

**Registered number: 10992439**

**RIVER CAPITAL PLC**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 OCTOBER 2018**

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# **RIVER CAPITAL PLC**

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# **RIVER CAPITAL PLC**

## **COMPANY INFORMATION**

<b>Directors</b>	Andreas Lianos Estine Van Der Merwe
<b>Company Secretary</b>	Dominic Traynor
<b>Registered Office</b>	Salisbury House London Wall London EC2M 5PS
<b>Company Number</b>	10992439
<b>Independent Auditors</b>	PKF Littlejohn LLP Chartered Accountants and Registered Auditor 1 Westferry Circus Canary Wharf London E14 4HD
<b>Solicitors</b>	Druces LLP Salisbury House London Wall London EC2M 5PS

# RIVER CAPITAL PLC

## GROUP STRATEGIC REPORT

The Directors of River Capital plc (the "Company") and its subsidiary undertakings (which together comprise the "Group") present their Strategic Report on the Group for the period from incorporation on 3 October 2017 to 31 October 2018.

### Strategic approach

The Group's principal activity is to create value for shareholders through acquiring companies, businesses or assets, that is seeks to provide early stage capital stage finance to maximise the capital value and generate returns for shareholders.

The Company has no operations or principal activities save to act as a holding company of its Cypriot subsidiaries, Sloane Logistics Investments (CY) Limited and River Group Holdings Limited, which was acquired post period end. The subsidiaries are investment entities whose principal activity is to acquire interests in public and private companies and to hold these for capital appreciation to generate shareholder wealth.

The Group will consolidate the two subsidiaries named above as these are investment management entities and involved in the investment activities of the Group.

### Organisation overview

The Group's business is directed by and managed on a day-to-day basis by the Executive Directors. The Directors monitor compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

### Review of business

The Company was established on 3 October 2017 to pursue its strategy to become a publicly listed investment company to hold equity investments that originate out of its consulting associate River Capital Partners Limited. In September 2018 the Company raised £150,000 from investors to facilitate its establishment and to commence the listing process. The Company is targeting to list on the London Stock Exchange in February 2019.

### Principal risks and uncertainties

#### *Dependence on key personnel*

The Group and Company is dependent upon its executive management team. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on the Company's ability to recruit and retain high quality and experienced staff. The loss of the services of key personnel and/or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

#### *Financial risks*

The Group's operations expose it to a variety of financial risks that include market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

#### *Availability of appropriate investments*

Since the Group holds only one investment at the year end, there is no historic basis upon which to evaluate the possible merits or risks of a target business' operations. No assurance can be made that an investment in Ordinary Shares will ultimately prove to be more favourable to Shareholders than a direct investment. The Directors will mitigate this risk by ensuring that the investment portfolio held by the Group is well diversified across different investments with different risks.

### Financial performance review

The loss of the Group for the period ended 31 October 2018 after taxation amounted to £137,125.

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 October 2019.

## RIVER CAPITAL PLC

### GROUP STRATEGIC REPORT

The two main KPIs for the Group are set out below. These allow the Group to monitor expenditure and plan future growth and development activities:

	2018
Cash and cash equivalents	29,742
Administrative expenses	137,125

Cash has been used to fund the Group's establishment and operating costs (as set out in the Consolidated Cash Flow Statement on page 13). Going forward, a KPI will be the performance of the Group's investment portfolio.

#### Investing strategy

The Group does not have an investing policy but will make direct and indirect investments in companies advised to by River Capital Partners Limited, a related company to River Capital Plc and other investment opportunities that the board considers favourable to the Company.

In order to create value for shareholders, the Group will consider investment opportunities worldwide. Investments may be either quoted or unquoted entities. The Company will focus primarily, but not exclusively, on opportunities in the resources, logistics and technology sectors internationally. The Directors believe that a number of opportunities exist for investments in small growth companies that initially are high risk but have the potential for high returns to investors.

River Capital Partners Limited has been advising companies internationally for the last 20 years and is also a registered Sponsor and Designated Adviser on the Johannesburg Stock Exchange, over the years River Capital Partners Limited has developed its business model and service offering in such way that it receives equity participation rights in the companies it advises, the rights when executed will now be executed in River Capital Plc and the portfolio of investments will be extended in this way over time.

All investments acquired will be exited at the appropriate time either via a sale of the equity position or a listing of the investee company on an international stock exchange. Over the last 20 years River Capital Partners Limited, has achieved such exits through listing on the London, Toronto, Johannesburg and Australian Stock Exchanges and future exits will likely continue to be on these markets as the executives have extensive experience in these markets.

This report was approved and authorised for issue by the Board on 15 March 2019.



Andreas Lianos  
Director

# **RIVER CAPITAL PLC**

## **DIRECTORS' REPORT**

The Directors present their Annual Report on the affairs of the Company, together with the Financial Statements, for the period ended 31 October 2018.

### **General information**

The Company was incorporated in England and Wales (company number: 10992439) on 3 October 2017 under the name Sloane Logistics Investments plc and subsequently changed its name on 18 September 2018 to River Capital plc.

The registered office of the Company is Salisbury House, London Wall, London, United Kingdom, EC2M 5PS.

### **Principal activity**

The principal activity of the Company is as described in the Strategic Report.

### **Dividends**

The Directors do not recommend the payment of a dividend for the period.

### **Directors & Directors' Interests**

The Directors who served during the period ended 31 October 2018, as shown in the Company Information on page 2 had a direct interest in the shares of the Company with 100% of shares in the Company being held by River Capital Partners Limited, a Company of which Andreas Lianos is a sole director of. Refer to note 15.

For details of the directors remuneration paid in the year see note 7.

### **Future developments**

For future developments of the Group, see the Strategic Report and the subsequent events disclosed in note 17.

### **Statement as to disclosure of information to auditors**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved and authorised for issue by the Board on 15 March 2019 and signed on its behalf by:



Andreas Lianos  
Director

## **RIVER CAPITAL PLC**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Companies transactions and disclose with reasonable accuracy at any time the financial position of the and Company. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

# **RIVER CAPITAL PLC**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIVER CAPITAL PLC**

### **Opinion**

We have audited the financial statements of River Capital plc (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 October 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 October 2018 and of the group's and parent company's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group and parent 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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. Our opinion on the group and parent company 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the 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.



## RIVER CAPITAL PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIVER CAPITAL PLC

#### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.



**Alistair Roberts (Senior Statutory Auditor)**  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

15 March 2019

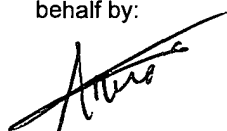
# RIVER CAPITAL PLC

## STATEMENTS OF FINANCIAL POSITION As at 31 October 2018

Company number: 10992439

		Group	Company
		2018	2018
	Note	£	£
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	13	-	1,000
Financial assets at fair value through profit and loss	10	8,815	8,815
<b>Total non-current assets</b>		<b>8,815</b>	<b>9,815</b>
<b>Current assets</b>			
Cash and cash equivalents	9	29,742	-
Trade and other receivables	12	-	116,185
<b>Total current assets</b>		<b>38,557</b>	<b>116,185</b>
<b>Total assets</b>		<b>38,557</b>	<b>126,000</b>
<b>Current liabilities</b>			
Trade and other payables	11	25,682	22,500
<b>Total liabilities</b>		<b>25,682</b>	<b>22,500</b>
<b>Net assets</b>		<b>12,875</b>	<b>103,500</b>
<b>Capital and reserves</b>			
Share capital	14	10,000	10,000
Share Premium	14	140,000	140,000
Retained earnings		(137,125)	(46,500)
<b>Total equity</b>		<b>12,875</b>	<b>103,500</b>

The Financial Statements were approved and authorised for issue by the Board on 15 March 2019 and were signed on its behalf by:



Andreas Lianos  
Director

The Notes on pages 14 to 21 form part of these Financial Statements.

# RIVER CAPITAL PLC

## STATEMENTS OF COMPREHENSIVE INCOME

For the period ended 31 October 2018

		Group	Company
	Note	3 October 2017 to 31 October 2018	3 October 2017 to 31 October 2018
		£	£
<b>Continued operations</b>			
Revenue		-	-
<b>Gross profit</b>		-	-
Administrative expenses	6	(137,125)	(46,500)
<b>Operating Loss</b>		<b>(137,125)</b>	<b>(46,500)</b>
Finance costs		-	-
<b>Loss Before Income Tax</b>		<b>(137,125)</b>	<b>(46,500)</b>
Income tax expense	8	-	-
<b>Loss for the Period</b>		<b>(137,125)</b>	<b>(46,500)</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>(137,125)</b>	<b>(46,500)</b>
 Earnings per share (pence per share)	 14	 (16.372)	 (5.552)

The Notes on pages 14 to 21 form part of these Financial Statements.

**RIVER CAPITAL PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the period ended 31 October 2018**

	Attributable to owners of the Parent			
	Ordinary Shares	Share premium	Retained earnings	Total equity
	£	£	£	£
<b>As at 3 October 2017</b>	-	-	-	-
Loss for the period	-	-	(137,125)	(137,125)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(137,125)	(137,125)
Proceeds from share issue	10,000	140,000	-	150,000
Transaction with owners, recognised directly in equity	10,000	140,000	-	150,000
<b>As at 31 October 2018</b>	<b>10,000</b>	<b>140,000</b>	<b>(137,125)</b>	<b>12,875</b>

The Notes on pages 14 to 21 form part of these Financial Statements.

# RIVER CAPITAL PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY For the period ended 31 October 2018

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>As at 3 October 2017</b>	-	-	-	-
Loss for the period	-	-	(46,500)	(46,500)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	(46,500)	(46,500)
Proceeds from share issue	10,000	140,000	-	150,000
Transaction with owners, recognised directly in equity	10,000	140,000	-	150,000
<b>As at 31 October 2018</b>	<b>10,000</b>	<b>140,000</b>	<b>(46,500)</b>	<b>103,500</b>

The Notes on pages 14 to 21 form part of these Financial Statements.

# RIVER CAPITAL PLC

## STATEMENTS OF CASH FLOWS

For the period ended 31 October 2018

		Group	Company
		3 October 2017 to 31 October 2018	3 October 2017 to 31 October 2018
	Note	£	£
<b>Cash flows from operating activities</b>			
Profit before income tax		(137,125)	(46,500)
Adjustments for:			
Increase/ (decrease) in trade and other payables		25,682	22,500
<b>Net cash used in operating activities</b>		<b>(111,443)</b>	<b>(24,000)</b>
<b>Cash flows from investing activities</b>			
Investment in non-group companies		(8,815)	(8,815)
Loans to subsidiaries		-	(116,185)
Investment in subsidiaries		-	(1,000)
<b>Net cash used in investing activities</b>		<b>(8,815)</b>	<b>(126,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		150,000	150,000
<b>Net cash generated from financing activities</b>		<b>150,000</b>	<b>150,000</b>
Net (decrease)/increase in cash and cash equivalents		29,742	-
Cash and cash equivalents at beginning of the period		-	-
<b>Cash and cash equivalents at end of period</b>	9	<b>29,742</b>	<b>-</b>

The Notes on pages 14 to 21 form part of these Financial Statements.

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

### 1. General information

River Capital plc was incorporated on 3 October 2017. The principal activity of River Capital plc (the "Company") is that of a holding company for its subsidiaries Sloane Logistics Investment (CY) Limited and River Group Holdings Limited that was acquired post year end. The Company is incorporated and domiciled in England, United Kingdom.

The address of its registered office is Salisbury House, London Wall, London, United Kingdom, EC2M 5PS.

The subsidiaries' principal activity is identifying and investing in suitable equity investments to generate value for shareholders.

### 2. Accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1. Basis of preparing the financial statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRIC IC') as adopted by the European Union. The Financial Statements have also been prepared under the historical cost convention, as modified by the financial assets at fair value through profit or loss.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

#### a) Changes in accounting policy

##### i) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that were effective for the first time for the financial year beginning 3 October 2017 that had a material impact on the Group.

##### ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 2 (Amendments)	Clarifications of classification and measurement of Share-based payment transactions	1 January 2018
Annual Improvements	2014-2016 Cycle	1 January 2018
IFRIC Interpretation 22	Foreign currency transactions and advanced consideration	1 January 2018
IFRIC 23	Uncertainty over Income tax treatments	1 January 2018
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019

\* Subject to EU endorsement

- IFRS 9 will impact both the recognition, measurement and disclosures of financial instruments. The Group is currently assessing the impact of the revisions on the financial position, a process expected to be finalised during the year ending 31 October 2019. Until such assessment is completed it is not practical to provide an estimate of the full effect of IFRS 9.
- IFRS 15 will not impact the Group as it is not currently revenue generating.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future financial statements.

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

### Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

### 2.2. Going concern

The Financial Statements have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company will have to access adequate resources to continue in operational existence for the foreseeable future. The Group incurred a loss of £137,125 in the period, had cash of £29,742 at the period end and no method of generating revenue. Future capital resources are expected to come from the issue of shares to private investors and the listing of the Company on the Standard Segment of the London Stock Exchange in early 2019. The Group is reliant on this capital raising to continue its investment activities. The Directors have considered the likelihood of the raising of additional capital in conjunction with the Group's budget and remain confident that such capital financing will become available in due course. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

### 2.3. Foreign currencies

#### a) *Functional and presentation currency*

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Financial Statements are presented in Pounds Sterling, rounded to the nearest pound, which is the Companies functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### 2.4. Financial assets

The Group and Company's financial assets consist of loans and receivables and financial assets at fair value through profit and loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Companies loans and receivables comprise of loans to related parties.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

#### **Financial assets at fair value through profit and loss**

The Group designates its investments at inception as financial assets through profit and loss. Financial assets at fair value through profit and loss are non-derivative financial assets with fixed or determinable payments. Financial assets at fair value through profit and loss are recognised initially and subsequently at fair value at each reporting date.

### Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:



# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 October 2018

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values for the Group's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Group's financial assets that are measured at fair value:

31 October 2018:	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>				
Equity investments in non-quoted companies	-	-	44,478	44,478

The Group does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

### (i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. No investments are valued using level 1 quoted prices in the period.

### (ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the period.

### (iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. As permitted under IFRS 13 the cost model has been used to fair value the investments if cost is considered to represent fair value. This is because there is a lack of sufficient appropriate information on which to base an alternative valuation technique for the investments. The income and market valuation models are not thought to be appropriate due to the type of investments. There is no evidence of impairment of any of the investments.

The following table presents the changes in level 3 instruments for the period ended 31 October 2018:

	2018 £
Opening balance	-
Additions in to level 3	8,815
Fair value adjustments	-
Closing balance	<u>8,815</u>

### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A Financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligator;
- A breach of contract, such as a default or delinquency in interest or principal repayments.

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Income Statement.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the trade and other receivables credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

### 2.5. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

### 2.6. Share capital and share premium

Ordinary shares are classified as equity in share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Statement of Comprehensive Income.

Bonus shares are shares issued to existing shareholders for no consideration in proportion to their existing shares held. These shares are held at their par value, with the par value debiting share premium.

### 2.7. Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

## 3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

Risk management is carried out by the Cyprus based management team under policies approved by the Board of Directors.

### **Market Risk**

#### *(a) Foreign currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro, US Dollar and the British Pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group negotiates all material contracts for activities in relation to its subsidiaries in either British Pounds or Euros. The Group does not hedge against the risks of fluctuations in exchange rates. The volume of transactions is not deemed sufficient to enter into forward contracts as most of the foreign exchange movements result from the retranslation of intercompany loans and equity investments. The Group has not sensitised the figures for fluctuations in foreign exchange rates as the Directors are of the opinion that these fluctuations, apart from the retranslation of intercompany loans at the closing rate, would not have a significant impact on the financial statements of the Group. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

#### *(b) Price risk*

The Group has no exposure to equity securities price risk, as it has no listed or unlisted equity investments other than investments in wholly owned subsidiaries. This will change post balance sheet when the company lists on the LSE and has listed equity investments in its investment portfolio, however as the Company is an investment company, price risk is an inherent risk of the business and the Directors will monitor and take suitable measures to manage the price risk of its investments to the extent possible and where considered necessary and appropriate.

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

### *Credit Risk*

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

### *Liquidity Risk*

In keeping with similar sized investment groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed and the Board regularly manage the working capital requirements of the Group. The Group have very little committed expenditure and as such the Board are able to manage its payments to ensure adequate liquid resources are available.

## 4. Critical accounting estimates

The preparation of the Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Investments held as financial assets through profit and loss*

The Group reviews the fair value of its financial assets at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted investments in the absence of an active market. See note 2 for detail on the Level 3 valuation process.

As at 31 October 2018, Management's significant judgement in this regard is that the fair value of the investments is their cost (as permitted by IFRS 13), as a result of a lack of other inputs or evidence to suggest an uplift or impairment of the value. The investment was made close to the year end and on the same terms as other third-party investors. No subsequent share issues or events have occurred to adjust the valuation of the investment.

## 5. Dividends

No dividend has been declared or paid by the Company during the period ended 31 October 2018.

## 6. Expenses by nature

	Group 2018 £	Company 2018 £
Directors remuneration	32,500	-
Legal and professional	76,855	36,000
Auditors remuneration	8,000	8,000
Accountancy fees	2,500	2,500
Bank charges	939	-
Travel	11,767	-
Other	4,564	-
<b>Total</b>	<b>137,125</b>	<b>46,500</b>

## 7. Employees and directors' remuneration

The average number of employees for the Group and Company in the period was two, being the directors. Total directors' remuneration was £32,500.

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

### 8. Income tax expense

Group	2018 £
Current tax	-
Deferred tax	-
<b>Income tax expense</b>	<b>-</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rate to profits of the consolidated entities as follows:

	2018 £
Profit/ (loss) before tax	(137,125)
Tax calculated at the weighted average rate applicable to profits (15%)	(20,163)
Tax losses for which no deferred tax asset was recognised	20,163
<b>Tax charge</b>	<b>-</b>

No deferred tax asset has been recognised on the losses in the period as a result of uncertainty over future profits in the Group. Tax losses of £20,000 are available to carry forward against future profits.

### 9. Cash and Cash Equivalents

	Group 2018 £	Company 2018 £
Cash at bank and in hand	29,742	-

### 10. Financial assets at fair value through profit and loss

	Group 2018 £	Company 2018 £
Financial assets at fair value through profit and loss	8,815	8,815

On 18 October 2018, River Capital plc purchased 116,667 ordinary shares in Caerus Mineral Resources plc of £0.001 each in at a price of £0.075 per share with a total value of £8,815. See note 2.4 for the fair value assessment.

### 11. Trade and Other Payables

	Group 2018 £	Company 2018 £
Accruals	25,682	22,500

# RIVER CAPITAL PLC

## NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

### 12. Trade and Other Receivables

	Group 2018 £	Company 2018 £
Amounts due from group undertakings	-	116,185

Amounts due from group undertakings are unsecured, interest free and repayable in Pounds Sterling when sufficient cash resources are available.

### 13. Investments in Subsidiaries

	Group 2018 £	Company 2018 £
Investment in Sloane Logistics Investments (CY) Ltd	-	1,000

At the year end, the Company owned 100% of the share capital of Sloane Logistics Investments (CY) Limited. The principal activity of the subsidiary is identifying and investing in suitable equity investments to generate value for shareholders. The registered office of the subsidiary is 57 Kolonakiou Street, 1<sup>st</sup> Floor Office 102, Limassol, 4161, Cyprus.

### 14. Share Capital and share premium

	Number of shares	Ordinary shares £	Share premium £	Total £
<b>Issued and fully paid</b>				
As at 3 October 2017	-	-	-	-
Issue of new shares – 3 October 2017	2	2	-	2
Issue of new shares – 28 September 2018	4,999,999	4,999	45,000	49,999
Issue of new shares – 28 September 2018	4,999,999	4,999	95,000	99,999
<b>As at 31 October 2018</b>	<b>10,000,000</b>	<b>10,000</b>	<b>140,000</b>	<b>150,000</b>

On 3 October 2017, The Company issued 2 new ordinary shares of £0.001 each fully paid at a price of £0.001 per share raising £2.

On 28 September 2018, The Company issued 4,999,999 new ordinary shares of £0.001 each fully paid at a price of £0.001 per share raising £49,999.

On 28 September 2018, The Company issued 4,999,999 new ordinary shares of £0.001 each fully paid at a price of £0.02 per share raising £99,999.

#### Earnings per share

The calculation of the earnings per share is based on the loss after income tax attributable to the equity shareholders for the period from incorporation on 3 October 2018 to 31 October 2018. The weighted average number of shares for the period is 837,563 and the loss attributable to shareholders is £137,125 for the Group and £46,500 for the Company.

### 15. Related Party Transactions

River Capital Partners Limited (Cyprus), a company which is a shareholder of River Capital Plc was paid a fee of £51,940 for administration of, consulting to and management of the Company.

Namaqua Management Company Limited (Cyprus), a company of which Andrea Lianos is a Director, was paid a fee of £32,500 for HR services and Executive director salaries.

Boudica Trust Co. Ltd (Cyprus), a company of which Andrea Lianos is a Director, was paid a fee of £6,308 for Cypriot secretarial services on behalf of its subsidiaries.

## RIVER CAPITAL PLC

### NOTES TO THE FINANCIAL STATEMENTS For the period ended 31 October 2018

#### 16. Ultimate Controlling Party

100% of the shares in River Capital Plc is owned by River Capital Partners Limited with Andreas Lianos being the sole director.

#### 17. Post Period End Events

On 26 November 2018, the Company issued 90,000,000 new bonus shares of £0.01 each.

On 26 November 2018, the Company consolidated every 10 ordinary shares to 1 ordinary share with a nominal value of £0.01

On 30 November 2018 the Company was allocated a further 150,000 ordinary shares in Caerus Mineral Resources plc, bringing the total investment in Caerus to 266,667 shares for the original subscription price of £8,815.

On 14 December 2018, the Company issued 1,150,000 new ordinary shares of £0.01 each fully paid at a price of £0.056 per share raising £65,000.

On 12 December 2018, the Group acquired 10% (10,000,000 ordinary shares) of SP MultiBet Limited in South Africa, a company that is developing patented pool betting software for £570.

On 13 February 2019 the Company issued 400,000 new ordinary shares of £0.01 each fully paid at a price of £0.10 per share raising £40,000. On 11 March 2019 the Company issued 200,000 new ordinary shares of £0.01 each fully paid at a price of £0.10 per share raising £20,00.

On 15 January Sloane Logistics Investments (CY) Limited changed its name to River Capital Management Co Limited.

On 11 January 2019, the Company purchased River Group Holdings Limited from River Capital Partners Limited for the issue of 950,000 shares for price of £1.293 per share. As part of the Sale and Purchase Agreement, River Capital also acquired the loan payable of £1,077,569. A summary balance sheet of River Group Holdings Limited at acquisition is included below:

	£
<b>Non-current assets</b>	
Investments at fair value through profit and loss	989,871
<b>Current assets</b>	
Cash	168
<b>Current liabilities</b>	
Loan payable to River Capital Partners Limited	(1,077,569)
<b>Net liabilities</b>	<b>(87,530)</b>
<b>Equity</b>	
Share capital	1,535
Retained earnings	(89,065)
<b>Total equity</b>	<b>(87,530)</b>

Details of the net assets acquired and purchase price allocation are as follows:

	£
<b>Consideration</b>	<b>1,228,350</b>
Net liabilities acquired	(87,530)
Consideration attributed to the loan note purchased	(1,077,569)
Fair value uplift of investments at fair value through profit and loss	(63,251)
<b>Goodwill</b>	<b>-</b>

The Group has not completed a full purchase price allocation exercise under IFRS 3. The Group has 12 months to finalise the purchase price allocation and adjust the provisional amounts stated above.