

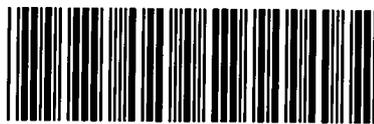
# Rainbowwave Limited

Annual report and audited financial statements

For the year to 31 December 2022

Company Number 04501620

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**Rainbowwave Limited**  
Contents of the financial statements  
for the year ended 31 December 2022

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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**

Davis Grant Limited, Treviot House, 186-192 High Road, Ilford, Essex IG1 1LR

## **Rainbowwave Limited**

Director's report

For the year ended 31 December 2022

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The director presents the annual report and financial statements for the year ended 31 December 2022.

### **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 8.

Dividends of £72,000 were paid during the year (2021: £225,000).

### **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 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, Davis Grant Limited, was appointed under section 485 of the Companies Act 2006.

**Rainbowwave Limited**

Director's report

For the year ended 31 December 2022

**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 auditor is 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 auditor is 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 5<sup>th</sup> October 2023

**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 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of changes in Equity and notes to the financial statements, including 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 2022 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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 contained within the annual report. 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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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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' 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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors.

**Rainbowwave Limited**

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

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The audit engagement team identified the risk of management override of controls, revenue recognition and the recoverability of debtors as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the recognition of revenue alongside substantive testing, and reviewing the basis for the level of bad debt provisions in place and assessing the quantum of debtors received after the year-end.

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.



Jayesh Gandesha FCCA (Senior Statutory Auditor)  
for and on behalf of Davis Grant Limited  
Chartered Certified Accountants and  
Statutory Auditors  
Treviot House  
186-192 High Road  
Ilford  
Essex  
IG1 1LR

Date: .....  
5<sup>th</sup> October 2023

**Rainbowwave Limited**  
Statement of Comprehensive Income  
For the year ended 31 December 2022

	Note	Year end 2022 £'000	Year End 2021 £'000
Turnover	1	6,346	5,164
Cost of sales		(2,799)	(1,382)
<b>Gross profit</b>		<b>3,547</b>	<b>3,782</b>
Administrative expenses		(3,601)	(3,026)
<b>Operating (loss) / profit</b>	2	<b>(56)</b>	<b>756</b>
Interest payable	6	(19)	(2)
<b>(Loss) / profit before taxation</b>		<b>(73)</b>	<b>754</b>
Tax on profit	7	(10)	(123)
<b>Total Comprehensive Income for the year</b>		<b>(83)</b>	<b>631</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 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>FIXED ASSETS</b>					
Tangible assets	9		250		296
Intangible assets	10		62		67
Investments	11		-		-
<b>TOTAL FIXED ASSETS</b>			<b>312</b>		<b>363</b>
<b>CURRENT ASSETS</b>					
Stock	12	148		60	
Debtors	13	3,174		3,240	
Cash at bank		292		297	
		<b>3,614</b>		<b>3,597</b>	
<b>CREDITORS: amounts falling due within one year</b>	14	<b>(1,026)</b>		<b>(857)</b>	
<b>NET CURRENT ASSETS</b>			<b>2,588</b>		<b>2,740</b>
<b>Total assets less current liabilities</b>			<b>2,900</b>		<b>3,103</b>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<b>(112)</b>		<b>(167)</b>
Provisions	17		(59)		(54)
<b>NET ASSETS</b>			<b>2,729</b>		<b>2,882</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		100		100
Capital contribution reserve			177		175
Profit and loss account			2,452		2,607
<b>SHAREHOLDERS FUNDS</b>			<b>2,729</b>		<b>2,882</b>

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 5<sup>th</sup> October 2023 date and signed on behalf by:



Name: M L Kambouroglou  
Status: Director  
Company number 04501620

**Rainbowwave Limited**  
Statement of Changes in Equity  
As at 31 December 2022

	Share Capital	Capital Contribution Reserve	Profit Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	100	96	2,201	2,397
<b>Year ended 31 December 2021</b>				
Profit and total comprehensive income for the period	-	-	631	631
Share-based payment	-	79	-	79
Dividends paid in the period	-	-	(225)	(225)
<b>Balance at 31 December 2021</b>	<b>100</b>	<b>175</b>	<b>2,607</b>	<b>2,882</b>
<b>Year ended 31 December 2022</b>				
Loss and total comprehensive income for the year	-	-	(83)	(83)
Share-based payment	-	2	-	2
Dividends paid in the year	-	-	(72)	(72)
<b>Balance at 31 December 2022</b>	<b>100</b>	<b>177</b>	<b>2,452</b>	<b>2,729</b>

**Rainbowwave Limited**

Accounting Policies  
As at 31 December 2022

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**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.

The company has taken advantage of the exemption under FRS102 to not present a cash flow statement as it is a subsidiary undertaking.

**GOING CONCERN**

The Director and core management team continue to monitor the impact of COVID-19 on future operating performance of the company and continue to ensure that both the staff and clients wellbeing are prioritised.

The Ukraine war has impacted the Company as a few brands productions were being impacted. The management team looked at alternate manufacturers to aid the brands who are being affected.

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**

Accounting Policies

As at 31 December 2022

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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 and rendering of services 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.

**SHARE-BASED PAYMENTS**

The group operates an equity-settled, share-based compensation plan, for certain employees. Equity settled share-based payments are measured at fair value at the date of the grant using an estimate based on a valuation using a multiple of profits plus cash in hand. The expected life used in the model has been adjusted based on management's best estimate for the effect of non-transferability and behavioural considerations. The fair value determined at the grant date is expensed on a straight line basis over the vesting period based on the estimate of the shares that will eventually vest. The company recharges the costs of the awards and the expense is recognised in the company statement of comprehensive income and a capital contribution reserve is reflected in the company statement of financial position.

**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

**Rainbowwave Limited**

Accounting Policies

As at 31 December 2022

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**INTANGIBLE FIXED ASSETS**

Where the internal development of designs for future collections (classified as Intangible Assets) is expected to generate future revenues in excess of the costs of the development that cost is treated as an intangible fixed asset. It is the Group's policy to write these development costs off over five years.

**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.

**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.

## **Rainbowwave Limited**

Accounting Policies  
As at 31 December 2022

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### **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.

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.

**Rainbowwave Limited**

Accounting Policies

As at 31 December 2022

**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 and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

(c) Share-based payments

The recognition of share-based payments required the measurement of the shares fair value. Fair values are determined by reference to the expected returns, an estimated expected life of ten years, an industry benchmarked earnings multiple and an expected dividend yield of £nil. Details of share based payments are given in note 18.

(d) Revenue recognition and accrued income

Revenue recognition is subject to estimation uncertainty regarding sales commission earned but not yet invoiced or reported by third parties. It requires judgement regarding the level of sales and the associated credit risk for those sales. The measurement of revenue is determined based upon information received from third parties which include third party brands and stores alongside the director and management teams prior experience with customers and other reasonable factors. Rainbowwave recognise that there is an associated risk in reported sales and returns from end customers and makes adjustments for this.

**Rainbowwave Limited**  
Notes to the financial statements  
As at 31 December 2022

**1 Turnover and other revenue**

Turnover analysed by geographical market	Year end 2022 £'000	Year end 2021 £'000
United Kingdom	6,346	5,164
	<u>6,346</u>	<u>5,164</u>

**2 Operating profit**

Operating profit for the year is stated after charging/(crediting):	Year end 2022 £'000	Year end 2021 £'000
Exchange (gains) / losses	(106)	34
Depreciation of owned tangible fixed assets	106	33
Amortisation of owned intangible fixed assets	38	-
Operating lease charges	293	168
Share-based payments	2	79

**3 Auditors remuneration**

Fees payable to the company's auditor and associates	Year end 2022 £'000	Year end 2021 £'000
<b>For audit services</b>		
Audit of the financial statements of the company	30	21
<b>For other services</b>		
Taxation compliance services	5	8

**Rainbowwave Limited**

Notes to the financial statements

As at 31 December 2022

**4 Employees**

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

	Year end 2022 £'000	Year end 2021 £'000
Sales staff	31	29
Administration staff	8	7
	<u>39</u>	<u>36</u>

The aggregate remuneration comprised:

	Year end 2022 £'000	Year end 2021 £'000
Wages and salaries	1,726	1,577
Social security costs	200	197
Pension costs	96	94
	<u>2,022</u>	<u>1,868</u>

**5 Director's remuneration**

	Year end 2022 £'000	Year end 2021 £'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 2022

**6 Interest payable and similar charges**

Year end 2022 £'000	Year end 2021 £'000
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Interest payable	19	2
	<u>19</u>	<u>2</u>

**7 Taxation**

**Current year tax charge**

Year end 2022 £'000	Year End 2021 £'000
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(Loss) / profit before taxation on continued operations	(74)	754
	<u>(74)</u>	<u>754</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax (19%)	(14)	143
Capital allowances in excess of depreciation	10	-
Expenses not deductible for tax purposes at 19%	63	(15)
Group relief surrendered	(59)	(13)
Other	-	8
	<u>1</u>	<u>123</u>

**Deferred tax charge**

Year end 2022 £'000	Year end 2021 £'000
------------------------------	------------------------------

Short term timing differences	5	-
Tax losses not recognised	-	-
Adjustment in respect of change of rate	-	-
Adjustment in respect of prior years	4	-
	<u>9</u>	<u>-</u>

<b>Total tax charge</b>	<u>10</u>	<u>123</u>
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**Rainbowwave Limited**

Notes to the financial statements

As at 31 December 2022

**8 Dividends**

Dividends of £72,000 were paid during the year (2021: £225,000).

**9 Tangible fixed assets**

	Fixtures	IT equipment	Total
	£'000	£'000	£'000
<b>Cost</b>			
As at 1 January 2022	425	72	497
Additions	38	22	60
Transfers	-	-	-
Disposals	-	-	-
<b>As at 31 December 2022</b>	<b>463</b>	<b>94</b>	<b>557</b>
<b>Depreciation</b>			
As at 1 January 2022	158	43	201
Depreciation charged in the year	97	9	106
Transfers	-	-	-
Disposals	-	-	-
<b>As at 31 December 2022</b>	<b>255</b>	<b>52</b>	<b>307</b>
<b>Carrying amount</b>			
As at 31 December 2021	267	29	296
<b>As at 31 December 2022</b>	<b>208</b>	<b>42</b>	<b>250</b>

**Rainbowwave Limited**

Notes to the financial statements

As at 31 December 2022

**10 Intangible fixed assets**

	IT Development	Total
	£'000	£'000
<b>Cost</b>		
As at 1 January 2022	133	133
Transfers	-	-
Additions	33	33
Disposals	-	-
<b>As at 31 December 2022</b>	<u>166</u>	<u>166</u>
<b>Amortisation</b>		
As at 1 January 2022	67	67
Transfers	-	-
Amortisation charged in the year	38	38
Disposals	-	-
<b>As at 31 December 2022</b>	<u>105</u>	<u>105</u>
<b>Carrying amount</b>		
As at 31 December 2021	<u>67</u>	<u>67</u>
<b>As at 31 December 2022</b>	<u>62</u>	<u>62</u>

**11 Fixed Asset investment**

	2022 £'000	2021 £'000
Cost and net book value		
As at 31 December	<u>-</u>	<u>-</u>

The investments represent the following

Investment	Class Of Share	Country Of Incorporation	% Holding	Nature of business
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 results of Rainbowwave NYC Ltd. have been included in the consolidated financial statements of Rainbowwave Holdings Limited. Rainbowwave NYC Ltd. is exempt from the completion of an audit as an individual entity.

**Rainbowwave Limited**

Notes to the financial statements

As at 31 December 2022

12 Stock	Group 2022 £'000	Group 2021 £'000
Stock for resale	148	155
	<u>148</u>	<u>155</u>
<p>Stock is valued at the lower of cost or net realisable value with any difference expensed in the profit and loss account.</p>		
13 Debtors: due within one year	2022 £'000	2021 £'000
Trade debtors	1,477	1,377
Amounts due from group company	354	677
Other debtors	15	209
Prepayments and accrued income	1,253	977
Associated debtor	28	-
Director's loan	47	-
	<u>3,174</u>	<u>3,240</u>
14 Creditors: amounts falling due within one year	2022 £'000	2021 £'000
Trade creditors	426	311
Amounts due to group company	290	-
Corporation tax	-	136
Other taxation and social security	127	111
Other creditors	5	13
Accruals and deferred income	104	212
Bank loans and overdrafts	74	74
	<u>1,026</u>	<u>857</u>

There is a charge on the assets of the company for £52,000 (2021: £52,000) with Cumbrae 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 2022

15 Creditors: amounts falling due after more than one year	2022 £'000	2021 £'000
Bank loans and overdrafts	112	167
	112	167
16 Bank loans and overdrafts	2022 £'000	2021 £'000
Bank loans	185	241
Payable within one year	74	74
Payable after one year	112	167
	186	241

A five year loan is repayable by October 2025 with market rates of interest. It is an unsecured loan and agreed under the UK Government's Coronavirus Business Interruption Scheme.

17 Provisions	2022 £'000	2021 £'000
Deferred tax liabilities (see note 18)	59	54
	59	54
18 Deferred taxation		

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

	Liabilities 2022 £'000	Liabilities 2021 £'000
Accelerated capital allowances	59	54
	59	54
	2022 £'000	
Liability at 1 January 2022	54	
Credit to profit or loss	5	
	59	

**Rainbowwave Limited**  
Notes to the financial statements  
As at 31 December 2022

**19 Share capital and reserves**

	2022 £'000	2021 £'000
<b>Ordinary share capital</b>		
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.

The capital contribution reserve is the cumulative provision for share-based transactions expensed in the profit and loss account (see note 20).

**20 Share-based payment transactions**

	2022 £'000	2021 £'000
<b>Expenses recognised in the year</b>		
Arising from equity settled share-based payment transactions	2	96
	<u>2</u>	<u>96</u>

The above expense relates to share options in the holding company where further details can be found.

**21 Operating lease commitments**

At the period end date, the group had outstanding commitments for future minimum rentals payable under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Within one year	373	326
In two to five years	1,845	1,681
In over five years	2,013	2,550
	<u>4,231</u>	<u>4,557</u>

**Rainbowwave Limited**Notes to the financial statements  
As at 31 December 2022

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**22 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.

The company has a current account balance with a company called Rainbowwave Retail Limited that is owned by the majority shareholder of the company. The balance owing of £22,000 (2021: £213,000) is disclosed in Debtors: due within one year. Recharged expense of £54,000 (2021: £36,000) were made to Rainbowwave Retail Limited at the Company's usual list prices.

The company has a current account balance with a company called Hejira 1976 Limited that is owned by the majority shareholder of the company. The balance owing of £6,000 (2021: £1,000) is disclosed in Debtors: due within one year.

**23 Directors' advances, credits and guarantees**

The following advances and credits to a director subsisted during the year ended 31 December 2022 and prior year as follows:

	2022	2021
	£000	£'000
Amounts advanced	47	-
Amounts repaid	-	-

**24 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