

Registration number: 07583663

The Low Carbon Hub C.I.C.

Annual Report and Financial Statements

for the Year Ended 31 March 2019

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

The Low Carbon Hub C.I.C.

Contents

Company Information	1
Directors' Report	2 to 9
Statement of Directors' Responsibilities	10
Independent Auditor's Report	11 to 13
Profit and Loss Account	14
Balance Sheet	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 20
Detailed Profit and Loss Account	21 to 22

The Low Carbon Hub C.I.C.

Company Information

Directors

Barbara Hammond
Susan Halliwell
Timothy Paul Sadler
Luke Marion
Adriano Figueiredo
Thomas Hoines
Nina Alphey

Registered office

9 Park End Street
Oxford
Oxfordshire
OX1 1HH

Auditors

Critchleys Audit LLP
Registered Auditors
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Oxford
OX1 2EP

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Directors of the company

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

Sam Clarke (resigned 10 October 2018)

Barbara Hammond

Susan Halliwell

Timothy Paul Sadler

Luke Marion

Adriano Figueiredo

Thomas Hoines

George Levvy (resigned 21 June 2019)

Ramsay Dunning (resigned 21 June 2019)

Nina Alphey (appointed 1 April 2018)

Business Development during 2018-19

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

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

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 year, the income from our IPS owned renewables has been boosted thanks to the additional contribution of income generated by the solar PV arrays transferred from ONCORE in June 2018.

This income to the CIC has been further bolstered by funds from a number of additional income streams. As well as surpluses from two CIC-owned renewable energy installations in Eynsham we have continued to receive generous support from Westmill Solar Co-operative supporting energy efficiency audits for schools and community buildings. We also receive income from a number of grants and contracts awarded to the Low Carbon Hub CIC. These are in part leveraged by 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.

During 2018-19 our work to foster the development of community-led solutions to tackle climate change was supported by the following programmes:

- **European Regional Development Fund**
Year two of a three year programme to support the collaborative OxFutures partnership, which will deliver £3.2 million benefit to our community over three years.
- **Department for Business, Energy and Industry Strategy (BEIS) Retrofit pilot**
We led a winning consortium securing £190,000 to lay the foundations for developing a home retrofit scheme in Oxfordshire.
- **Power to Change Next Generation Programme**
We are part of an expert consortium, led by Centre for Sustainable Energy, supporting a nationwide programme to develop new decentralised, decarbonised and democratised energy business models.

All three of these projects will continue to run in 2019-20. As the financial year drew to a close, we were thrilled to announce our participation in Project LEO, a £40 million collaboration to lead energy innovation in Oxfordshire.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

Table 1: Community benefit income for 2018-19

	2019	2018
	£	£
Renewables generated income		
IPS Community benefit donation	141,000	100,000
CIC Eynsham village Solar PVs income	2,117	1,539
Unrestricted donations		
Unrestricted donations	1	3
Restricted grants and donations		
European Regional Development Fund	307,809	123,019
Grants and awards	139,911	5,000
Service Contracts		
Power to Change – Next Generation	13,347	-
Total	£603,984	229,561

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 for 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 2018-19

	2019	2018	2017
Community grant programme	38,788	9,035	23,965
Local energy programme	495,259	186,988	127,816
Community benefit management	2,900	2,900	3,163
Grand Total	536,947	198,923	154,944

At the end of the financial year, £64,799 of the community benefit donation received from the IPS was unspent, and carries over into 2019/20.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

Community grants programme £38,788

Ten of our Low Carbon Hub community group shareholders were awarded a total of 17 grants through our community grants programme this financial year.

IPS Community donation funded grants: £13,530

All our community group shareholders are eligible for £500 grants. Additionally, we offered two larger grants of £5,000 through a competitive grants application process. We were particularly delighted to receive a number of joint applications for grants, with groups working together to pool resources and deliver projects to the benefit of their communities. The following grants were awarded:

Small grants programme	£
Rose Hill and Iffley Low Carbon pay for a qualified planner to support community groups when responding to the consultation on the draft Oxford Local Plan	360
Banbury CAG for an energy audit on St Hughs Church, Banbury	630
Osney Lock Hydro and West Oxford Community Renewables towards on-site CCTV to assist trash screen clearance and opening the site to the public.	1,000
Low Carbon West Oxford, Rose Hill and Iffley Low Carbon and Local Environmental Action Florence Park to support the Our Kids Climate Action Network to help primary school children understand and take effective action on climate change.	1,140
Sustainable Kirtlington to carry out a feasibility study to install solar PV backed up by battery storage at Kirtlington Village Hall.	400
Large grants programme	
Sustainable Kirtlington to support the installation of a battery as part of the Kirtlington Village Hall Clean energy project	5,000
Low Carbon Oxford North to support five healthy streets and active travel activities in Oxford	5,000

BEIS RetrofitWorks funded grants £16,000

Six communities are working with us to pilot the BEIS Retrofit funded 'Cosy Homes' service in Oxfordshire. We awarded six small grants of £1,000 to support the pilot communities activities to encourage uptake of the service. We also provided two £5,000 grants to support community-led domestic retrofit projects in two of the pilot areas.

Renewable generation grants £6,058

We have agreements to support two of our CIC community group shareholders from income resulting from the sale of electricity from specific solar PV arrays.

Low Carbon Oxford North £5,000

As part of the agreement to transfer engagements from ONCORE to the Low Carbon Hub IPS Limited, we promised to honour ONCORE's commitment to support the work of Low Carbon Oxford North with income generated by the solar PV arrays on Cherwell School and St Barnabas Primary School.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

Eynsham GreenTEA **£1,058**

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 2018/19 these funds helped support a number of local activities carried out by the group, including:

- Free events including swap shops and talks with a sustainable transport focus
- Demonstrations of electric cars and bicycles at events
- Running the GreenTEA festival ,which included information on net zero carbon energy positive development, as well as a repair café, local food etc.
- Supporting other local groups in obtaining expert advice on their role in influencing development planned around Eynsham and campaigning for new buildings to be zero carbon and a net exporter of renewable energy
- Donations in support of community energy and action on climate change
- Supporting the planting of local apple varieties and the Peace Oak orchard
- Providing information and advice via website, notices and Eynsham news
- Educational visits on the subject of energy and waste

Total expenditure included a £3,200 contribution towards the cost of managing the grants programme including the dissemination of learning from these activities.

Local Energy Programme **£495,259**

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.

2018-19 has seen a continued focus on 'powering down' with significant growth in activities promoting energy efficiency. As well as our ongoing OxFutures programme, supporting energy efficiency amongst SMEs, this year has seen the launch of our community buildings energy audit grants scheme, the first LESS CO₂ schools programme being delivered in Oxfordshire and the development of Cosy Homes Oxfordshire, a domestic retrofit programme. The provision of energy audits has been a key focus. In total we funded 66 energy efficiency audits for organisations in Oxfordshire. Activities this year have included:

Helpdesk service **£11,186**

Our helpdesk exists to support the development of a decentralised, community-owned renewables based energy system. In 2018-19 we delivered 296 hours of support to 70 individuals and organisations. We've supported a wide range of organisations from technical advice on energy projects to low carbon community groups, to educational visits to local schools.

Next Generation **£13,347**

As well as our on-going helpdesk service, we are part of the expert consortium providing in-depth support to community energy projects nationally as part of a Power to Change funded programme. The project has two key strands. The first aims to transfer renewable energy assets from the private sector to the community sector. The second supports ten communities to develop new business models for community energy.

Community building audits grant scheme **£4,970**

Thanks to generous support from Westmill Solar Co-operative we are able to offer free energy audits to community buildings in Oxfordshire. In 2018-19 the scheme funded eight energy audits, carried out by EIE, a not-for-profit organisation based at Oxford Brookes University, who provide organisations with support to reduce their energy. Their donation will also enable the community audits programme to deliver twenty more audits in 2019/20.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

LESS CO₂ Programme **£8,551**

We were delighted to work with the charity Ashden to bring the LESS CO₂ programme to Oxfordshire for the first time this year, enabling 19 local schools benefit from their energy efficiency programme. The core programme was provided free of charge to local schools by Ashden. Thanks to additional funding from Westmill Solar Co-operative, participating schools were also offered in-depth energy efficiency audits, to give them personalised advice on improving the energy performance of their schools.

OxFutures **£341,193**

This was the second year 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 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.

The programme awarded £161,118 in grants to support energy efficiency and innovation this financial year. Three of the SMEs supported through the OxFutures programme are Low Carbon Hub CIC shareholder communities. For these projects, the ERDF funding has been matched by our community benefit. These projects are:

- Sustainable Wantage operates from a shop unit called The Mix. The total grant of £3,302 paid for energy efficiency work that makes the venue much warmer in winter and so supports more community activity in more comfortable surroundings at less cost to the community.
- Hook Norton Low Carbon has been developing the feasibility for a very exciting zero carbon community-led housing scheme. £31,769 has been spent in total during the year on design and technical feasibility, on land valuation and on community engagement. We expect this project to achieve planning approval next year.
- Osney Lock Hydro worked with Energy Local and Low Carbon West Oxford to explore the feasibility of setting up a buyers club on Osney Island where islanders could buy energy from the hydro scheme at Osney Lock. A total of £8,929 was spent on the feasibility work and community engagement. Unfortunately, the time is not yet quite right to move forward with the scheme, but the work done to date will contribute to our new Project LEO programme. We may well find that the project becomes feasible over the lifetime of Project LEO.

By the end of its second year, the programme had supported 80 small and medium enterprises in Oxfordshire with energy efficiency audits. These have identified 551 recommendations that could save these organisations £250,000 on their energy bills each year, and reduce carbon emissions by 840 tonnes of CO₂.

Oxfordshire RetrofitWorks **£115,461**

Working in consortium with the National Energy Foundation and RetrofitWorks, we have been preparing to launch *Cosy Homes Oxfordshire*, a home retrofit service. The first year of the pilot was funded thanks to a £190,000 grant from the Department for Business, Energy and Industrial Strategy (BEIS), and supported by six of our CIC Community group Members who are piloting the scheme in their communities.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

The People's Power Station **£550**

The People's Power Station is an on-line interactive map we developed to showcase Oxfordshire's efforts to reduce our dependency on fossil fuels to power our buildings. You can explore the map or add your own projects at www.peoplespowerstation.org

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, and 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.

Looking ahead – Project LEO

As the year drew to a close we were thrilled to announce that the Low Carbon Hub has been awarded £5.8m funding from the UK Government Industrial Strategy Challenge Fund, as part of a £40 million Innovate UK supported project.

Project LEO aims to transform the technology and markets that underpin Oxfordshire's energy system, and so demonstrate it's possible to meet our energy needs in a way that's good for people and good for the planet.

To prevent run-away climate change we need to find a way to meet our energy needs whilst keeping fossil fuels in the ground. The drive for decarbonisation also provides us with the opportunity to change the way individuals interact with our energy system, enabling people to transition from being passive consumers to active energy citizens. Project LEO is a three-year trial that will work with individuals, communities and organisations from across Oxfordshire, to explore how we can re-engineer the technology and markets that underpin our energy system to make this happen.

The Low Carbon Hub C.I.C.

Directors' Report for the Year Ended 31 March 2019

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

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 3-10-19 and signed on its behalf by:



Barbara Hammond
Director

The Low Carbon Hub C.I.C.

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of 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 apply them consistently;
- make judgements 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.

The Low Carbon Hub C.I.C.

Independent Auditor's Report to the Members of The Low Carbon Hub C.I.C.

Opinion

We have audited the financial statements of The Low Carbon Hub C.I.C. (the 'company') for the year ended 31 March 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The comparative figures for the year ended 31 March 2018 are unaudited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

The Low Carbon Hub C.I.C.

Independent Auditor's Report to the Members of The Low Carbon Hub C.I.C.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 10], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

The Low Carbon Hub C.I.C.

Independent Auditor's Report to the Members of The Low Carbon Hub C.I.C.

Colin Mills

.....
(Senior Statutory Auditor) - COLIN MILLS
For and on behalf of Critchleys Audit LLP, Statutory Auditor

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

Date:.....4/10/19.....

The Low Carbon Hub C.I.C.

Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover		717,178	352,230
Cost of sales		<u>(73,295)</u>	<u>(5,209)</u>
Gross profit		643,883	347,021
Administrative expenses		<u>(623,600)</u>	<u>(349,810)</u>
Operating profit/(loss)		<u>20,283</u>	<u>(2,789)</u>
Profit/(loss) before tax	4	20,283	(2,789)
Taxation		<u>(7,435)</u>	-
Profit/(loss) for the financial year		<u>12,848</u>	<u>(2,789)</u>

The notes on pages 17 to 20 form an integral part of these financial statements.

The Low Carbon Hub C.I.C.

**(Registration number: 07583663)
Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	28,048	27,815
Current assets			
Debtors	6	412,412	180,766
Cash at bank and in hand		95,771	121,675
		<u>508,183</u>	<u>302,441</u>
Creditors: Amounts falling due within one year	7	<u>(394,946)</u>	<u>(206,329)</u>
Net current assets		<u>113,237</u>	<u>96,112</u>
Total assets less current liabilities		141,285	123,927
Provisions for liabilities		<u>(4,511)</u>	-
Net assets		<u>136,774</u>	<u>123,927</u>
Capital and reserves			
Called up share capital		32	33
Profit and loss account		136,742	123,894
Total equity		<u>136,774</u>	<u>123,927</u>

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 on 3-10-19 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 2019

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	33	123,894	123,927
Profit for the year	-	12,848	12,848
Total comprehensive income	-	12,848	12,848
Other share capital movements	(1)	-	(1)
At 31 March 2019	32	136,742	136,774
	Profit and loss		
	Share capital	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

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2019

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.

The C.I.C. is the lead partner for certain grants. Where other parties are named in the grant agreement or there is a formal collaboration agreement in place, the income and expenditure for the other parties is not reflected in either income or expenditure as the C.I.C is acting as 'agent'.

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 tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2019

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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

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 11 (2018 - 9).

4 Profit/loss before tax

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	2,423	2,008

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2019

5 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2018	22,337	39,056	61,393
Additions	2,006	650	2,656
At 31 March 2019	24,343	39,706	64,049
Depreciation			
At 1 April 2018	21,861	11,717	33,578
Charge for the year	243	2,180	2,423
At 31 March 2019	22,104	13,897	36,001
Carrying amount			
At 31 March 2019	2,239	25,809	28,048
At 31 March 2018	476	27,339	27,815

6 Debtors

	2019 £	2018 £
Trade debtors	74,486	49,512
Prepayments	24,459	32,215
Other debtors	313,467	99,039
	412,412	180,766

7 Creditors

Creditors: amounts falling due within one year

	2019 £	2018 £
Due within one year		
Trade creditors	82,972	48,286
Taxation and social security	-	18,796
Other creditors	311,974	139,247
	394,946	206,329

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2019

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 £18,891 (2018 - £31,485). 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 2019

	2019 £	2018 £
Turnover (analysed below)	717,178	352,230
Cost of sales (analysed below)	<u>(73,295)</u>	<u>(5,209)</u>
Gross profit	<u>643,883</u>	<u>347,021</u>
Gross profit (%)	89.78%	98.52%
Administrative expenses		
Employment costs (analysed below)	(385,150)	(270,654)
Establishment costs (analysed below)	(27,647)	(16,185)
General administrative expenses (analysed below)	(208,264)	(60,915)
Finance charges (analysed below)	(116)	(48)
Depreciation costs (analysed below)	<u>(2,423)</u>	<u>(2,008)</u>
	<u>(623,600)</u>	<u>(349,810)</u>
Operating profit/(loss)	<u>20,283</u>	<u>(2,789)</u>
Profit/(loss) before tax	<u>20,283</u>	<u>(2,789)</u>

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover		
Sales	290,839	229,210
Interest received	286	1
Grants and subsidies	426,053	123,019
	<u>717,178</u>	<u>352,230</u>
Cost of sales		
Direct costs	<u>73,295</u>	5,209
Employment costs		
Wages and salaries	337,251	240,145
Staff NIC (Employers)	29,728	21,746
Staff pensions (Defined contribution)	16,736	8,507
Training	1,435	256
	<u>385,150</u>	<u>270,654</u>
Establishment costs		
Rent	21,792	10,763
Rates	44	40
Insurance	5,419	5,222
Repairs and maintenance	392	160
	<u>27,647</u>	<u>16,185</u>
General administrative expenses		
Telephone and fax	858	1,014
Office expenses	4,534	4,659
Computer software and maintenance costs	16,362	10,843
Printing, postage and stationery	3,845	1,815
Trade subscriptions	1,258	1,362
Charitable donations	103,662	5,374
Sundry expenses	25,618	7,461
Cleaning	1,657	1,749
Community engagement and marketing	35,997	20,635
Travel and subsistence	7,161	2,243
Accountancy fees	4,960	2,200
Legal and professional fees	2,352	1,560
	<u>208,264</u>	<u>60,915</u>
Finance charges		
Bank charges	<u>116</u>	48
Depreciation costs		
Depreciation of plant and machinery	<u>2,423</u>	<u>2,008</u>

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