As at 31 December 2019

### 2 Turnover and other revenue

Turnover analysed by geographical market

Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
------------------------------	--

United Kingdom

6,697	7,282
<u>6,697</u>	<u>7,282</u>

### 3 Operating profit

Operating profit for the year is stated after  
charging/(crediting):

Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
------------------------------	--

Exchange losses / (gains)

102	(18)
-----	------

Depreciation of owned tangible fixed assets

84	105
----	-----

Operating lease charges

175	175
-----	-----

### 4 Auditors remuneration

Fees payable to the company's auditor and associate

Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
------------------------------	--

**For audit services**

Audit of the financial statements of the company

20	-
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**For other services**

Taxation compliance services

8	-
---	---

<u>8</u>	<u>-</u>
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# **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

## **5 Employees**

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

	Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
Sales staff	39	33
Administration staff	7	7
	<u>46</u>	<u>40</u>

The aggregate remuneration comprised:

	Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
Wages and salaries	1,626	1,462
Social security costs	180	166
Pension costs	95	76
	<u>1,901</u>	<u>1,704</u>

## **6 Director's remuneration**

	Year end 2019 £'000	Unaudited 12 Month Proforma 2018 £'000
Director's emoluments	12	12
Pension costs	12	12
	<u>24</u>	<u>24</u>

# **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

## **7 Interest receivable and similar income**

	Year end	Unaudited 12 Month Proforma
	2019	2018
	£'000	£'000
Interest on bank deposits	-	1
	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

## **8 Taxation**

	Year end	Unaudited 12 Month Proforma
	2019	2018
	£'000	£'000
Profit before taxation on continued operations	1,509	2,109
	<u>1,509</u>	<u>2,109</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax (19%)	287	401
Expenses not deductible for tax purposes at 19%	5	-
Other	-	1
	<u>292</u>	<u>402</u>
	<u>292</u>	<u>402</u>

## **9 Dividends**

Dividends of £1,799,000 were paid during the year (2018: £2,155,000).



# Rainbowwave Limited

Notes to the financial statements  
As at 31 December 2019

## 10 Tangible fixed assets

	Fixtures	IT equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
As at 1 January 2019	374	63	437
Additions	63	35	98
Disposals	-	-	-
<b>As at 31 December 2019</b>	<b>437</b>	<b>98</b>	<b>535</b>
<b>Depreciation</b>			
As at 1 January 2019	165	32	197
Depreciation charged in the year	60	24	84
Disposals	-	-	-
<b>As at 31 December 2019</b>	<b>225</b>	<b>56</b>	<b>281</b>
<b>Carrying amount</b>			
As at 31 December 2018	209	31	240
<b>As at 31 December 2019</b>	<b>212</b>	<b>42</b>	<b>254</b>

# Rainbowwave Limited

Notes to the financial statements  
As at 31 December 2019

## 11 Fixed Asset investment

	2019 £'000	Unaud- ited 2018 £'000
Cost and net book value As at 31 December 2019	0	0

The investments represent the following

Investment	Class Of Share	Country Of Incorporation	% Holding	Nature of busines
Rainbowwave NYC Ltd.	Ordinary	USA	100%	Fashion showroom

Rainbowwave NYC Ltd, a company incorporated in Delaware USA is a subsidiary company of Rainbowwave Limited. The registered office of these companies is 210 11<sup>th</sup> Avenue, Suite 601, New York, NY 10001. The consolidated results of Rainbowwave NYC Ltd. have been included in the consolidated financial statements. Rainbowwave NYC Ltd. is exempt from the completion of an audit as an individual entity.

## 12 Debtors: due within one year

	2019 £'000	Unaudited 2018 £'000
Trade debtors	1,200	1,228
Amounts due from group company	246	164
Other debtors	205	52
Prepayments and accrued income	1,014	465
Associated debtor	254	347
	<u>2,919</u>	<u>2,256</u>

## 13 Creditors: amounts falling due within one year

	2019 £'000	Unaudited 2018 £'000
Trade creditors	211	159
Amounts due to group company	75	-
Corporation tax	235	352
Other taxation and social security	112	104
Other creditors	223	167
Accruals and deferred income	143	145
	<u>999</u>	<u>927</u>

There is a charge on the assets of the company for £52,000 (LY £52,000) with Cumbræ Properties (1963) Limited and relates to the rental deposit for the company's registered address.

# **Rainbowwave Limited**

Notes to the financial statements  
As at 31 December 2019

## **14 Provisions**

	2019 £'000	Unaudited 2018 £'000
Deferred tax liabilities (see note 15)	37	41
	<u>37</u>	<u>41</u>

## **15 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £'000	Unaudited Liabilities 2018 £'000
Accelerated capital allowances	37	41
Revaluations	-	-
	<u>37</u>	<u>41</u>
	2019 £'000	
Liability at 1 January 2019	41	
Charge to profit or loss	(4)	
	<u>37</u>	

## Rainbowwave Limited

Notes to the financial statements  
As at 31 December 2019

### 16 Share capital and reserves

	2019 £'000	Unaudited 2018 £'000
Ordinary share capital		
Issued and fully paid		
100,000 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The profit and loss reserve is the cumulative profits less any distributions.

### 17 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS102 Section 33 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company and the other subsidiaries are wholly owned subsidiary undertakings of the group to which they are party to the transaction.

There is an amount owing of £30,000 from Son Limited which a company that the ultimate parent company has an investment in and to which the director of the Company is also a director.

### 18 Controlling Party

The immediate and ultimate parent company is Rainbowwave Holdings Limited, a company incorporated in England and Wales. Copies of Rainbowwave Holdings Limited accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

### 19 Post balance sheet events

#### COVID-19

The COVID-19 outbreak has had an impact on all business across the globe. The Company continues to monitor events both locally and on a global scale. The Company is optimistic and believe that the business is a going concern.