

Company Registration No. 04567000 (England and Wales)

**RIVERS FINANCE GROUP PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**KLSA**  
Chartered Accountants

**PKF**  
Member firm of PKF International Ltd

# RIVERS FINANCE GROUP PLC

## COMPANY INFORMATION

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<b>Directors</b>	R Daryani M D Friend S C Bassett
<b>Secretary</b>	J Nicholson
<b>Company number</b>	04567000
<b>Registered office</b>	Amba House 15 College Road Harrow Middlesex HA1 1BA
<b>Auditor</b>	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
<b>Bankers</b>	Natwest Bank PLC City of London Office 1 Princess Street London EC2R 8BP
<b>Solicitors</b>	Bermans LLP Cardinal House 20 St Mary's Prsonage Manchester M3 2LY

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# RIVERS FINANCE GROUP PLC

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# RIVERS FINANCE GROUP PLC

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present the strategic report for the year ended 31 March 2023.

#### **Business review**

The Directors are pleased to report that the Group has now resumed its growth path following the pandemic with total lending having increased 95% from £6.2 million in 2022 to £12.1 million in 2023 achieving near pre-pandemic levels of lending. The growth in lending has continued into the first quarter of financial year 2024 with lending up circa 82% up on the same quarter in 2023 with a projection of the Group achieving record levels of lending, turnover and profits in 2024.

Gross profit for the year has increased from £1,911,457 in the prior year to £2,257,172 in the current year and operating profit before interest charges increased from £977,981 in 2022 to £1,422,402 in 2023. The Group returned a profit before tax of £421,701 compared to a profit before tax of £235,570 in the prior year.

The net assets position increased from £1,950,217 in prior year to £2,201,410 at the year-end.

The Directors have successfully increased facilities from existing bank funding lines and are currently in the process of adding new funders to support its future growth in lending.

The Directors believe the Group has shown considerable resilience over the previous years and reflects the ability of management to effectively rebuild business following the negative financial impacts of the pandemic and are looking forward to achieving on its strategy of continued growth in lending.

#### **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 2022/23 in line with our expectations as we have returned 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 2023/24 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 loan book (including unearned future finance income) which at the balance sheet date for the group were £21,559,051 (2022: £14,182,611).

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

# RIVERS FINANCE GROUP PLC

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### 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

The group has a history of meeting all obligations when they fall due and the resumption of lending and growth in the business ensure it is able to expand operations and continue with its impeccable debt service record.

Customers payment performance has returned to pre-pandemic records and the group has been successful in the year of recovering £550,000 of previously written off bad debt. The directors closely monitor arrears and bad debt provisioning and see these as normalising.

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.

In the previous 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.

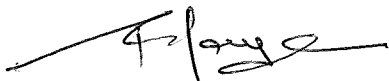
In addition, the Group has support of existing funders as evidenced by the increasing facilities during the year.

The group has produced forecasts for the next 12 months which considers the inflationary increase in operational costs and the impacts of increasing interest rates into its financial 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.

The report was approved by the board and signed on its behalf by:



R Daryani  
Director

25 July 2023

# RIVERS FINANCE GROUP PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### 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.

Preference dividends were paid amounting to £90,750 (2022: £Nil). The Directors have recommended the payment of a Preference dividends as when they fall due in the future.

#### 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 FINANCE GROUP PLC

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2023*

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On behalf of the board



R Daryani  
Director

25 July 2023

# RIVERS FINANCE GROUP PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RIVERS FINANCE GROUP PLC

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#### Opinion

We have audited the financial statements of Rivers Finance Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise 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 2023 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 FINANCE GROUP PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RIVERS FINANCE GROUP PLC

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#### **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 FINANCE GROUP PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RIVERS FINANCE GROUP PLC

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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.

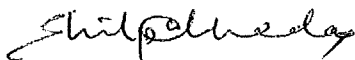
There are inherent limitations in the audit procedures described above; any instance of non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

25 July 2023

**Chartered Accountants**  
**Statutory Auditor**

Kalamu House  
11 Coldbath Square  
London  
EC1R 5HL

# RIVERS FINANCE GROUP PLC

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	2022 £
Turnover	3	3,110,336	2,616,681
Cost of sales		(853,164)	(705,224)
<b>Gross profit</b>		<b>2,257,172</b>	<b>1,911,457</b>
Administrative expenses		(834,770)	(961,636)
Other operating income		-	28,160
<b>Operating profit</b>	4	<b>1,422,402</b>	<b>977,981</b>
Interest payable and similar expenses	7	(1,000,701)	(742,411)
<b>Profit before taxation</b>		<b>421,701</b>	<b>235,570</b>
Tax on profit	8	(79,758)	(43,134)
<b>Profit for the financial year</b>		<b>341,943</b>	<b>192,436</b>

Profit for the financial year is all attributable to the owners of the parent company

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

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# RIVERS FINANCE GROUP PLC

## GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		10,357		7,786
<b>Current assets</b>					
Debtors falling due after more than one year	14	10,821,541		7,557,484	
Debtors falling due within one year	14	7,576,519		4,736,797	
Cash at bank and in hand		892,127		741,711	
		<u>19,290,187</u>		<u>13,035,992</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(5,059,194)</u>		<u>(4,807,958)</u>	
<b>Net current assets</b>			<u>14,230,993</u>		<u>8,228,034</u>
<b>Total assets less current liabilities</b>			<u>14,241,350</u>		<u>8,235,820</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(12,037,902)</u>		<u>(6,283,565)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	<u>2,038</u>		<u>2,038</u>	
			<u>(2,038)</u>		<u>(2,038)</u>
<b>Net assets</b>			<u><u>2,201,410</u></u>		<u><u>1,950,217</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,238,889		1,238,889
Share premium account			210,000		210,000
Profit and loss reserves			752,521		501,328
<b>Total equity</b>			<u><u>2,201,410</u></u>		<u><u>1,950,217</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 July 2023 and are signed on its behalf by:



R Daryani  
Director

# RIVERS FINANCE GROUP PLC

## COMPANY BALANCE SHEET


AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Fixed assets</b>					
Investments	12		60,460		60,460
<b>Current assets</b>					
Debtors falling due after more than one year	14	2,649,059		2,557,290	
Debtors falling due within one year	14	166,691		216,470	
Cash at bank and in hand		6,166		45,573	
		<u>2,821,916</u>		<u>2,819,333</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(44,120)</u>		<u>(32,509)</u>	
<b>Net current assets</b>			<u>2,777,796</u>		<u>2,786,824</u>
<b>Total assets less current liabilities</b>			<u>2,838,256</u>		<u>2,847,284</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(1,000,000)</u>		<u>(1,000,439)</u>
<b>Net assets</b>			<u><u>1,838,256</u></u>		<u><u>1,846,845</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,238,889		1,238,889
Share premium account			210,000		210,000
Profit and loss reserves			<u>389,367</u>		<u>397,956</u>
<b>Total equity</b>			<u><u>1,838,256</u></u>		<u><u>1,846,845</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 £82,161 (2022 - £41,392 profit).

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 25 July 2023 and are signed on its behalf by:



R Daryani  
Director

Company Registration No. 04567000

# RIVERS FINANCE GROUP PLC

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		1,200,000	-	308,892	1,508,892
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year		-	-	192,436	192,436
Issue of share capital	20	38,889	210,000	-	248,889
<b>Balance at 31 March 2022</b>		1,238,889	210,000	501,328	1,950,217
<b>Year ended 31 March 2023:</b>					
Profit and total comprehensive income for the year		-	-	341,943	341,943
Dividends	9	-	-	(90,750)	(90,750)
<b>Balance at 31 March 2023</b>		1,238,889	210,000	752,521	2,201,410

# RIVERS FINANCE GROUP PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		1,200,000	-	356,564	1,556,564
<b>Year ended 31 March 2022:</b>					
Profit and total comprehensive income for the year		-	-	41,392	41,392
Issue of share capital	20	38,889	210,000	-	248,889
<b>Balance at 31 March 2022</b>		1,238,889	210,000	397,956	1,846,845
<b>Year ended 31 March 2023:</b>					
Profit and total comprehensive income for the year		-	-	82,161	82,161
Dividends	9	-	-	(90,750)	(90,750)
<b>Balance at 31 March 2023</b>		1,238,889	210,000	389,367	1,838,256

# RIVERS FINANCE GROUP PLC

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(4,730,342)		1,933,539
Interest paid			(120,279)		(108,044)
Income taxes (paid)/refunded			(44,290)		74,679
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(4,894,911)</b>		<b>1,900,174</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(13,215)		(8,452)	
<b>Net cash used in investing activities</b>			<b>(13,215)</b>		<b>(8,452)</b>
<b>Financing activities</b>					
Proceeds from borrowings		11,111,916		3,685,000	
Repayment of borrowings		(5,985,312)		(5,380,002)	
Dividends paid to equity shareholders		(68,062)		-	
<b>Net cash generated from/(used in) financing activities</b>			<b>5,058,542</b>		<b>(1,695,002)</b>
<b>Net increase in cash and cash equivalents</b>			<b>150,416</b>		<b>196,720</b>
Cash and cash equivalents at beginning of year			741,711		544,991
<b>Cash and cash equivalents at end of year</b>			<b>892,127</b>		<b>741,711</b>



# RIVERS FINANCE GROUP PLC

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25	(151,225)		(10,309)	
Interest paid		(120,279)		(108,044)	
Income taxes paid		(13,134)		(18,039)	
<b>Net cash outflow from operating activities</b>		<b>(284,638)</b>		<b>(136,392)</b>	
<b>Investing activities</b>					
Interest received		193,732		189,645	
Dividends received		120,000		-	
<b>Net cash generated from investing activities</b>		<b>313,732</b>		<b>189,645</b>	
<b>Financing activities</b>					
Repayment of borrowings		(439)		(41,155)	
Dividends paid to equity shareholders		(68,062)		-	
<b>Net cash used in financing activities</b>		<b>(68,501)</b>		<b>(41,155)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(39,407)</b>		<b>12,098</b>	
Cash and cash equivalents at beginning of year		45,573		33,475	
<b>Cash and cash equivalents at end of year</b>		<b>6,166</b>		<b>45,573</b>	

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# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company information

Rivers Finance Group Plc ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Amba House, 15 College Road, Harrow, Middlesex, HA1 1BA.

The group consists of Rivers Finance Group 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 £.

#### 1.2 Basis of consolidation

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.

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.

#### 1.3 Going concern

The financial performance of the group is set out in the report of the directors and in the statement of profit or loss and the other comprehensive income. The financial position of the group is set out in the statement of financial position.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Assets leased to customers on finance lease are recognised on the basis of the net investment in the lease. Finance lease income are 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.

The company has recognised an intangible asset based on the benefit derived from the issuance of fully paid up shares to a shareholder for preferential lending terms. The shareholder agreed to provide the group loans at preferential rates for a minority stake. The potential benefit derived from the lending at the preferential rates was calculated by comparisons to the commercial rates provided by the group's lenders on other facilities. The potential benefit was discounted to its net present value and has been recognised as an intangible asset.

#### 1.5 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.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies (Continued)

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

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 recognised in the profit and loss account.

#### 1.6 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Arrangement fees payable are recognised over the lending period of the debt.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

#### 1.9 Cash at bank and in hand

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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **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.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less 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.

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 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.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### *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.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

#### 1.13 Retirement benefits

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

#### 1.14 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.

#### 1.15 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.

#### 1.16 Comparatives

There were no changes in comparative figures during the year.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 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.

We have exercised judgement in evaluating the impact of COVID-19 on the financial statements.

#### 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 lives, depreciation methods and residual values of tangible fixed assets

Management reviews the useful lives, depreciation methods and residual values of the items of tangible fixed assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of tangible fixed assets are disclosed in note 10.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Turnover	3,110,336	2,616,681
	<u>                    </u>	<u>                    </u>
	2023	2022
	£	£
<b>Other significant revenue</b>		
Grants received	-	28,160
	<u>                    </u>	<u>                    </u>

All turnover arose within the United Kingdom.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(28,160)
Depreciation of owned tangible fixed assets	10,644	8,820
	<u>10,644</u>	<u>8,820</u>

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	7,000	6,500
Audit of the financial statements of the company's subsidiaries	22,000	16,000
	<u>29,000</u>	<u>22,500</u>
<b>For other services</b>		
All other non-audit services	-	4,250
	<u>-</u>	<u>4,250</u>

### 6 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Average number of employees	<u>15</u>	<u>11</u>	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	487,131	359,290	-	-
Social security costs	51,083	36,347	-	-
Pension costs	9,533	4,482	2,750	-
	<u>547,747</u>	<u>400,119</u>	<u>2,750</u>	<u>-</u>

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Interest payable and similar expenses

	2023	2022
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	49,779	41,482
<b>Other finance costs:</b>		
Finance costs for financial instruments measured at fair value through profit or loss	880,422	634,367
Other interest	70,500	66,562
Total finance costs	<u>1,000,701</u>	<u>742,411</u>

### 8 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	79,758	44,290
Adjustments in respect of prior periods	-	(1,156)
Total current tax	<u>79,758</u>	<u>43,134</u>

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

	2023	2022
	£	£
Profit before taxation	<u>421,701</u>	<u>235,570</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	80,123	44,758
Tax effect of expenses that are not deductible in determining taxable profit	877	(559)
Adjustments in respect of prior years	-	(653)
Depreciation in excess of capital allowances	(1,242)	(412)
Taxation charge	<u>79,758</u>	<u>43,134</u>

As a result of advice obtained, the company has elected to be taxed under long funding lease regime which allows the lessor to be taxed on the basis of the profits shown in the accounts and it removes the distortion of capital allowances.

### 9 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Final paid	<u>90,750</u>	<u>-</u>



# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 10 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	18,765
<b>Amortisation and impairment</b>	
At 1 April 2022 and 31 March 2023	18,765
<b>Carrying amount</b>	
At 31 March 2023	-
At 31 March 2022	-

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

### 11 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2022	7,228	95,088	102,316
Additions	-	13,215	13,215
At 31 March 2023	7,228	108,303	115,531
<b>Depreciation and impairment</b>			
At 1 April 2022	7,228	87,302	94,530
Depreciation charged in the year	-	10,644	10,644
At 31 March 2023	7,228	97,946	105,174
<b>Carrying amount</b>			
At 31 March 2023	-	10,357	10,357
At 31 March 2022	-	7,786	7,786

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

### 12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	13	-	-	60,460	60,460

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 12 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 April 2022 and 31 March 2023	60,460
<b>Carrying amount</b>	
At 31 March 2023	60,460
At 31 March 2022	60,460

### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Rivers SPV Limited	England and Wales	Equipment leasing company	Ordinary	-	100.00
Rivers Funding Limited	England and Wales	Finance company	Ordinary	-	100.00
Rivers Finance Limited	England and Wales	Finance company	Ordinary	-	100.00
Rivers Leasing PLC	England and Wales	Equipment leasing company	Ordinary	100.00	-
Rivers SPV2 Limited	England and Wales	Finance company	Ordinary	-	100.00

Rivers Funding Limited (formerly Rivers Bridging Limited) and Rivers SPV2 Limited are exempt from statutory audit by virtue of section 479a of The Companies Act 2006. The companies were dormant throughout the year and so the profit or loss for the year ended 31 March 2023 was £Nil.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors	Group 2023 £	2022 £	Company 2023 £	2022 £
<b>Amounts falling due within one year:</b>				
Trade debtors	6,245,738	3,908,318	-	-
Other debtors	198,309	207,407	157,628	207,407
Prepayments and accrued income	1,132,472	621,072	9,063	9,063
	<u>7,576,519</u>	<u>4,736,797</u>	<u>166,691</u>	<u>216,470</u>
<b>Amounts falling due after more than one year:</b>				
Trade debtors	10,821,541	7,557,484	-	-
Amounts due from group undertakings	-	-	2,649,059	2,557,290
	<u>10,821,541</u>	<u>7,557,484</u>	<u>2,649,059</u>	<u>2,557,290</u>
<b>Total debtors</b>	<u>18,398,060</u>	<u>12,294,281</u>	<u>2,815,750</u>	<u>2,773,760</u>

Included within other debtors is a financial asset recognised by the parent company based on the benefit derived from the issuance of fully paid up shares to a shareholder for preferential lending terms. The shareholder agreed to provide the group loans at preferential rates for a minority stake. The potential benefit derived from the lending at the preferential rates was calculated by comparisons to the commercial rates provided by the group's lenders on other facilities. The potential benefit was discounted to its net present value and has been recognised as a financial asset.

Included within debtors is £175,275 (2022: £99,391) of assets purchased for the purpose of letting under finance leases for which the lease commences shortly after 31 March 2023.

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:

	2023 £	2022 £
<b>Gross receivables from finance leases and loans:</b>		
No later than 1 year	8,448,853	5,754,156
Later than 1 year and no later than 5 years	13,110,198	8,428,455
Unearned future finance income on finance leases and loans	(4,491,772)	(2,716,809)
	<u>17,067,279</u>	<u>11,465,802</u>
<b>The finance leases and loans are receivable as follows:</b>		
	2023 £	2022 £
No later than 1 year	6,245,738	3,908,318
Later than 1 year and no later than 5 years	10,821,541	7,557,484
	<u>17,067,279</u>	<u>11,465,802</u>

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 14 Debtors (Continued)

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

### 15 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	17	4,694,727	4,442,038	-	-
Trade creditors		82,814	126,489	(314)	(315)
Corporation tax payable		79,758	44,290	-	13,134
Other taxation and social security		94,751	131,863	1,750	1,375
Dividends payable		30,563	7,875	30,563	7,875
Other creditors		1,672	6,286	-	-
Accruals and deferred income		74,909	49,117	12,121	10,440
		<u>5,059,194</u>	<u>4,807,958</u>	<u>44,120</u>	<u>32,509</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Other borrowings	17	12,037,902	6,283,565	1,000,000	1,000,439
		<u>12,037,902</u>	<u>6,283,565</u>	<u>1,000,000</u>	<u>1,000,439</u>

### 17 Loans and overdrafts

		Group 2023 £	2022 £	Company 2023 £	2022 £
Other loans		16,732,629	10,725,603	1,000,000	1,000,439
		<u>16,732,629</u>	<u>10,725,603</u>	<u>1,000,000</u>	<u>1,000,439</u>
Payable within one year		4,694,727	4,442,038	-	-
Payable after one year		12,037,902	6,283,565	1,000,000	1,000,439
		<u>16,732,629</u>	<u>10,725,603</u>	<u>1,000,000</u>	<u>1,000,439</u>

Other loans due within and after more than one year include £4,388,850 (2022: £3,810,772) secured by a debenture dated 2 January 2015 and a guarantee from the company and £2,286,358 (2022: £2,337,610) secured by guarantee from the director, R Daryani. Other loans due within and after more than one year of £2,265,448 (2022: £2,466,095) are secured by a charge on a group entity. Commercial rate of interest is paid on the loans.

Included within other loans are discounting loan facilities which are secured by the assignment of certain trade debtors of the group. The company 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.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 17 Loans and overdrafts (Continued)

### 18 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
<b>Group</b>		
Accelerated capital allowances	2,038	2,038

There were no deferred tax movements in the year.

### 19 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	9,533	4,482

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.

### 20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital issued and fully paid</b>				
A1 Ordinary shares of 5p each	6,650,000	6,650,000	332,500	332,500
A2 Ordinary shares of 5p each	777,778	777,778	38,889	38,889
B Ordinary shares of 5p each	350,000	350,000	17,500	17,500
	<u>7,777,778</u>	<u>7,777,778</u>	<u>388,889</u>	<u>388,889</u>

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 20 Share capital (Continued)

	2023 Number	2022 Number	2023 £	2022 £
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
A Preference shares of 5p each	5,000,000	5,000,000	250,000	250,000
B Preference shares of 5p each	12,000,000	12,000,000	600,000	600,000
	<u>17,000,000</u>	<u>17,000,000</u>	<u>850,000</u>	<u>850,000</u>
Preference shares classified as equity			<u>850,000</u>	<u>850,000</u>
<b>Total equity share capital</b>			<u>1,238,889</u>	<u>1,238,889</u>

The holders of the A1 ordinary shares have:

- the right to vote (one vote per share)
- the right to receive dividends at the discretion of the board
- the rights to participate in a distribution (including on a winding-up) in accordance with article 12.1 of the company's articles of association
- shares are not redeemable or liable to be redeemed

The holders of the A2 ordinary shares have:

- the right to vote (one vote per share)
- the right to receive dividends at the discretion of the board
- the rights to participate in a distribution (including on a winding-up) in accordance with article 12.1 of the company's articles of association
- shares are not redeemable or liable to be redeemed

The holders of the B ordinary shares have:

- no voting rights
- the right to receive dividends at the discretion of the board
- the rights to participate in a distribution (including on a winding-up) in accordance with article 12.1 of the company's articles of association
- shares are not redeemable or liable to be redeemed

The holders of the A preference shares have:

- no voting rights
- the right to receive dividends at the discretion of the board
- the rights to participate in a distribution (including on a winding-up) in accordance with article 12.1 of the company's articles of association
- shares are redeemable at the discretion of the board

The holders of the B preference shares have:

- no voting rights
- the right to receive dividends at the discretion of the board
- the rights to participate in a distribution (including on a winding-up) in accordance with article 12.1 of the company's articles of association
- shares are redeemable at the discretion of the board

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 21 Financial commitments, guarantees and contingent liabilities

The company has given cross guarantees for loan facilities of its subsidiary.

The group has provided a charge over the shares held in its subsidiaries, Rivers Finance 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.

#### 22 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	109,964	109,397

##### Transactions with related parties

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 £Nil (2022: £5,679), S Daryani is a shareholder, the son of a director of the company. Included within debtors due within one year is £Nil (2022: £5,679) and included in non-current trade debtors is £Nil (2022: £Nil).
- Receivable from The Bike Club Limited amounting to £1,395 (2022: £56,846), S Daryani is a shareholder, the son of a director of the company. Included within debtors due within one year is £1,395 (2022: £56,846) and included in non-current trade debtors is £Nil (2022: £Nil).
- Receivable from SymlConnect Limited amounting to £149,427 (2022: £115,078), R Daryani is a shareholder of the company. Included within debtors due within one year is £17,596 (2022: £45,663) and included in non-current trade debtors is £131,831 (2022: £69,415).

Included within creditors are loans from:

- The company also paid commissions of £12,112 (2022: £6,328 ) to Mr M Friend during the year. Mr M Friend is a director of the company.
- Mr B Friend amounting to £Nil (2022: £71,749) on which interest of £3,147 (2022: £8,646 ) was charged for the year. Mr B Friend is the son of a director of the company.
- Mr S Daryani amounting to £Nil (2022: £12,998) on which interest of £570 (2022: £1,566) was charged for the year. S Daryani is the son of a director of the company.
- GH Daryani & Co Limited, related by virtue of common shareholder amounting to £500,000 (2022: £500,000) on which interest of £35,500 (2022: £36,562) was charged for the year.
- R and P Daryani amounting to £500,000 (2022: £500,000) on which interest of £35,000 (2022: £30,000) was charged for the year. R and P Daryani is the shareholder of the parent company Rivers Finance Group Plc.
- Conister bank amounting to £5,686,718 (2022: £1,277,322) on which interest of £205,120 (2022: £96,260) was charged for the year. Conister bank is the shareholder of the parent company Rivers Finance Group Plc.

Other loans (Note 17) are secured by a cross guarantee from the director and the parent company Rivers Finance Group Plc.

The company paid commissions of £6,092 (2022: £10,934) to an employee during the year.

Included within administrative expenses is an amount of £54,000 (2022: £52,800) relating to rent and service charges to GH Daryani & Co Limited, related by virtue of common shareholder.

# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 23 Controlling party

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

### 24 Cash (absorbed by)/generated from group operations

	2023 £	2022 £
Profit for the year after tax	341,943	192,436
<b>Adjustments for:</b>		
Taxation charged	79,758	43,134
Finance costs	1,000,701	742,411
Depreciation and impairment of tangible fixed assets	10,644	8,820
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(6,103,779)	871,147
(Decrease)/increase in creditors	(59,609)	75,591
<b>Cash (absorbed by)/generated from operations</b>	<u>(4,730,342)</u>	<u>1,933,539</u>

### 25 Cash absorbed by operations - company

	2023 £	2022 £
Profit for the year after tax	82,161	41,392
<b>Adjustments for:</b>		
Taxation charged	-	31,173
Finance costs	120,279	108,044
Investment income	(313,732)	(189,645)
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(41,990)	2,386
Increase/(decrease) in creditors	2,057	(3,659)
<b>Cash absorbed by operations</b>	<u>(151,225)</u>	<u>(10,309)</u>

### 26 Analysis of changes in net debt - group

	1 April 2022 £	Cash flows £	Market value movements £	31 March 2023 £
Cash at bank and in hand	741,711	150,416	-	892,127
Borrowings excluding overdrafts	(10,725,603)	(5,126,604)	(880,422)	(16,732,629)
	<u>(9,983,892)</u>	<u>(4,976,188)</u>	<u>(880,422)</u>	<u>(15,840,502)</u>



# RIVERS FINANCE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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27 Analysis of changes in net debt - company

	1 April 2022	Cash flows 31 March 2023	
	£	£	£
Cash at bank and in hand	45,573	(39,407)	6,166
Borrowings excluding overdrafts	(1,000,439)	439	(1,000,000)
	<u>(954,866)</u>	<u>(38,968)</u>	<u>(993,834)</u>