

RIVERSIMPLE HOLDING LIMITED
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2023

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

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FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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RIVERSIMPLE HOLDING LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2023

DIRECTORS: H R A Spowers
Mrs F C Spowers
G Battle

SECRETARY: Mrs F C Spowers

REGISTERED OFFICE: 32 Ddole Road Industrial Estate
Llandrindod Wells
Powys
LD1 6DF

REGISTERED NUMBER: 09623909 (England and Wales)

AUDITORS: Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2023.

Introduction

I am delighted to present the annual report of Riversimple Holding Limited for the year ending 30 September 2023.

PRINCIPAL ACTIVITY

The company's stated purpose is: to pursue, systematically, the elimination of the environmental impact of personal transport. Our mission and goal remain unchanged from that formulated almost 20 years ago; that is to develop an affordable mobility solution for people which minimises waste and generates no harmful emissions. Indeed, the only emission from our vehicles is water. The need for an affordable solution has become even more acute as the European automotive industry struggles to manufacture small cars profitably and Battery Electric Vehicles are offered at a considerable premium. When it comes to affordable zero emission cars with a decent range, we cannot see any competitors on the horizon.

GOVERNANCE

The Operating Board has benefited from the tenure of Juergen Maier CBE as a director and the innovative Future Guardian governance structure of our company has been strengthened during the financial year with the appointment of three new Custodians. We remain committed to the 6 stakeholder groups each of which is represented by a Custodian. These groups are: Investors, Commercial Partners, Staff, Environment, Community, and Customers.

REVIEW OF BUSINESS

I am pleased to report that the business has made great progress throughout the last year. A few highlights of which are as follows:

1. The Operating Board and advisory team have been added to and strengthened, deepening the operational and manufacturing expertise available to the company.
2. The company has 6 Beta cars on the road and trials of the service with paying customers continue. Thousands of miles of real-world testing, including a trip with three cars to Paris and back, have given me confidence in the robustness of the technology, both hardware and software. Feedback from customers themselves and the on-board telematics indicate that the car is significantly exceeding my expectations in terms of both real-world resilience and customer satisfaction.
3. The focus of this year has been on further developing the roadmap towards commercialisation, with detailed plans for our first production vehicle, developed from the beta car platform, scoping further models, staffing and expanding senior management.
4. Following our Series B funding round (see below), the company has concluded on a recruitment plan that will see well over 100 people being part of the Riversimple project within 18 months.

Series B - £40m

To take the business to the next stage, a £40m Series B funding round has been launched. Alongside a revised financial model, an investment deck has been produced which is being circulated amongst a curated list of potential investors. Feedback to the business proposition set out in the deck has been very positive and is seen as being very well timed in terms of climate concerns and Net Zero.

I am looking to close the Interim Series B round of £5m by the end of 2024, with the final round being closed by the end of Q1 2025, though some investors may be willing to invest funds in advance of the closing date.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2022 to the date of this report.

H R A Spowers
Mrs F C Spowers
G Battle

Other changes in directors holding office are as follows:

C M Foxall - resigned 2 December 2022
J W Maier - appointed 4 April 2023

J W Maier ceased to be a director after 30 September 2023 but prior to the date of this report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

BASIS OF PREPARATION

The company has prepared these financial statements on the going concern basis, which assumes the company will continue to be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Detailed cashflow projections indicate that, in the absence of other funding, a cash injection will be required towards the end of Q4 2024 to continue delivering on the company's strategic plan. Failure to acquire such funding would cast significant doubt on the Company's ability to continue as a going concern.

Given the progress made thus far on the Series B fund raise, the Directors believe that the company remains a going concern and therefore the going concern basis is appropriate.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

H R A Spowers - Director

30 September 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RIVERSIMPLE HOLDING LIMITED

Qualified Opinion

We have audited the financial statements of Riversimple Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. With respect to the fair value of the fixed asset investments, currently valued at £5,813,110, the audit evidence available to us was limited because we could not obtain a reliable expert opinion to provide a valuation of the company.

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 Auditors' 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.

Material uncertainty 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 the 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.

We draw attention to note 1 in the financial statements, which indicates that the company is reliant on new investment being received within 12 months of the approval of the financial statements to continue as a going concern. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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 the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RIVERSIMPLE HOLDING LIMITED

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 Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RIVERSIMPLE HOLDING LIMITED

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing support documentation, concerning the company's policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud.
- obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RIVERSIMPLE HOLDING LIMITED**

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 a Report of the Auditors 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.

Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

30 September 2024

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Notes	2023 £	2022 £
TURNOVER		453	5,003
Cost of sales		<u>1,143,667</u>	<u>1,876,657</u>
GROSS LOSS		(1,143,214)	(1,871,654)
Administrative expenses		<u>345,114</u>	<u>294,940</u>
		(1,488,328)	(2,166,594)
Other operating income		<u>235,651</u>	<u>658,865</u>
OPERATING LOSS	5	(1,252,677)	(1,507,729)
Interest receivable and similar income		<u>2,348</u>	<u>14</u>
		(1,250,329)	(1,507,715)
Interest payable and similar expenses		<u>4,580</u>	<u>3,336</u>
LOSS BEFORE TAXATION		(1,254,909)	(1,511,051)
Tax on loss		<u>(160,585)</u>	<u>(282,703)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,094,324)</u>	<u>(1,228,348)</u>
Loss attributable to: Owners of the parent		<u>(1,094,324)</u>	<u>(1,228,348)</u>

CONSOLIDATED BALANCE SHEET
30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	7		17,486		8,262
Investments	8		<u>-</u>		<u>-</u>
			17,486		8,262
CURRENT ASSETS					
Debtors	9	652,195		1,193,336	
Cash at bank and in hand		<u>248,195</u>		<u>45,735</u>	
		900,390		1,239,071	
CREDITORS					
Amounts falling due within one year	10	<u>467,063</u>		<u>550,712</u>	
NET CURRENT ASSETS			<u>433,327</u>		<u>688,359</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>450,813</u>		<u>696,621</u>
CAPITAL AND RESERVES					
Called up share capital			47,386		1,640
Share premium			5,927,164		5,129,574
Share Options Reserve			1,285,891		1,280,711
Retained earnings			<u>(6,809,628)</u>		<u>(5,715,304)</u>
			<u>450,813</u>		<u>696,621</u>

The 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 30 September 2024 and were signed on its behalf by:

H R A Spowers - Director

COMPANY BALANCE SHEET
30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	7		-		-
Investments	8		<u>5,813,110</u>		<u>4,990,019</u>
			5,813,110		4,990,019
CURRENT ASSETS					
Debtors	9	480		479	
CREDITORS					
Amounts falling due within one year	10		<u>2</u>	<u>2</u>	
NET CURRENT ASSETS			<u>478</u>		<u>477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,813,588</u>		<u>4,990,496</u>
CAPITAL AND RESERVES					
Called up share capital			1,659		1,640
Share premium			5,972,892		5,129,575
Share Options Reserve			1,285,891		1,280,711
Retained earnings			<u>(1,446,854)</u>		<u>(1,421,430)</u>
			<u>5,813,588</u>		<u>4,990,496</u>
Company's loss for the financial year			<u>(25,424)</u>		<u>(46,224)</u>

The 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 30 September 2024 and were signed on its behalf by:

H R A Spowers - Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. **GOING CONCERN**

The directors have prepared these accounts on a going concern basis, which assumes the company will continue to be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The company is loss making, has negative reserves and a net liability position, however it has a number of options available to ensure it continues as a going concern, notably several existing investors have committed additional funds, whilst two new investors are in the midst of diligence as these accounts are being finalised. The Company has cash reserves alongside it actively seeking external equity funding. The directors have also pledged to support the company should there be a short term requirement for bridge funding.

Furthermore, the directors have contingency plans in place to reduce expenditure in the event of any further delays in its investment round. The company is also actively seeking further investment from new investors to enable operational expansion through 2025 and 2026. Given the options available to the directors, especially those at a relatively advanced stage, they are confident that the financial statements have been correctly prepared on a going concern basis. However in the event there is significant delay in investment funds being received, or should expenditure not be reduced then there would be a material risk to the company continuing as a going concern.

2. **STATUTORY INFORMATION**

Riversimple Holding Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The group has made a loss in the year of £1,289,599 (2022 £1,511,051).

The directors have reviewed this position and based on the understanding that future funding from investment rounds is received which will allow the group to have sufficient cashflow for at least 12 months from the date these financial statements are signed. Based on this the directors have continued to adopt the going concern basis.

Without this external funding, this would indicate a material uncertainty which may cast significant doubt about the groups ability to continue as a going concern. The financial statements do not include any adjustments which may be necessary if the company was unable to continue as a going concern.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and Machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 20% reducing balance

Cost comprises the purchase price of the asset and expenditure directly attributable to the acquisition of the item.

A fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

Impairment of fixed assets

The company performs impairment testing where there are any indicators of impairment. Impairment is calculated as the difference between the carrying value and the recoverable value of the asset. Recoverable value is the higher of net realisable value and estimated value in use at the date the impairment loss is recognised. Value in use represents the present value of expected future discounted cash flows. If incurred, impairment is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying value does not exceed the carrying value that would have been determined if no impairment loss had been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately as a credit to the income statement.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. ACCOUNTING POLICIES - continued

Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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 transaction price and subsequently measured at amortised cost using the effective interest method.

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 company after deducting all of its liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. **ACCOUNTING POLICIES - continued**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

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

Complex financial instruments / Convertible loan notes

The company holds convertible loan notes, under FRS102 these are recognised as both debt and equity. The debt is deemed to be a complex financial instrument and valued at fair value, at the end of each period the movement on the fair value is recognised through the profit and loss account.

On derecognition any gain or loss on the sale/conversion of the loan notes is also recognised through the profit and loss account in the period in which they are sold/converted.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

3. ACCOUNTING POLICIES - continued

Cash at bank and cash in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

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

Creditors

Short term creditors are measured at transaction price.

Provision for liabilities

Provisions are recognised when the company has a present obligation (legal and constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Functional and Presentation Currency

The company's functional and presentation currency is pounds sterling.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Employee benefits

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

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

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

Share-Based Payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employee become fully entitled to the award.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon market or non vesting condition, which are treated as vesting irrespective of whether or not the market or non vesting condition is satisfied, provided that all other performance conditions are satisfied.

The financial effect of awards by the parent company of options over its equity shares to the employees of the subsidiary undertakings are recognised by the parent company in its individual financial statements.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2022 - 22) .

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2022 - NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

5. OPERATING LOSS

The operating loss is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	<u>3,042</u>	<u>2,328</u>

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

7. TANGIBLE FIXED ASSETS

Group

	Plant and Machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2022	6,325	4,746	22,924	33,995
Additions	-	1,367	13,895	15,262
Disposals	-	(742)	(15,989)	(16,731)
At 30 September 2023	<u>6,325</u>	<u>5,371</u>	<u>20,830</u>	<u>32,526</u>
DEPRECIATION				
At 1 October 2022	5,396	2,521	17,816	25,733
Charge for year	232	690	2,120	3,042
Eliminated on disposal	-	(656)	(13,079)	(13,735)
At 30 September 2023	<u>5,628</u>	<u>2,555</u>	<u>6,857</u>	<u>15,040</u>
NET BOOK VALUE				
At 30 September 2023	<u>697</u>	<u>2,816</u>	<u>13,973</u>	<u>17,486</u>
At 30 September 2022	<u>929</u>	<u>2,225</u>	<u>5,108</u>	<u>8,262</u>

8. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2022	4,990,019
Additions	823,091
At 30 September 2023	<u>5,813,110</u>
NET BOOK VALUE	
At 30 September 2023	<u>5,813,110</u>
At 30 September 2022	<u>4,990,019</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

8. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Riversimple movement Limited**

Registered office: United Kingdom

Nature of business: Production and sale of hydrogen cars

Class of shares:	% holding	2023	2022
Ordinary	100.00	£	£
Aggregate capital and reserves		(569,033)	695,145
Loss for the year		<u>(1,264,180)</u>	<u>(1,182,125)</u>

Riversimple ideas Limited

Registered office: United Kingdom

Nature of business: Dormant

Class of shares:	% holding	2023	2022
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

Riversimple Engineering Limited

Registered office: United Kingdom

Nature of business: Dormant

Class of shares:	% holding	2023	2022
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>1,001</u>	<u>1,001</u>

9. DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,132	678	-	-
Amounts owed by group undertakings	1,001	-	-	-
Other debtors	<u>640,522</u>	<u>1,162,467</u>	<u>480</u>	<u>479</u>
	<u>644,655</u>	<u>1,163,145</u>	<u>480</u>	<u>479</u>
Amounts falling due after more than one year:				
Other debtors	<u>7,540</u>	<u>30,191</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>652,195</u>	<u>1,193,336</u>	<u>480</u>	<u>479</u>

RIVERSIMPLE HOLDING LIMITED (REGISTERED NUMBER: 09623909)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	166,696	174,292	-	-
Amounts owed to group undertakings	1,001	-	2	2
Taxation and social security	14,312	43,566	-	-
Other creditors	285,054	332,854	-	-
	<u>467,063</u>	<u>550,712</u>	<u>2</u>	<u>2</u>

11. CAPITAL COMMITMENTS

	2023	2022
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

12. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.

13. SHARE-BASED PAYMENT TRANSACTIONS

Share options

At the year end there are 351,000 share options outstanding granted under the scheme with an exercise price of £3.78 per ordinary share.

A further 3,000 share options under a new scheme are outstanding with an exercise price of £5.18 per ordinary share.

No of options	No of individuals	Grant Date	Option Life	Exercise Price
351,000	20	10/4/2018	10 years	3.78
3,000	1	13/11/2020	10 years	5.18

There are no exercise conditions to these options.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.