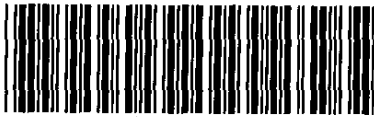


Registration number: 08272295

Levantera Developments Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2020

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Levantera Developments Limited
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Levantera Developments Limited
Company Information

Directors

A Osorio
B Moncik
S Disley
O Taleb

Registered office

3rd Floor Queensbury House
3 Old Burlington Street
London
United Kingdom
W1S 3AE

Company number

08272295

Bankers

Barclays
Level 4, Apex Plaza, Forbury Road
Reading
RG1 1AX

Accountants

Rawlinson & Hunter LLP
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Levantera Developments Limited
Directors' Report for the Year Ended 31 March 2020

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

Principal Activity

The company produces electricity by means of photovoltaic systems, comprising of residential and commercial rooftop solar systems in the United Kingdom.

Directors' of the company

The directors, who held office during the year, were as follows:

A Osorio

B Moncik

S Disley

O Taleb

Directors Indemnity

The directors of the company are indemnified under a directors and officers liability insurance policy for losses or advancement of defence costs as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers of the company. The indemnity was in force during the financial year and at the date of approval of these financial statements.

Covid 19

The UK entered a period of lockdown before the year end to control the spread of Covid-19 in the UK and around the globe, which is expected to have profound economic implications. The Company will continue to operate and manage the solar PV assets with limited disruption expected as a result of the outbreak. The directors have reviewed the financial information available and believe that the Company has adequate resources to continue in operation for the foreseeable future even in the face of a significant and prolonged financial shock.

Small companies note

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

Approved by the Board on 11/19/20 and signed on its behalf by:



B Moncik
Director

Levantera Developments Limited
Statement of Comprehensive Income for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Revenue	4	5,721,226	5,739,165
Cost of sales	4	(890,911)	(906,931)
Depreciation expense	4	(2,145,646)	(2,126,006)
Gross profit		2,684,669	2,706,228
Administrative expenses		(7,610)	(3,359)
Finance costs	4	(1,117,395)	(1,066,308)
Operating profit		1,559,664	1,636,061
Tax income/ (expense)	7	120,118	(111,104)
Income and total comprehensive income for the period		1,679,782	1,524,956

The above results were derived from continuing operations.

Levantera Developments Limited
(Registration number: 08272295)
Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Assets			
Non-current assets			
Property, plant and equipment	8	32,361,736	34,521,865
Current assets			
Cash and cash equivalents	5	353,877	158,739
Debtors	6	1,281,511	1,135,549
Total current assets		1,635,388	1,294,288
Total assets		33,997,124	35,816,153
Liabilities			
Current liabilities			
Trade and other payables	9	20,624	8,151
Total current liabilities		20,624	8,151
Non-current liabilities			
Deferred tax liabilities	7	693,592	893,338
Related party loan	10	25,135,323	28,446,861
Total non-current liabilities		25,828,915	29,340,199
Total liabilities		25,849,539	29,348,350
Equity			
Share capital	11	8,100,000	8,100,000
Share premium		1,700,286	1,700,286
Accumulated losses		(1,652,701)	(3,332,483)
Equity attributable to owners of the Company		8,147,585	6,467,803
Total equity and liabilities		33,997,124	35,816,153

The notes on pages 8 to 17 form an integral part of these financial statements.


Levantera Developments Limited
(Registration number: 08272295)
Statement of Financial Position as at 31 March 2020

The directors consider that the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 3 to 16 were approved by the Board of Directors on 11/19/20 and signed on its behalf by:



B Moncik
Director

Levantera Developments Limited
Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital	Share Premium	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2018	8,100,000	1,700,826	(4,857,439)	4,942,847
Total comprehensive income	-	-	1,524,956	1,524,956
At 31 March 2019	8,100,000	1,700,286	(3,332,483)	6,467,803
Total comprehensive income	-	-	1,679,782	1,679,782
At 31 March 2020	8,100,000	1,700,286	(1,652,701)	8,147,585

Levantera Developments Limited
Statement of Cash Flows for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
Operating activities			
Net income		1,679,782	1,524,956
Adjustments:			
Depreciation	4	2,145,646	2,126,006
Increase in debtors	6	(145,962)	(148,726)
Increase/ (decrease) in trade and other payables	9	12,473	(42,334)
Increase in intercompany payable		-	(49,563)
Increase in deferred tax liabilities	7	(199,746)	199,746
		3,492,194	3,610,085
Investing activities			
Property, plant and equipment disposals	8	14,483	6,272
		14,483	6,272
Financing activities			
Repayment of intercompany loan	10	(3,311,538)	(8,479,054)
		(3,311,538)	(8,479,054)
Net increase/(decrease) in cash and cash equivalents		195,138	(4,862,697)
Cash and cash equivalents		158,739	5,021,436
Cash and cash equivalents at 31 March 2020		353,877	158,739

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

1. General information

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

The address of its registered office is:

3rd Floor Queensbury House

3 Old Burlington Street

London

United Kingdom

W1S 3AE

2. Accounting policies

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and include the following accounting policies noted below.

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

These financial statements are the separate financial statements of Levantera Developments Limited. The IFRS compliant consolidated financial statements of parent, Aegletes Holdco Limited, are publicly available at: 3rd Floor Queensbury House, 3 Old Burlington Street, London, United Kingdom, W1S 3AE

Going concern

Prior to the end of the financial year the UK went into a period of lockdown. Measures to control the spread of Covid-19 in the UK and around the globe have been implemented, which is expected to have profound economic implications. The directors have reviewed the financial information available which indicates that the business is robust even in the face of a significant and prolonged financial shock and that there is a reasonable prospect that it will continue to be on a going concern basis. The Company therefore also continues to adopt the going concern basis in preparing its financial statements.

Revenue recognition

Revenue represents the value of FIT generation, export energy and energy sales by a Power Purchase Agreement ("PPA"), due excluding value added tax. Turnover arises wholly in the UK from the Companies principle activity, being production of electricity. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group activities.

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

2. Accounting policies (continued)

Tax

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

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

Property, plant and equipment

Property, plant and equipment include solar installations and is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation on the solar installations is calculated on a straight-line basis to allocate the difference between their cost and their residual value over their estimated useful lives, which is 20 years.

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

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

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

2. Accounting policies (continued)

Leases

The Company has entered into lease arrangements with rooftop owners for providing airspace for installation for solar panels, for which rooftop owners are entitled to consume electricity generated from the solar panel.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

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

Financial instruments

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognised at fair value and the subsequent measurement depends on their classification.

Financial assets classified as fair value through profit and loss ("FVTPL") are measured at fair value with any resultant gain or loss recognised in the income statement.

Financial assets classified as available for sale are measured at fair value with a resultant gain or loss being recognised directly under other comprehensive income. Investments in equity instruments classified as available for sale that do not have a quote market price in an active market and whose fair value cannot be reliably measured are measured at cost. When available for sale financial assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the income statement.

Financial assets classified as loans and receivables and held to maturity, are measured at amortised cost using the effective rate method.

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

2. Accounting policies (continued) Financial instruments (continued)

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. Financial liabilities are classified as other financial liabilities and are subsequently measured at amortised cost using the effective interest rate method, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the income. Financial guarantee contract liabilities are measured at their fair values with the change in fair value recognised in the statement of operations.

The Company's financial instruments and its classification are as follows:

Cash	Loans and receivables
Distributions receivable	Loans and receivables
Due from related party	Loans and receivables
Derivative financial instrument	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities
Long-term debt	Other financial liabilities

Financial assets are derecognised when the Company's rights to cash flows from the respective assets have expired or have been transferred and the Company has neither the exposure to the risks inherent in those assets nor entitlement to rewards from them. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Company categorises financial assets and liabilities measured at fair value into one of the three different level depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices from identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

2. Accounting policies (continued)

New accounting standards

The Company has applied the following standards and amendments for the first time for their annual reporting year commencing 1 April 2019:

Standards, amendments and interpretations	Description
IFRS 16	Leases
IFRS 9 (Amendment)	Prepayment features with negative compensation
IAS 28 (Amendment)	Long-term interest in Associates and Joint Ventures
IAS 19 (Amendment)	Plan amendment, Curtailment or Settlement
IFRIC 23	Uncertainty over Income Tax Treatments

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for year ended March 2020 and have not yet been applied in the consolidated financial statements:

Standards, amendments and interpretations	Description	Applicable for years beginning on or after
IFRS 9 (Amendment), IFRS 7 (Amendment) and IAS 39 (Amendment)	Interest rate benchmark reform	1 January 2020
IAS 1 and 8	Material definition	1 January 2020

IAS 1 (Amendment) and IAS 8 (Amendment) "Material definition"

These modifications clarify the definition of "material", introducing in addition to the omitted or inaccurate items that may influence user decisions, the concept of "dark" information. These amendments make IFRS more consistent but are not expected to have a significant impact on the preparation of the financial statements.

IFRS 9 (Amendment), IFRS 7 (Amendment) and IAS 39 (Amendment) "Interest rate benchmark reform"

These modifications provide certain exemptions in relation to the benchmark interest rate reform (IBOR). The exemptions are related to hedge accounting and have the effect that the reform of the IBOR generally should not cause the cessation of hedge accounting. However, any hedge ineffectiveness must continue to be recorded in the income statement.

Standards, amendments and interpretations of existing standards that cannot be adopted early or that have not been adopted by the European Union

Standards, amendments and interpretations	Description	Applicable for years beginning on or after
IFRS 10 (Amendment) and IAS 28 (Amendment)	Sale or contribution of assets between an investor and its associates or joint ventures	Not specified
IFRS 17	Insurance contracts	1 January 2021
IAS 1 (Amendment)	Classification of liabilities as current or non-current	1 January 2022
IFRS 3	Business definition	1 January 2020

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

2. Accounting policies (continued)

New accounting standards (continued)

These standards are not expected to have a material impact on the Company in the current or future reporting years and on foreseeable future transactions.

There are no other standards that are not yet effective and that are expected to have a significant impact on the entity in the current or future reporting years and on foreseeable future transactions.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in compliance with IFRSs requires management to make certain estimates and assumptions that they consider reasonable and realistic. Estimates and judgements are inherent in, but not limited to the following: the existence and valuation of customer contracts of the Company, fair value of financial assets and liabilities, revenue relating to the accrued income from the Feed-In Tariff ("FIT") and evaluation of permanent impairment. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions, which could impact the reported amount of the assets, liabilities, equity or earnings.

One area of accounting judgment that has been considered is the implementation of IFRS 16 and whether this impacts the Company accounting. From our review of the contracts in place we do not believe IFRS 16 needs to be implemented as the airspace in question that is covered under the contract is not an identifiable asset and no element of the contract appears to give rise to a lease in accordance with the definition under IFRS 16. The treatment is also in line with that previously adopted under IAS 17, whereby no lease was identified.

4. Revenue and expenses

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of electricity	5,675,530	5,727,174
Other revenue	45,736	11,991
Total revenue	5,721,266	5,739,165

The analysis of the Company's operating expenses for the year from continuing operations is as follows:

	2020	2019
	£	£
Cost of sales	890,911	906,931
Finance costs	1,117,395	1,066,808
Depreciation expense	2,145,646	2,126,006

The Company had no employees during the current or prior period.

5. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank	353,877	158,739

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

6. Debtors

	2020	2019
	£	£
Trade receivables	905,331	11,162
Accrued income	44,339	969,701
Other assets	331,841	154,686
	1,281,511	1,135,549

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

7. Tax credit/ expense

Tax charge included in profit	2020	2019
	£	£
Current tax		
UK corporation tax at 19% (2019 at 19%)	(120,118)	310,851
Total Current tax	(120,811)	310,851
Deferred tax		
Amortisation of tangible assets	-	(199,747)
Total deferred tax	-	(199,747)
Tax charge on profit on ordinary activities	(120,118)	111,105

The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2020 of 19% (2019: 19%). The differences are explained below:

Reconciliation of standard tax rate	2020	2019
	£	£
Profit on ordinary activities before tax	1,559,664	1,636,061
Current tax charge at 19% (2019 – 19%)	296,336	(64,513)
Effects of:		
Permanent differences	-	2,017
Non deductible expenses	407,673	-
Deferred tax adjustment	(120,118)	-
Timing differences	(335,065)	-
Effect of apportionment of subsidiary tax charge	-	173,600
Subtotal	248,826	111,105
Utilised tax losses	(368,944)	-
Total tax charge on profit on ordinary activities	(120,118)	111,105

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

7. Tax credit/ expense (continued)

Deferred Tax Liabilities		
Tangible assets	693,592	893,338
Total Deferred Tax Liabilities	693,592	893,338
Deferred Tax Liabilities		
Opening balance	893,338	693,592
Deferred tax on acquisition of property, plant and equipment correction	(199,746)	199,746
Balance at the end of the financial year	693,592	893,338

The Finance Bill 2020 reversed the proposed reduction in the main rate of corporation tax to 17% as substantively enacted by the Finance Bill 2016 (on 6 September 2016). Although the Finance Bill 2020 has not been substantively enacted at 31 March 2020, from 1 April 2020 the rate of corporation tax will remain at 19%. As a result deferred taxes at the balance sheet date have been measured at the proposed tax rates and this is reflected in these financial statements.

8. Property, plant and equipment

	2020
	£
Cost	
At 1 April 2019	42,908,882
Additions for the period	-
Disposals for the period	(18,463)
Cost balance at 31 March 2020	42,890,419
Depreciation	
At 1 April 2019	8,387,017
Charge for the year	2,145,646
Eliminated on disposal	(3,980)
Depreciation as at 31 March 2020	10,528,683
Net book value as at 31 March 2020	32,361,736
Net book value as at 31 March 2019	34,521,865

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

9. Trade and other payables

	2020	2019
	£	£
Trade payables	20,624	8,151

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note. The Company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

10. Loans and borrowings

	Company	
	2020	2019
	£	£
Opening balance	28,446,861	36,925,915
Debt repayment	(3,311,538)	(8,479,054)
Balance, 31 March	25,135,323	28,446,861
Interest paid during the year	1,118,376	1,066,795

The Company received loans from its immediate parent, Aegletes Holdco Limited. The loan accrues interest at a rate of 4% per annum with the maturity date of 1 November 2035.

11. Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £0.79 each	10,253,166	8,100,000	10,253,166	8,100,000

12. Related party transactions

The Company's immediate parent is Aegletes Holdco Limited, incorporated in United Kingdom, this being the largest group in which these financial statements are consolidated. The ultimate parent and controlling party of the Company is Fiera Infra GP Inc. as General Partner of EagleCrest Infrastructure Canada LP.

The address of Aegletes Holdco Limited is: 3rd Floor Queensbury House, 3 Old Burlington Street, London, United Kingdom, W1S 3AE, Company registration: 1104018.

13. Directors' and employee remuneration

During year-ended 31 March 2020, all directors were employed by and received all remuneration from other Fiera Infrastructure Inc. undertakings. The directors perform directors' duties for multiple entities in the Fiera Infrastructure Inc. group, as well as their employment duties within Fiera Infrastructure Inc. group businesses. Consequently, allocating their employment compensation accurately across all these duties would not be feasible. Accordingly, no separate remuneration has been disclosed. The Company had no employees during the year (2019 – nil).

Levantera Developments Limited

Notes to the Financial Statements

31 March 2020

(In Pound Sterling (£) unless otherwise noted)

14. Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The Company's principal financial assets which are subject to credit risk are cash and cash equivalents, restricted cash and investments. The carrying amounts of financial assets on the statement of financial position, other than derivative financial instruments represent the Company's maximum exposure to credit risk at the statement of financial position date.

The credit risk on cash and cash equivalents and restricted cash is limited because the counterparties are commercial banks or financial institutions with high credit ratings assigned by independent credit-rating agencies. The Company's credit risk is attributable primarily to its source of revenue from electricity by means of photovoltaic ("PV") systems, comprising of residential rooftop solar systems and commercial systems in the United Kingdom and therefore, credit risk is limited.

As referred to in Note 2, the UK commenced a period of lockdown prior to the year end to help control the spread of Covid-19 in the UK and around the globe, which is expected to have profound economic implications. The Company will continue to operate and manage the solar PV assets with limited disruption expected as a result of the outbreak. The directors have reviewed the financial information available and believe that the Company has adequate resources to continue in operation for the foreseeable future even in the face of a significant and prolonged financial shock.