

**ORCHARD FARM COMMUNITY SOLAR C.I.C.**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2017**

**STONE & PARTNERS**  
Chartered Accountants & Statutory Auditor  
571 Fishponds Road  
Fishponds  
Bristol  
BS16 3AF

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## OFFICERS AND PROFESSIONAL ADVISERS

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### **The board of directors**

D A Bunker (Resigned 1 September 2017)  
S J Karpetas (Served from 16 June 2016 to 1 September 2017)  
J C Salmon (Appointed 21 July 2016)  
A J Chaves Martinez (Resigned 16 June 2016)  
F R Remacha Zapatel (Resigned 16 July 2016)

### **Registered office**

Overmoor Farm  
Neston  
Corsham  
Wiltshire  
SN13 9TZ

### **Auditor**

Stone & Partners  
Chartered Accountants & Statutory Auditor  
571 Fishponds Road  
Fishponds  
Bristol  
BS16 3AF

# **ORCHARD FARM COMMUNITY SOLAR C.I.C.**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2017**

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The directors present their report and the financial statements of the company for the year ended 31 March 2017.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

D A Bunker	
S J Karpetas	(Appointed 16 June 2016)
J C Salmon	(Appointed 21 July 2016)
A J Chaves Martinez	(Resigned 16 June 2016)
F R Remacha Zapatel	(Resigned 16 July 2016)

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITOR**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 MARCH 2017

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This report was approved by the board of directors on ..... and signed on behalf of the board by:

J C Salmon  
Director

Registered office:  
Overmoor Farm  
Neston  
Corsham  
Wiltshire  
SN13 9TZ

# **ORCHARD FARM COMMUNITY SOLAR C.I.C.**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCHARD FARM COMMUNITY SOLAR C.I.C.**

**YEAR ENDED 31 MARCH 2017**

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We have audited the financial statements of Orchard Farm Community Solar C.I.C. for the year ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCHARD FARM COMMUNITY SOLAR C.I.C. *(continued)*

YEAR ENDED 31 MARCH 2017

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### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Stone & Partners  
Chartered Accountants & Statutory Auditor  
571 Fishponds Road  
Fishponds  
Bristol  
BS16 3AF

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2017

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	Note	2017 £
<b>TURNOVER</b>	<b>4</b>	362,775
Cost of sales		<u>244,796</u>
<b>GROSS PROFIT</b>		117,979
Administrative expenses		<u>52,996</u>
<b>OPERATING PROFIT</b>	<b>5</b>	64,983
Other interest receivable and similar income	<b>6</b>	64,148
Interest payable and similar expenses	<b>7</b>	<u>233,706</u>
<b>LOSS BEFORE TAXATION</b>		(104,575)
Tax on loss		<u>—</u>
<b>LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<u>(104,575)</u>

All the activities of the company are from continuing operations.

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The notes on pages 10 to 13 form part of these financial statements.

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# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

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	Note	2017 £
<b>FIXED ASSETS</b>		
Tangible assets	8	5,655,142
<b>CURRENT ASSETS</b>		
Debtors	9	146,852
Cash at bank and in hand		314,735
		<u>461,587</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>1,585,592</u>
<b>NET CURRENT LIABILITIES</b>		<u>1,124,005</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,531,137
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>4,112,762</u>
<b>NET ASSETS</b>		<u>418,375</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	12	522,950
Profit and loss account		(104,575)
<b>MEMBERS FUNDS</b>		<u>418,375</u>

These financial statements were approved by the board of directors and authorised for issue on ....., and are signed on behalf of the board by:

J C Salmon  
Director

Company registration number: 09655669

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The notes on pages 10 to 13 form part of these financial statements.

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2017

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	Called up share capital £	Profit and loss account £	<b>Total £</b>
<b>AT 1 APRIL 2016</b>	–	–	–
Loss for the year	–	(104,575)	(104,575)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	–	(104,575)	(104,575)
Issue of shares	522,950	–	522,950
<b>TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS</b>	522,950	–	522,950
<b>AT 31 MARCH 2017</b>	<u>522,950</u>	<u>(104,575)</u>	<u>418,375</u>

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The notes on pages 10 to 13 form part of these financial statements.

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2017

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	2017 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss for the financial year	(104,575)
<i>Adjustments for:</i>	
Depreciation of tangible assets	198,070
Other interest receivable and similar income	(64,148)
Interest payable and similar expenses	233,706
Accrued expenses	6,622
<i>Changes in:</i>	
Trade and other debtors	(56,476)
Trade and other creditors	1,301,308
Cash generated from operations	<u>1,514,507</u>
Interest paid	(233,706)
Interest received	64,148
Net cash from operating activities	<u>1,344,949</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of tangible assets	(5,853,212)
Net cash used in investing activities	<u>(5,853,212)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of ordinary shares	522,950
Proceeds from borrowings	3,300,000
Proceeds from loans from group undertakings	1,000,048
Net cash from financing activities	<u>4,822,998</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	314,735
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>–</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>314,735</u>

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The notes on pages 10 to 13 form part of these financial statements.

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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### 1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Overmoor Farm, Neston, Corsham, SN13 9TZ, Wiltshire.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 MARCH 2017

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#### 3. ACCOUNTING POLICIES *(continued)*

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - over 25 years

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### Financial instruments

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### 4. TURNOVER

Turnover arises from:

	<b>2017</b>
	£
Generation of electricity	<u>362,775</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 5. OPERATING PROFIT

Operating profit or loss is stated after charging:

	<b>2017</b>
	£
Depreciation of tangible assets	<u>198,070</u>

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 MARCH 2017

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#### 6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2017</b>
	<b>£</b>
Interest on bank deposits	64,148

#### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	<b>2017</b>
	<b>£</b>
Interest on banks loans and overdrafts	233,706

#### 8. TANGIBLE ASSETS

	<b>Plant and machinery</b>
	<b>£</b>
<b>Cost</b>	
Additions	5,853,212
<b>At 31 March 2017</b>	<u>5,853,212</u>
<b>Depreciation</b>	
Charge for the year	198,070
<b>At 31 March 2017</b>	<u>198,070</u>
<b>Carrying amount</b>	
<b>At 31 March 2017</b>	<u>5,655,142</u>

#### 9. DEBTORS

	<b>2017</b>
	<b>£</b>
Trade debtors	7,441
Prepayments and accrued income	107,766
Other debtors	31,645
	<u>146,852</u>

#### 10. CREDITORS: amounts falling due within one year

	<b>2017</b>
	<b>£</b>
Bank loans and overdrafts	102,391
Trade creditors	68,427
Amounts owed to group undertakings	1,000,048
Accruals and deferred income	96,998
Other loans	317,728
	<u>1,585,592</u>

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 MARCH 2017

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#### 10. CREDITORS: amounts falling due within one year *(continued)*

Creditors falling due within one year include amounts secured by charges on the company's assets created on June 16, 2016.

#### 11. CREDITORS: amounts falling due after more than one year

	2017
	£
Bank loans and overdrafts	3,197,609
Other loans	915,153
	<u>4,112,762</u>

Creditors falling due after more than one year include amounts secured by charges on the company's assets created on June 16, 2016.

#### 12. CALLED UP SHARE CAPITAL

##### Issued, called up and fully paid

	2017	
	No.	£
Ordinary shares of £1 each	<u>522,950</u>	<u>522,950</u>

##### Share movements

	No.	£
Ordinary		
At 1 April 2016	—	—
Issue of shares	—	522,950
<b>At 31 March 2017</b>	<u>—</u>	<u>522,950</u>

#### 13. RELATED PARTY TRANSACTIONS

The company had a director in common with Mongoose Energy until 16th September 2016 when he resigned from that company. Mongoose Energy has been paid £16,033 in management fees.

#### 14. CONTROLLING PARTY

The company is a wholly owned subsidiary of Orchard Community Energy Limited a Society registered in England under the Co-operative and Community Benefit Societies Act 2014.

**ORCHARD FARM COMMUNITY SOLAR C.I.C.**

**MANAGEMENT INFORMATION**

**YEAR ENDED 31 MARCH 2017**

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**The following pages do not form part of the financial statements.**

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## DETAILED INCOME STATEMENT

YEAR ENDED 31 MARCH 2017

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	2017 £
<b>TURNOVER</b>	
Sales - Feed in Tariff	202,945
Sales - Export and PPA	159,830
	<u>362,775</u>
<b>COST OF SALES</b>	
Operations and maintenance	34,700
Direct costs - other	5,642
Insurance	6,384
Depreciation of tangible assets	198,070
	<u>244,796</u>
<b>GROSS PROFIT</b>	<u>117,979</u>
<b>OVERHEADS</b>	
Administrative expenses	52,996
	<u>64,983</u>
<b>OPERATING PROFIT</b>	<u>64,983</u>
Other interest receivable and similar income	64,148
Interest payable and similar expenses	(233,706)
	<u>(104,575)</u>
<b>LOSS BEFORE TAXATION</b>	<u>(104,575)</u>

# ORCHARD FARM COMMUNITY SOLAR C.I.C.

## NOTES TO THE DETAILED INCOME STATEMENT

YEAR ENDED 31 MARCH 2017

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	<b>2017</b>
	<b>£</b>
<b>ADMINISTRATIVE EXPENSES</b>	
Rent	16,106
Rates	15,681
Management charges payable	16,033
Accountancy fees	3,000
Other bank fees	2,083
Bank charges	93
	<u>52,996</u>
<b>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</b>	
Interest on bank deposits	12,013
Other interest received	52,135
	<u>64,148</u>
<b>INTEREST PAYABLE AND SIMILAR EXPENSES</b>	
Interest on bank loans and overdrafts	<u>233,706</u>