

Riverlane Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

Max Accountants Ltd
Ketton Suite
The King Centre
Barleythorpe
Rutland
LE15 7WD

Riverlane Limited

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Riverlane Limited

Company Information

Directors Stephen Brierley
Dr Andrew James Williamson
Amelia Sarah Armour
Dr Rebecca Simmons
Stuart Chapman

Company secretary Mr Martin Hickman

Registered office 1st Floor
St Andrews House
59 St Andrews Street
Cambridge
Cambridgeshire
CB2 3BZ

Accountants Max Accountants Ltd
Ketton Suite
The King Centre
Barleythorpe
Rutland
LE15 7WD

Riverlane Limited

(Registration number: 10260255) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>5</u>	211,494	161,285
Tangible assets	<u>6</u>	605,896	184,546
		<u>817,390</u>	<u>345,831</u>
Current assets			
Debtors	<u>7</u>	1,280,989	788,512
Cash at bank and in hand		12,501,359	237,843
		<u>13,782,348</u>	<u>1,026,355</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(452,044)</u>	<u>(173,767)</u>
Net current assets		<u>13,330,304</u>	<u>852,588</u>
Net assets		<u>14,147,694</u>	<u>1,198,419</u>
Capital and reserves			
Called up share capital	<u>9</u>	277	185
Share premium reserve		18,265,139	3,250,151
Other reserves		531,537	142,120
Profit and loss account		<u>(4,649,259)</u>	<u>(2,194,037)</u>
Shareholders' funds		<u>14,147,694</u>	<u>1,198,419</u>

For the financial year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 10 March 2022 and signed on its behalf by:

Riverlane Limited

(Registration number: 10260255)
Balance Sheet as at 31 December 2021

.....
Stephen Brierley
Director

Riverlane Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

1st Floor
St Andrews House
59 St Andrews Street
Cambridge
Cambridgeshire
CB2 3BZ

These financial statements were authorised for issue by the Board on 10 March 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Straight line over the remaining lease term
Fixtures and fittings	Straight line over 4 years
Office equipment	Straight line over 3 years

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	Straight line over 7 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Research and Development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 42 (2020 - 22).

4 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	<u>(8,509)</u>	<u>(172,424)</u>

Taxation for the year includes a repayable R&D tax credit of £297,046 (2020 £257,105). As at 31 December 2021, the Company had losses of £3,930,876 (2020 £1,566,358) available to carry forward against future trading profits for corporation tax purposes.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

5 Intangible assets

	Trademarks, patents and licenses £	Other intangible assets £	Total £
Cost or valuation			
At 1 January 2021	188,110	-	188,110
Additions acquired separately	85,117	15	85,132
At 31 December 2021	273,227	15	273,242
Amortisation			
At 1 January 2021	26,825	-	26,825
Amortisation charge	34,923	-	34,923
At 31 December 2021	61,748	-	61,748
Carrying amount			
At 31 December 2021	211,479	15	211,494
At 31 December 2020	161,285	-	161,285

6 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation				
At 1 January 2021	32,547	226,916	779	260,242
Additions	55,137	471,412	19,257	545,806
At 31 December 2021	87,684	698,328	20,036	806,048
Depreciation				
At 1 January 2021	8,278	67,223	195	75,696
Charge for the year	12,078	109,841	2,537	124,456
At 31 December 2021	20,356	177,064	2,732	200,152
Carrying amount				
At 31 December 2021	67,328	521,264	17,304	605,896
At 31 December 2020	24,269	159,693	584	184,546

Included within the net book value of land and buildings above is £67,329 (2020 - £24,269) in respect of short leasehold land and buildings.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

7 Debtors

	Note	2021 £	2020 £
Trade debtors		372,741	(14,847)
Amounts owed by group undertakings and undertakings in which the company has a participating interest		210,677	-
Other debtors		697,571	803,359
		<u>1,280,989</u>	<u>788,512</u>

Riverlane Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2021

8 Creditors

Creditors: amounts falling due within one year

	2021	2020
	£	£
Due within one year		
Trade creditors	40,161	20,396
Taxation and social security	185,196	42,293
Accruals and deferred income	147,750	90,819
Other creditors	78,937	20,259
	452,044	173,767
	452,044	173,767

9 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary of £0.00 each	1,024,273	102.43	1,020,420	102.04
Ordinary Preferred of £0.00 each	1,742,408	174.24	829,082	82.91
	2,766,681	276.67	1,849,502	184.95
	2,766,681	276.67	1,849,502	184.95

On 27 January 2021, 551,228 Ordinary Preferred shares of £0.0001 were allotted at a price per share of £16.44 fully paid.

On 24 March 2021, 249,688 Ordinary Preferred shares of £0.0001 were allotted at a price per share of £16.44 fully paid.

On 25 March 2021, 112,410 Ordinary Preferred shares of £0.0001 were allotted at a price per share of £16.44 fully paid.

On 8 April 2021, 3,853 Ordinary shares of £0.0001 were allotted at a price per share of £0.0001 fully paid on exercise of share options.

Subsequent to the year end 11,559 Ordinary shares of £0.0001 each were allotted on the 6th January 2022 as fully paid at a price per share of £0.0001 on exercise of share 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.