

Rivers Leasing Limited

Report and Financial Statements

Year Ended

31 March 2016

Company Number 7376100

Rivers Leasing Limited

Company Information

Director	R Daryani
Company secretary	R Daryani
Registered number	7376100
Registered office	Amba House 15 College Road Harrow Middlesex HA1 1BA
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD
Bankers	Barclays Plc 355 Station Road Harrow HA1 2AN
Solicitors	Bermans LLP Cardinal House 20 St Mary's Parsonage Manchester M3 2LY

Rivers Leasing Limited

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Rivers Leasing Limited

Director's report For the Year Ended 31 March 2016

The director presents his report and the financial statements for the year ended 31 March 2016.

Principal activity

The company's principal activity during the year was that of equipment leasing and the provision of business loans.

Results and dividends

The profit for the year, after taxation, amounted to £149,813 (2015 - £28,415).

No dividends were paid in the current or previous year.

The directors are satisfied with the financial performance of the business and expect increased profits in future years. In March 2016 the company listed its £6M Loan Note Programme on the Bermuda Stock Exchange and in May 2016 was granted a full FCA license.

Director

The director who served during the year was:

R Daryani

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1st July 2016 and signed on its behalf.



R Daryani
Director

Rivers Leasing Limited

Director's responsibilities statement

The directors are responsible for preparing the directors' 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements the directors are required to:

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

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

Rivers Leasing Limited

Independent Auditor's report to the members of Rivers Leasing Limited

We have audited the financial statements of Rivers Leasing Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Rivers Leasing Limited

Independent Auditor's report to the members of Rivers Leasing Limited

Matters on which we are required to report by exception

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

BDO LLP

Nick Poulter (senior statutory auditor)
for and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

Date: 1 JULY 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Rivers Leasing Limited

Statement of comprehensive income For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	3	1,302,406	716,957
Cost of sales		(292,180)	(143,919)
Gross profit		1,010,226	573,038
Administrative expenses		(379,760)	(300,032)
Operating profit	4	630,466	273,006
Finance charges	6	(513,596)	(209,114)
Profit before tax		116,870	63,892
Tax on profit	7	32,943	(35,477)
Profit for the year		149,813	28,415

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 18 form part of these financial statements.

Rivers Leasing Limited
Registered number:7376100

Balance sheet
As at 31 March 2016

	Note		2016 £	2015 £
Fixed assets				
Tangible assets	8		8,934	16,291
			8,934	16,291
Current assets				
Debtors: amounts falling due after more than one year	9	5,169,321	2,894,120	
Debtors: amounts falling due within one year	9	3,261,635	2,477,544	
Cash and cash equivalents	11	215,605	200,081	
		8,646,561	5,571,745	
Creditors: amounts falling due within one year	12	(2,658,484)	(1,758,955)	
Net current assets			5,988,077	3,812,790
Total assets less current liabilities			5,997,011	3,829,081
Creditors: amounts falling due after more than one year	13		5,757,807	3,706,747
Provision for liabilities				
Deferred tax	16		-	32,943
Capital and reserves				
Called up share capital	17	1,000	1,000	
Profit and loss account		238,204	88,391	
		239,204	89,391	
		5,997,011	89,391	3,829,081

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
1st July 2016



R Daryani
Director

The notes on pages 8 to 18 form part of these financial statements.

Rivers Leasing Limited

Statement of changes in equity For the Year Ended 31 March 2016

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	1,000	88,391	89,391
Comprehensive income for the year			
Profit for the year	-	149,813	149,813
Total comprehensive income for the year	-	149,813	149,813
At 31 March 2016	1,000	238,204	239,204

Statement of changes in equity For the Year Ended 31 March 2015

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	1,000	59,976	60,976
Comprehensive income for the year			
Profit for the year	-	28,415	28,415
Total comprehensive income for the year	-	28,415	28,415
At 31 March 2015	1,000	88,391	89,391

The notes on pages 8 to 18 form part of these financial statements.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 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 a sum of digits basis. Document fees and charges are accounted for when receivable.

1.3 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.

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 profit or loss during the period in which they are incurred.

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:

Plant & machinery	- 33.33% straight line
Fixtures & fittings	- 33.33% 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 within 'other operating income' in the statement of comprehensive income.

1.4 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.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.5 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.

1.6 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 related parties and investments in 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 payables or receivables, 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 instrument 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 loss is recognised in the income statement.

For financial assets 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 any 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 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.

1.7 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.

1.8 Finance costs

Finance costs are charged to the income statement 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.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

1. Accounting policies (continued)

1.9 Borrowing costs

All borrowing costs are recognised in the income statement in the year in which they are incurred.

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change 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. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgments:

- 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.
- 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.

3. Analysis of turnover

All turnover arose within the United Kingdom.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	12,280	7,314
Fees payable to the Company's auditor for the audit of the company's annual financial statements	10,000	8,000
	<u>10,000</u>	<u>8,000</u>

During the year, the director received emoluments of £9,000 (2015: £nil).

5. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	115,243	100,395
Social security costs	11,542	9,376
	<u>126,785</u>	<u>109,771</u>

The average monthly number of employees, including the director, during the year was as follows:

	2016 No.	2015 No.
Average number of employees	<u>6</u>	<u>4</u>

6. Interest payable and similar charges

	2016 £	2015 £
Finance charges	513,596	209,114
	<u>513,596</u>	<u>209,114</u>

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

7. Taxation

	2016 £	2015 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(32,943)	35,477
Total deferred tax	<u>(32,943)</u>	<u>35,477</u>
Taxation on (loss)/profit on ordinary activities	<u>(32,943)</u>	<u>35,477</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>116,870</u>	<u>63,892</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	23,374	12,778
Effects of:		
Capital allowances for year in excess of depreciation	(23,374)	(12,778)
Short term timing difference leading to an increase (decrease) in taxation	(32,943)	35,477
Total tax charge for the year	<u>(32,943)</u>	<u>35,477</u>

Factors that may affect future tax charges

At 31 March 2016 the company had tax losses amounting to £369,035 (2015: £370,610) which are available to be carried forward and offset against future trading profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty over the timing of their recovery.

For further information on deferred tax balances see note 15.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

8. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2015	7,228	34,790	42,018
Additions	-	4,923	4,923
At 31 March 2016	<u>7,228</u>	<u>39,713</u>	<u>46,941</u>
Depreciation			
At 1 April 2015	7,228	18,499	25,727
Charge owned for the period	-	12,280	12,280
At 31 March 2016	<u>7,228</u>	<u>30,779</u>	<u>38,007</u>
Net book value			
At 31 March 2016	<u>-</u>	<u>8,934</u>	<u>8,934</u>
At 31 March 2015	<u>-</u>	<u>16,291</u>	<u>16,291</u>

9. Debtors

	2016 £	2015 £
Due after more than one year		
Trade debtors	5,169,321	2,894,120
	<u>5,169,321</u>	<u>2,894,120</u>
Due within one year		
Trade debtors	2,922,799	2,333,659
Other debtors	101,550	47,349
Prepayments and accrued income	237,286	96,536
	<u>3,261,635</u>	<u>2,477,544</u>

Included within other debtors is £84,248 (2015: £nil) of assets purchased for the purpose of letting under finance leases for which the lease commences shortly after 31 March 2016.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

10. Debtors (continued)

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

	2016 £	2015 £
Gross receivables from finance leases and loans:		
No later than 1 year	4,521,407	2,915,656
Later than 1 year and no later than 5 years	5,379,815	3,319,079
Unearned future finance income on finance leases and loans	(1,809,102)	(1,006,956)
	<u>8,092,120</u>	<u>5,227,779</u>

The finance leases are receivable as follows:

	2016 £	2015 £
No later than 1 year	2,922,799	2,333,659
Later than 1 year and no later than 5 years	5,169,321	2,894,120
	<u>8,092,120</u>	<u>5,227,779</u>

The cost of assets acquired for the purpose of letting under finance leases and loans was £6,339,742 (2015: £4,161,675).

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

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	215,605	200,081
Less: bank overdrafts	-	(33,526)
	<u>215,605</u>	<u>166,555</u>

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

12. Creditors: Amounts falling due within one year

		2016 £	2015 £
Bank overdrafts		-	33,526
Other loans	14	2,272,387	1,603,042
Trade creditors		195,306	79,481
Corporation tax		5,583	-
Taxation and social security		2,976	2,150
Other creditors		10,929	22,182
Accruals and deferred income		171,303	18,574
		<u>2,658,484</u>	<u>1,758,955</u>

Secured loans

The bank overdraft is secured by GH Daryani & Co Limited.

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

		2016 £	2015 £
Other loans	14	3,778,216	1,956,085
Amounts owed to group undertakings		1,979,591	1,750,662
		<u>5,757,807</u>	<u>3,706,747</u>

Secured loans

Other loans due within and after more than one year include £1,764,718 (2015: £840,000) secured by a debenture dated 2 January 2015 and a guarantee from the parent company, Rivers Finance Group Plc; and £27,429 (2015: £73,929) secured by a guarantee from the director, R Daryani. Other loans due within and after more than one year of £1,153,661 (2015: £543,053) are unsecured.

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 guarantees in respect of these loans.

The amounts owed to group undertakings are unsecured but are not interest free.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

14. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Other loans	2,272,387	1,603,042
	<hr/>	<hr/>
Amounts falling due between one and two years		
Other loans	2,595,006	1,259,641
	<hr/>	<hr/>
Amounts falling due between two and five years		
Other loans	1,183,210	696,444
	<hr/>	<hr/>

15. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	8,391,973	3,324,611
	<hr/>	<hr/>
	8,391,973	3,324,611
	<hr/>	<hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	(8,407,732)	(5,463,553)
	<hr/>	<hr/>
	(8,407,732)	(5,463,553)
	<hr/>	<hr/>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors relating to finance leases.

Financial liabilities measured at amortised cost comprise bank overdrafts, loans, trade creditors, other creditors accruals and amounts owed to group undertakings.

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

16. Deferred taxation

	Deferred tax £
At 1 April 2015	(32,943)
Charged to the profit or loss	32,943
At 31 March 2016	<u><u>-</u></u>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Short term timing differences	-	(32,943)
	<u>-</u>	<u>(32,943)</u>
	<u><u>-</u></u>	<u><u>(32,943)</u></u>

17. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Rivers Leasing Limited

Notes to the financial statements For the Year Ended 31 March 2016

18. Related party transactions

Included within creditors due after more than one year is an amount of £150,000 (2015: £75,000) owed to Mr M Friend. Mr M Friend is a director of the group. Included within finance charges is interest expense of £6,233 (2015: £3,500) in respect of this creditor. Included within administrative expenses are non-executive director fees of £15,000 (2015: £12,000) paid to Mr M Friend.

Included within creditors due after more than one year is an amount of £350,000 (2015: nil) owed to Mr B Friend. Mr B Friend is the son of the director of the group.

Included within creditors is an amount of £283,333 (2015: £308,333) owed to Specialbalance Limited. Included within creditors due within one year is £141,667 (2015: £200,000) and included within creditors due after more than one year is £141,666 (2015: £108,333). Mr R Daryani was a director of the holding company of Specialbalance Limited, Aquasource Algae Group Plc, until 24 February 2016 and remains a shareholder of the holding company. Included within finance charges is interest expense of £21,682 (2015: £9,563) in respect of this creditor.

Included within creditors due after more than one year is an amount of £1,973,591 (2015: £1,750,662) owed to Rivers Finance Group Plc, the ultimate parent undertaking. Included within finance charges is interest expense of £121,022 (2015: £81,162) in respect of this creditor.

Included within administrative expenses is an amount of £22,467 (2015: £17,900) relating to rent and service charges from GH Daryani & Co Limited, which shares a director and shareholder with the company.

Included within administrative expenses is an amount of £8,000 (2015: £8,400) relating to the salary of P Daryani, a shareholder of Rivers Finance Group Plc and wife of a director of the company.

19. Ultimate parent undertaking and 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.

20. First time adoption of FRS 102

The change in accounting standard has resulted in a change in presentation of the discounting loan facilities. Under FRS 5, the entity adopted linked presentation, which offset the discounting loan facilities against the trade debtors on which they were secured. FRS 102 does not permit linked presentation, resulting in the discounting loan facilities being included in other loans. The change has been applied to the comparative figures and has no impact on equity or profit in either year.

The change in accounting standard has resulted in a review of the presentation of the Statement of comprehensive income. Interest charges that were previously included in cost of sales, are now included in a separate line: Finance charges. The change has been applied to the comparative figures and has no impact on equity or profit in either year.