

Registered number: 03776053

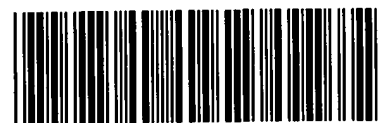
RAG COLLECTIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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RAG COLLECTIONS LIMITED
REGISTERED NUMBER: 03776053

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	364,631	314,473
		<u>364,631</u>	<u>314,473</u>
Current assets			
Stocks	6	45,310	33,515
Debtors	7	2,488,065	2,001,695
Cash at bank and in hand	8	605,366	669,409
		<u>3,138,741</u>	<u>2,704,619</u>
Creditors: amounts falling due within one year	9	(2,676,531)	(2,318,909)
Net current assets		<u>462,210</u>	<u>385,710</u>
Total assets less current liabilities		<u>826,841</u>	<u>700,183</u>
Creditors: amounts falling due after more than one year	10	(96,503)	(59,914)
Provisions for liabilities			
Deferred tax	13	(74,869)	(58,072)
		<u>(74,869)</u>	<u>(58,072)</u>
Net assets		<u>655,469</u>	<u>582,197</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		655,467	582,195
		<u>655,469</u>	<u>582,197</u>

RAG COLLECTIONS LIMITED
REGISTERED NUMBER: 03776053

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2022

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

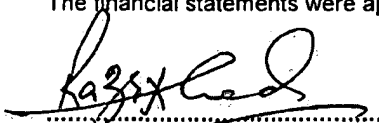
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr R Ahmed
Director

Date: 27/06/23

The notes on pages 4 to 13 form part of these financial statements.

RAG COLLECTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2020	2	452,191	452,193
Comprehensive income for the year			
Profit for the year	-	130,004	130,004
At 1 October 2021	2	582,195	582,197
Comprehensive income for the year			
Profit for the year	-	73,272	73,272
At 30 September 2022	2	655,467	655,469

The notes on pages 4 to 13 form part of these financial statements.

RAG COLLECTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

Rag Collections Limited is a private company, limited by shares, and incorporated in England and Wales. The company registration number is 03776053 and the registered office is 46-48 Portman Road, Reading, RG30 1EA.

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 financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2020 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.6 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 comprehensive income 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.

2.7 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)**2.9 Finance costs**

Finance costs are charged to the statement of comprehensive income 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.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)**2.11 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

L/Term Leasehold Property	- Over the lease period
Plant and machinery	- 3 years straight line
Motor vehicles	- 4 years straight line
Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years 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 profit or loss.

2.12 Stocks

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

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 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.

2.14 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.

2.15 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.

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.16 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 ordinary shares.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 71 (2021: 66).

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

4. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	(4,767)	-
	<u>(4,767)</u>	<u>-</u>
Total current tax	<u>(4,767)</u>	<u>-</u>
Deferred tax		
Fixed asset timing differences	12,747	52,370
Short term timing differences	(1,683)	(999)
Losses and other deductions	5,733	159
Effect of change in future tax rate	-	2,662
Total deferred tax	<u>16,797</u>	<u>54,192</u>
Taxation on profit on ordinary activities	<u>12,030</u>	<u>54,192</u>

There were no factors that may affect future tax charges.

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

5. Tangible fixed assets

	L/Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 October 2021	53,276	227,289	803,826	209,298	142,297	1,435,986
Additions	-	7,685	168,101	24,938	28,658	229,382
Disposals	-	(6,000)	-	-	-	(6,000)
At 30 September 2022	<u>53,276</u>	<u>228,974</u>	<u>971,927</u>	<u>234,236</u>	<u>170,955</u>	<u>1,659,368</u>
Depreciation						
At 1 October 2021	45,485	191,437	637,144	108,897	138,550	1,121,513
Charge for the year on owned assets	831	27,372	88,200	52,803	7,851	177,057
Disposals	-	(3,833)	-	-	-	(3,833)
At 30 September 2022	<u>46,316</u>	<u>214,976</u>	<u>725,344</u>	<u>161,700</u>	<u>146,401</u>	<u>1,294,737</u>
Net book value						
At 30 September 2022	<u>6,960</u>	<u>13,998</u>	<u>246,583</u>	<u>72,536</u>	<u>24,554</u>	<u>364,631</u>
At 30 September 2021	<u>7,791</u>	<u>35,852</u>	<u>166,682</u>	<u>100,401</u>	<u>3,747</u>	<u>314,473</u>

6. Stocks

	2022 £	2021 £
Stocks	<u>45,310</u>	<u>33,515</u>
	<u>45,310</u>	<u>33,515</u>

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	2,239,438	1,736,760
Other debtors	77,345	40,643
Prepayments and accrued income	171,282	224,292
	<u>2,488,065</u>	<u>2,001,695</u>

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	605,366	669,409
	<u>605,366</u>	<u>669,409</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	10,000	10,000
Trade creditors	1,599,516	1,200,448
Other taxation and social security	31,384	66,348
Obligations under finance lease and hire purchase contracts	68,470	33,671
Other creditors	173,569	351,690
Accruals and deferred income	793,592	656,752
	<u>2,676,531</u>	<u>2,318,909</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

	2022 £	2021 £
Bank loans	26,667	36,667
Net obligations under finance leases and hire purchase contracts	69,836	23,247
	<u>96,503</u>	<u>59,914</u>

Obligations under hire purchase contracts are secured on the assets to which they relate.

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	10,000	10,000
Amounts falling due 1-2 years		
Bank loans	10,000	10,000
Amounts falling due 2-5 years		
Bank loans	16,667	26,667
	<u>36,667</u>	<u>46,667</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	68,470	32,314
Between 1-5 years	69,836	24,604
	<u>138,306</u>	<u>56,918</u>

RAG COLLECTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

13. Deferred taxation

	2022 £
At beginning of year	58,072
Charged to profit or loss	16,797
At end of year	74,869

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	89,418	76,671
Tax losses carried forward	(6,471)	(4,788)
Other short term timing differences	(8,078)	(13,811)
	74,869	58,072

14. Pension commitments

The company operates a defined contribution pension scheme for certain employees. 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 £25,477 (2021: £19,151). Employers and employee pension contributions of £25,285 (2021: £24,891) are outstanding at 30 September 2022 and are included in creditors.

15. Related party transactions

At the year end, the company owed £18,573 (2021: £133,762) to Mr R Ahmed, the director and a shareholder of the company, in respect of unsecured loans and accumulated interest. Interest payable for the year totalled £8,580 (2021: £9,417). The loan is repayable on demand.

At the balance sheet date, a net amount of £30,000 (2021: £30,000) was due to TMJ Textiles SPZOO, a company incorporated in Poland of which the director of Rag Collections Limited, Mr R Ahmed, is the director and shareholder. The loan is unsecured, interest free and repayable on demand.

16. Controlling party

The company was under the control of Mr R Ahmed and Mrs S Ahmed throughout the current and previous year, who own 100% of the issued share capital of the company.