

**Registered number: 09941831**

**Leonardo Solar Limited**

**Directors' report and financial statements  
for the year ended 31 December 2020**

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# **Leonardo Solar Limited**

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# **Leonardo Solar Limited**

## **Company Information**

<b>Directors</b>	E Fellows R Skinner
<b>Company secretary</b>	Octopus Company Secretarial Services Limited
<b>Registered number</b>	09941831
<b>Registered office</b>	6th Floor 33 Holborn London EC1N 2HT

# **Leonardo Solar Limited**

## **Directors' report for the year ended 31 December 2020**

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2020.

### **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 assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

### **Directors**

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

E Fellows  
S Goss (resigned 26 May 2021)  
D Hastings (resigned 26 May 2021)  
R Skinner (appointed 26 May 2021)

### **Brexit**

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

### **Post balance sheet events**

On 14 February 2021, the company sold its investment in Leoncavallo Energia S.R.L., a subsidiary for a consideration of £6,274,251, leading to profit on disposal of £2,017,912.

On 26 May 2021, 100% of the share capital of the company was sold to TM Trading Limited, a company incorporated in England. Leonardo Solar Limited was acquired 100% by TM Trading Limited.

# **Leonardo Solar Limited**

## **Directors' report (continued) for the year ended 31 December 2020**

### **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 the FRS 102 Section 1A, have been followed, subject to any 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 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 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.

### **Small company exemption**

In preparing this report, the directors have taken advantage of the small company 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 28 September 2021 and signed on its behalf.



**E Fellows**  
**Director**

# Leonardo Solar Limited

## Statement of comprehensive income for the year ended 31 December 2020

	2020 £	2019 £
Cost of sales	(1,951)	(2,640)
<b>Gross loss</b>	<b>(1,951)</b>	<b>(2,640)</b>
Administrative expenses	(1,207,498)	(21,787)
<b>Operating loss</b>	<b>(1,209,449)</b>	<b>(24,427)</b>
Interest receivable and similar income	457,854	419,276
Interest payable and similar charges	(481,183)	(435,484)
<b>Loss on ordinary activities before taxation</b>	<b>(1,232,778)</b>	<b>(40,635)</b>
Tax on loss on ordinary activities	41,078	(19)
<b>Loss for the financial year</b>	<b>(1,191,700)</b>	<b>(40,654)</b>
<b>Other comprehensive (expense)/income for the year</b>		
Change in the value of hedging instrument	-	307,566
Movement of deferred tax relating to hedging instrument	(41,078)	-
<b>Other comprehensive (expense)/income for the year</b>	<b>(41,078)</b>	<b>307,566</b>
<b>Total comprehensive (expense)/income for the year</b>	<b>(1,232,778)</b>	<b>266,912</b>

All amounts above relate to continuing operations.

The notes on pages 8 to 16 form part of these financial statements.

# Leonardo Solar Limited

Registered number: 09941831

## Balance sheet as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	5		4,256,339		4,256,339
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	6	4,626,575		4,355,143	
Debtors: amounts falling due within one year	6	154,970		876,949	
Cash at bank and in hand		18,444		4,249	
		4,799,989		5,236,341	
Creditors: amounts falling due within one year	7	(863,709)		(503,275)	
<b>Net current assets</b>			3,936,280		4,733,066
<b>Total assets less current liabilities</b>			8,192,619		8,989,405
Creditors: amounts falling due after more than one year	8		(4,991,248)		(4,555,256)
<b>Net assets</b>			3,201,371		4,434,149
<b>Capital and reserves</b>					
Called up share capital	11		43,814		43,814
Share premium account			4,206,111		4,206,111
Cash flow hedge reserve			175,124		216,202
Retained earnings			(1,223,678)		(31,978)
<b>Total shareholders' funds</b>			3,201,371		4,434,149

## **Leonardo Solar Limited**

**Registered number: 09941831**

### **Balance sheet (continued) as at 31 December 2020**

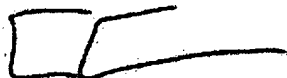
For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year 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 accounts 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 28 September 2021.



**E Fellows  
Director**

The notes on pages 8 to 16 form part of these financial statements.



## Leonardo Solar Limited

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Share premium account £	Cash flow hedge reserve £	Retained earnings £	Total shareholders' funds £
<b>At 1 January 2019</b>	<b>43,814</b>	<b>4,206,111</b>	<b>(91,364)</b>	<b>8,676</b>	<b>4,167,237</b>
Loss for the financial year	-	-	-	(40,654)	(40,654)
Change in value of hedging instrument	-	-	307,566	-	307,566
<b>At 1 January 2020</b>	<b>43,814</b>	<b>4,206,111</b>	<b>216,202</b>	<b>(31,978)</b>	<b>4,434,149</b>
Loss for the financial year	-	-	-	(1,191,700)	(1,191,700)
Deferred tax movements	-	-	(41,078)	-	(41,078)
<b>At 31 December 2020</b>	<b>43,814</b>	<b>4,206,111</b>	<b>175,124</b>	<b>(1,223,678)</b>	<b>3,201,371</b>

The notes on pages 8 to 16 form part of these financial statements.

# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 1. General information

Leonardo Solar Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, registered number: 09941831. 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 except for financial instruments which are held at fair value 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 (see note 3).

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

The following principal accounting policies have been applied:

#### 2.2 Exemptions for qualifying entities 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 assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### 2.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.7 Investments

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

#### 2.8 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 profit and loss account, 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 comprehensive income.

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 comprehensive income.

# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account 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.

#### 2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

# **Leonardo Solar Limited**

## **Notes to the financial statements for the year ended 31 December 2020**

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

#### **2.10 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. Some derivatives are designated for hedge accounting, these are discussed further in section 2.11.

#### **2.11 Hedge accounting**

The company uses foreign currency forward contracts in order to manage its exposure to cash flow risk on its financial instruments. These derivatives are measured at fair value at each reporting date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

#### **2.12 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.

# **Leonardo Solar Limited**

## **Notes to the financial statements for the year ended 31 December 2020**

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

The most critical accounting judgements and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. There are no judgements (apart from those involving estimates) that have a significant effect on amounts recognised in the financial statements.

#### **(a) Critical judgements in applying the company's accounting policies**

An annual review of the investment in the subsidiary has been undertaken which included assessing the present value of expected future cashflows in the subsidiary, along with management's knowledge of the business and its future plans, to establish whether the carrying value of the investment should be impaired.

#### **(b) Critical accounting estimates and assumptions**

The fair value of derivative financial instruments is considered to be a critical accounting estimate. This valuation is made in conjunction with the mark - to - market confirmations supplied by the derivative counterparties.

## Leonardo Solar Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 4. Employees and directors' remuneration

The company had no employees during the year (2019: none). The directors did not receive or waive any remuneration (2019: £nil).

#### 5. Investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January and 31 December 2020	4,256,339
<b>Impairment</b>	
At 1 January and 31 December 2020	-
<b>Net book value</b>	
At 31 December 2020	4,256,339
At 31 December 2019	4,256,339

#### Subsidiary undertakings

The company owns 100% of Leoncavallo Energia S.R.L, a company incorporated in Italy. The address of the registered office of Leoncavallo Energia S.R.L is Trento (TN), Viale Verona, 190/4 CAP 38123, Frazione: Trento C/O Quintas Energy, Italia, S.R.L..

Leoncavallo Energia S.R.L, was disposed of following year ended 31 December 2020.

# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 6. Debtors

	2020 £	2019 £
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	<b>4,626,575</b>	4,355,143
<b>Amounts falling due within one year</b>		
Other debtors	<b>3,342</b>	2,638
Prepayments and accrued income	<b>61,210</b>	538,535
Financial instruments	<b>90,418</b>	335,776
	<b>154,970</b>	876,949

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £4,626,575 (2019: £4,355,143). The loans bear interest at 10% (2019: 10%) and are repayable on 31 January 2024. Amounts owed by group undertakings are shown net of an impairment of £1,014,106 (2019: £nil).

Included within financial instruments are derivative instruments totalling £90,418 (2019: £335,776). The derivatives are repayable by 30 April 2021.

### 7. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	-	30,000
Trade creditors	<b>90,685</b>	528
Accruals and deferred income	<b>773,024</b>	472,747
	<b>863,709</b>	503,275

### 8. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Debenture loans	<b>4,991,248</b>	4,555,256

Included within debenture loans is a secured loan over its subsidiary's shares with a year end balance totalling £4,991,248 (2019: £4,555,256). The loans bear interest at 10% (2019: 10%) and are repayable after more than five years.



# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 9. Financial instruments

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	4,691,127	4,896,316
Financial assets measured at fair value through the statement of comprehensive income	90,418	335,776
	<u>4,781,545</u>	<u>5,232,092</u>
<b>Financial liabilities</b>		
Financial liabilities held at amortised cost	<u>5,854,958</u>	<u>5,058,531</u>

### 10. Derivative financial instruments

The company has entered into foreign currency forward contracts in order to mitigate cash flow risk on its foreign currency loans. At 31 December 2020 the outstanding contracts have a maturity of less than one year.

	2020 £	2019 £
Measured at fair value through the statement of comprehensive income	<u>90,418</u>	<u>335,776</u>

### 11. Called up share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
4,381,366 (2019: 4,381,366) Ordinary shares of £0.01	<u>43,814</u>	<u>43,814</u>

# Leonardo Solar Limited

## Notes to the financial statements for the year ended 31 December 2020

### 12. Related party transactions

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

#### Leoncavallo Energia

On 15 June 2018, the company entered into a facility agreement providing a loan to its wholly owned subsidiary, Leoncavallo Energia. Interest at a total amount of £457,854 (2019: £419,276) as charged to Leoncavallo Energia during the year. At the year end, a total amount of £4,687,785 (2019: £4,893,679) was outstanding, of which £4,687,785 (2019: £4,893,679) is included in debtors.

Leoncavallo Energia S.R.L., was disposed of following year ended 31 December 2020.

#### Fern Trading Limited

On 15 June 2018 the company entered into a loan agreement with Fern Trading Limited, a related party by virtue of common control. Interest at a total amount of £481,167 (2019: £435,424) has been charged to the company during the year. The total amount owing to Fern Trading Limited at the end of the year was £4,991,248 (2019: £4,555,256).

### 13. Ultimate parent undertaking and controlling party

At the year end 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.

Subsequent to year end, 100% of the share capital was acquired by TM Trading Limited. At date of signing the accounts, the company's immediate and ultimate parent undertaking was TM Trading Limited, a company incorporated in England. There is no ultimate controlling party.

### 14. Post balance sheet events

On 14 February 2021, the company sold its investment in Leoncavallo Energia S.R.L., a subsidiary for a consideration of £6,274,251, leading to profit on disposal of £2,017,912.

On 26 May 2021, 100% of the share capital of the company was sold to TM Trading Limited, a company incorporated in England. Leonardo Solar Limited was acquired 100% by TM Trading Limited.