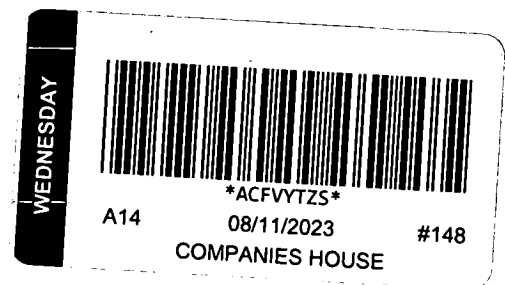


**Leonardo Holdings Limited**  
**Financial Statements**  
**31st March 2023**



**SHAW WALLACE**  
Chartered accountants & statutory auditor  
43 Manchester Street  
London  
W1U 7LP

# **Leonardo Holdings Limited**

## **Financial Statements**

**Year ended 31st March 2023**

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# Leonardo Holdings Limited

## Strategic Report

Year ended 31st March 2023

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The directors present their Group Strategic Report for the year ended 31 March 2023.

The company is a holding company and principal activity of its subsidiary during the year was that of importers and distributors of a broad range of giftware.

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the group as a whole to the members. These KPIs comprise turnover, operating profit and shareholders' funds. The directors are satisfied that all the KPIs have been satisfactorily met.

The directors consider that the principal non-financial KPIs are customer services, employee satisfaction and health and safety. The directors are satisfied with group's performance in each of these areas.

### Result and performance

The group has focused on increasing business from existing customers and targeting new ones.

### Principal risks and uncertainties

Principal risks have continued to be an uncertain economy, and the shipping industry where disruption is causing uncertainties on deliveries and delays. The group is very aware of these and takes such steps as are needed to deal with them. Despite these issues the company had a satisfactory year.

This report was approved by the board of directors on 31st October 2023 and signed on behalf of the board by:



J A Hunt - Managing Director  
Director

Registered office:  
Leonardo House  
Fawkes Avenue  
Dartford Trade Park  
Dartford  
Kent  
DA1 1JQ

## **Leonardo Holdings Limited**

### **Directors' Report**

**Year ended 31st March 2023**

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The directors present their report and the financial statements of the group for the year ended 31st March 2023.

#### **Directors**

The directors who served the company during the year were as follows:

J A Hunt - Managing Director  
R F Pavey  
D H Fieldman

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Future developments**

The group is continually monitoring all areas of the business to make improvements wherever possible.

#### **Financial instruments**

The group's principal financial instruments comprise cash balances, borrowings and various items such as trade debtors and trade creditors which arise directly from trading operations.

#### **Liquidity risk**

The group operates bank facilities which provides short term flexibility to meet fluctuations in the amount and timing of future cashflows.

#### **Credit risk**

The principal credit risk arises from trade debtors. The group has a credit policy, which includes credit insurance, credit evaluation and continuous monitoring.

#### **Currency risk**

The group seeks to minimise its exposure to currency risk by taking out forward currency contracts to hedge against foreign currency denominated purchase commitments. The group's policy is to enter into forward currency contracts for all such commitments immediately when those purchase commitments are made. The group does this to reduce its risk profile, but unfortunately the accounting requirements of FRS102 put this risk unnecessarily back into the accounts as either a notional profit or loss.

#### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has set out the business review and the principal risks and uncertainties in the Strategic Report on page 1 of these accounts.

#### **Directors' responsibilities statement**

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

**Leonardo Holdings Limited****Directors' Report** *(continued)***Year ended 31st March 2023**

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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 group and the company and 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 judgments 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 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.

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 31st October 2023 and signed on behalf of the board by:



J A Hunt - Managing Director  
Director

Registered office:  
Leonardo House  
Fawkes Avenue  
Dartford Trade Park  
Dartford  
Kent  
DA1 1JQ

**Leonardo Holdings Limited****Independent Auditor's Report to the Members of Leonardo Holdings Limited****Year ended 31st March 2023**

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**Opinion**

We have audited the financial statements of Leonardo Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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 or 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.

**Leonardo Holdings Limited****Independent Auditor's Report to the Members of Leonardo Holdings Limited**  
(continued)**Year ended 31st March 2023**

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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**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 strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Leonardo Holdings Limited****Independent Auditor's Report to the Members of Leonardo Holdings Limited**  
(continued)**Year ended 31st March 2023**

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**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 is 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.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.



## Leonardo Holdings Limited

### Independent Auditor's Report to the Members of Leonardo Holdings Limited

(continued)

Year ended 31st March 2023

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hitesh Gadhia (Senior Statutory Auditor)

For and on behalf of  
Shaw Wallace  
Chartered accountants & statutory auditor

43 Manchester Street  
London  
W1U 7LP

31st October 2023

**Leonardo Holdings Limited**  
**Consolidated Statement of Comprehensive Income**  
**Year ended 31st March 2023**

	Note	2023 £	2022 £
Turnover	4	16,818,932	24,386,519
Cost of sales		(11,843,648)	(17,189,369)
Gross profit		4,975,284	7,197,150
Administrative expenses		(4,525,541)	(5,648,781)
Operating profit	5	449,743	1,548,369
Gain/(Loss) on financial instruments under FRS 102	9	183,879	798,000
Interest payable and similar expenses	10	(94,698)	(47,731)
Profit before taxation		538,924	2,298,638
Tax on profit	11	(160,447)	(385,939)
Profit for the financial year and total comprehensive income		378,477	1,912,699

All the activities of the group are from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

**Leonardo Holdings Limited**  
**Consolidated Statement of Financial Position**

**31st March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	54,531	73,777
Tangible assets	13	36,615	36,765
		<u>91,146</u>	<u>110,542</u>
<b>Current assets</b>			
Stocks	15	2,870,598	4,449,044
Debtors	16	3,374,878	4,500,455
Cash at bank and in hand		889,324	933,095
		<u>7,134,800</u>	<u>9,882,594</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>2,600,054</u>	<u>5,747,799</u>
<b>Net current assets</b>		<u>4,534,746</u>	<u>4,134,795</u>
<b>Total assets less current liabilities</b>		<u>4,625,892</u>	<u>4,245,337</u>
<b>Provisions</b>			
Taxation including deferred tax	18	<u>7,925</u>	<u>5,847</u>
<b>Net assets</b>		<u>4,617,967</u>	<u>4,239,490</u>
<b>Capital and reserves</b>			
Called up share capital	22	181	181
Other reserves, including the fair value reserve	23	(739,801)	(739,801)
Profit and loss account	23	5,357,587	4,979,110
<b>Shareholders funds</b>		<u>4,617,967</u>	<u>4,239,490</u>

These financial statements were approved by the board of directors and authorised for issue on 31st October 2023, and are signed on behalf of the board by:



J A Hunt - Managing Director  
Director

Company registration number: 3869034

**Leonardo Holdings Limited**  
**Company Statement of Financial Position**  
**31st March 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	14	1,200,539	1,200,539
<b>Current assets</b>			
Cash at bank and in hand		—	93
<b>Creditors: amounts falling due within one year</b>	17	<u>22,410,633</u>	<u>22,775,150</u>
<b>Net current liabilities</b>		<u>22,410,633</u>	<u>22,775,057</u>
<b>Total assets less current liabilities</b>		<u>(21,210,094)</u>	<u>(21,574,518)</u>
<b>Capital and reserves</b>			
Called up share capital	22	181	181
Profit and loss account	23	<u>(21,210,275)</u>	<u>(21,574,699)</u>
<b>Shareholders deficit</b>		<u>(21,210,094)</u>	<u>(21,574,518)</u>

The profit for the financial year of the parent company was £364,424 (2022: £404,592).

These financial statements were approved by the board of directors and authorised for issue on 31st October 2023, and are signed on behalf of the board by:



J A Hunt - Managing Director  
 Director

Company registration number: 3869034

**Leonardo Holdings Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 31st March 2023**

	Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
<b>At 1st April 2021</b>	181	(739,801)	3,066,411	2,326,791
Profit for the year	—	—	1,912,699	1,912,699
<b>Total comprehensive income for the year</b>	—	—	1,912,699	1,912,699
<b>At 31st March 2022</b>	181	(739,801)	4,979,110	4,239,490
Profit for the year	—	—	378,477	378,477
<b>Total comprehensive income for the year</b>	—	—	378,477	378,477
<b>At 31st March 2023</b>	181	(739,801)	5,357,587	4,617,967

The notes on pages 14 to 26 form part of these financial statements.

**Leonardo Holdings Limited**  
**Company Statement of Changes in Equity**  
**Year ended 31st March 2023**

	Called up share capital £	Profit and loss account £	Total £
<b>At 1st April 2021</b>	181	(21,979,291)	(21,979,110)
Profit for the year	—	404,592	404,592
Total comprehensive income for the year	—	404,592	404,592
<b>At 31st March 2022</b>	181	(21,574,699)	(21,574,518)
Profit for the year	—	364,424	364,424
Total comprehensive income for the year	—	364,424	364,424
<b>At 31st March 2023</b>	181	(21,210,275)	(21,210,094)

The notes on pages 14 to 26 form part of these financial statements.

**Leonardo Holdings Limited**  
**Consolidated Statement of Cash Flows**  
**Year ended 31st March 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	378,477	1,912,699
<i>Adjustments for:</i>		
Depreciation of tangible assets	11,059	13,206
Amortisation of intangible assets	19,246	19,246
Gain on financial assets at fair value through profit or loss	(269,000)	—
Gain/(Loss) on financial instruments	(183,879)	(798,000)
Interest payable and similar expenses	94,698	47,731
Tax on profit	160,447	385,939
Accrued expenses	156,771	150,910
<i>Changes in:</i>		
Stocks	1,578,446	(1,070,382)
Trade and other debtors	1,125,577	(1,636,284)
Trade and other creditors	(858,682)	(185,737)
Cash generated from operations	2,213,160	(1,160,672)
Interest paid	(94,698)	(47,731)
Interest received	183,879	798,000
Tax paid	(206,619)	(667,389)
Net cash from/(used in) operating activities	<u>2,095,722</u>	<u>(1,077,792)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(10,909)	(9,931)
Purchase of futures contracts, forward contracts, option contracts and swap contracts	269,000	—
Net cash from/(used in) investing activities	<u>258,091</u>	<u>(9,931)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(2,397,584)	1,936,937
Other financing cash flow adjustment	—	(1,000,000)
Net cash (used in)/from financing activities	<u>(2,397,584)</u>	<u>936,937</u>
Net decrease in cash and cash equivalents	(43,771)	(150,786)
Cash and cash equivalents at beginning of year	933,095	1,083,881
Cash and cash equivalents at end of year	<u>889,324</u>	<u>933,095</u>

The notes on pages 14 to 26 form part of these financial statements.

**Leonardo Holdings Limited**  
**Notes to the Financial Statements**  
**Year ended 31st March 2023**

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Leonardo House, Fawkes Avenue, Dartford Trade Park, Dartford, Kent, DA1 1JQ.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are prepared in sterling, which is the functional currency of the group.

**(b) Investments in subsidiaries**

Investments in subsidiaries are stated at cost less any provision for impairment.

**(c) Going concern**

The directors, at the time of approving the financial statements, are confident that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**(d) Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.



**Leonardo Holdings Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31st March 2023**

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**3. Accounting policies** *(continued)*

**(e) Consolidation**

The consolidated accounts comprise the accounts of the company and its subsidiaries for the year ended 31 March 2022.

Acquisitions of subsidiaries which meet the conditions of merger were accounted for using the merger method. When the merger method is used, the cost of investment in the Company's financial statements is recorded at fair value of the shares issued at the date of exchange. The difference between the carrying value of the investment and the nominal value of shares acquired is treated as a merger reserve or merger deficit. Where the carrying value of investment is less than the nominal value of shares acquired, the merger reserve should be treated as a reserve arising on consolidation. Where the carrying amount of investment is greater than the nominal value of shares acquired, the capital redemption deficit is treated on consolidation as a reduction of reserves. The results of the companies being merged are included as if the merger had been effected throughout the current and previous financial year.

As permitted by Section 408 of the Companies Act 2006, Leonardo Holdings Limited has not presented its own profit and loss account.

**(f) Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(i) Significant judgements**

No critical accounting judgement was made by management in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

**(ii) Key sources of estimation uncertainty**

No critical sources of estimation uncertainty were made by management in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

**(g) Revenue recognition**

Revenue from the sale of goods is recognised when the significant risks and rewards have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**(h) Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

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

#### Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### (i) Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit or loss.

#### (j) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### (k) Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

#### (l) Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software development - 20% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### (m) Research and development

Research expenditure is written off in the period in which it is incurred.

**Leonardo Holdings Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31st March 2023**

---

**3. Accounting policies** *(continued)*

**Research and development** *(continued)*

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

**(n) Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

**(o) Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery                      -     15% straight line

**(p) Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

## Leonardo Holdings Limited

### Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

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

##### (q) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### (r) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

##### (s) Financial instruments

A financial asset or liability is recognised when the entity becomes party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost of amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the profit or loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

##### (t) Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 4. Turnover

Turnover arises from:

	2023 £	2022 £
Sale of goods	<u>16,818,932</u>	<u>24,386,519</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2023 £	2022 £
United Kingdom	14,138,883	21,164,363
Overseas	<u>2,680,049</u>	<u>3,222,156</u>
	<u>16,818,932</u>	<u>24,386,519</u>

### 5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023 £	2022 £
Amortisation of intangible assets	19,246	19,246
Depreciation of tangible assets	11,059	13,206
Impairment of trade debtors	(51,867)	36,000
Operating lease rentals	58,500	57,237
Foreign exchange differences	<u>(425,349)</u>	<u>267,632</u>

### 6. Auditor's remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>20,000</u>	<u>20,000</u>

### 7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2023 No.	2022 No.
Administrative staff	26	28
Management staff	<u>3</u>	<u>3</u>
	<u>29</u>	<u>31</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023 £	2022 £
Wages and salaries	1,266,067	1,435,487
Social security costs	150,312	179,086
Other pension costs	<u>61,903</u>	<u>64,292</u>
	<u>1,478,282</u>	<u>1,678,865</u>

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	281,232	377,065
Company contributions to defined contribution pension plans	11,750	12,500
	<u>292,982</u>	<u>389,565</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	128,445	175,667
Company contributions to defined contribution pension plans	7,500	7,500
	<u>135,945</u>	<u>183,167</u>

### 9. Gain/(loss) on financial instruments

	2023	2022
	£	£
Interest on loans and receivables	4,113	—
Gain on financial instruments	179,766	798,000
	<u>183,879</u>	<u>798,000</u>

The loss or gain on financial instruments is as a result of accounting conventions and not a reflection of the trading policies.

### 10. Interest payable and similar expenses

	2023	2022
	£	£
Interest on banks loans and overdrafts	94,698	45,976
Other interest payable and similar charges	—	1,755
	<u>94,698</u>	<u>47,731</u>

### 11. Tax on profit

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	158,369	386,311

**Leonardo Holdings Limited**  
**Notes to the Financial Statements (continued)**

**Year ended 31st March 2023**

**11. Tax on profit (continued)**

	2023 £	2022 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>2,078</u>	<u>(372)</u>
<b>Tax on profit</b>	<u><b>160,447</b></u>	<u><b>385,939</b></u>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	<u>538,924</u>	<u>2,298,638</u>
Profit on ordinary activities by rate of tax	102,397	436,741
Effect of expenses not deductible for tax purposes	3,479	(54,460)
Effect of capital allowances and depreciation	52,493	4,029
Rounding on tax charge	–	1
Deferred tax adjustment	<u>2,078</u>	<u>(372)</u>
<b>Tax on profit</b>	<u><b>160,447</b></u>	<u><b>385,939</b></u>

**12. Intangible assets**

Group	Development costs £
<b>Cost</b>	
At 1st April 2022 and 31st March 2023	<u>120,501</u>
<b>Amortisation</b>	
At 1st April 2022	46,724
Charge for the year	<u>19,246</u>
<b>At 31st March 2023</b>	<u><b>65,970</b></u>
<b>Carrying amount</b>	
At 31st March 2023	<u>54,531</u>
At 31st March 2022	<u>73,777</u>

The company has no intangible assets.

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 13. Tangible assets

Group	Plant and machinery £	Total £
<b>Cost</b>		
At 1st April 2022	106,297	106,297
Additions	10,909	10,909
Disposals	(34,392)	(34,392)
<b>At 31st March 2023</b>	<b>82,814</b>	<b>82,814</b>
<b>Depreciation</b>		
At 1st April 2022	69,532	69,532
Charge for the year	11,059	11,059
Disposals	(34,392)	(34,392)
<b>At 31st March 2023</b>	<b>46,199</b>	<b>46,199</b>
<b>Carrying amount</b>		
<b>At 31st March 2023</b>	<b>36,615</b>	<b>36,615</b>
At 31st March 2022	36,765	36,765

The company has no tangible assets.

### 14. Investments

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
At 1st April 2022 and 31st March 2023	16,748,416
<b>Impairment</b>	
At 1st April 2022 and 31st March 2023	15,547,877
<b>Carrying amount</b>	
At 1st April 2022 and 31st March 2023	1,200,539
At 31st March 2022	1,200,539



**Leonardo Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**Year ended 31st March 2023**

**14. Investments (continued)**

The company owns 100% of the issued share capital of the companies listed below,

	2023 £	2022 £
Lesser and Pavey Limited	27,070,299	27,056,246
Alberon Dolls Limited (Dormant)	1	1
Leonardo Group Limited	<u>325,516</u>	<u>325,516</u>
Total	<u>27,395,816</u>	<u>27,381,763</u>

The above companies were incorporated and registered in England and Wales.

**15. Stocks**

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	<u>2,870,598</u>	<u>4,449,044</u>	<u>-</u>	<u>-</u>

**16. Debtors**

	Group 2023 £	2022 £	Company 2023 £	2022 £
Trade debtors	2,651,919	3,932,899	-	-
Prepayments and accrued income	219,960	200,717	-	-
Derivative financial assets	-	97,000	-	-
Other debtors	<u>502,999</u>	<u>269,839</u>	<u>-</u>	<u>-</u>
	<u>3,374,878</u>	<u>4,500,455</u>	<u>-</u>	<u>-</u>

**17. Creditors: amounts falling due within one year**

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	756,852	3,154,436	-	-
Trade creditors	403,741	1,042,154	-	-
Amounts owed to group undertakings	-	-	22,367,879	21,830,213
Accruals and deferred income	347,280	190,509	-	-
Corporation tax	107,816	156,066	42,754	47,404
Social security and other taxes	658,897	175,150	-	-
Derivative financial liability	172,000	-	-	-
Secured Loan Notes	-	897,533	-	897,533
Other creditors	<u>153,468</u>	<u>131,951</u>	<u>-</u>	<u>-</u>
	<u>2,600,054</u>	<u>5,747,799</u>	<u>22,410,633</u>	<u>22,775,150</u>

Bank and other borrowings are secured by a combination of a mortgage debenture, various other charges over the group's assets and an unlimited, supported guarantee held between the group and connected companies.

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 18. Provisions

Group	Deferred tax (note 19) £
At 1st April 2022	5,847
Additions	2,078
At 31st March 2023	<u>7,925</u>

The company does not have any provisions.

### 19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Included in provisions (note 18)	<u>7,925</u>	<u>5,847</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Accelerated capital allowances	<u>7,925</u>	<u>5,847</u>	<u>—</u>	<u>—</u>

### 20. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £50,153 (2022: £51,792).

### 21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

#### Financial assets measured at fair value through profit or loss

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Financial assets measured at fair value through profit or loss	<u>—</u>	<u>97,000</u>	<u>—</u>	<u>—</u>

#### Financial liabilities measured at fair value through profit or loss

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Financial liabilities measured at fair value through profit or loss	<u>172,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 22. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary A shares of £0.01 each	15,748	157	15,748	157
Ordinary B shares of £1 each	24	24	24	24
	<u>15,772</u>	<u>181</u>	<u>15,772</u>	<u>181</u>

Each share is entitled to one vote in any circumstances. Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

### 23. Reserves

Merger deficit arising on consolidation - This reserve records the balance arising upon reconstruction of the group.

Called-up share capital - This reserve records the nominal value of shares that have been issued.

Profit and loss account - This reserve records all current and prior period retained profits and losses.

### 24. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	933,095	(43,771)	889,324
Debt due within one year	(3,154,436)	2,397,584	(756,852)
	<u>(2,221,341)</u>	<u>2,353,813</u>	<u>132,472</u>

### 25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	121,531	86,454	—	—
Later than 1 year and not later than 5 years	322,311	44,791	—	—
Later than 5 years	323,773	—	—	—
	<u>767,615</u>	<u>131,245</u>	<u>—</u>	<u>—</u>

# Leonardo Holdings Limited

## Notes to the Financial Statements *(continued)*

Year ended 31st March 2023

### 25. Operating leases *(continued)*

Not later than 1 year

	2023	2022
	£	£
Office	69,380	57,172
Cars	48,559	57,973
Photocopier	3,592	2,340
Total	<u>121,531</u>	<u>117,485</u>

Later than 1 year and not later than 5 years

	2023	2022
	£	£
Office	277,520	34,303
Cars	34,913	12,009
Photocopier	9,878	—
Total	<u>322,311</u>	<u>46,312</u>

Later than 5 years

	2023	2022
	£	£
Office	<u>323,773</u>	<u>—</u>

### 26. Related party transactions

#### Group

During the year, professional services amounting to £34,000 (2022: £31,000) were provided to the subsidiary company, Lesser & Pavey Ltd, by Shika Limited, a company in which Mr D H Fieldman, a director, has a material interest.

#### Company

The company's subsidiary, Lesser & Pavey Ltd, has provided guarantees in respect of the loan notes issued to Mr R Pavey. At 31 March 2023, this amounted to £NIL (2022 - £897,533). Mr R Pavey waived an equal amount of what is being repaid to him, so in the current year £448,766 of loan notes were repaid and equal of amount of £448,766 has been taken to profit and loss account and corporation tax provided.

The company has taken advantage of the exemption granted by paragraph 33.1(a) of FRS102, Related Party Disclosures, not to disclose transactions with group companies which are wholly owned subsidiaries of the group.

### 27. Controlling party

The company was under the control of Mr J A Hunt throughout the current and previous year. Mr J A Hunt is the managing director and majority shareholder.