

SOCIETY NUMBER IP032300

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
FOR
REACH COMMUNITY SOLAR FARM LIMITED**

REACH COMMUNITY SOLAR FARM LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2015**

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REACH COMMUNITY SOLAR FARM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS:

C Cane
J Kimmitt
G Lingley
P Robinson
A Trump

REGISTERED OFFICE:

Willow Farm
Lode
Cambridgeshire
CB25 9HF

REGISTERED NUMBER:

IP032300 (England and Wales)

FCA NUMBER:

32300R

INDEPENDENT ACCOUNTANTS: Chater Allan LLP
Chartered Accountants
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

REACH COMMUNITY SOLAR FARM LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

Principal Activities

The society's principal activities are;

- to build and manage a community solar farm near Reach. The scheme is owned and run by a co-operative of local people, and it should generate enough clean, green electricity to power 50 houses.

Business Review

An exciting year for the Reach Community Solar Farm as we've finally seen the realisation of the project culminating many months hard work with a few trials and tribulations along the way.

The plan to build a solar farm was originally mooted by Paul Robinson about 3 years ago and it is largely thanks to his initial enthusiasm and access to a suitable site and Andy Rankin's technical know-how that we've arrived with a completed farm in early 2016.

The other vital ingredient in making the plan a reality was the funding raise from the investors - so all of you - for which many thanks. It was a large amount of money to raise for a small community such as Reach and although we have several very enthusiastic shareholder in the village the majority of the money came from further afield and some from well outside Cambridgeshire which shows the strength of internet in engaging with a wider community.

There were times during the development of the solar farm that it seemed as if we were not going to achieve our aims. The reduction in the electrical capacity available at Burwell, the interminable dealing with Ofgem regarding our registration as a Community Benefit Company to achieve a qualification period for a higher Feed In Tarrif, (FIT). However the Committee have met these challenges along the way with reasonable good humour finally seen the project to completion.

As you will be aware the final solar farm is half the size of the original proposal due to a lack of intake capacity at the substation at Burwell. Our project was overtaken in the queue by a 5MW installation on the southern edge of Burwell which resulted in our plans having to be more modest.

The reduction in the size of the solar farm may have proved to be to our advantage as it meant we raised the funding required and could implement the project in time to ensure the higher FIT rate that we will receive. A delay in raising the money may have resulted in us missing the FIT deadline in June 2015 meaning we would have received a substantially lower FIT rate and so return.

Reach Community Solar Farm started generating power on the 14 January 2016 and since that date to the 3 June 2016 we have generated 106,757 kWh which is well on track to achieve our full target of 236,000kWh.

The committee have found it a very interesting and largely enjoyable experience developing the Reach Community Solar Farm and hope it will continue to be an important asset for both the investors and community of Reach alike.

Plans for future periods

The solar farm will generate electricity which will be sold to Good Energy. It is anticipated that we will generate a surplus in the year to December 2016 which will enable us to pay interest on the shares and make a contribution to a good cause in the community. The amount of any contribution and the beneficiary(s) will be decided by the members.

The land is available to expand in the future should the capacity at Burwell be available and the finances for renewable energy improve.

Interest and transfer to Reserves

A net deficit of £46,341 (2014: £981) was transferred to reserves.

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Directors who served during the year

Charlotte Cane
Graham Lingley
Paul Robinson (Chair)
Andrew Trump
Nick Webb (Resigned 11 June 2015)
Jonathan Kimmitt (Appointed 11 June 2015)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Co-operative and Community Benefit Societies Act 2014 legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the society and of the profit or loss of the society for that period. In preparing those financial statements the directors are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are responsible and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE DIRECTORS:

.....

P Robinson - Director

Date: 30 June 2016

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Year Ended 31/12/15 £	Period 31/1/14 to 31/12/14 £
TURNOVER		-	-
Administrative expenses		<u>2,541</u>	<u>1,411</u>
		(2,541)	(1,411)
Other operating income		<u>200</u>	<u>430</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,341)	(981)
Tax on loss on ordinary activities	2	<u>44,000</u>	-
LOSS FOR THE FINANCIAL YEAR		<u>(46,341)</u>	<u>(981)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(46,341)</u>	<u>(981)</u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	3	309,458	4,235
CURRENT ASSETS			
Debtors	4	29,214	-
Cash at bank		<u>74,255</u>	<u>429</u>
		103,469	429
CREDITORS			
Amounts falling due within one year	5	<u>76,099</u>	-
NET CURRENT ASSETS		<u>27,370</u>	<u>429</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		336,828	4,664
CREDITORS			
Amounts falling due after more than one year	6	-	5,645
PROVISIONS FOR LIABILITIES		<u>(44,000)</u>	<u>-</u>
NET ASSETS/(LIABILITIES)		<u>292,828</u>	<u>(981)</u>
CAPITAL AND RESERVES			
Called up equity share capital	9	340,150	-
Retained earnings	10	<u>(47,322)</u>	<u>(981)</u>
TOTAL FUNDS		<u>292,828</u>	<u>(981)</u>

The society is entitled to exemption from audit under Section 84 of the Co-operative and Community Benefit Societies Act 2014 for the year ended 31 December 2015.

The directors have not required the society to obtain an audit of its financial statements for the year ended 31 December 2015.

The directors acknowledge their responsibilities for:

- ensuring that the society keeps accounting records which comply with Sections 75 of the Co-operative and Community Benefit Societies Act 2014 (the Act),
- establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 79 and 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the society.

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2015

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Directors and authorised for issue on 30 June 2016 and were signed on their behalf by:

.....
P Robinson - Director

.....
C Cane - Director

.....
A Trump - Director

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Total comprehensive income	-	(981)	(981)
Balance at 31 December 2014	-	(981)	(981)
Changes in equity			
Issue of share capital	340,150	-	340,150
Total comprehensive income	-	(46,341)	(46,341)
Balance at 31 December 2015	<u>340,150</u>	<u>(47,322)</u>	<u>292,828</u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

LEGAL STATUS

Reach Community Solar Farm Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 (Companies Act 2006) and is registered with the Financial Conduct Authority. The registered office is Willow Farm, Lode, Cambridge, CB25 9HF.

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP), Financial Reporting Standard 102 (Section 1A) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and are presented in sterling £.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Tangible fixed assets

Depreciation has not been charged as the assets were not commissioned and operational until January 2016. The directors have agreed this policy most appropriate for this year. From January 2016 depreciation will be provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 5% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Going concern

The directors have considered the financial position of the society and believe it is well placed to manage its business risks successfully. The directors have a reasonable expectation that the society has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation in preparing the financial statements.

2. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	Year Ended 31/12/15 £	Period 31/1/14 to 31/12/14 £
Deferred tax	<u>44,000</u>	-
Tax on loss on ordinary activities	<u>44,000</u>	-

REACH COMMUNITY SOLAR FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 January 2015	4,235
Additions	<u>305,223</u>
At 31 December 2015	<u>309,458</u>
NET BOOK VALUE	
At 31 December 2015	<u>309,458</u>
At 31 December 2014	<u><u>4,235</u></u>

Additions above include £82,486 to acquire assets that the company will have the full economic benefit of but are not the legal owners of.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Other debtors	<u>29,214</u>	<u>-</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	39,173	-
Other creditors	<u>36,926</u>	<u>-</u>
	<u>76,099</u>	<u>-</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015 £	2014 £
Loans	<u>-</u>	<u>5,645</u>

7. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>5,645</u>

REACH COMMUNITY SOLAR FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable leases fall due as follows:

	2015 £	2014 £
Within one year	1,550	-
Between one and five years	<u>4,650</u>	<u>-</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2015 £	2014 £
340,150	Ordinary shares	£1	<u>340,150</u>	<u>-</u>

340,150 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

10. RESERVES

	Retained earnings £
At 1 January 2015	(981)
Deficit for the year	<u>(46,341)</u>
At 31 December 2015	<u>(47,322)</u>

11. RELATED PARTY DISCLOSURES

The society is not controlled by any one individual.

The land is leased from John Robinson who is the father of Paul Robinson, Chairman of the Company. The rent paid during the year to 31 December 2015 was £805 (2014: £nil). The rent for the year to 31 December 2016 is expected to be £1,550.

JR Robinson, who is the brother of Paul Robinson, dug the trenches for the cabling. JR Robinson was paid £1,440 for this work.

Dr Andrew Rankin is the owner of Midsummer Energy Limited. Dr Andrew Rankin was a founder Director of Reach Community Solar Farm Limited, who stood down in March 2014. He continues to provide administrative support to the Directors and managed the project for Reach Community Solar Farm Limited. Midsummer Energy Limited provided the Solar Panels and much of the other infrastructure for the project and will continue to provide maintenance. Midsummer Energy were paid £186,595 (2014: £1,410).

The directors were aware of these transactions with related persons from the outset of the project.

12. FINANCIAL COMMITMENTS

Total financial commitments as at 31 December 2015 that are not included in the balance sheet amount to £18,285.

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

RECONCILIATION OF EQUITY

31 JANUARY 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-	-
NET LIABILITIES		-	-	-
RESERVES		-	-	-

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2014

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>4,235</u>	<u>-</u>	<u>4,235</u>
CURRENT ASSETS				
Cash at bank		<u>429</u>	<u>-</u>	<u>429</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		4,664	-	4,664
CREDITORS				
Amounts falling due after more than one year		<u>(5,645)</u>	<u>-</u>	<u>(5,645)</u>
NET LIABILITIES				
		<u>(981)</u>	<u>-</u>	<u>(981)</u>
RESERVES				
Retained earnings		<u>(981)</u>	<u>-</u>	<u>(981)</u>
		<u>(981)</u>	<u>-</u>	<u>(981)</u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

**RECONCILIATION OF LOSS
FOR THE PERIOD 31 JANUARY 2014 TO 31 DECEMBER 2014**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	-	-	-
Administrative expenses	(1,411)	-	(1,411)
Other operating income	<u>430</u>	<u>-</u>	<u>430</u>
OPERATING LOSS	(981)	-	(981)
and			
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(981)	-	(981)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	<u>(981)</u>	<u>-</u>	<u>(981)</u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE INDEPENDENT ACCOUNTANTS TO THE DIRECTORS OF
REACH COMMUNITY SOLAR FARM LIMITED**

Independent Accountants' Report under Section 85 of the Co-operative and Community Benefit Societies Act 2014

We report to the directors on the unaudited accounts for the year ended 31 December 2015 set out on pages 1 to 13.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the society's directors that we have done so, and state those matters that we have agreed to state to them in this 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 society and the society's directors, as a body, for our work or for this report.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

OPINION

In our opinion:

- (a) The accounts, including the statement of comprehensive income and statement of financial position, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records the statement of comprehensive income and statement of financial position comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

Chater Allan LLP
Chartered Accountants
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

Date:

REACH COMMUNITY SOLAR FARM LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Year Ended 31/12/15		Period 31/1/14 to 31/12/14	
	£	£	£	£
Income		-		-
Other income				
Donations		<u>200</u>		<u>430</u>
		200		430
Expenditure				
Lease of land	805		-	
Administration costs	154		1	
Licences and insurance	378		-	
Accountancy	850		-	
		<u>2,187</u>		<u>1,411</u>
		(1,987)		(981)
Finance costs				
Card fees		322		-
Bank charges		<u>32</u>		<u>-</u>
NET LOSS		<u>(2,341)</u>		<u>(981)</u>

This page does not form part of the statutory financial statements