

Registration number: 07583663

# The Low Carbon Hub C.I.C.

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2015

Critchleys LLP  
Chartered Accountants  
Greyfriars Court  
Paradise Square  
Oxford  
Oxford  
OX1 1BE

**The Low Carbon Hub C.I.C.**  
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**The Low Carbon Hub C.I.C.**  
**Company Information**

<b>Directors</b>	Sam Clarke Barbara Hammond Wendy Twist Susan Halliwell Timothy Paul Sadler Luke Marion Mark Luntley
<b>Company secretary</b>	Blakelaw Secretaries Limited Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST
<b>Registered office</b>	23 Park End Street Oxford Oxfordshire OX1 1HU
<b>Accountants</b>	Critchleys LLP Chartered Accountants Greyfriars Court Paradise Square Oxford Oxford OX1 1BE

# **The Low Carbon Hub C.I.C.**

## **Directors' Report for the Year Ended 31 March 2015**

The directors present their report and the unaudited financial statements for the year ended 31 March 2015.

### **Directors of the company**

The directors who held office during the year were as follows:

Sam Clarke

Barbara Hammond

Wendy Twist

David Calver (resigned 10 November 2014)

Susan Halliwell

Timothy Paul Sadler

Luke Marion (appointed 27 January 2015)

The following director was appointed after the year end:

Mark Luntley (appointed 26 June 2015)

### **Principal activity**

The principal activity of the company is The Low Carbon Hub CIC helps communities to develop locally-owned renewable energy projects on community assets. These projects provide cheaper electricity, an income for the local community and opportunities for local people to invest. The Hub team supports community volunteers through the complex process of setting up a social enterprise, developing their project, getting the project to investment-readiness and raising necessary finance.

The CIC also uses grant funding for innovation projects and local network development to help commercialise new technologies, financing options and business models that will provide community benefit.

CIC funding comes from a combination of community benefit donations from the Low Carbon Hub IPS Ltd and grants.

### **Business review**

#### **Powering up – Community Renewables**

The CIC has been working to bring to fruition a number of large-scale community projects; and has Technical Assistance Agreements with the following projects:

- Abingdon Hydro, a 100kW project where the Hub has helped the community group with financial modelling and share offer development. £815,000 of share equity has been raised and the group is looking to secure loan funding to enable them to build the project.
- Goring Hydro, a 270kW project where the Hub has funded environmental studies and engineering design. The planning application should be submitted soon.
- Ham Hydro, a 1.6GWh project at Teddington Lock. This project is outside Oxfordshire but has asked for our help in working with the Environment Agency on the legal agreements needed to take their project forward.
- Low Carbon South Oxford. We have been helping the community group with the feasibility stage of their solar PV project to develop small scale projects on local community buildings.

## The Low Carbon Hub C.I.C.

### Directors' Report for the Year Ended 31 March 2015

..... *continued*

- Osney Lock Hydro, a 49kW project now built and operating. The Hub funded marketing costs for the share offer in 2013 and has since helped with financial modelling and legal costs. The Hub will also be working with OLH on monitoring and communications systems using the operating data produced by the project.
- Oxford North Community Renewables. The Hub underwrote the legal costs for their share offer to build solar projects at St Barnabas and Cherwell School. The investment was raised last year and the projects were built this year. The projects are being monitored using the new Hub systems on QuickBase.
- Reading Sustainability Centre. We are helping a potential hydro project at Caversham Lock with its feasibility stage. The project is just beyond the County boundary but we feel it is important to share our knowledge with groups where they are located either close to us or developing technologies where we have particular expertise, such as hydro.
- Sandford Lock Hydro, a 300kW project that the community group in Sandford asked the Hub to take forward on their behalf. All approvals are in place for the project now except planning permission. A decision on this is expected by the end of July 2015, which, if positive, would allow us to start building in September.
- Southill Solar, a 5MW solar park project in Charlbury. We have supported the community engagement work on this project, advised on financial modelling and contributed costs (working with Westmill Solar) to secure the grid connection. The project is now back into the planning process and we are hoping for a positive result by the end of July.
- Watchfield Green Energy. As with South Oxford we have been helping the community to develop small scale solar PV projects on local community buildings.
- West Oxford Community Renewables. We have helped with the financial modelling and share offer development for WOCORe's latest investment raise to buy-back the Matthew Arnold 100kW solar PV roof from Oxfordshire County Council. The Hub is also working with the WOCORe team to monitor their projects using our QuickBase system.

We have also helped with feasibility work on a number of hydro projects. We hope that: Flight's Mill at Kirtlington; Radcot Lock at Faringdon; and Day's Lock at Dorchester will still come forward for development. Unfortunately, the project at Godstow Lock proved not to be feasible because the water there is shared across so many different channels.

#### **Powering down - Barton EWI**

*Barton is a community in East Oxford, just outside the ring road by Green Road roundabout (aka Headington roundabout), and it is classified as an area of multiple deprivation (IMD). Large parts of the estate consists of post World War II steel frame pre-fabricated houses (BISF) with very poor wall insulation, which leads to high fuel bills and poorly heated properties and the adverse impact it has on residents' health and well being.*

A significant proportion of the housing in the estate is owned by Oxford City Council, which has improved the insulation of its stock over the years. However many properties that were bought under the Right to Buy programme have not remedial work done on them.

The ECO and Green Deal programmes by central government provide funding for such works but the maximum amount available is not enough to cover the costs.

The Low Carbon Hub, in partnership with Oxford City Council, developed a project called Warming Barton that consisted of carrying out Energy Performance Assessments in privately properties and eventually part funding the installation of External Wall Insulation to 18 properties.

## The Low Carbon Hub C.I.C.

### Directors' Report for the Year Ended 31 March 2015

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The total costs of the works came to £130,000 with ECO and Green Deal funding of £70,000, leaving a funding gap of £60,000, which the Low Carbon Hub CIC funded with a mix of own funds, other grants and Community Benefit donation from the IPS.

The projected carbon savings is 725 tCO<sub>2</sub>e over 20 years.

#### **Innovation pilots taken forward**

##### **Bicester Grid**

*Anecdotal evidence suggests that more than 10MW of renewable energy projects in Oxfordshire have been delayed because of grid constraints. This is affecting the Bicester area in particular, with frequent daily power outages and a limitation on the amount of non-domestic renewable energy projects until the grid is upgraded.*

Oxfordshire County Council and Cherwell District Council jointly funded a series of investigations into the problems connecting solar generation to the grid in and around Bicester. This work was expanded to include a look at the proposed new housing around Bicester (13,000 new houses to form part of "Bicester Garden Town").

The Hub has also created a think piece setting out a vision for the creation of new housing developments that control their own energy. The starting point is a theoretical slice of the Bicester NW development, and the report sets out how the householders could form a community energy company that would both enable them to have cheaper electricity supplies, but also act as a platform for building even more exciting possibilities in the future.

This is a groundbreaking piece of work and could act as a model for radical change in the way our electricity is generated and consumed.

##### **Woodshare**

*Currently unmanaged woodland in the County could produce 35,000 tonnes of woodchip per annum if brought into management. Most fuel poverty in the County occurs in remote rural areas that are off the gas grid. Woodfuel could have a significant positive impact in enabling households to move away from expensive and carbon-intensive oil-fired heating, as well as providing wider environmental capital benefit.*

Thanks to grant funding from Oxfordshire County Council, the Hub was able to move forward on a pilot study of the potential for a Woodshare business. The feasibility work set out to:

- Identify and engage potential participating boiler projects (Oxford City Council, Langtree School, Hook Norton, Kidlington)
- Establish demand requirements, and derive corresponding supply requirements
- Scope out and consult potential enterprise partners, and the resources they might bring to bear (woodland owners, harvesting and processing, storage)
- Identify candidate woods, and establish their productive capacity and practical logistics
- Identify and consult community stakeholders
- Produce a business strategy, with recommendations on structure, operating model, finance and partners

The Hub is now pursuing innovation funding to take the feasibility work to the next stage. The ambition is to develop a locally sourced and locally owned woodfuel supply chain for what will be a growing number of public sector, business and domestic woodfuel boiler installations in Oxfordshire. By bringing supply and demand side stakeholders together in an integrated value chain, we believe we can define a financially viable Oxfordshire woodfuel business.

## **The Low Carbon Hub C.I.C.**

### **Directors' Report for the Year Ended 31 March 2015**

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#### **Consultation with stakeholders**

##### **Community shareholders**

Our 23 community group partners each have a shareholding in the CIC to ensure our operation is totally transparent and is guided by those it is set up to serve. One community member was nominated to sit on our board of directors. Our Community Director led a process of consultation with our community shareholders to establish their priorities for joint working with the Hub.

Work is now underway to focus on the development of our communication and engagement with our communities as our principal stakeholders. Our communities are likely to challenge and push us, but by using their collective experience and insight we should create more than the sum of our individual parts.

##### **Advising Government**

The Low Carbon Hub continues its work to influence Government on community energy. It is a member of the ministerial Community Energy Contact Group and the CEO Barbara Hammond chaired the Community Hydro Working Group which reported into DECC in September 2014.

##### **Strengthening networks**

###### *Low Carbon Oxford*

Between 2013 and 2015 the Hub managed the LCO network and its programme of activities. Barbara Hammond directed the team and Anne Augustine ran LCO on a day-to-day basis. During this time, the network grew from 15 to 45 organisational members and extended its reach into the county.

Low Carbon Oxford was formed in 2010, following a consultation led by the Oxford Strategic Partnership. LCO brings together organisations from the private, public and not for profit sectors to transform Oxford into a sustainable and inclusive low carbon economy. All members have the shared goal of reducing Oxford's carbon emissions by 40% by 2020.

###### *Oxfordshire's Low Carbon Economy*

Oxfordshire County Council and Santander funded a research project between LCO and the Environmental Change Institute at Oxford University to quantify the current and potential contribution of the low carbon economy for Oxfordshire.

It was found that over 8,800 people are employed in this ecosystem, in over 500 businesses (mostly SMEs) with a total contribution of 7% of Oxfordshire's economy. Our areas of strengths in innovation also align to our areas of low carbon opportunity in transforming Oxfordshire – renewable energy, the built environment and vehicles and transport.

The project and the subsequent follow on work have had a significant impact on the Hub and its influence on the economic development agenda in the County. The Hub is increasingly seen as a trusted voice in shaping the region's energy agenda and leading that transformation to a decentralised, resilient and locally owned energy system.

In addition, we are working with the Oxfordshire Local Enterprise Partnership to develop a countywide network of low carbon innovators and businesses; as part of the Oxfordshire Business Support programme.

**The Low Carbon Hub C.I.C.**  
**Directors' Report for the Year Ended 31 March 2015**

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**Key terms**

CIC = Community Interest Company

GWh = gigawatt hour

kW = kilowatt

kWe = kilowatt electrical power

KWp = kilowatt peak

LED = light emitting diode

MW = megawatt

MWh = megawatt hour

SMEs = small and medium-sized enterprises

tCO<sub>2</sub> = tonnes of carbon dioxide equivalent

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 30 June 2015 and signed on its behalf by:

.....  
Barbara Hammond  
Director



**Chartered Accountants' Report to the Board of Directors on the Preparation of  
the Unaudited Statutory Accounts of  
The Low Carbon Hub C.I.C.  
for the Year Ended 31 March 2015**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The Low Carbon Hub C.I.C. for the year ended 31 March 2015 set out on pages 8 to 14 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook).

This report is made solely to the Board of Directors of The Low Carbon Hub C.I.C., as a body, in accordance with the terms of our current engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The Low Carbon Hub C.I.C. and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Low Carbon Hub C.I.C. and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that The Low Carbon Hub C.I.C. has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of The Low Carbon Hub C.I.C.. You consider that The Low Carbon Hub C.I.C. is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The Low Carbon Hub C.I.C.. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Critchleys LLP  
Chartered Accountants  
Greyfriars Court  
Paradise Square  
Oxford  
Oxford  
OX1 1BE  
1 July 2015

**The Low Carbon Hub C.I.C.**  
**Profit and Loss Account for the Year Ended 31 March 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Turnover		678,316	725,164
Cost of sales		<u>(206,824)</u>	<u>(334,764)</u>
Gross profit		471,492	390,400
Administrative expenses		<u>(501,683)</u>	<u>(272,474)</u>
Operating (loss)/profit	2	(30,191)	117,926
Other interest receivable and similar income		<u>405</u>	<u>169</u>
(Loss)/profit on ordinary activities before taxation		(29,786)	118,095
Tax on (loss)/profit on ordinary activities	4	<u>1,266</u>	<u>(1,343)</u>
(Loss)/profit for the financial year	9	<u><u>(28,520)</u></u>	<u><u>116,752</u></u>

The notes on pages 10 to 14 form an integral part of these financial statements.

**The Low Carbon Hub C.I.C. - Registration number: 07583663**

**Balance Sheet at 31 March 2015**

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	5		44,038		49,475
<b>Current assets</b>					
Debtors	6	147,429		148,604	
Cash at bank and in hand		<u>120,924</u>		<u>124,594</u>	
		268,353		273,198	
<b>Creditors: Amounts falling due within one year</b>					
	7	<u>(148,694)</u>		<u>(130,478)</u>	
Net current assets			<u>119,659</u>		<u>142,720</u>
<b>Net assets</b>			<u><u>163,697</u></u>		<u><u>192,195</u></u>
<b>Capital and reserves</b>					
Called up share capital	8	28		6	
Profit and loss account	9	<u>163,669</u>		<u>192,189</u>	
<b>Shareholders' funds</b>			<u><u>163,697</u></u>		<u><u>192,195</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

For the year ending 31 March 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised for issue by the Board on 30 June 2015 and signed on its behalf by:

.....  
Barbara Hammond  
Director

The notes on pages 10 to 14 form an integral part of these financial statements.

## The Low Carbon Hub C.I.C.

### Notes to the Financial Statements for the Year Ended 31 March 2015

#### 1 Accounting policies

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

##### Other grants

Grant income is recognised in full only when conditions for receipts have been met and, in the case of grants for specific projects, associated project expenditure has been incurred. When projects are in progress at the year-end, or where they have not yet started, grants are carried forward as deferred income to the extent needed to fund anticipated costs on the projects.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Website development	straight line over 4 years
Plant and machinery	5% straight line (previously 8% reducing balance)
Office equipment	25% straight line

##### Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### 2 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	<u>5,437</u>	<u>8,331</u>

#### 3 Directors' remuneration

The directors' remuneration for the year was as follows:

## The Low Carbon Hub C.I.C.

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

	2015 £	2014 £
Remuneration	<u>86,250</u>	<u>77,500</u>

#### 4 Taxation

##### Tax on (loss)/profit on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
Corporation tax (credit)/charge	(1,266)	1,267
Adjustments in respect of previous years	<u>-</u>	<u>76</u>
UK Corporation Tax	<u>(1,266)</u>	<u>1,343</u>

#### 5 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2014	<u>39,056</u>	<u>20,880</u>	<u>926</u>	<u>60,862</u>
At 31 March 2015	<u>39,056</u>	<u>20,880</u>	<u>926</u>	<u>60,862</u>
<b>Depreciation</b>				
At 1 April 2014	5,936	5,220	231	11,387
Charge for the year	<u>(14)</u>	<u>5,220</u>	<u>231</u>	<u>5,437</u>
At 31 March 2015	<u>5,922</u>	<u>10,440</u>	<u>462</u>	<u>16,824</u>
<b>Net book value</b>				
At 31 March 2015	<u>33,134</u>	<u>10,440</u>	<u>464</u>	<u>44,038</u>
At 31 March 2014	<u>33,120</u>	<u>15,660</u>	<u>695</u>	<u>49,475</u>

## The Low Carbon Hub C.I.C.

### Notes to the Financial Statements for the Year Ended 31 March 2015

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#### 6 Debtors

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	31,080	38,170
Amounts owed by Low Carbon Hub IPS Limited	46,901	30,000
Other debtors	69,448	80,434
	147,429	148,604

#### 7 Creditors: Amounts falling due within one year

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	41,829	22,900
Corporation Tax	-	1,266
Other taxes and social security	35,003	-
Other creditors	71,862	106,312
	148,694	130,478

#### 8 Share capital

##### Allotted, called up and fully paid shares

	<b>2015</b>		<b>2014</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
A Ordinary shares of £1 each	6	6	6	6
B Ordinary shares of £1 each	22	22	-	-
	28	28	6	6

##### New shares allotted

During the year 22 B Ordinary shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £22.

## The Low Carbon Hub C.I.C.

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

#### 9 Reserves

	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 April 2014	192,189	192,189
Loss for the year	<u>(28,520)</u>	<u>(28,520)</u>
At 31 March 2015	<u>163,669</u>	<u>163,669</u>

#### 10 Related party transactions

##### The Low Carbon Hub IPS

During the year the company made the following transactions with The Low Carbon Hub IPS:

£72,727 (2014 - £nil) was received in respect of project development fees; and £11,599 (2014 - £nil) was received as a contribution towards shared administration costs. In addition, £11,902 (2014 - £nil) was received as a community benefit donation in relation to the Oxford Bus Company project completed during the prior period.

At the balance sheet date, the amount due from The Low Carbon Hub IPS was £46,901.

##### Directors of The Low Carbon Hub C.I.C

Four Directors were paid during the year for services rendered to the Company, in addition to the salaries described in note 3.

Barbara Hammond received £23,076 (2014 - £nil) in respect of rent and associated expenses for the office premises at 23 Park End Street, the lease for which is held in her name. The rent was charged to the Company at cost with no mark up applied.

Wendy Twist received £nil (2014 - £12,547) in respect of professional services and David Calver received £2,059 (2014 - £13,976) in respect of professional services.

Mark Luntley was reimbursed £136 (2014 - £nil) in respect of travel expenses.

The board consider that these services have been provided on an "arms length" basis.

##### Directors of The Low Carbon Hub IPS Ltd

During the year Steve Drummond, a Director of the Low Carbon Hub IPS Ltd was paid to contribute to the work of the company under two separate contracts. The first covered a range of investment and contract readiness work, including the negotiation of the Oxford City Council Revolving Construction Fund. The total paid during the year in relation to these projects was £25,852, at a discounted consultancy rate of £500 per day.

The second contract was to lead a project investigating grid capacity issues at Bicester and proposing innovative solutions. The total paid during the financial year was £19,092 at a discounted consultancy rate of £600 per day.

The Low Carbon Hub CIC Board felt it was essential for Steve Drummond to do the above work because of his 30-year background in conventional and renewable power generation, transmission and distribution, and his unique combination of experience combining both engineering and financing. He also has a detailed understanding of social enterprise structuring and financing through his voluntary work with Oxford North Community Renewables and the Low Carbon Hub IPS.

**The Low Carbon Hub C.I.C.**

**Notes to the Financial Statements for the Year Ended 31 March 2015**

..... *continued*

**11 Control**

The company is controlled by the directors who own 100% of the called up A share capital.