

SOCIETY NUMBER IP032300

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
REACH COMMUNITY SOLAR FARM LIMITED**

REACH COMMUNITY SOLAR FARM LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Page
Company Information	1
Report of the Directors	2
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	7
Notes to the Financial Statements	8

The following page does not form part of the financial statements

Detailed Profit and Loss Account	11
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REACH COMMUNITY SOLAR FARM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

C Cane
J Kimmitt
G Lingley
P Robinson
A Trump
J Wood

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 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

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

In 2016 Reach Community Solar Farm saw the realisation of the many months of hard work to set up the farm and is now generating electricity. The plan to build a solar farm was originally mooted by Paul Robinson about 4 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 arrived with a completed farm in January 2016.

Vital to making the plan a reality was the funding raised 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.

The Committee continued to meet challenges successfully during development, to ensure that we have a viable Solar Farm. These challenges included the reduction in the electrical capacity available at Burwell, interminable dealing with Ofgem regarding our registration as a Community Benefit Company to achieve a qualification period for a higher Feed In Tariff, (FIT). The current solar farm is half the size of the original proposal due to this 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. This reduction in the size of the solar farm may have proved to be to our advantage, as we raised all the funding required and implemented the project in June 2015, in time to ensure the higher FIT rate and return that we now receive. In 2016 Paul Robinson has spent time and energy to ensure that solicitors completed the transfer of the lease agreement to John Robinson, the current landowner.

There have been no maintenance issues in 2016 and no downtime in generation.

On 14 January 2016 Reach Community Solar Farm started generating power and at 11 January 2017 had generated 264,000 kWh, over 11 per cent more than our target of 236,000 kWh. This is being sold to Good Energy. The higher generation than expected in our original financial projections cancels out lower than expected export prices, and along with FITS payment, our finances are in a good position for the coming year.

With this surplus, the Committee is now able to recommend to members that interest on the shares is paid at 3 per cent (£10,205 in total) and a £500 contribution is made to a community cause (as noted in the accounts page 11).

The committee continue to find it a very interesting and largely enjoyable experience developing and overseeing 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

It is planned to continue selling generated electricity to Good Energy, although this will be periodically reviewed to ensure that we are obtaining the best price with a reputable company.

It is hoped that we will continue to generate a surplus in the year to December 2017 which will again 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.

As noted in the last report, 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

£10,205 was paid in interest (2015 £nil). A net deficit of £6,688 (2015: £46,341) was transferred to reserves.

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Directors who served during the year

Charlotte Cane
Graham Lingley
Paul Robinson (Chair)
Andrew Trump
Jonathan Kimmitt
Jenny Wood (Appointed 30 June 2016)

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: 9 May 2017

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Year Ended 31/12/16 £	Year Ended 31/12/15 £
TURNOVER		27,175	-
Administrative expenses		<u>23,158</u>	<u>2,541</u>
		4,017	(2,541)
Other operating income		-	200
Donation		500	-
Interest		<u>10,205</u>	<u>-</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,688)	(2,341)
Tax on loss on ordinary activities	2	<u>-</u>	<u>44,000</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>()</u></u>	<u><u>(46,341)</u></u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>()</u></u>	<u><u>(46,341)</u></u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016**

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		311,355		309,458
CURRENT ASSETS					
Debtors	4	19,059		29,214	
Cash at bank		<u>11,513</u>		<u>74,255</u>	
		30,572		103,469	
CREDITORS					
Amounts falling due within one year	5	<u>11,787</u>		<u>76,099</u>	
NET CURRENT ASSETS			<u>18,785</u>		<u>27,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			330,140		336,828
CREDITORS					
Amounts falling due after more than one year	6		-		-
PROVISIONS FOR LIABILITIES			<u>(44,000)</u>		<u>(44,000)</u>
NET ASSETS/(LIABILITIES)			<u>286,140</u>		<u>292,828</u>
CAPITAL AND RESERVES					
Called up equity share capital	9		340,150		340,150
Retained earnings	10		<u>(54,010)</u>		<u>(47,322)</u>
TOTAL FUNDS			<u>286,140</u>		<u>292,828</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 2016.

The directors have not required the society to obtain an audit or an Independent Examination of its financial statements for the year ended 31 December 2016.

The directors acknowledge their responsibilities for:

- (a) ensuring that the society keeps accounting records which comply with Sections 75 of the Co-operative and Community Benefit Societies Act 2014 (the Act),
- (b) 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
- (c) 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

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2016

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 9 May 2017 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 2016**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Total comprehensive income	<u>340,150</u>	<u>(47,322)</u>	<u>292,828</u>
Balance at 31 December 2015	<u>340,150</u>	<u>(47,322)</u>	<u>292,828</u>
Changes in equity			
Issue of share capital	-	-	-
Total comprehensive income	<u>-</u>	<u>(6,688)</u>	<u>(6,688)</u>
Balance at 31 December 2016	<u><u>340,150</u></u>	<u><u>(54,010)</u></u>	<u><u>286,140</u></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 2016

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 is 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 31/12/16 £	Year Ended 31/12/15 £
Deferred tax		44,000
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 2016**

3. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 January 2016	309,459
Additions	<u>18,285</u>
At 31 December 2016	<u>327,744</u>
 DEPRECIATION	
At 1 January 2016	-
Charge for the year	<u>16,388</u>
At 31 December 2016	<u>16,388</u>
 NET BOOK VALUE	
At 31 December 2016	<u>311,356</u>
At 31 December 2015	<u>309,458</u>

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	<u>19,059</u>	<u>29,214</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	74	39,173
Other creditors	<u>11,713</u>	<u>36,926</u>
	<u>11,787</u>	<u>76,099</u>

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

	2016 £	2015 £
Loans	<u>-</u>	<u>-</u>

7. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>-</u>

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2016

8. LEASING AGREEMENTS

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

	2016 £	2015 £
Within one year	1,550	1,550
Between one and five years	<u>4,650</u>	<u>4,650</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2016 £	2015 £
340,150	Ordinary shares	£1	<u>340,150</u>	<u>340,150</u>

10. RESERVES

	Retained earnings £
At 1 January 2016	(47,322)
Deficit for the year	<u>(6,688)</u>
At 31 December 2016	<u>(54,010)</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 2016 was £1,550 (2015: £805). The rent for the year to 31 December 2017 is expected to be £1,550.

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 £250,969 (2015: £186,595).

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 2016 that are not included in the balance sheet amount to **£18,285**.

This page does not form part of the statutory financial statements

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REACH COMMUNITY SOLAR FARM LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Year Ended 31/12/16		Year Ended 31/1/15	
	£	£	£	£
Income		27,175		-
Other income				
Donations		<u> </u>		<u>200</u>
		27,175		200
Expenditure				
Lease of land	1,550		805	
Rental of meter and standing charges	338			
Administration costs	3,050		154	
Licences and insurance	1,126		378	
Accountancy	700		850	
Depreciation	16,388			
Donation	500			
	<u> </u>	<u>23,652</u>	<u> </u>	<u>2,187</u>
		(3,523)		(1,987)
Finance costs				
Interest		10,205		
Card fees		-		322
Bank charges		<u>6</u>		<u>32</u>
NET LOSS		<u>(6,688)</u>		<u>(2,341)</u>

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