

**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
REACH COMMUNITY SOLAR FARM LIMITED**

REACH COMMUNITY SOLAR FARM LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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REACH COMMUNITY SOLAR FARM LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

C Cane
G Lingley
P Robinson
J Luttrell
J Wood

REGISTERED OFFICE:

Willow Farm
Lode
Cambridgeshire
CB25 9HF

REGISTERED NUMBER:

IP032300 (England and Wales)

FAC NUMBER:

32300R

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 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020

PRINCIPAL ACTIVITY

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

2020 has been a relatively straightforward year for the solar farm and generation. The panels continue to perform well and in 2020 274,670 units were generated, up again on the previous year's figure of 270,887 kw/h units of electricity. This figure again exceeded our original forecast of 236,000 units. These 274,670 units were sold to Good Energy.

In 2020, although we again accumulated surplus funds, the consensus of the Board was to wait until markets settled before investing this money. This we plan to do in early 2021. By the end of 2020 the £25,054.4 (which we originally invested in ethical and sustainable funds in the 2019 financial year) rose by 5.5% to £26,464.

Admirably fulfilling our role as a Community Benefit Society, at the 2019 AGM members generously decided to take a 1 per cent cut on the interest on their shares from 3 per cent to 2 per cent. This meant two local charities, The Red Hen Project and The Prospect Trust each received £2,000 to help enable them to continue and expand their community support roles in these challenging times. Both have expressed their thanks and the money was used to help less fortunate members of the local community.

The Directors feel that in this time of need a Community Benefit Society should step forward and help those in need and the Board this year again recommends to members that interest on the shares are paid at 2 per cent and that a £4,000 contribution is made to a community cause working specifically to help those directly affected and alleviating the severe effects on poorer members of society and those hit hardest in the community. The beneficiaries of this donation will be decided by the members at the AGM.

In addition during 2020, we received a £10,000 grant from East Cambridgeshire District Council to help alleviate financial pressures caused by the Covid-19 pandemic. The Board asks members to vote on whether they wish to return this grant to the Council. This grant, of course, is reflected in increased our turnover for the year.

Future activity

The Board will continue to monitor the Feed in Tariffs, wholesale energy prices and what is being offered by various energy purchasers across the market. The Board recently made the decision to switch to a different supplier, Octopus, which could offer a better overall income.

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 will continue to review our investments and monitor the market with a view to investing a further £25,000 in early 2021.

From January 2021, Grahame and Debbie Lingley are taking over the maintenance and administration duties that were previously immaculately managed by Andy Rankin and Midsummer Energy.

We will continue to review our insurance policies, if these continue to rise or offer less cover.

INTEREST AND TRANSFER TO RESERVES

£6,783 was paid in interest (2019 £6,813). A net surplus of £14,865, before unrealised gains on investments, (2019: £2,539) was transferred to reserves.

REACH COMMUNITY SOLAR FARM LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

C Cane
G Lingley
P Robinson (Chair)
J Luttrell
J Wood

Chris Smith held office during the year but resigned before the date of this report, on 18 March 2020.

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: June 2021

REACH COMMUNITY SOLAR FARM LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020		2019
	£	£	£	£
TURNOVER		43,385		35,331
Cost of Sales		131		141
GROSS PROFIT		<u>43,254</u>		<u>35,190</u>
Administrative Expenses		22,469		28,326
		<u>20,785</u>		<u>6,864</u>
Other operating income		<u>450</u>		<u>600</u>
OPERATING PROFIT	4	21,235		7,464
Income from fixed asset investments	387		213	
Interest receivable and similar income	<u>6</u>		<u>75</u>	
		<u>393</u>		<u>288</u>
		21,628		7,752
Interest payable and similar expenses		6,763		6,813
PROFIT/(LOSS) BEFORE TAXATION		<u>14,865</u>		<u>939</u>
Tax on profit/(loss) on ordinary activities		0		(1,600)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>14,865</u></u>		<u><u>2,539</u></u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
PROFIT/(LOSS) FOR THE YEAR		14,865	2,539
OTHER COMPREHENSIVE INCOME			
Unrealised Gains on Investments		1,455	2,105
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>1,455</u>	<u>2,105</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>16,320</u></u>	<u><u>4,644</u></u>

The notes form part of these financial statements

REACH COMMUNITY SOLAR FARM LIMITED (REGISTERED NUMBER: IP032300)**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5	245,803		262,191	
Investments	6	<u>27,919</u>		<u>26,464</u>	
		273,722		288,655	
CURRENT ASSETS					
Debtors	7	5,706		14,340	
Cash at bank		<u>68,932</u>		<u>32,370</u>	
		74,638		46,710	
CREDITORS					
Amounts falling due within one year	8	<u>9,140</u>		<u>11,965</u>	
NET CURRENT ASSETS		65,498		34,745	
TOTAL ASSETS LESS CURRENT LIABILITIES		339,220		323,400	
PROVISIONS FOR LIABILITIES		36,600		36,600	
NET ASSETS		<u>302,620</u>		<u>286,800</u>	
CAPITAL AND RESERVES					
Called up share capital		338,650		339,150	
Revaluation reserve	10	3,560		2,105	
Retained earnings		<u>(39,590)</u>		<u>(54,455)</u>	
SHAREHOLDERS' FUNDS		<u>302,620</u>		<u>286,800</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 2020.

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 2020.

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

The notes form part of these financial statements

- (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)

BALANCE SHEET - continued
31 DECEMBER 2020

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 10 June 2020 and were signed on their behalf by:

.....
P Robinson - Director

.....
C Cane - Director

.....
J Luttrell - Director

REACH COMMUNITY SOLAR FARM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2019	339,150	(54,994)	-	282,156
Changes in equity				
Issue of share capital	-	-	-	-
Total comprehensive income	-	2,539	2,105	4,644
Balance at 31 December 2019	<u>339,150</u>	<u>(54,455)</u>	<u>2,105</u>	<u>286,800</u>
Changes in equity	(500)			(500)
Total comprehensive income		14,865	1,455	16,320
Balance at 31 December 2020	<u><u>338,650</u></u>	<u><u>(39,590)</u></u>	<u><u>3,560</u></u>	<u><u>302,620</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 2020

1. STATUTORY INFORMATION

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.

2. 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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - NIL).

REACH COMMUNITY SOLAR FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	<u>16,388</u>	<u>16,388</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST At 1 January 2020 and 31 December 2020	<u>327,744</u>
DEPRECIATION At 1 January 2020 Charge for year	<u>65,552</u> <u>16,388</u>
At 31 December 2020	<u>81,940</u>
NET BOOK VALUE At 31 December 2020	<u>245,803</u>
At 31 December 2019	<u>262,191</u>

6. FIXED ASSET INVESTMENTS

	Other investments £
COST OR VALUATION Additions	26,464
Disposals	-
Revaluations	<u>1,455</u>
At 31 December 2020	<u>27,919</u>
NET BOOK VALUE At 31 December 2020	<u>27,919</u>

Cost or valuation at 31 December 2020 is represented by:

	Other investments £
Valuation in 2020	3,560
Cost	<u>24,359</u>
	<u>27,919</u>

REACH COMMUNITY SOLAR FARM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020 £	2019 £
Other debtors	<u>5,706</u>	<u>14,340</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020 £	2019 £
Taxation and social security		483
Other creditors	<u>9140</u>	<u>11,482</u>
	<u>9140</u>	<u>11,965</u>
9. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2020	2019
	£	£
Within one year	1,783	1,734
Between one and five years	<u>6,936</u>	<u>6,936</u>
	<u>8,719</u>	<u>8,670</u>
10. RESERVES		Revaluation reserve £
Gain on revaluation		<u>3,560</u>
At 31 December 2020		<u>3,560</u>
11. OTHER FINANCIAL COMMITMENTS		
Total financial commitments as at 31 December 2020 that are not included in the balance sheet amount to £nil (2019: £nil).		
12. 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 2020 was £1,783 (2019: £1,664). The rent for the year to 31 December 2021 is estimated to be slightly higher.		
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 continued 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 £3,023 (2019: £2,933)		
The directors were aware of these transactions with related persons from the outset of the project.		

REACH COMMUNITY SOLAR FARM LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020		2019	
	£	£	£	£
Turnover				
Electricity supply	15,212		12,233	
Feed in tariff	17,927		18,039	
REGO	246		173	
Fire repair compensation	-		1,886	
COVID grant	<u>10,000</u>		<u>-</u>	
		43,385		35,331
Cost of sales				
Other direct costs		<u>131</u>		<u>141</u>
GROSS PROFIT		43,254		35,190
Other income				
Sensor rent	450		600	
Other fixed asset invest - FII	387		213	
Deposit account interest	<u>6</u>		<u>75</u>	
		<u>843</u>		<u>888</u>
		44,097		36,078
Expenditure				
Rent	60		60	
Light and heat	130		113	
Lease of land	1,783		1,664	
Administration costs	3,023		2,993	
Licences and insurance	766		1,998	
Accountancy	300		450	
Subscriptions	-		-	
Investment manager fees	-		640	
Donations	4,000		4,000	
Depreciation of tangible fixed assets	<u>16,388</u>		<u>16,388</u>	
		<u>26,450</u>		<u>28,306</u>
		17,646		7,772
Finance costs				
Bank charges	20		20	
Interest payable	<u>6,763</u>		<u>6813</u>	
		<u>6,783</u>		<u>6,833</u>
NET PROFIT/(LOSS)		<u>10,864</u>		<u>939</u>