

Registration number: 07583663

The Low Carbon Hub C.I.C.

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2018

Critchleys Audit LLP
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

The Low Carbon Hub C.L.C.

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The Low Carbon Hub C.I.C.

Company Information

Directors

Sam Clarke

Barbara Hammond

Susan Halliwell

Timothy Paul Sadler

Luke Marion

Adriano Figueiredo

Thomas Hoines

George Levy

Ramsay Dunning

Registered office

9 Park End Street

Oxford

Oxfordshire

OX1 1HH

Accountants

Critchleys Audit LLP

Beaver House

23 - 38 Hythe Bridge Street

Oxford

OX1 2EP

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors of the company

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

Sam Clarke

Barbara Hammond

Susan Halliwell

Timothy Paul Sadler

Luke Marion

Adriano Figueiredo

Thomas Hoines

Liz Reason (resigned 30 March 2018)

George Levvy (appointed 4 October 2017)

Ramsay Dunning (appointed 4 October 2017)

Principal activity

This year has been the first delivery year of our three-year 2017-2020 business plan.

As we move from start-up to scale-up we have spent some time consolidating our internal systems to ensure we have robust foundations from which to continue to expand our work. In partnership with the Low Carbon Hub IPS Limited, we are now working towards the delivery of the following key objectives by March 2020.

- **Excellent administration:** To develop into a recognised centre of excellence for financial and operations administration.
- **Growing the asset base:** to enable us to increase our direct impact on curbing CO₂ emissions, while growing our long-term funding for community benefit.
- **Growing community benefit:** to ensure real impact and sustainability.
- **Catalysing innovation:** As lead partner in OxFutures, a collaborative partnership bringing together councils, universities and charities to boost low carbon economic development in Oxfordshire, with £3.2m of funding from the European Regional Development Fund.

The CIC has four key roles in the delivery of our business plan, namely:

1. Developing investment opportunities on behalf of the IPS, into which the IPS may then choose to invest.
2. Managing the on-going operation of the generating assets, on behalf of the IPS.
3. Delivering community benefit activity.
4. Leveraging further resources such as additional grant funding, contracts and support, to foster the development of community-led solutions to tackle climate change.

Community Benefit Report

Income

In accordance with The Low Carbon Hub IPS Limited's Company aims and objectives, surpluses from projects that have been live for at least one year are passed to the Low Carbon Hub CIC in the form of Community Benefit Donations.

This income is further bolstered by funds from a number of additional income streams including surpluses from two CIC-owned renewable energy installations in Eynsham, a generous donation from Westmill Solar, and *ad hoc* donations.

We are delighted to have successfully secured European Regional Development Funding to support the collaborative OxFutures partnership, which will deliver £3.2 million benefit to our community over the next three years. This was in part leveraged by a £284,000 matched funding commitment from the Low Carbon Hub CIC, fulfilling a key principle of our community benefit strategy - using our own community benefit income to leverage additional resources.

Table 1: Community benefit income for 2017-18

	2018 £	2017 £
IPS Community benefit donation	100,000	48,497
European Regional Development Fund	123,019	0
Grants and awards	5,000	18,538
Eynsham village Solar PVs income	1,539	1,608
Unrestricted donations	3	62
Returned loans	0	28,962
Total	229,561	97,667

Expenditure

We use our community benefit income to deliver:

- grants and loans to community energy enterprises
- funding, help and advice to support community action on climate change
- energy efficiency support to reduce our County's energy demands
- support to innovative initiatives, by providing seed funding for the development of new products and services that encourage carbon-cutting action.

Table 2: Community benefit Expenditure for 2017-18

	2018	2017
Community grant programme	9,035	23,965
Local energy programme	186,988	127,816
Community benefit management	2,900	3,163
Grand Total	198,923	154,944

We committed an additional £24,656 for Local Energy programme activities. This expenditure has been deferred into 2018/19 financial year.

Community grants programme £9,035

We awarded a total of £4,745 in small grants to nine of our Low Carbon Community Group Shareholders. This comprised six financial grants to groups, and three energy efficiency audits for community buildings nominated by groups. We incurred £4,290 in costs for managing the grants programme. This included on-going support of projects awarded grants in previous years, the dissemination of learning from group activities and staff time to set up the energy audits programme.

Local Energy Programme £186,988

Our Local Energy Programme has two key themes. Firstly, we provide advice and practical and financial support to encourage the flourishing of community energy in Oxfordshire and beyond. Secondly, we support innovation, either through undertaking research and pilots ourselves, or funding the work of others to help explore new business models for community energy. Activities this year have included:

Helpdesk service - £12,061

Through the provision of our helpdesk service, we delivered 277 hours of support to 69 organisations.

The Peoples Power Station - £7,066

The People's Power Station is an interactive map we developed to showcase Oxfordshire's efforts to reduce our dependency on fossil fuels to power our buildings. Thanks to a £5,000 grant from Westmill Solar we were able to expand the functionality of the map to include energy efficiency 'powering down' measures. You can explore the map or add your own projects at www.peoplespowerstation.org

OxFutures - £160,849

Our most significant area of expenditure relates to the delivery of the OxFutures partnership, a three-year £3.2 million project supported by the European Regional Development Fund. As the lead partner we are responsible for the overall administration of the project and co-ordination between the six project partners.

Our role also includes the co-ordination of applications for support and to signpost organisations to the most relevant advice and support on offer from project partners. In particular, we have responsibility for the allocation of GreenFund Innovation and Energy Efficiency grants. ERDF funding covers the majority of staff costs, with the remainder being covered from our community benefit income. In addition, we provide additional matched funding for some social enterprises from our own community benefit funds to help them meet the matched funding requirements to access ERDF funded grants.

Total grant distribution in 2017/18 was £8,804 with a further pipeline of £44,729 agreed in principle. Projects selected for innovation matched funding include Osney Lock Hydro's energy balancing pilot, a community housing project in Hook Norton and a domestic retrofit project due to launch in 2018/19. A grant was also awarded to support energy efficiency measures at The Abbey, Sutton Courtenay.

Eynsham GreenTEA Grant - £770

Half of the net profits from the CIC-owned installations in Eynsham are donated to Eynsham GreenTEA in recognition of their support in making the project happen. In 2017/18 these funds helped support a number of local activities carried out by the group, including:

- Running free events including swap shops, talks and the expanded GreenTEA festival which now showcases all areas of their work.
- Commissioned local science business the Curiosity Box to run fun energy experiments for children.
- Demonstrations of thermal imaging, energy generation and energy saving materials, techniques and equipment including updated LED bulb library with energy use information.
- Supporting Need not Greed, Community Energy England and Good Food Oxford.
- A set up grant and donation of trees to the Peace Oak Association, a community orchard in Eynsham, conserving local apple varieties and running related events.
- Website updates and regular new information on their external solar panel display board for the village hall

Looking ahead

Finally, as part of the Local Energy Programme we have started work on the development of two new programmes that will kick off in 2018/19 financial year.

- ***Community building energy audits***
We were thrilled to receive additional financial support from Westmill Solar this year to enable us to fund energy efficiency audits for community buildings.
- ***Schools programme***
We have been in discussion to bring the Less CO₂ programme to Oxfordshire. This successful school's energy efficiency programme has been developed by the charity Ashden, and we look forward to working with them to help a dozen local schools reduce their energy bills over the coming academic year.


Community Benefit Management - £2,900

We believe that investing in good management of our community benefit is important in ensuring its effective use. This includes overall strategy development, monitoring and reporting, to ensure learning is fed back into the organisation. It excludes internal costs relating to the management of specific projects, which are allocated to those projects.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 11/10/18 and signed on its behalf by:


Barbara Hammond
Director

**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 2018**

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 2018 as set out on pages 7 to 13 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

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 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 the Board of Directors of The Low Carbon Hub C.I.C., as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. 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.

Critchleys Audit LLP

Critchleys Audit LLP
Beaver House
23 - 38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 10/10/18

The Low Carbon Hub C.I.C.

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover		352,230	490,788
Cost of sales		<u>(5,209)</u>	<u>(108,444)</u>
Gross profit		347,021	382,344
Administrative expenses		<u>(349,810)</u>	<u>(402,215)</u>
Operating loss		<u>(2,789)</u>	<u>(19,871)</u>
Other interest receivable and similar income		<u>-</u>	<u>23</u>
		<u>-</u>	<u>23</u>
Loss before tax	4	<u>(2,789)</u>	<u>(19,848)</u>
Loss for the financial year		<u>(2,789)</u>	<u>(19,848)</u>

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

The Low Carbon Hub C.L.C.
(Registration number: 07583663)
Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	27,815	29,292
Current assets			
Debtors	6	180,765	117,649
Cash at bank and in hand		121,675	32,962
		302,440	150,611
Creditors: Amounts falling due within one year	7	(206,328)	(53,186)
Net current assets		96,112	97,425
Net assets		123,927	126,717
Capital and reserves			
Called up share capital		33	34
Profit and loss account		123,894	126,683
Total equity		123,927	126,717

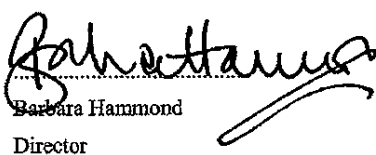
For the financial year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board on1/10/18 and signed on its behalf by:


 Barbara Hammond
 Director

The Low Carbon Hub C.I.C.

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Profit and loss account £	Total £
At 1 April 2017	34	126,683	126,717
Loss for the year	-	(2,789)	(2,789)
Total comprehensive income	-	(2,789)	(2,789)
Other share capital movements	(1)	-	(1)
At 31 March 2018	33	123,894	123,927
	Share capital	Profit and loss	Total
	£	£	£
At 1 April 2016	30	146,531	146,561
Loss for the year	-	(19,848)	(19,848)
Total comprehensive income	-	(19,848)	(19,848)
New share capital subscribed	4	-	4
At 31 March 2017	34	126,683	126,717

The notes on pages 10 to 13 form an integral part of these financial statements.
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The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a Community Interest Company limited by shares incorporated in United Kingdom.

The address of its registered office is:

9 Park End Street
Oxford
Oxfordshire
OX1 1HH

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The Low Carbon Hub C.I.C meets the definition of a public benefit entity under FRS102.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The C.I.C. receives community benefit donations which can only be expended on community benefit projects. The community benefit donations are only included in turnover when they are expended. Any unspent amounts are included in deferred income at the year-end.

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.

Tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	5% straight line
Office equipment	25% straight line
Website development	25% straight line

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2018

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 9 (2017 - 7).

4 Loss before tax

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	2,008	7,353

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2018

5 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2017	21,806	39,056	60,862
Additions	531	-	531
At 31 March 2018	22,337	39,056	61,393
Depreciation			
At 1 April 2017	21,806	9,764	31,570
Charge for the year	55	1,953	2,008
At 31 March 2018	21,861	11,717	33,578
Carrying amount			
At 31 March 2018	476	27,339	27,815
At 31 March 2017	-	29,292	29,292

6 Debtors

	2018 £	2017 £
Trade debtors	49,512	75,583
Prepayments	32,214	37,455
Other debtors	99,039	4,611
	180,765	117,649

7 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Trade creditors	48,286	13,646
Taxation and social security	18,795	7,860
Other creditors	139,247	31,680
	206,328	53,186

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2018

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £31,485 (2017 - £44,079). These represent the total commitments under non-cancellable operating leases over the remaining life of these leases.

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2018

	2018 £	2017 £
Turnover (analysed below)	352,230	490,788
Cost of sales (analysed below)	<u>(5,209)</u>	<u>(108,444)</u>
Gross profit	<u>347,021</u>	<u>382,344</u>
Gross profit (%)	98.52%	77.9%
Administrative expenses		
Employment costs (analysed below)	(270,654)	(203,516)
Establishment costs (analysed below)	(16,185)	(25,776)
General administrative expenses (analysed below)	(60,915)	(165,398)
Finance charges (analysed below)	(48)	(172)
Depreciation costs (analysed below)	<u>(2,008)</u>	<u>(7,353)</u>
	<u>(349,810)</u>	<u>(402,215)</u>
Operating loss	(2,789)	(19,871)
Other interest receivable and similar income (analysed below)	<u>-</u>	<u>23</u>
Loss before tax	<u>(2,789)</u>	<u>(19,848)</u>

This page does not form part of the statutory financial statements.

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2018

	2018 £	2017 £
Turnover		
Sales	229,210	484,726
Interest received	1	-
Donations receivable	-	6,062
Grants and subsidies	123,019	-
	<u>352,230</u>	<u>490,788</u>
Cost of sales		
Direct costs	5,209	108,256
Freelancers	-	188
	<u>5,209</u>	<u>108,444</u>
Employment costs		
Wages and salaries	240,145	185,496
NIC (Employers)	21,746	17,964
Pensions (Defined contribution)	8,507	-
Training	256	56
	<u>270,654</u>	<u>203,516</u>
Establishment costs		
Rent	10,763	20,558
Rates	40	-
Insurance	5,222	5,178
Repairs and maintenance	160	40
	<u>16,185</u>	<u>25,776</u>
General administrative expenses		
Telephone and fax	1,014	1,502
Office expenses	4,659	1,450
Computer software and maintenance costs	10,843	10,636
Printing, postage and stationery	1,815	1,852
Trade subscriptions	1,362	1,260
Charitable donations	5,374	101,634
Sundry expenses	7,461	38
Cleaning	1,749	979
Community engagement and marketing	20,635	37,382
Travel and subsistence	2,243	3,740
Accountancy fees	2,200	3,250
Professional indemnity insurance	-	643

This page does not form part of the statutory financial statements.

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2018

	2018 £	2017 £
Legal and professional fees	1,560	1,032
	<u>60,915</u>	<u>165,398</u>
Finance charges		
Bank charges	48	172
	<u>2,008</u>	<u>7,353</u>
Depreciation costs		
Depreciation of plant and machinery	2,008	7,353