

Registered number: 09941547

**Modigliani Solar Limited**

**Directors' report and financial statements  
for the year ended 31 January 2018**



# **Modigliani Solar Limited**

## **Contents**

	Page(s)
<b>Company information</b>	1
<b>Directors' report</b>	2 - 3
<b>Statement of income and retained earnings</b>	4
<b>Balance sheet</b>	5
<b>Notes to the financial statements</b>	6 - 11

# **Modigliani Solar Limited**

## **Company information**

<b>Directors</b>	E Fellows S Goss F Malvezzi Campeggi
<b>Company secretary</b>	S Ludlow
<b>Registered number</b>	09941547
<b>Registered office</b>	6th Floor 33 Holborn London EC1N 2HT

## **Modigliani Solar Limited**

### **Directors' report for the year ended 31 January 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 31 January 2018.

#### **Principal activities**

The company is the parent of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

#### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

#### **Directors**

The directors who served during the period and up to the date of signing the financial statements, unless otherwise indicated, are given below:

E Fellows (appointed 6 August 2018)  
S Goss (appointed 6 August 2018)  
Dr. G La Loggia (resigned 13 February 2017)  
P S Latham (resigned 6 August 2018)  
F Malvezzi Campeggi (appointed 6 August 2018)  
T E Pitt Ford (appointed 23 January 2017 and resigned on 25 April 2017)  
S W Reynolds (resigned 6 August 2018)  
T Rosser (resigned 6 August 2018)

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Modigliani Solar Limited**

### **Directors' report for the year ended 31 January 2018**

#### **Small company exemption**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 31-10-2018 and signed on its behalf.

  
**F Malvezzi Campeggi**  
Director

## Modigliani Solar Limited

### Statement of income and retained earnings for the year ended 31 January 2018

	Year ended 31 January 2018 £	Period ended 31 January 2017 £
Cost of sales	(2,200)	(3,119)
<b>Gross loss</b>	<u>(2,200)</u>	<u>(3,119)</u>
Administrative expenses	(242)	(2,530)
<b>Operating loss</b>	<u>(2,442)</u>	<u>(5,649)</u>
Interest payable and similar charges	(60)	(59)
<b>Loss on ordinary activities before taxation</b>	<u>(2,502)</u>	<u>(5,708)</u>
Tax on loss on ordinary activities	-	-
<b>Loss for the financial year/period</b>	<u><u>(2,502)</u></u>	<u><u>(5,708)</u></u>
Retained earnings at the beginning of the year/period	(5,708)	-
Loss for the financial year/period	(2,502)	(5,708)
<b>Retained earnings at the end of the year/period</b>	<u><u>(8,210)</u></u>	<u><u>(5,708)</u></u>

All amounts above relate to continuing operations.

The company has no items of other comprehensive income for the current year or preceding financial period. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 6 to 11 form part of these financial statements.

**Balance sheet  
as at 31 January 2018**

		2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>	<b>Note</b>				
Investments	4		<b>4,730,974</b>		1,031,413
<b>Current assets</b>					
Debtors	5	946		506	
Cash at bank and in hand		<b>110,134</b>		3,815,492	
		<b>111,080</b>		<b>3,815,998</b>	
Creditors: amounts falling due within one year	6	<b>(264)</b>		<b>(3,119)</b>	
<b>Net current assets</b>			<b>110,816</b>		3,812,879
<b>Net assets</b>			<b>4,841,790</b>		<b>4,844,292</b>
<b>Capital and Reserves</b>					
Called up share capital	7	50,000		50,000	
Share premium account		<b>4,800,000</b>		4,800,000	
Retained earnings		<b>(8,210)</b>		<b>(5,708)</b>	
<b>Total shareholders' equity</b>			<b>4,841,790</b>		<b>4,844,292</b>

For the year ended 31 January 2018, the company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31-10-2018.

**F Malvezzi Campeggi**  
Director

The notes on pages 6 to 11 form part of these financial statements.

# **Modigliani Solar Limited**

## **Notes to the financial statements for the year ended 31 January 2018**

### **1. General information**

Modigliani Solar Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom, registered number 09941547. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The company is the parent of a group of companies of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. No critical judgements have been applied to these financial statements.

The following principal accounting policies have been applied:

#### **2.2 Exemptions for qualifying under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

#### **2.3 Consolidation**

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **2.4 Going concern**

The financial statements have been prepared on the going concern basis. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.



# Modigliani Solar Limited

## Notes to the financial statements for the year ended 31 January 2018

### 2. Accounting policies (continued)

#### 2.5 Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings within administrative expenses.

#### 2.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 2.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

## **Modigliani Solar Limited**

### **Notes to the financial statements for the year ended 31 January 2018**

#### **2. Accounting policies (continued)**

##### **2.8 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.9 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### *(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

###### *(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **Modigliani Solar Limited**

### **Notes to the financial statements for the year ended 31 January 2018**

#### **2. Accounting policies (continued)**

##### **2.10 Financial instruments**

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

##### **2.11 Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

# Modigliani Solar Limited

## Notes to the financial statements for the year ended 31 January 2018

### 3. Employees and directors' remuneration

The company has no employees other than the directors, who did not receive or waive any remuneration (period ended 31 January 2017: £nil).

### 4. Investments

	Investments in group undertakings £
<b>Cost</b>	
At 1 February 2017	1,031,413
Additions	3,699,561
At 31 January 2018	<u>4,730,974</u>
<b>Net book value</b>	
At 31 January 2018	<u>4,730,974</u>
At 31 January 2017	<u>1,031,413</u>

During the year the company made a capital contribution of £3,699,561 to its 100% subsidiary Monteverdi Energia S.R.L, a company incorporated in Italy. The address of the registered office of Monteverdi Energia S.R.L is Trento (TN), Viale Verona, 190/4 CAP 38123, Frazione: Trento C/O Quintas Energy, Italia, S.R.L.

5. Debtors	2018 £	2017 £
Other debtors	<u>946</u>	<u>506</u>
6. Creditors - amounts falling due within one year	2018 £	2017 £
Trade creditors	<u>264</u>	<u>3,119</u>
7. Called up share capital	2018 £	2017 £
Allotted, called up and fully paid 5,000,001 Ordinary shares of £0.01	<u>50,000</u>	<u>50,000</u>

## **Modigliani Solar Limited**

### **Notes to the financial statements for the year ended 31 January 2018**

#### **8. Related party transactions**

The company has identified the following transactions which are to be disclosed under the terms of FRS 102 "Related party transactions".

During the year ended 31 January 2018, the company was charged £nil (2017: £150,000) in respect of arrangement fees by Octopus Investments Limited, a related party due to its significant influence over the entity. At the year end, £nil (2017: £3,119) was outstanding which is included in creditors.

#### **9. Ultimate parent undertaking and controlling party**

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.