

Company Registration No. 07376100 (England and Wales)

RIVERS LEASING PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

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RIVERS LEASING PLC

COMPANY INFORMATION

Directors	R Daryani M D Friend S C Bassett
Secretary	J Nicholson
Company number	07376100
Registered office	Amba House 15 College Road Harrow Middlesex HA1 1BA
Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
Bankers	Natwest Bank PLC City of London Office 1 Princess Street London EC2R 8BP
Solicitors	Bermans LLP Cardinal House 20 St Mary's Prsonage Manchester M3 2LY

RIVERS LEASING PLC

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RIVERS LEASING PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Business review

The group's operations were severely interrupted by the effect of the Covid pandemic which resulted in the downturn of business activities. The effect of the pandemic during the past periods interrupted the consistent growth in lending, turnover and the portfolio since 2012.

The management responded to the pandemic by adopting a short-term change to its usual lending and portfolio growth strategy. A large proportion of the customer base had their ability to trade significantly interrupted by lockdowns. This in turn effected their ability to service their agreements with the group, consequently impacting our own cash flow. We adopted a strategy for the financial year of suspending lending, pro-actively managing cash and accelerating the repayment of debt.

We worked closely with our funders and secured forbearance arrangements while extending forbearance on leases and loans to our own customers where each case was handled and reviewed individually. During the year, the company came out of the forbearance arrangement with its lenders and is pleased to note that it was able to continue servicing its debt through the challenging environment.

The company acquired new funding in the year and has commenced lending to customers. It has noted a positive growth in operations as the economy recovers from the pandemic.

The Directors are pleased to report that the assets acquired for the purpose of letting under finance lease or business loans increased from £0.48 million in 2021 to £6.2 million in 2022, total funder debt was £9.7 million in 2022 compared to £10.7 million in 2021.

Gross profit for the year has decreased from £2,100,080 in the prior year to £1,911,457 in the current year and operating profit before interest charges increased from £729,413 in 2021 to £987,017 in 2022. The group returned a profit before tax of £163,005 compared to a loss before tax of £500,672 in the prior year.

The net assets position increased from £12,793 in prior year to £163,837 at the year-end.

Principal risks and uncertainties

The Directors have considered the principal risks and uncertainties facing the group and company and they continue to assess the significant on going and emerging risks facing the business which fall broadly into the following four categories; strategic/commercial, operational, systems and financial risks.

The Directors are focused on growth of the business within the context of robust risk management framework and have set a clearly defined credit policy with prescriptive underwriting guidelines which are reviewed and updated regularly.

Future Development

We delivered financial results for the year 2021/22 in line with our expectations. As we emerge from the pandemic we will return to our strategy of strong lending, turnover and portfolio growth. The directors aim to continue with the management policies which have resulted in the group's steady organic growth. They consider that 2022/23 will be a challenging year with the impact of inflation being felt on the operations. This has been further explained on page 2.

The Directors believe the resilient performance and financial position bears out the robustness of the business today and into the future.

Key performance indicators

The key performance indicator of the group is the level of gross receivables (including unearned future finance income on finance leases) which at the balance sheet date for the group were £14,182,611 (2021: £15,501,210).

The key non-financial performance indicators of the group are relationships with key lenders and stakeholders, and customer service satisfaction.

RIVERS LEASING PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Section 172 statement

As per the Companies Act, it is a requirement that the director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

The Board of Directors is actively involved in the formulation of the company's strategy, including consideration of how decisions made will impact the long-term.

The company recognises the important role that employees play in the success of the business and ensure that the health, safety and well-being of employees is a top priority.

The Board ensures that dealings with customers, lenders and other stakeholders are fair and transparent as we recognise that they are a key part of the success of the business.

We behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance.

Going concern

In the prior period, due to the challenges experienced in collections from customers, the company entered into loan forbearance with its block lenders and private funders in April 2020. The group has a history of meeting all obligations when they fall due and thus took this initiative to ensure that it was able to continue operations and thus repay all its debts as it monitored the performance of its customers.

The group noted the resumption of repayments from its customers and thus made capital and interest payments to its block funders and private lenders ending up coming out of the forbearance arrangement during the year.

We received support from the government scheme including the Furlough scheme and deferral of vat liability with HMRC to help mitigate fixed costs of the business.

The directors are continuously monitoring the impact of the inflationary pressures on the operations and adopting policies to mitigate its impact on the performance of the group. They have factored in the increase in operational costs in the daily operations and forecasts.

During the year, the Group entered into an initial £6.25 million growth financing package with a Bank. This finance package comprises favourable borrowing terms, revolving credit facilities, CBILS and term loans as well as finance to launch a new wholesale funding business. The Bank has also taken a minority equity position in the parent entity of the company.

In addition, during the year the Group raised £3 million under its listed medium term loan note programme.

The group has produced forecasts for the next 12 months which considers the inflationary increase in operational costs.

With the current trading reflecting improved collections from customers and financial support from the lenders and shareholders, the expectation of the directors is that they will be able to meet the liabilities as they fall due in the next 12 months.

The financial statements are therefore prepared on a going concern basis.

On behalf of the board


R Daryani
Director

9 August 2022

RIVERS LEASING PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company and group continued to be that of equipment leasing and the provision of business loans.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

R Daryani
M D Friend
S C Bassett

Auditor

The auditor, KLSA LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

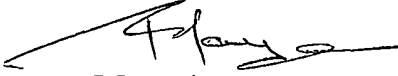
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

RIVERS LEASING PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

On behalf of the board



R Daryani
Director

9 August 2022

RIVERS LEASING PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIVERS LEASING PLC

Opinion

We have audited the financial statements of Rivers Leasing PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 group's and parent 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. 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 our audit:

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

RIVERS LEASING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RIVERS LEASING PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the company financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

RIVERS LEASING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RIVERS LEASING PLC

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error.

Fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through an act of collusion that would mitigate internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Shilpa Chheda (Senior Statutory Auditor)
For and on behalf of KLSA LLP

9 August 2022

Chartered Accountants
Statutory Auditor

Kalamu House
11 Coldbath Square
London
EC1R 5HL

RIVERS LEASING PLC

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	2,616,681	3,177,090
Cost of sales		(705,224)	(1,077,010)
Gross profit		1,911,457	2,100,080
Administrative expenses		(952,600)	(1,466,387)
Other operating income		28,160	95,720
Operating profit	4	987,017	729,413
Interest payable and similar expenses	7	(824,012)	(1,230,085)
Profit/(loss) before taxation		163,005	(500,672)
Tax on profit/(loss)	8	(11,961)	156,499
Profit/(loss) for the financial year		151,044	(344,173)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

RIVERS LEASING PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit/(loss) for the year	151,044	(344,173)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>151,044</u>	<u>(344,173)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

RIVERS LEASING PLC

GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	9		7,786		8,154
Current assets					
Debtors	12	12,077,811		12,916,539	
Cash at bank and in hand		696,138		511,516	
		12,773,949		13,428,055	
Creditors: amounts falling due within one year	13	(4,775,447)		(5,734,389)	
Net current assets			7,998,502		7,693,666
Total assets less current liabilities			8,006,288		7,701,820
Creditors: amounts falling due after more than one year	14		(7,840,413)		(7,686,989)
Provisions for liabilities					
Deferred tax liability	16	2,038	(2,038)	2,038	(2,038)
Net assets			163,837		12,793
Capital and reserves					
Called up share capital	18		50,000		50,000
Profit and loss reserves			113,837		(37,207)
Total equity			163,837		12,793

The financial statements were approved by the board of directors and authorised for issue on 9 August 2022 and are signed on its behalf by:



R Daryani
Director

RIVERS LEASING PLC

COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	9		7,786		8,154
Investments	10		6,001		6,001
			<u>13,787</u>		<u>14,155</u>
Current assets					
Debtors falling due after more than one year	12	7,908,251		7,714,764	
Debtors falling due within one year	12	4,081,158		5,201,775	
Cash at bank and in hand		665,338		511,515	
		<u>12,654,747</u>		<u>13,428,054</u>	
Creditors: amounts falling due within one year	13	<u>(4,749,639)</u>		<u>(5,734,388)</u>	
Net current assets			<u>7,905,108</u>		<u>7,693,666</u>
Total assets less current liabilities			<u>7,918,895</u>		<u>7,707,821</u>
Creditors: amounts falling due after more than one year	14		<u>(7,846,413)</u>		<u>(7,692,990)</u>
Provisions for liabilities					
Deferred tax liability	16	2,038		2,038	
		<u>(2,038)</u>		<u>(2,038)</u>	
Net assets			<u><u>70,444</u></u>		<u><u>12,793</u></u>
Capital and reserves					
Called up share capital	18		50,000		50,000
Profit and loss reserves			20,444		(37,207)
Total equity			<u><u>70,444</u></u>		<u><u>12,793</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £57,651 (2021 - £344,173 loss).

These financial statements have been prepared 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 9 August 2022 and are signed on its behalf by:



R Daryani
Director

Company Registration No. 07376100

RIVERS LEASING PLC

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	50,000	306,966	356,966
Year ended 31 March 2021:			
Loss and total comprehensive income for the year	-	(344,173)	(344,173)
Balance at 31 March 2021	50,000	(37,207)	12,793
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	151,044	151,044
Balance at 31 March 2022	50,000	113,837	163,837

RIVERS LEASING PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2020	50,000	306,966	356,966
Year ended 31 March 2021:			
Loss and total comprehensive income for the year	-	(344,173)	(344,173)
Balance at 31 March 2021	50,000	(37,207)	12,793
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	57,651	57,651
Balance at 31 March 2022	50,000	20,444	70,444

RIVERS LEASING PLC

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		1,943,848		10,511,510
Income taxes refunded			92,718		29,918
Net cash inflow from operating activities			2,036,566		10,541,428
Investing activities					
Purchase of tangible fixed assets		(8,452)		(562)	
Net cash used in investing activities			(8,452)		(562)
Financing activities					
Proceeds from borrowings		3,685,000		-	
Repayment of borrowings		(5,528,492)		(10,642,860)	
Net cash used in financing activities			(1,843,492)		(10,642,860)
Net increase/(decrease) in cash and cash equivalents			184,622		(101,994)
Cash and cash equivalents at beginning of year			511,516		613,510
Cash and cash equivalents at end of year			696,138		511,516

RIVERS LEASING PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	1,913,049		10,511,509	
Income taxes refunded		92,718		29,918	
Net cash inflow from operating activities		2,005,767		10,541,427	
Investing activities					
Purchase of tangible fixed assets		(8,452)		(562)	
Net cash used in investing activities		(8,452)		(562)	
Financing activities					
Proceeds from borrowings		3,685,000		-	
Repayment of borrowings		(5,528,492)		(10,642,860)	
Net cash used in financing activities		(1,843,492)		(10,642,860)	
Net increase/(decrease) in cash and cash equivalents		153,823		(101,995)	
Cash and cash equivalents at beginning of year		511,515		613,510	
Cash and cash equivalents at end of year		665,338		511,515	

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Rivers Leasing PLC ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Amba House, 15 College Road, Harrow, HA1 IBA.

The group consists of Rivers Leasing PLC and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

1.2 Business combinations

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

1.3 Basis of consolidation

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.4 Going concern

The group is financed by equity, shareholders and other loans. The group is therefore dependent upon its shareholders and other lenders for continued financial support.

At the time of approving the financial statements, the group has net current assets of £7,998,502 (2021: £7,693,666) and net assets of £163,837 (2021: £12,793).

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The impact of COVID-19 on the operations of our business has been explained in the strategic report of these financial statements. In light of this, the directors reviewed and assessed forecast cash flows including sensitivity to trading and expenditure plans, and for the potential impact of uncertainties including Brexit and the COVID-19 pandemic. The directors also considered the group's financing facilities and future funding plans.

The shareholders will continue to provide financial support to the group as required and thus the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In addition, the directors aren't aware of any unlikely event, conditions and business risks beyond this point that may cast a significant doubt on the company's ability to continue as a going concern.

Based on this, we confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate.

1.5 Turnover

Assets leased to customers on finance lease are recognised on the basis of the net investment in the lease. Finance lease income is allocated to accounting periods to give a constant periodic rate of return to the company's net cash investment in the lease in each period recognised on an actuarial basis. Document fees and charges are accounted for when receivable.

The finance income on agreements under default is recognised based on settlements received from the customer.

1.6 Tangible fixed assets

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

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

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

Plant and equipment	33.33% straight line basis
Fixtures and fittings	33.33% straight line basis

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

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

1.7 Fixed asset investments

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to the related parties and investments in the non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade receivable or payable, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instruments constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 is found, an impairment loss is recognised in the income statement.

For financial asset measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring an impairment loss is the current effective interest rate determined under the contract

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, 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 amounts reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include short term debtors and cash and bank balances.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loan 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 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 group'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 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.

1.13 Employee benefits

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

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

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

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.14 Retirement benefits

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

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on carrying amount. Commission fees paid to brokers are spread over 2 years.

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of 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 considered to be 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.

Critical judgements

The following judgements (apart from those involving estimates) made by the directors have had the most significant effect on amounts recognised in the financial statements.

Classification of leases

Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Impairment of debtors

The recoverability of debtors is reviewed on a monthly basis and a provision is made for debtors that have defaulted and there is limited likelihood to recover the debt from a guarantor or from the sale of any repossessed asset. These provisions require judgements to be made which include the likelihood of recovery and cost of sale of the asset.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful life of property, plant and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Turnover	2,616,681	3,177,090
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other significant revenue		
Grants received	28,160	95,720
	<u> </u>	<u> </u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(28,160)	(95,720)
Depreciation of owned tangible fixed assets	8,820	10,329
	<u>8,820</u>	<u>10,329</u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	13,000	10,000
Audit of the financial statements of the company's subsidiaries	3,000	-
	<u>16,000</u>	<u>10,000</u>

6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Average number of employees	11	12	11	12
	<u>11</u>	<u>12</u>	<u>11</u>	<u>12</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	359,290	385,756	359,290	385,756
Social security costs	36,347	37,123	36,347	37,123
Pension costs	4,482	5,098	4,482	5,098
	<u>400,119</u>	<u>427,977</u>	<u>400,119</u>	<u>427,977</u>

7 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Finance costs for financial instruments measured at fair value through profit or loss	824,012	1,230,085
	<u>824,012</u>	<u>1,230,085</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	31,156	-
Adjustments in respect of prior periods	(19,195)	(103,456)
Total current tax	<u>11,961</u>	<u>(103,456)</u>
Deferred tax		
Origination and reversal of timing differences	-	(53,043)
Total tax charge/(credit)	<u>11,961</u>	<u>(156,499)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	<u>163,005</u>	<u>(500,672)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	30,971	(95,128)
Tax effect of expenses that are not deductible in determining taxable profit	597	553
Tax effect of utilisation of tax losses not previously recognised	-	(13,916)
Adjustments in respect of prior years	-	(16,006)
Group relief	(19,195)	19,195
Deferred tax adjustments in respect of prior years	-	(53,053)
Depreciation in excess of capital allowance	(412)	1,856
Taxation charge/(credit)	<u>11,961</u>	<u>(156,499)</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	7,228	86,636	93,864
Additions	-	8,452	8,452
At 31 March 2022	<u>7,228</u>	<u>95,088</u>	<u>102,316</u>
Depreciation and impairment			
At 1 April 2021	7,228	78,482	85,710
Depreciation charged in the year	-	8,820	8,820
At 31 March 2022	<u>7,228</u>	<u>87,302</u>	<u>94,530</u>
Carrying amount			
At 31 March 2022	<u>-</u>	<u>7,786</u>	<u>7,786</u>
At 31 March 2021	<u>-</u>	<u>8,154</u>	<u>8,154</u>
Company	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	7,228	86,636	93,864
Additions	-	8,452	8,452
At 31 March 2022	<u>7,228</u>	<u>95,088</u>	<u>102,316</u>
Depreciation and impairment			
At 1 April 2021	7,228	78,482	85,710
Depreciation charged in the year	-	8,820	8,820
At 31 March 2022	<u>7,228</u>	<u>87,302</u>	<u>94,530</u>
Carrying amount			
At 31 March 2022	<u>-</u>	<u>7,786</u>	<u>7,786</u>
At 31 March 2021	<u>-</u>	<u>8,154</u>	<u>8,154</u>

10 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	11	<u>-</u>	<u>-</u>	<u>6,001</u>	<u>6,001</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Fixed asset investments (Continued)

Movements in fixed asset investments Company

Cost or valuation

At 1 April 2021 and 31 March 2022

Shares in
subsidiaries
£

6,001

Carrying amount

At 31 March 2022

6,001

At 31 March 2021

6,001

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Rivers Finance Limited	England and Wales	Finance company	Ordinary	100.00
Rivers SPV Limited	England and Wales	Equipment leasing company	Ordinary	100.00
Rivers Funding Limited	England and Wales	Finance company	Ordinary	100.00

Rivers Funding Limited was dormant for the year ended 31 March 2022.

12 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	3,908,318	4,904,935	3,469,149	4,904,935
Prepayments and accrued income	612,009	296,840	612,009	296,840
	<u>4,520,327</u>	<u>5,201,775</u>	<u>4,081,158</u>	<u>5,201,775</u>
Amounts falling due after more than one year:				
Trade debtors	7,557,484	7,714,764	7,042,591	7,714,764
Amounts owed by group undertakings	-	-	865,660	-
	<u>7,557,484</u>	<u>7,714,764</u>	<u>7,908,251</u>	<u>7,714,764</u>
Total debtors	<u>12,077,811</u>	<u>12,916,539</u>	<u>11,989,409</u>	<u>12,916,539</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors

(Continued)

Included within company and group debtors is £99,391 (2021: £Nil) of assets purchased for the purpose of letting under finance leases for which the lease commences shortly after 31 March 2022.

The amounts due from group undertakings are unsecured but are not interest free.

Included within trade debtors are net investments in finance leases and loans as analysed below:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Gross receivables from finance leases and loans:				
No later than 1 year	5,754,156	6,166,773	5,218,259	6,166,773
Later than 1 year and no later than 5 years	8,428,455	9,369,333	7,816,669	9,369,333
Unearned future finance income on finance leases and loans	(2,716,809)	(2,916,407)	(2,523,188)	(2,916,407)
	<u>11,465,802</u>	<u>12,619,699</u>	<u>10,511,740</u>	<u>12,619,699</u>

The finance leases and loans are receivable as follows:

	2022 £	2021 £	2022 £	2021 £
No later than 1 year	3,908,318	4,438,932	3,469,149	4,438,932
Later than 1 year and no later than 5 years	7,557,484	8,180,767	7,042,591	8,180,767
	<u>11,465,802</u>	<u>12,619,699</u>	<u>10,511,740</u>	<u>12,619,699</u>

The cost of assets acquired by the group for the purpose of letting under finance leases and loans was £6,174,869 (2021: £481,643).

All amounts are secured on the assets to which they relate.

13 Creditors: amounts falling due within one year

		Group 2022 £	2021 £	Company 2022 £	2021 £
	Notes				
Other borrowings	15	4,442,038	5,584,909	4,442,038	5,584,909
Trade creditors		126,804	37,672	126,804	37,672
Corporation tax payable		31,156	(73,523)	9,248	(73,523)
Other taxation and social security		130,488	144,580	129,588	144,580
Other creditors		6,286	6,170	6,286	6,170
Accruals and deferred income		38,675	34,581	35,675	34,580
		<u>4,775,447</u>	<u>5,734,389</u>	<u>4,749,639</u>	<u>5,734,388</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other borrowings	15	5,283,126	5,159,735	5,283,126	5,159,735
Amounts owed to group undertakings		2,557,287	2,527,254	2,563,287	2,533,255
		<u>7,840,413</u>	<u>7,686,989</u>	<u>7,846,413</u>	<u>7,692,990</u>

15 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Other loans	<u>9,725,164</u>	<u>10,744,644</u>	<u>9,725,164</u>	<u>10,744,644</u>
Payable within one year	4,442,038	5,584,909	4,442,038	5,584,909
Payable after one year	<u>5,283,126</u>	<u>5,159,735</u>	<u>5,283,126</u>	<u>5,159,735</u>

The outstanding amounts are repayable by either monthly or quarterly instalments over the period of the loan agreements. The loan agreements did not exceed five years from the end of the financial year ended 31 March 2022.

Other loans due within and after more than one year include £3,810,772 (2021: £2,947,661) secured by a debenture dated 2 January 2015 and a guarantee from the parent company, Rivers Finance Group Plc; and £2,337,610 (2021: £1,729,701) secured by guarantee from the director, R Daryani. Other loans due within and after more than one year of £2,466,095 (2021: £3,311,313) secured by a charge on the company.

Included within other loans are discounting loan facilities which are secured by the assignment of certain trade debtors of the company. The parent company, Rivers Finance Group Plc, and the director, R Daryani, have provided security and guarantees in respect of these loans.

The amounts owed to group undertakings are interest bearing and unsecured.

16 Deferred taxation

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

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	<u>2,038</u>	<u>2,038</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Deferred taxation (Continued)

Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	2,038	2,038

There were no deferred tax movements in the year.

17 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	4,482	5,098

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

18 Share capital

Ordinary share capital Issued and fully paid	2022 Number	2021 Number	2022 £	2021 £
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

19 Financial commitments, guarantees and contingent liabilities

The group has provided a charge over the shares held in its subsidiaries, Rivers Funding Limited and Rivers SPV Limited for a debt obtained from a lender.

The subsidiaries have provided a debenture over their assets as security for the debts of the group.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	109,397	94,182

The company has taken advantage of the exemption available in FRS 102 (s33 "Related Party Disclosure"), whereby it has not disclosed transactions with other group companies.

Included within debtors:

- Receivable from Dexerto Limited amounting to £5,679 (2021: £25,580), related by virtue of common directorship. Included within debtors due within one year is £5,679 (2021: £25,580) and included in non-current trade debtors is £Nil (2021: £Nil).
- Receivable from The Bike Club Limited amounting to £56,846 (2021: £123,337), S Daryani is a shareholder, the son of a director of the company. Included within debtors due within one year is £56,846 (2021: £123,337) and included in non-current trade debtors is £Nil (2021: £Nil).
- Receivable from SymIConnect Limited amounting to £115,078 (2021: £156,639), R Daryani is a shareholder of the company. Included within debtors due within one year is £45,663 (2021: £55,961) and included in non-current trade debtors is £69,415 (2021: £59,117).

Included within creditors are loans from:

- Mr M Friend amounting to £Nil (2021: £Nil) on which interest of £Nil (2021: £3,173) was charged for the year. The company also paid commissions of £6,328 (2021: £Nil) to Mr M Friend during the year. Mr M Friend is a director of the company.
- Mr B Friend amounting to £71,749 (2021: £138,000) on which interest of £8,646 (2021: £13,509) was charged for the year. Mr B Friend is the son of a director of the company.
- Mr S Daryani amounting to £12,998 (2021: £25,000) on which interest of £1,566 (2021: £3,677) was charged for the year. S Daryani is the son of a director of the company.

Included within creditors is an amount of £96,642 (2021: £125,000) owed to Aquasource Algae Group Plc. Included within creditors due within one year is £51,426 (2021: £Nil) and included within creditors due after more than one year is £45,216 (2021: £125,000) on which interest of £9,428 (2021: £13,903) was charged for the year. Mr R Daryani is a shareholder of Aquasource Algae Group Plc.

Included within creditors is an amount of £130,000 (2021: £130,000) owed to Specialbalance Limited. Included within creditors due within one year is £54,732 (2021: £Nil) and included within creditors due after more than one year is £75,268 (2021: £130,000) on which interest of £11,050 (2021: £24,726) was charged for the year. Mr R Daryani is a shareholder of the holding company of Specialbalance Limited, Aquasource Algae Group Plc.

Included within creditors is a loan from the parent entity, Rivers Finance Group Plc of £2,563,287 (2021: £2,533,225). Interest amounting to £189,645 (2021: £185,751) was charged during the year.

Other loans (Note 15) are secured by a cross guarantee from the director and the parent company Rivers Finance Group Plc.

The company paid commissions of £10,934 (2021: £Nil) to an employee during the year.

Included within administrative expenses is an amount of £52,800 (2021: £52,200) relating to rent and service charges to GH Daryani & Co Limited, related by virtue of common shareholder.

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Controlling party

The ultimate parent undertaking is Rivers Finance Group Plc by virtue of its holding of 100% of the issued share capital of the company, and by virtue of the control exercised by that company over the finance and business decisions made.

The ultimate controlling party is R Daryani, by virtue of his majority shareholding in the parent company.

22 Cash generated from group operations

	2022	2021
	£	£
Profit/(loss) for the year after tax	151,044	(344,173)
Adjustments for:		
Taxation charged/(credited)	11,961	(156,499)
Finance costs	824,012	1,230,085
Depreciation and impairment of tangible fixed assets	8,820	10,329
Movements in working capital:		
Decrease in debtors	838,728	10,312,710
Increase/(decrease) in creditors	109,283	(540,942)
Cash generated from operations	<u>1,943,848</u>	<u>10,511,510</u>

23 Cash generated from operations - company

	2022	2021
	£	£
Profit/(loss) for the year after tax	57,651	(344,173)
Adjustments for:		
Taxation credited	(9,947)	(156,499)
Finance costs	824,012	1,230,085
Depreciation and impairment of tangible fixed assets	8,820	10,329
Movements in working capital:		
Decrease in debtors	927,130	10,312,710
Increase/(decrease) in creditors	105,383	(540,943)
Cash generated from operations	<u>1,913,049</u>	<u>10,511,509</u>

RIVERS LEASING PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Analysis of changes in net debt - group

	1 April 2021	Cash flows	Market value	31 March 2022
	£	£	movements	£
Cash at bank and in hand	511,516	184,622	-	696,138
Borrowings excluding overdrafts	(10,744,644)	1,843,492	(824,012)	(9,725,164)
	<u>(10,233,128)</u>	<u>2,028,114</u>	<u>(824,012)</u>	<u>(9,029,026)</u>

25 Analysis of changes in net debt - company

	1 April 2021	Cash flows	Market value	31 March 2022
	£	£	movements	£
Cash at bank and in hand	511,515	153,823	-	665,338
Borrowings excluding overdrafts	(10,744,644)	1,843,492	(824,012)	(9,725,164)
	<u>(10,233,129)</u>	<u>1,997,315</u>	<u>(824,012)</u>	<u>(9,059,826)</u>