

SOCIETY NUMBER IP032300

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
REACH COMMUNITY SOLAR FARM LIMITED**

REACH COMMUNITY SOLAR FARM LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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REACH COMMUNITY SOLAR FARM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

C Cane
G Lingley
J Luttrell
P Robinson
C Smith
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 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

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

2018 has been a challenging year. In August, a wire that had been installed by UK Power Networks leading from the solar farm burnt out. This caused a reduction in export of electricity from the farm for a period of four weeks. Our contract with UKPN stipulates that even if they are at fault, they are not responsible for loss of income any damage caused to our farm. As a result of lobbying from us and the local MP, Lucy Frazer, we managed to retrieve a sizable amount of the losses incurred. The loss was further reduced by long periods of sunshine. So despite not generating any power for most of August we still generated 254000 units of electricity in 2018. This was down on 2017 when 256,252 units of electricity were generated This figure still exceeds our target of 236,000 units.

So despite the difficulties incurred, the Committee is able to recommend to members that interest on the shares are paid at 3 percent and a £500 contribution is made to a community cause. The beneficiary of this donation will be decided by the members at the AGM.

A trading account has been set up with the Stockbrokers Redmayne and Bentley of Cambridge and we are actively investing money in ethical and sustainable funds.

Future Activity

In addition to the routine business of the organisation, a primary consideration for the board is to make sure we are making the best use of our accumulated surplus funds. We are reviewing our need for Insurance policies as these continue to rise sharply and offer less cover.

The board also continues to assess the options for expanding the solar farm to our planning permission approved size (double the current size). In the neighbouring village, Swaffham Prior Community Land Trust has been working on a project to replace oil consumption for heating with a heat network supplied by a ground source heat pump. There is interest in Reach for a similar project and we have been in discussions with a working group to see if there is anything we can do which would provide mutual benefits. This could potentially overcome our limited access to the grid and the limited financial return of the current Feed in Tariff system. We shall also continue to monitor local grid capacity. As noted in the last report, the land is available to expand in the future and the transformer that was installed when the solar farm was built is capable of handling double the capacity of electricity that we produce at present.

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE DIRECTORS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Interest and transfer to Reserves

£10,175 was paid in interest (2017 £10,190). A net surplus of £996 (2016: deficit £9,688) was transferred to reserves.

Directors who served during the year

Charlotte Cane
Graham Lingley
J Luttrell
Paul Robinson (Chair)
Chris Smith
Jenny Wood

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: 26 June 2019

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Year Ended 31/12/18 £	Year Ended 31/12/17 £
TURNOVER		31,526	29,548
Administrative expenses		<u>25,539</u>	<u>23,562</u>
		5,987	5,986
Other operating income		600	-
Donation		500	500
Interest		<u>10,175</u>	<u>10,190</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,088)	(4,704)
Tax on loss on ordinary activities	2	<u> </u>	<u>(5,700)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>(4,088)</u></u>	<u><u>996</u></u>
OTHER COMPREHENSIVE INCOME		<u>7</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(4,081)</u></u>	<u><u>996</u></u>

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	3	278,579	294,967
CURRENT ASSETS			
Debtors	4	13,319	7,022
Cash at bank		<u>39,559</u>	<u>34,807</u>
		52,878	41,829
CREDITORS			
Amounts falling due within one year	5	<u>11,102</u>	<u>11,860</u>
NET CURRENT ASSETS		<u>41,776</u>	<u>29,969</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		320,355	324,936
CREDITORS			
Amounts falling due after more than one year	6	-	-
PROVISIONS FOR LIABILITIES		<u>(41,300)</u>	<u>(41,300)</u>
NET ASSETS/(LIABILITIES)		<u>279,055</u>	<u>283,636</u>
CAPITAL AND RESERVES			
Called up equity share capital	9	339,150	339,650
Retained earnings	10	<u>(60,095)</u>	<u>(56,014)</u>
TOTAL FUNDS		<u>279,055</u>	<u>283,636</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 2018.

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 2018.

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.

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2018

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 26 June 2019 and were signed on their behalf by:

.....
P Robinson – Director

.....
C Cane - Director

.....
Julian Luttrell - Director

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Total comprehensive income	<u>339,650</u>	<u>(56,014)</u>	<u>283,636</u>
Balance at 31 December 2017	<u>339,650</u>	<u>(56,014)</u>	<u>283,636</u>
Changes in equity			
Issue of share capital	(500)	-	(500)
Total comprehensive income	<u>-</u>	<u>(4,081)</u>	<u>(4,081)</u>
Balance at 31 December 2018	<u><u>339,150</u></u>	<u><u>(60,095)</u></u>	<u><u>279,055</u></u>

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	2018	2017
	£	£
Deferred tax		(5,700)
	<hr/>	<hr/>
Tax on loss on ordinary activities	<hr/> <hr/>	<hr/> <hr/> (5,700)

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

3. TANGIBLE FIXED ASSETS

Plant and
machinery
etc.
£

COST

At 1 January 2018

327,744

Additions

At 31 December 2018

327,744

DEPRECIATION

At 1 January 2018

32,777

Charge for the year

16,388

At 31 December 2018

49,165

NET BOOK VALUE

At 31 December 2018

278,579

At 31 December 2017

294,967

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2018

2017

£

£

Other debtors

13,319

7,022

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2018

2017

£

£

Trade creditors

2

1

Other creditors

11,100

11,116

11,102

11,787

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

2018

2017

£

£

Loans

-

-

7. LOANS

An analysis of the maturity of loans is given below:

2018

2017

£

£

Amounts falling due between one and two years:

Other loans - 1-2 years

-

-

REACH COMMUNITY SOLAR FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

8. LEASING AGREEMENTS

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

	2018 £	2017 £
Within one year	1,638	1,629
Between one and five years	<u>6,552</u>	<u>4,887</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2018 £	2017 £
339,150	Ordinary shares	£1	<u>339,150</u>	<u>339,650</u>

10. RESERVES

	Retained earnings £
At 1 January 2018	(56,014)
Surplus for the year	<u>(4,081)</u>
At 31 December 2017	<u>(60,095)</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 2018 was £1,631 (2017: £1,613). The rent for the year to 31 December 2019 is expected to be £1,638.

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 £4,755 (2017: £2,800). This year's payments included a one-off for fire damage of £1,849.

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 2018 that are not included in the balance sheet amount to £nil (2017:£nil).

REACH COMMUNITY SOLAR FARM LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Year Ended 31/12/18		Year Ended 31/1/17	
	£	£	£	£
Income		32,133		29,548
Other income				
Donations		_____		_____
		32,134		29,548
Expenditure				
Lease of land	1,631		1,613	
Rental of meter and standing charges	200		213	
Administration costs	5,263		3,775	
Licences and insurance	1,735		1,301	
Accountancy	300		250	
Depreciation	16,388		16,388	
Donation	500`		500	
	_____		_____	
		<u>26,017</u>		<u>24,040</u>
		6,166		5,508
Finance costs				
Interest		10,175		10,189
Card fees		-		-
Bank charges		<u>22</u>		<u>23</u>
NET LOSS		<u>(4,081)</u>		<u>(4,704)</u>