

REACH COMMUNITY SOLAR FARM LTD

MINUTES OF THE THIRD ANNUAL GENERAL MEETING

7pm, Thursday 9th May 2017

REACH VILLAGE CENTER

The meeting was attended by Paul Robinson (Chair), Andy Rankin, Charlotte Cane, Andrew Trump, Graham Lingley, Jonathan Kimmitt, Jenny Wood, Julian Luttrell, Chris Smith, Bryony Morgan, Pat Edwards, Rachel Beaven, Sue Black, Liz Serocold, John Chalmers, Peter Pope, Andrew Snelson, Catherine Snelson, Anthony Jordan and Bryan Pearson.

Apologies for absence were received from Celia James, Christine Bromwich, Wookey, Nicola Terry, Ursula Stubbings, Bob Headland, Graham and Sue Arnold, Kate Rankin, Helen Humphries and Michael Doe, Naomi Baker and Hamish Pritchard. Nicola Terry had appointed Andy Rankin as a proxy.

Andy Rankin acted as Secretary for the meeting.

Welcome

The meeting commenced at 7.05pm. Paul Robinson began by welcoming everyone to the meeting.

1. Minutes of last AGM

Andy Rankin summarised the minutes of the Second Annual General Meeting of the Society, which was held on 30th June 2016. Paul Robinson proposed that the minutes be accepted as a true and accurate record of the meeting. The motion was passed unanimously.

[nb numbering of motions to be changed!]

2. Annual accounts for year ended 31st December 2016

Paul Robinson invited the treasurer of the Society, Charlotte Cane, to introduce the accounts.

Charlotte explained that the draft accounts had been updated from those circulated prior to the meeting, in order to incorporate the final tax figures received from the accountants. Paper copies had been made available to those attending the meeting.

The year had been very satisfactory for the Society from a financial point of view. The solar farm was fully operational and we received income in line with our original expectations both from feed-in tariff payments and for exported electricity. There had been no unexpected costs, and we made a significant trading surplus.

Part of the surplus will be distributed to our members as an interest payment, and part will be donated to the community fund. We depreciate the value of our assets (the solar farm itself) at 5% per year. We can also carry over the loss we made last year (when we had some operational costs but no income from the solar farm), so for tax purposes the Society

has not made a profit and there is no tax to pay.

Charlotte noted that the figure for debtors at the year end was high as we had not actually received any FIT payments at the end of the year, although they were due for all the electricity we had generated to that point. These payments are now being received regularly however, and we have received the sum we were due at the end of the financial year.

In response to a query from a member about depreciation, Charlotte explained that we are writing off the value of the solar farm over 20 years, as this is the period over which we are guaranteed FIT payments. This equates to 5% per year.

Charlotte noted that the Society expects to build up reserves over time as income will usually exceed expenditure for the Society. Some of this may be used to buy back member's shares, but we may end up with large cash reserves at times. If left in a current account, this would attract little interest, so the board is keen to look at investment options such as bonds with other renewable energy ventures. Charlotte invited feedback on these proposals, and several members expressed support.

Paul Robinson proposed that the draft accounts for Reach Community Solar Farm Ltd for 1st January 2016 to 31st December 2016 provided to the meeting be approved. The motion was passed unanimously.

3. Report from the Board

Paul reported that the solar farm is now running very smoothly, and that after the very considerable effort involved in setting the scheme up and building the solar farm, it is a great relief that it runs with so few problems from day to day.

There had been a number of administrative issues to deal with in the first year of full trading of the Society. The process of applying for Feed-in

Tariff payments was excruciatingly slow, and it was around a year from going live that we finally received our first payments. However, these are now coming in regularly.

Finalising the lease of the land on which the solar farm is built also took a considerable amount of time, partly owing to one of the landowners passing away. The lease was recently completed and signed and lodged with the Land Registry however, which is a great relief to the board.

Paul noted that the directors serve entirely on a voluntary basis, and thanked the board for their time over the last year.

4. Decision on interest payment to be returned to members of the society

Paul Robinson recommended that the meeting approve a payment of 3% interest to members for the last financial year. 3% is within the guide range we published in our share prospectus, and as our income and expenditure have been in line with our original financial projections the board was of the opinion that an interest payment at this level was appropriate.

In response to a question from a member about whether similar payments could be expected in future years, Paul stated that the financial projections did allow for an interest payment of this rate every year, but this did of course depend on the future performance of the solar farm and any costs the Society incurs so cannot be guaranteed.

Paul proposed that a 3% interest payment be made to members. The meeting passed the motion unanimously.

5. Decision on community benefit fund payment

Paul Robinson proposed that the Society make a £500 donation for community benefit. This was in line with our published projections in our share prospectus, and was comfortably achievable from the trading surplus that the Society had made over the last year.

The board had asked for suggestions on how the money should be spent, and Paul invited those members who had made suggestions to introduce them.

Charlotte Cane stated that the local primary school, in Swaffham Prior, was looking to reduce energy and resource costs. They have already taken some measures such as lagging pipework, but significant additional savings could be made by installing modern hand driers in the toilets to reduce paper towel use. The donation could be via a local charity, the Friends of Swaffham Prior, which was beneficial from a tax point of view.

Jenny Wood put forward a proposal to donate the money to East Anglia Childrens Hospices, or to the Cambridge branch of Parkinsons UK.

A suggestion was made from the floor that the community orchard in Reach might benefit from funds. However, Graham Lingley, who was involved in setting the community orchard up, did not feel that the funds would be of use to them at the moment.

Paul Robinson called for a show of hands. A large majority of the members present favoured donating the money to Friends of Swaffham Prior, with the request that it be used to install hand driers in the local primary school.

6. Election of the board

Paul Robinson explained that our rules permit the members to elect up to six directors to the Board, but that the Board can then co-opt up to two

further directors from the membership. We have had six directors serving over the past year – Paul Robinson, Charlotte Cane, Andrew Trump, Graham Lingley, Jonathan Kimmitt and Jenny Wood. Andy Rankin also attends board meetings as a representative of Midsummer Energy, who built and maintain the solar farm.

One third of the directors are required to stand down each year, and Graham Lingley and Jonathan Kimmitt were standing down this year. Graham Lingley was intending to stand again. Jonathan Kimmitt was not intending to stand for re-election, and Paul thanked him for the time he had given to the Society over the past year and his expertise as one of the earliest adopters of solar PV.

Two other members – Julian Luttrell and Chris Smith - had also indicated that they would like to serve as directors however. Paul invited them to introduce themselves to the meeting. Julian explained that he is a shareholder who lives locally, in Swaffham Prior, and has business experience. Chris Smith stated that he lives in Gamlingay, and has considerable experience of community energy enterprises through setting up a community-owned wind turbine in the village.

As the Society is only permitted to elect 6 directors, Paul Robinson proposed that the meeting elect Julian and Graham as directors, but recommend to the board that Chris Smith be co-opted onto the board. The meeting passed this resolution unanimously.

7. Professional Audit of Accounts

Charlotte Cane explained that, while Co-operative Societies are usually required to have their accounts audited, for smaller Societies such as ours the audit can be dispensed with provided the members pass an appropriate resolution at a general meeting.

In practice, the directors need to know a year in advance whether an audit will be required, as any audit that did take place would be required prior to the next AGM.

The board did request an independent examination of the accounts in our first year of trading as the accounts were relatively complicated, and as large sums were expended on the build of the solar farm. This cost around £1000. However, the accounts are now relatively simple each year, and at the last AGM the members had agreed that no audit or independent examination would be required for the 2016 financial year.

A view was expressed from the floor that the income of the Society was better spent on community purposes.

Paul Robinson proposed that the Society dispense with an audit for the 2017 financial year. The resolution was passed unanimously by the members present.

8. Any other resolutions put forward

There being no other business to transact, Paul Robinson again thanked everyone for attending, and closed the meeting.