

REACH COMMUNITY SOLAR FARM LTD

MINUTES OF THE SEVENTH ANNUAL GENERAL MEETING

7pm, Wednesday 16th June 2021

REMOTE MEETING – HELD VIA VIDEO LINK

The meeting was attended by Paul Robinson (Chair), Jenny Wood, Graham Lingley, Julian Luttrell, Patrick O’Donohoe, Martin O’Leary, Rachel O’Leary , Liz Serocold, Nicola Terry, Bob Headland, Bryan Pearson, Wookey, Guillaume Jean Letellier, Sue Woodsford and Debbie Lingley.

Jenny from the Red Hen Project, attended as an observer.

Graham and Deborah Lingley acted as Secretary for the meeting.

Welcome

The meeting commenced at 7.05pm.

1. Apologies for absence

Graham Lingley reported that apologies for absence had been received from Naomi Baker, Andy Rankin, Tony Jordan and Charlotte Cane.

2. Minutes of last AGM

Minutes of the Sixth Annual General Meeting of the Society, held on 10th June 2020 had been made available to members on the Society’s website prior to the meeting.

Paul Robinson proposed that the minutes be accepted as a true and accurate record of the meeting. There were no objections and the motion was passed unanimously.

Jenny Wood introduced Jenny from the Red Hen Project. Paul Proposed that she made a contribution during item six on the agenda.

3. Annual accounts for year ended 31st December 2020

Paul Robinson invited Jenny Wood to introduce the accounts for the last financial year of the Society in the absence of Charlotte Cane.

The accounts had been made available to members on the Society’s website prior to the meeting.

Jenny reported that she had completed the annual accounts using Charlotte’s spreadsheet. Jenny identified the following key points:

1. The tax has not yet been calculated by Chater Allan
2. The Covid Grant of £10,000 from East Cambs District Council had increased turnover this year. Generation has also been good.
3. One shareholder has bought back their share at £500.
4. Exact amount of rent increase has not been calculated.

5. Jenny noted that modest investments had been made and had done rather well.
6. A decision needs to be made regarding interest payments to members.

Martin O'Leary enquired as to why the Covid Grant was included in the turnover rather than as a separate item on the first page. It could be confusing in the sense that it looks like the annual earnings from the solar farm have gone up by £8,000. Jenny replied that she had used the spreadsheets provided by Charlotte but suggested that Chater Allan could be asked if it would normally be itemised separately.

Martin acknowledged that Covid Grants had probably caught a lot of people out in terms of accountancy treatment. Jenny and Paul agreed. Paul asked Martin if it was acceptable to leave things as they were at the present. Martin agreed.

Nicola Terry enquired if the Covid Grant was conditional on anything.

Jenny replied that she didn't believe so. Paul and Jenny went on to explain how the solar farm had been approached by the local council to apply for the Grant.

Brian Pearson confirmed that he knew of other people that had been approached by the council in a similar manner.

Paul proposed that the accounts of the Society for the financial year to 31st December 2020 be accepted by the members. There were no objections, and the resolution was passed unanimously by the meeting.

Brian Pearson stated that it was subject to Martin's point being followed up.

It was noted that a correction was needed to the text of para 2 of the Annual Report Business Review that by the end of 2020, the £25,054 originally invested rose by 11.7 per cent to £27,919 not 5.5 per cent to £26,464 as stated.

4. Report from the Board

Paul Robinson summarised the activity of the board over the last year.

Paul read through the report that was sent to all members prior to the AGM.

Paul introduced Graham Lingley as the new secretary but stated that any big technical problems that Graham can't deal with then Andy Rankin at Midsummer Energy is still available.

Paul thanked Andy for making the solar farm possible in the first place and for his continued support.

Paul invited Julian Luttrell to elaborate on our investments.

Julian reported that at the end of 2020 the investment portfolio had grown by 11.7% since purchase. In 2021 the investment portfolio was modified. The investment in the Unicorn fund was sold and then invested in; Trojan Ethical Fund, Rathbone Ethical Fund and Liontrust Sustainable Fund. Overall portfolio currently sitting at 10.93% increase from purchase.

Wookey enquired if these were active or passive funds and how were we paying for the investments.

Julian replied that they were all actively managed funds. The Impax Environmental Markets and Renewable Infrastructure Group are companies that invest. They take charges in the form of director's fees which is then factored into the share price. We take a guide from the Investors' Chronicle and MorningStar as to the best investment in the sustainable sector.

Wookey's partner asked about the long-term plans for these funds and what the end goal was.

Julian replied that the end goal was to make sure that the Community Solar Farm had sufficient funds to repay the investors investments after 21 years. Paul reinforced this view explaining that the directors were mindful that there was enough money at the end to pay everyone back. He explained that no unnecessary risks were taken and that risk is spread as widely as possible.

Wookey expressed the view that ESG funds is a good plan but that he was sceptical of a managed funds approach. He was happy enough to leave it for now.

Sue Woodsford thanked Paul and thought all was going well and apologised for having to leave the meeting.

Jenny stated that the text on the annual report needed changing.

5 & 6. Decision on interest payment to be returned to members of the society and charitable donations for the year

Paul opened up the discussion to those present on either a 2% or 3% interest payment to members.

Wookey expressed the view that he wasn't keen that we'd changed the basis upon which people had invested. He recognised that handing out money to good causes was a good thing, but people can choose to do that for themselves. He stressed the importance that an institution like this does what it originally said it was going to do. Unless there wasn't enough money to do so.

Paul affirmed that it was a fair point.

Wookey stated that although he found the accounts difficult to follow it looks like the solar farm is doing ok so we can still hand out a reasonable amount of community benefit money without reducing the payment to members.

Paul affirmed that we are meeting the targets so far and understood Wookey's point.

Nicola Terry understood Wookey's point and expressed the view that the £10,000 could be given to good causes instead or we could give it back. The two issues are intertwined.

Paul agreed with Nicola that points 5 and 6 on the agenda should be combined. Paul proposed that the first decision should be whether the grant money should be kept and added to the money we give to charity or returned.

Wookey was happy for the grant money to be used for good works.

Nicola asked how much 1% comes to. She sought clarification that if £10,000 was given to charity it would be double what we'd have given with 2%.

Paul acknowledged this would be the case.

Patrick O'Donohoe sought clarification as to why the payment was reduced to 2% last year. Paul explained the challenges faced by local charities to meet the added challenges posed by Covid. Patrick enquired if this was still the case. Paul asked Jen from Red Hen to answer.

Nicola Terry asked what would happen to the money if it was returned and if other organisations had returned the money.

Paul believed that large organisations had returned the money but was unaware what happened to any returned money. Bryan Pearson believed that as the money came from central government then it would probably be returned to them.

Nicola stated that if we give the money to charities then at least we know what has happened to it.

Martin stated that he didn't believe that the conversation should even be happening as we don't have to account for how the money is used.

Paul proposed to pay the members 3%, keep the grant and use it to give to charitable causes. Paul was unsure about the tax implications.

Martin stated that it was classed as taxable income and it was liable to tax if the company was liable to tax. Jenny stated that it was taxable but that it was very unlikely that we would be paying any tax.

Nicola proposed that we keep the money and pay £5000 this year and give another £5000 next year.

Paul again proposed giving members 3% and keeping the grant money and distributing it to local charities. then have another proposal as to whether we give the money this year or keep half for next year.

All agreed except for Jenny who abstained as she felt the grant money should be returned.

Paul asked for a show of hands in favour of spending all the grant money this year or spreading it over 2 years.

Rachel enquired about battery storage and other investments that may be needed at the solar farm in terms of maintenance. Paul explained that there was a reserve for maintenance and that battery storage was complicated and expensive. The only way it would help us is if we increased the size of the solar farm. Rachel thanked Paul for the explanation. Graham Lingley stated that most of the kit was still under warranty. We get paid a flat rate for export so little point to saving it for export at a different time. There have been discussions about extending the size of the farm when Andy was on board, and it is still unlikely that it is cost effective.

Patrick stated that as it is a covid fund it ought to be spent during the period that covid is a problem.

Liz Serocold wanted to hear about the applications before they decided about how or when to spend the money.

Bryan Pearson spoke about the Dream Big Ghana Foundation. Information had already been sent out ahead of the AGM.

Paul opened up the floor to questions.

Rachel asked if there was a policy about how the money should be spent. Do we have to change our policy to extend to Ghana.

Paul asked Graham to clarify the position. Graham Lingley clarified that there was a local condition in the rules. Donations have to be for the benefit of the community in which the organisation operates. Julian confirmed that payment to be made to social or community purposes within the community served by the society.

Brian enquired if the AGM had the option to change the policy for one year.

Jenny made the point that a lot of shareholders live in Cambridge and she wasn't sure if we could extend to Ghana.

Martin suggested a vote on a donation of £5,000 or £10,000 this year.

Paul proposed a vote on donating £10,000 this year. Graham counted six people voted for the motion.

Paul proposed a vote on spending £5,000 this year. Graham counted six people voted for this motion.

Paul had the casting vote and decided to donate £10,000 this year. With the option of keeping some back if necessary.

Paul clarified that there were three main organisations in contention. Prospects Trust, Red Hen Project and Dream Big Ghana Foundation. The battery charging point was discussed and dismissed for this year.

Jenny then proposed that Jen from the Red Hen talked about the organisation.

Jen gave a presentation regarding the work undertaken at the Red Hen Project.

Rachel then proposed that anyone involved in the charities left the meeting temporarily. Jen and Brian left the meeting.

Martin expressed concern over the proposal to donate to the Dream Big Ghana Foundation if the constitution states it has to be local, as it is not in accordance with the company constitution. As a consequence he was considering withdrawing his nomination to become a director.

Paul took the points on board.

Bob Headland stated that he would not be content for a local charity to extend into the realms of overseas aid.

Nicola stated that she didn't believe it was appropriate for Reach solar farm to donate overseas

Graham counted 9 votes against donating to the Ghana Foundation, none for and 1 abstention.

Paul suggested that we let members know about the Ghana project on the website and in newsletters.

A discussion about how much to give each organisation followed. Martin suggested £3,000 to each one now and the board to think about the Ghana Project and come back to the members if necessary. Paul made the proposal.

Jenny proposed £4,000 to Red Hen and £4,000 to Prospects Trust.

Wookey suggested that there were other organisations around we should be considering giving money to. For example, the Open Eco Homes people.

Jenny responded that we do ask for proposals from members. All members can contact suitable charities and then they can put a proposal into us.

Graham Lingley counted six votes for donating £4,000 to both Red Hen and Prospects Trust.

Graham Lingley counted 2 votes against £4,000. Motion passed.

7. Election of the board

Paul Robinson explained that the Society has a system of rolling elections to the board, with one third of the directors standing down each year. This year it was the turn of Charlotte Cane and Graham Lingley to stand down, but both were intending to stand again. The committee had received one other nomination from Martin O'Leary.

Paul asked if anyone was against Charlotte and Graham re-joining the board. Graham made everyone aware of a possible conflict of interest as he is now being paid to do the admin and maintenance for the solar farm. Paul expressed the view that he would like Graham to continue on the board and could leave meetings if necessary. No other members expressed concern over Graham continuing on the board. Charlotte and Graham were re-elected. Martin was elected to the board with no objections.

Martin praised the members of the present board for the work they do.

8. Professional Audit of Accounts

Paul explained that a formal audit of the accounts of the Society is not required, 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 before the Society holds its next Annual Meeting.

Paul proposed that the Society dispense with an audit for the 2021 financial year. The resolution was passed unanimously.

9. Any other resolutions put forward

Paul thanked all directors for all their hard work and all members for their continued support.

The meeting closed at 8.30pm