

RAINBOW PLANTS LTD
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

RAINBOW PLANTS LTD
REGISTERED NUMBER:09778319

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	18,000	36,000
Tangible assets	5	164,624	166,952
		<u>182,624</u>	<u>202,952</u>
Current assets			
Stocks	6	387,255	352,050
Debtors: amounts falling due within one year	7	21,364	169,854
Cash at bank and in hand		194,814	69,329
		<u>603,433</u>	<u>591,233</u>
Creditors: amounts falling due within one year	8	(367,260)	(471,831)
Net current assets		<u>236,173</u>	<u>119,402</u>
Total assets less current liabilities		<u>418,797</u>	<u>322,354</u>
Net assets		<u><u>418,797</u></u>	<u><u>322,354</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		418,697	322,254
		<u><u>418,797</u></u>	<u><u>322,354</u></u>

RAINBOW PLANTS LTD
REGISTERED NUMBER:09778319

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2020.

P Rider
Director

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

Rainbow Plants Limited is a private company, limited by shares, domiciled in England and Wales. The registered office is Woodys, Holcombe Lane, Ottery St Mary, Devon, England, EX11 1PG.

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 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.

2.3 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 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 and on the reducing balance basis. .

Depreciation is provided on the following basis:

Long-term leasehold property	-	5%	straight line
Plant and machinery	-	15%	reducing balance
Motor vehicles	-	20%	reducing balance
Computer equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each 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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

2.13 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 11 (2018 - 10).

RAINBOW PLANTS LTD

NOTES TO THE FINANCIAL STATEMENTS
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4. Intangible assets

	Goodwill £
Cost	
At 1 October 2018	90,000
At 30 September 2019	90,000
Amortisation	
At 1 October 2018	54,000
Charge for the year	18,000
At 30 September 2019	72,000
Net book value	
At 30 September 2019	18,000
At 30 September 2018	36,000

RAINBOW PLANTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2018	31,654	142,424	49,606	-	223,684
Additions	-	26,783	(2,695)	1,440	25,528
At 30 September 2019	31,654	169,207	46,911	1,440	249,212
Depreciation					
At 1 October 2018	1,583	41,289	13,860	-	56,732
Charge for the year on owned assets	1,583	19,188	6,610	475	27,856
At 30 September 2019	3,166	60,477	20,470	475	84,588
Net book value					
At 30 September 2019	28,488	108,730	26,441	965	164,624
At 30 September 2018	30,071	101,135	35,746	-	166,952

6. Stocks

	2019 £	2018 £
Raw materials and consumables	387,255	352,050
	<u>387,255</u>	<u>352,050</u>

7. Debtors

	2019 £	2018 £
Trade debtors	21,364	169,854
	<u>21,364</u>	<u>169,854</u>

RAINBOW PLANTS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	48,319	36,528
Corporation tax	28,010	23,270
Other taxation and social security	35,756	55,437
Obligations under finance lease and hire purchase contracts	-	2,777
Other creditors	253,504	352,149
Accruals and deferred income	1,671	1,670
	<u>367,260</u>	<u>471,831</u>

9. 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 £3,969 (2018 - £3,417) . Contributions totalling £769 (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

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.