

The Low Carbon Hub IPS Limited

Registration No: 31903R

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

The Low Carbon Hub IPS Limited

GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2021**

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The Low Carbon Hub IPS Limited

Report of the Board For the Year End 31 March 2021

The Board presents its Report and the Group Financial Statements for the year ended 31 March 2021.

Full name: The Low Carbon Hub IPS Limited

Industrial & Provident Society Number: 31903R

Wholly owned subsidiaries

Low Carbon Hub Sandford Hydro Limited (Company Registration no: 9743887)

Ray Valley Solar Limited (Company Registration no: 12279415)

Principal Address

Wood Centre for Innovation, Stansfeld Park,
Quarry Road, Headington, Oxford OX3 8SB

Low Carbon Hub IPS Board Members

The Board members who served during the year were:

Tim Sadler
Luke Marion
Barbara Hammond
Steve Drummond
Adriano Figueiredo
Tom Hoines

Company Secretary

Rachel Boyes-Watson

Bankers

Triodos Bank
Deanery Road
Bristol BS1 5AS

Charity Bank
Fosse House
182 High Street
Tonbridge TN9 1BE

Auditors

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

Solicitors

Blake Morgan
Seacourt Tower
West Way
Oxford OX2 0FB

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Governing document

The society is operated in accordance with Rules of The Low Carbon Hub IPS Limited¹.

It is a society limited by share capital. The liability of each Class A and Class B shareholder in the event of winding-up is £1.

¹ <http://www.lowcarbonhub.org/governance>

Aims and Objectives

The Low Carbon Hub IPS is an Industrial and Provident Society for the Benefit of the Community (IPS Bencom). Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar limited are both wholly owned subsidiaries of The Low Carbon Hub IPS Limited.

The Low Carbon Hub IPS (IPS) develops renewable energy projects for partner organisations providing them with cheaper electricity, enabling them to meet carbon reduction commitments, and delivering positive corporate social responsibility and PR return. The IPS provides the capital so there is no investment cost to the installation host organisation. The IPS owns the installations and receives income from the sale and export of the electricity and retains the Feed in Tariff. Surpluses from the IPS are used for Community Benefit, including supporting the Low Carbon Hub CIC (CIC) to fund work on community energy projects.

Overall management of the society is the responsibility of the directors, who agree and enter into all contracts on behalf of the society. Day to day company activity and company secretarial services are managed and carried out as a charged service by officers of the CIC. Administrative service fees payable to the CIC cover these services.

The Board's Responsibilities

The Board are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Board are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. The financial statements are required by law to give a true and fair view of the state of affairs of the society and of its excess of income over expenditure for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Report of the Board

This has been another year of growth and exciting opportunities for the Low Carbon Hub group. The Low Carbon Hub IPS (IPS) and Sandford Hydro have been participating in the work of Project LEO alongside the Low Carbon Hub CIC.

Project LEO (Local Energy Oxfordshire) is a £40 million, multi-stakeholder partnership carrying out real-world trials in Oxfordshire to test the technology and markets that will underpin our future energy system.

For its participation in the project the group has received £242,288, in grant funding, the purpose of which is two-fold:

Low Carbon Hub's existing assets are playing a significant part of Project LEO's technical trials to explore how flexibility services can be provided by small-scale renewable energy installations. A focus this year has been Sandford Hydro. This has involved testing how the hydro can control the flow in the river to use the river as a form of battery, saving the energy for a time when it is most needed that will result in improved revenue flows.

Grant funding is also contributing to the development of new renewable assets to meet the needs of specific system trials. This year four new installations on schools and businesses were built.

Equity

2020-21 saw a fourth and a fifth share raise for the Community Energy Fund, with a total of £2,595,297 raised from 749 shareholders, formally being accepted in July 2020 and January 2021 respectively.

The investment raised enabled us to pay back the outstanding short-term loan balance from Oxford City Council. The balance remaining will be used for the pipeline to be developed in 2020-21.

At year end, we had 2,488 shareholders, 525 of whom have invested more than once in Low Carbon Hub IPS.

Debt finance

Charity Bank £2m long-term debt finance on Sandford Hydro: we have continued to meet our interest and capital repayments to schedule and the outstanding balance at year end was £1,719,633.

While we have continued to make use of the Oxford City Council short term construction funding to provide short term funding to support asset development during the financial year, there was no open balance at year end. This is consistent with group policy of replacing debt with equity and ensuring the debt equity ratio remains below 50:50.

Project Performance

In 2020-2021 we generated 4,297 MWh against a forecast generation of 4,486 MWh. We achieved 3,116 MWh of solar generation, well above the generation forecast of 2,923 MWh, thanks to the record sun during the spring and summer. Difficult river conditions were again experienced this year, especially during the winter where record amounts of flooding meant that Sandford Hydro was offline for extended periods. The total generation from the hydro was 1,180 MWh, lower than the

revised modelled forecast of 1,864 MWh and original model forecast of 1,562 MWh. This was however, the most successful generation year for the hydro so far.

Installations

Our total portfolio of solar PV arrays remained the same with 44 installations on the roofs of 37 hosts, with a combined installed capacity of 3.80 MW including Sandford Hydro and an annual predicted generation of 4.8 GWh. During the year we secured the rights to our first ground mount solar project. At 19.2MW this will be the UK's largest community owned solar park, generating sufficient power to meet the electricity needs of over 6,000 typical homes.

Community benefit

During the year we used £95,475 to support community benefit projects. Since the society was established, we have now recognised a total of £531,298 as a community benefit donation by the IPS to support further community carbon cutting activity by the CIC and other local community organisations.

Of the donation made in the current year, £34,214 was used to support the purchase of a battery that has been sited at Rose Hill Primary School. By combining a battery with the existing IPS owned solar PV array at the school, the school will be able to use more of the electricity generated by the solar panels reducing their carbon footprint and cutting the school's electricity bills. The battery will also be used in the project LEO innovation trials to understand how local generation and storage can help local communities in their desire to decarbonise and support the transition to a zero-carbon energy system.

£61,261 (2020 £102,999) was advanced as a community benefit donation by the IPS to support further carbon cutting activity by the CIC and other local community organisations.

The Low Carbon Hub CIC uses the donation from the IPS to help leverage significant additional funding, enabling it to deliver over £3 million of community benefit activity. The full breakdown of the community driven carbon reduction projects is available in the Low Carbon Hub CIC accounts.

The activities directly funded by the IPS community benefit donation to the CIC are set out below.

Community Grants £23,630

Small grants programme	£2,500
Osney Lock Hydro: To continue last year's work to further improve public accessibility and on-site engagement.	£500
Rose Hill and Iffley Low Carbon (RHILC): To create a short film on their tree-planting	£500
Greener Henley: To install LED lighting in the local community centre	£500
Henley Climate Emergency Working Group (HCEWG): To implement roof insulation in the Henley YMCA Community Hall.	£500
West Oxford Community Renewables (WOCRe)	£500

To support dormitories' energy efficiency at the Hill End Educational Centre	
Large grants programme	£9,530
Low Carbon Oxford North	£5,000
A continuation of our support for the Coalition for Healthy Streets and Active Travel project to tackle air pollution and encourage low carbon travel.	
Coalition of Community Groups	£4,530
funding to a collaboration of Low Carbon Hub community groups and the Oxfordshire CAG Network for a creative and exciting project, the '20 Stories of Climate Action' exhibition	

Renewable generation grants £6,600

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, plus interest from donated shares from these schemes.

In 2020-21 the donation enabled LCON to fund a part time co-ordinator, Julia Patrick, for about eight hours a week during term time.

- Julia writes the monthly LCON newsletter and runs the educational events.
- In 2020 and 2021 she set up online workshops on flying, sustainable fashion, and divestment and sustainable finance.
- She co-organised the Act NOW workshops with other Oxford city-based low-carbon groups.
- Organised a screening of the film 2040 with a panel discussion about what a fair and socially-just low-carbon future would look like in Oxford.
- She keeps in touch with members, partners and the public via social media and other means, and when possible she organises our tree-planting and related activities.
- She shot the video on the website, celebrating LCON's 10-year anniversary.

Bikes for key workers £1,000

In response to the Covid-19 pandemic, a £1,000 donation was made to support an initiative providing refurbished bikes, bike maintenance and tuition to key workers in Oxford.

Local Energy Programme

The Local Energy Programme has two key themes. First, to provide advice and practical and financial support to encourage the flourishing of community energy in Oxfordshire and beyond. Secondly, to support innovation, either through undertaking research and pilots ourselves, or funding the work of others to help explore new business models for community energy.

Community benefit donations from the IPS were used as follows:

Helpdesk £4,324

The helpdesk exists to support the development of a decentralised, community-owned, renewables-based energy system through additional activities not already provided as part of the CIC's on-going programmes. In 2020/21 the helpdesk delivered 57 hours of support to 77 individuals and

organisations. It also paid for the commissioning of a report “Sensible Energy Assessments for Towns”. The funding supported a wide range of organisations from technical advice on energy projects to low carbon community groups, to answering queries from students and researchers.

Community energy efficiency £1,500

programmes. The Community buildings audit programme delivered 11 energy audits to community buildings in Oxfordshire. These audits are carried out by EiE, a not-for-profit organisation based at Oxford Brookes University, that provide organisations with support to reduce their energy use. The cost of the audits is covered by a grant to the CIC from Westmill Solar Co-operative. Funding from the IPS contributes towards the administration of the audit programme. A small part of the funding also supported the recruitment of participants in the Less CO₂ school’s energy efficiency programme. Unfortunately, due to covid the programme was not able to be completed this year.

Project LEO £31,807

Project LEO (Local Energy Oxfordshire) an ambitious, wide-ranging and innovative trial, seeking to accelerate the UK’s transition to a zero-carbon energy system. This collaborative project aims to provide the evidence needed to support the policy changes and investment needed to create the technological, financial and social conditions for successful systemic change.

This is included supporting the early stage works on Smart and Fair Neighbourhoods, including the Peoples Power Station 2.0, to demonstrate how flexibility services can sit at the heart of a smarter, low carbon, locally balanced energy system. We are working with five local communities to trial different flexibility services

A contribution of £4,000 was made towards staff and overhead costs to run the grants programme and to share the learning from projects to support and inspire others.

Wider social impact

Our IPS projects deliver a range of environmental and social benefits. In 2020-21 these included:

- Generating 4,313,721 kWh- enough power to meet the typical electricity needs of 1,481 households
- Saving 1,088 tonnes of CO₂ (based on a carbon intensity of 0.25319 kg CO₂e per kWh)
- Saving host organisations £65,963 on their electricity bills through the supply of discounted green electricity

Financial Performance

Income continued to grow in the year and reached a record figure of £1,072,211, compared with £910,283 in 2019/20. This was assisted by government grant income of £242,288 related to the company’s portfolio of assets being included in the Innovate UK-funded Local Energy Oxford project.

An operating loss of £138,607 was returned in the year, compared to £156,419 in the prior year. The financial structure of the society is such that operating losses are expected each year, due to the fact that the projects are treated as “wasting assets,” resulting in large depreciation charges, because community benefit donations paid to the Low Carbon Hub CIC are treated as an administration expense, and because returns to shareholders are paid as interest.

Operating losses reduced this year due to the improved turnover, along with a reduction in administration costs.

Business rates payments remained an issue this financial year. [2021: £18,962; 2020 £18,731]. It remains the belief of the Board that that our activities are for a charitable and social purpose and the Board have taken legal advice in relation to this matter. The work is still ongoing to make the necessary amendments to our Rules and Articles of Association to ensure that our charitable purpose is fully enshrined within our corporate structures and to enable the reliefs on business rates to be re-instated in all areas.

Key terms

CIC = Community Interest Company kW = kilowatt

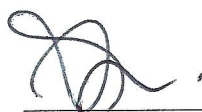
KWp = kilowatt peak MW = megawatt

MWh = megawatt hour GWh = gigawatt hour

Auditor

A resolution to re-appoint Critchleys Audit LLP as the Auditors for the ensuing year will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board on.....6th October 2021



Tim Sadler
Chair



Luke Marion
Treasurer



Rachel Boyes-Watson
Secretary

Independent Auditor's Report to the Members of
The Low Carbon Hub IPS Limited for the Year Ended 31st March 2021

Opinion

We have audited the financial statements of The Low Carbon Hub IPS Limited (the "society") for the year ended 31 March 2021, which comprise the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes to the consolidated accounts, along with the Society's Statement of Financial Position, the Society's Income Statement, the Society's Statement of Changes in Equity and the related notes to the Society's accounts, 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 Financial Reporting Standard 102: 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 group and society's affairs as at 31 March 2021 and of the group and society's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

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 society 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board are responsible for the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement [set out on page 5], the Board 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 they 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 Board are responsible for assessing the society'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 committee of management either intend to liquidate the society 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the entity through discussions with the Board and other management, and from our knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the entity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing terms of grant and loan agreements

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of

non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Board and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' 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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Critchleys Audit LLP Statutory Auditor Oxford

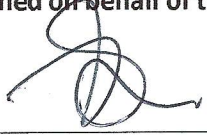
..... 7 October 2021

The Low Carbon Hub IPS Limited


**Consolidated Statement of Financial Position
As at 31 March 2021**

	Notes	2021 £	2020 £
Intangible Fixed Assets	7.	9,264	9,753
Tangible Fixed Assets	8.	<u>9,184,272</u>	<u>7,015,326</u>
		9,193,536	7,025,079
Current Assets			
Debtors	9.	1,649,639	625,773
Cash at bank and in hand	10.	444,264	278,515
		2,093,903	904,288
Creditors: Amounts falling due within one year	11.	1,443,451	1,269,755
Net Current Assets / (Liabilities)		<u>650,452</u>	<u>(365,467)</u>
Total Assets Less Current Liabilities		<u>9,843,988</u>	<u>6,659,612</u>
Creditors: Amounts falling due after more than one year	12.	<u>2,623,531</u>	<u>1,847,133</u>
Total Net Assets		<u>7,220,457</u>	<u>4,812,479</u>
Capital and Reserves			
Share Equity	13.	8,355,563	5,808,978
Income and Expenditure Account		(1,135,106)	(996,499)
Members' Funds		7,220,457	4,812,479

Signed on behalf of the Board and authorised for issue on 6th October 2021.


Tim Sadler
Chair


Luke Marion
Treasurer


Rachel Boyes-Watson
Secretary

The Low Carbon Hub IPS Limited

**Consolidated Income Statement
As at 31 March 2021**

	Notes	YEAR ENDED 31-Mar-21 £	YEAR ENDED 31-Mar-20 £
Income			
Electricity Sales		377,168	326,100
FIT Income		451,909	403,790
Interest income		846	944
Government grant income		242,288	173,823
Other Grant income and other income		-	5,626
		<u>1,072,211</u>	<u>910,283</u>
Expenditure			
Community Benefit Donations	3	61,261	102,999
Depreciation/Amortisation Expense	7.& 8.	413,188	365,543
Administration fees	4	277,051	233,936
Interest Payable	5	<u>88,429</u>	<u>93,874</u>
		839,929	796,352
Earnings before Tax and Members Interest		232,282	113,931
Members Interest Payments	5	<u>370,889</u>	<u>270,350</u>
Deficit for the year		(138,607)	(156,419)
Taxation	6	-	-
Deficit transferred to retained reserve		(138,607)	(156,419)

The Low Carbon Hub IPS Limited

**Consolidated Statement of Other Comprehensive Income
As at 31 March 2021**

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020
	£	£
Deficit for the year	(138,607)	(156,419)
Total other comprehensive income	-	-
Total comprehensive income for the year	(138,607)	(156,419)

The Low Carbon Hub IPS Limited

Consolidated Statement of Changes in Equity
As at 31 March 2021

	Share Capital	Income and Expenditure Account	Total Shareholders' Funds
	£	£	£
At 31 March 2019	5,851,982	(840,080)	5,011,902
Deficit for the year		(156,419)	(156,419)
Other comprehensive income	-	-	-
Issue of new equity shares	-	-	-
Repayment of shares	(43,004)	-	(43,004)
At 31 March 2020	5,808,978	(996,499)	4,812,479
Deficit for the year		(138,607)	(138,607)
Other comprehensive income	-	-	-
Issue of new equity shares	2,595,297	-	2,595,297
Repayment of shares	(48,712)	-	(48,712)
At 31 March 2021	8,355,563	(1,135,106)	7,220,457

The Low Carbon Hub IPS Limited

Consolidated Cashflow Statement
As at 31 March 2021

	YEAR ENDED 31 MARCH 2021		YEAR ENDED 31 MARCH 2020	
	£	£	£	£
Opening cash		278,515		398,736
Deficit for the year	(138,607)		(156,419)	
Depreciation	413,188		365,543	
Community benefit donations	61,261		102,999	
Interest expense	459,318		364,224	
Operating surplus		795,160		676,347
Working capital movements		459,595		(269,129)
Net cash flow from operating activities		1,254,755		407,218
Net capital investment		(2,583,236)		(363,299)
Community benefit donations		(126,060)		(38,200)
Net cash flow from investing activities		(2,709,296)		(401,499)
New share equity raised		2,595,297		-
Oxford City Council construction fund		(531,438)		531,438
Repayment of loans		(100,877)		(284,558)
Members interest payments		(270,350)		(235,942)
Interest on debt finance		(88,429)		(93,874)
Repayment of shares		(48,712)		(43,004)
Net cash flow from financing activities		1,555,491		(125,940)
Cash as at the balance sheet date		444,264		278,515

The Low Carbon Hub IPS Limited

**Consolidated Cashflow Statement
As at 31 March 2021**

Reconciliation of Consolidated Net Debt

	1 April 2020	Cash flows	Other non-cash changes	31 March 2021
	£	£	£	£
Unrestricted Cash at bank	162,901	201,826		364,727
Loans due within one year	(716,438)	624,315	(100,877)	(193,000)
Loans due after one year	(1,727,510)	-	100,877	(1,626,633)
Net debt	(2,281,047)	826,141	-	(1,454,906)

Loans consist of Charity Bank loan and the Oxford City Council fish pass loan. The Oxford City Council construction facility was repaid in the year ended 31 March 2021 (see notes 11 and 12).

The Low Carbon Hub IPS Limited

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2021

1. Entity information and Statement of compliance with FRS 102

The Low Carbon Hub IPS is an Industrial and Provident Society for the Benefit of the Community (IPS Bencom) with registered number 31903R. The society is incorporated in England and Wales and has its registered office at Wood Centre for Innovation, Quarry Road, Headington, Oxford, OX3 8SB.

These financial statements were prepared in accordance with Financial Reporting Standard 102 and in accordance with applicable accounting standards.

The principal accounting policies adopted by the Society are set out in note 2.

2. Accounting Policies Basis of preparation

The consolidated financial statements include the result of the subsidiary companies, Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar Limited.

The Financial Statements have been prepared under the historical cost convention using the following accounting policies:

Judgements

The main judgments made by the Directors in preparing the Financial Statements are the use life of tangible fixed assets and whether there has been any impairment in the value of fixed assets.

Income

The income shown in the Income and Expenditure Account represents amounts receivable during the year in respect of services provided by the group.

Grants to fund the acquisition of tangible fixed assets (both government grants and grants from other entities) are credited to deferred income upon receipt. They are then released to income (to match against the related depreciation charge) over the useful life of the asset funded by the grant. Grants to cover expenses are recognised in income in the period in which the expense is incurred.

Tangible Fixed Assets

Tangible Fixed Assets are stated at cost. Cost includes all costs incurred to bring assets into service, including legal fees, construction costs, development fees payable to The Low Carbon Hub CIC, and an allocation of financing costs.

Depreciation is calculated to write off the cost of an asset on a straight-line basis over the expected useful life of the asset.

Capital grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. These grants are credited to deferred income and so are released to the income statement over the expected useful life of the asset.

Solar PV Arrays

The useful life of solar PV arrays is estimated based on the duration of the FiT payments that are receivable in respect of that array, which are typically 20 years.

Inverters used on solar PV arrays are anticipated to have a shorter useful life than the arrays themselves. In recognition of this, these are separated out from the array they support and are depreciated over 10 years.

Hydro Plant and Machinery

The useful life of the Sandford Hydro plant is estimated to be 40 years based on the life span of the civil engineering works.

The plant machinery is anticipated to have a shorter useful life than the plant and is depreciated over 10 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

No deferred tax asset is currently recognised in respect of any taxation losses.

Derivatives and Financial Instruments

Financial Instruments are classified and accounted for, where appropriate, according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments.

Interest on members' equity

Interest on members' equity is recorded as an expense once the interest payment has been agreed by the board. All interest payments are made at the discretion of the board and therefore no accrual is made for interest payments not yet declared.

3. Community benefit donations

In accordance with the Company's aims and objectives, surpluses from projects that have been for at least one year are passed to The Low Carbon Hub CIC in the form of a Community Benefit Donation. The Low Carbon Hub CIC uses these funds to support its activities within Oxfordshire focussed on improving energy efficiency, and on increasing the amount of energy produced from community-owned renewable sources.

During the year, donations £61,261 (2020: £102,999) were recorded as expenses.

4. Administration costs

Administration costs are made up of the following:

	2021 £	2020 £
Low Carbon Hub CIC (see related parties note)	125,192	115,042
Other Admin Fees	30,784	57,250
Other Operations & Maintenance Fees	121,075	61,642
	277,051	233,934

The audit fee for 2020/21 included in these accounts was £5,000 (2020: £4,600).

5. Interest payable

	2021 £	2020 £
Loan Interest	73,734	93,874
Other interest	<u>14,695</u>	
	88,429	93,874
Members Interest Payments	<u>370,889</u>	<u>270,350</u>
	459,318	364,224

For 2020-21 Directors have declared interest payments on outstanding capital as follows:

	Interest rate	Interest Due £
Solar PV 2014	5.60%	99,393
Solar PV 2016	5.49%	42,648
Sandford Hydro 2016	4.10%	104,543
ONCORE A 25 Year Pledge	4.20%	4,905
ONCORE A Withdrawable	3.00%	720
ONCORE B	4.20%	3,660
Community Energy Fund	4.00%	115,020
		370,889

£326,664 (2020: £217,168) has been accrued at the balance sheet date and it is expected that this will be paid prior to the 2021 AGM.

During the development of 4 new Solar PV array projects interest on the construction loan from Oxford City Council that formed part of the capital cost was capitalised. These projects were completed in the year ending 31st March 2020 and so £nil (2020: £3,890) interest has been capitalised in the year. Since completion of the projects to the point of repayment of this loan, the interest of £2,849 (2019/20: £1,077) was expensed.

6. Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2021 and 31 March 2020 is as follows:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The standard rate of corporation tax for the year ended 31 March 2021 was 19%(2020: 19%).

	2021	2020
	£	£
(Deficit) for the year before tax	(138,607)	(156,419)
At United Kingdom Tax rate of 19%	(26,335)	(29,720)
Creation of tax losses	26,335	29,720
Total reported on the income statement	-	-

7. Intangible Fixed Assets

	Goodwill
	£
At 31 March 2020	10,731
Arising in the year	-
As at 31 March 2021	10,731
Amortisation	
As at 31 March 2020	978
Amortisation in the year	489
As at 31 March 2021	1,467
Net book value at 31 March 2020	9,753
Net book value at 31 March 2021	9,264

Goodwill arose in relation to the transfer of engagements of ONCORE on 1st June 2018.

8. Tangible Fixed Assets

	Sandford Hydro	Ray Valley Solar (under construction)	Solar PV arrays	Inverters	WIP & Office Equipment	Total
	£	£	£	£	£	£
Cost						
At 31 March 2020	3,789,091	-	3,986,657	260,780	208,612	8,245,140
Additions	-	2,346,896	804	3,340	232,226	2,583,266
Disposals	-	-	-	(3,340)	-	(3,340)
At March 2021	3,789,091	2,346,896	3,987,461	260,780	440,838	10,825,066
Depreciation						
At 31 March 2020	328,401	-	797,900	103,330	183	1,229,814
Provided during the year	155,469	-	228,385	28,768	77	412,699
Disposals	-	-	-	(1,719)	-	(1,719)
At 31 March 2021	483,870	-	1,026,285	130,379	260	1,640,794
Net book value						
At 31 March 2020	3,460,690	-	3,188,757	157,450	208,429	7,015,326
At 31 March 2021	3,305,221	2,346,896	2,961,176	130,401	440,578	9,184,272

Sandford Hydro plant was completed during 2018. Of the costs capitalised to date on Sandford Hydro Limited £410,239 (2019/20: £410,239) relates to financing costs.

A total of £85,265 (2020: £26,640) of financing costs were capitalised into Tangible Fixed Asset cost during the year. Of these costs, £1,003 (2020: £1,077 nil) related to interest on loan finance; £nil (2020 £23,000) for fees in connection with finance arrangements and £84,262 (2020 £2,563) related to costs incurred in relation to new share offerings.

Ray Valley Solar Limited

The IPS acquired 100% of the share capital of Ray Valley Solar Limited on 30 September 2020 for consideration of £683,305 (£411,000 of which is deferred at 31 March 2021). As at the asset acquisition date Ray Valley Solar Limited did not have any separable net assets and on consideration the excess of the consideration over the assets has been added to the Ray Valley Solar tangible fixed asset as the Board believes this relates to initial work and costs carried out by the previous owners in respect of gaining the necessary consents and permissions for the solar farm and to bringing the project to an investable position.

9. Debtors

	2021	2020
	£	£
Trade Debtors	156,147	128,585
Amounts owed from Low Carbon Hub C.I.C. (see note 16)	1,217,214	276,171
Accrued Income Electricity Sales & FIT	13,472	101,330
Prepayments and accrued income	68,446	67,474
VAT recoverable	194,360	52,213
	1,649,639	625,773

10. Cash or cash equivalents

	2021	2020
	£	£
Unrestricted cash	364,727	162,901
Restricted cash	79,537	115,614
	444,264	278,515

Management have set aside £79,537 (2020 £115,614) as a fund to cover anticipated future inverter replacement requirements. This level of cash will be regularly reviewed against expected requirements.

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Charity bank loan (See Note 12)	93,000	85,000
Oxford City Council fish pass loan	100,000	100,000
Trade Creditors	175,493	187,971
Deferred consideration	411,000	-
Accruals	350,234	238,722
Deferred Income	313,724	126,624
Oxford City Council construction facility	-	531,438
	1,443,451	1,269,755

The Oxford City Council construction loan facility has a term of 364 days, at an interest rate of 5%. The term for each drawdown starts on the date of funds being released. On 31st March, 2020 the loan was secured over four PV arrays with a combined net book value of £165,334. During the year the Oxford City Council construction facility has been repaid in full and the security released.

12. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Charity bank loan	1,626,633	1,727,510
Deferred income	996,898	119,623
	2,623,531	1,847,133

On 23 September 2016, a £2,000,000 loan facility was signed between Low Carbon Hub Sandford Hydro Limited and The Charity Bank as long-term finance for the construction of the Sandford Hydro project. This finance has an interest rate of 3.5% over Bank of England Base Rate and is due for repayment in September 2034. This loan is secured against the Sandford Hydro asset.

The balance remaining at year end is £1,719,633 (2020: £1,812,150)

Deferred income represents grants to fund acquisition of tangible fixed assets. This is released to income (to match against the depreciation charge) over the useful life of the asset funded by the grant.

13. Share Equity

The equity held by shareholders at 31 March 2021 is as follows:

	2021 £	2020 £
Class B £1 Shares Solar PV 2013	145,800	147,749
Class A £1 Shares Solar PV 2014	1,629,075	1,662,558
Class A £1 Shares Solar PV 2016	777,307	784,411
Class A £1 Shares Sandford Hydro 2016	1,471,177	1,471,177
Oncore -£1 Portfolio A 25 Year Pledge	116,776	119,987
Oncore - £1 Portfolio A Withdrawable	24,010	24,010
Oncore - £1 Portfolio B	87,136	90,101
Community Energy Fund £1 Shares	4,104,282	1,508,985
	8,355,563	5,808,978

Number of individual shareholders by share class at 31st March 2021:

Share Class	2021	2020
Class B - Solar PV 2013	10	10
Class A - Solar PV 2014	345	345
Class A - Solar PV 2016	240	239
Class A - Sandford Hydro 2016	465	468
Class A - ONCORE - £1 Portfolio A 25 Year Pledge	63	63
Class A - ONCORE - £1 Portfolio A Withdrawable	13	13
Class A - ONCORE - £1 Portfolio B	37	36
Class A - Community Energy Fund £1 Shares	1,180	370

Rights, Preferences and Restrictions attaching to Share Classes

Class A shares are non-transferable. They can be withdrawn by agreement between the Directors and the member holding a class A share.

Class B shares can be transferred between family members, or to any trust established for the benefit of family members at any time. They can only be transferred outside of a family member by giving formal notice to the Directors of their wish to do so, and by following a prescribed process set out in section 9 of the Society's rules, which can be found online at https://www.lowcarbonhub.org/wp-content/uploads/2021/09/LCH-IPS-Ltd-Rules_August-2021.pdf

Terms under which capital can be repaid to members for each share class are set out in section 7 of the Society's rules, which can be found online at <https://www.lowcarbonhub.org/wp-content/uploads/2020/07/Low-Carbon-Hub-IPS-Rules-2020.pdf>

All members have one vote at General Meetings of the Society, regardless of how many shares they hold.

14. Board Members' Remuneration

No expenses were paid to any Board members in their capacity as Board members

15. Capital and Leasing Commitments

The Group had capital commitments of £8,060,813 at 31 March 2021 (2020: £nil)

As at 31 March 2021 the Group had total commitments in respect of the minimum amounts payable under operating leases (which expire after 5 years) of £358,939 (2020: £338,250). The rental expense in the period was £9,000 (2020 £9,000).

16. Related Party Transactions

During the year the group made the following transactions with:

The Low Carbon Hub CIC:

£96,904 was paid in respect of Investor Registry Services, Administration and Operations & Maintenance costs (2020: £115,042); and £61,621 was included as a Community Benefit Donation, as described in Note 3 (2020: £102,999). £Nil was paid in respect of Project Development Fees (2020: £13,367). £34,214 was paid, being the cost element after grant funding, for the Rose Hill Battery project that became operational on 1st April 2021 [2020: £nil]

Finally, £nil (2020: £23,000) was paid to the Low Carbon Hub CIC as a finance arrangement fee for the continued access to the Oxford City Council Revolving Construction Loan fee and £42,705 (2019: £ nil) to reimburse it for costs incurred in preparation for new share offers during the year.

At the balance sheet date, £1,217,214 (2020: £342,216) was owed by The Low Carbon Hub CIC and included in trade creditors was £81,776 (2019: £18,247) owed to The Low Carbon Hub CIC.

17. Subsequent events

Since the year end additional share capital of £1,967,304 has been raised in the Community Energy Fund. In addition, £2,300,000 has been drawn against the construction loan facility from Oxford City Council. Both relate to the financing for the development of Ray Valley Solar.

The Low Carbon Hub IPS Limited

**The Society's Statement of Financial Position
As at 31 March 2021**

	Notes	2021 £	2020 £
Intangible Fixed Assets	8.	9,264	9,753
Tangible Fixed Assets	9.	3,508,729	3,533,417
Fixed Asset Investments	10.	4,502,926	1,974,178
		8,020,919	5,517,348
Current Assets			
Debtors	11.	1,077,821	704,033
Cash at bank and in hand	12.	110,870	193,808
		1,188,691	897,841
Creditors: Amounts falling due within one year	13.	1,211,483	1,113,416
Net Current (liabilities)		(22,792)	(215,575)
Total Assets Less Current Liabilities		7,998,127	5,301,773
Creditors: Amounts falling due after more than one year	14.	(156,806)	-
Total Net Assets		7,841,321	5,301,773
Capital and Reserves			
Share Equity	15.	8,355,563	5,808,978
Income and Expenditure Account		(514,242)	(507,205)
Shareholders' Funds		7,841,321	5,301,773

Signed on behalf of the Board and authorised for issue on 2021



Tim Sadler
Chair



Luke Marion
Treasurer



Rachel Boyes-Watson
Secretary

The Low Carbon Hub IPS Limited

The Society's Income Statement
As at 31 March 2021

	Notes	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020
		£	£
Income			
Electricity Sales		296,193	261,793
FIT Income		293,216	264,814
Government grant income		169,094	108,327
Interest Receivable	3.	<u>110,026</u>	<u>106,822</u>
		868,529	741,756
Expenditure			
Community Benefit Donations	4.	61,261	102,999
Administration fees	5.	161,421	145,650
Interest Payable	7.	24,353	14,011
Depreciation/Amortisation Expense	8.& 9.	<u>257,642</u>	<u>220,930</u>
		504,677	483,590
Earnings before Tax and Members Interest		363,852	258,166
		<u>370,889</u>	<u>270,350</u>
Members Interest Payments	7.		<u>270,350</u>
Surplus/(Deficit) for the year		(7,037)	(12,184)
Taxation	6.	-	-
Surplus/(Deficit) transferred to retained reserve		(7,037)	(12,184)

There were no recognised gains or losses other than those included in the Income & Expenditure Account.

The Low Carbon Hub IPS Limited

**The Society's Statement of Changes in Equity
As at 31 March 2021**

	Share Capital	Income and Expenditure Account	Total Shareholders' Funds
	£	£	£
At 31 March 2019	5,851,982	(495,021)	5,356,961
Loss for the year		(12,184)	(12,184)
Issue of new equity shares	-	-	-
Repayment of shares	(43,004)	-	(43,004)
At 31 March 2020	5,808,978	(507,205)	5,301,773
Loss for the year		(7,037)	(7,037)
Issue of new equity shares	2,595,297	-	2,595,297
Repayment of shares	(48,712)	-	(48,712)
At 31 March 2021	8,355,563	(514,242)	7,841,321

The Low Carbon Hub IPS Limited

Notes to the Society's Financial Statements for the Year Ended 31 March 2021

1. Entity information and Statement of compliance with FRS 102

The Low Carbon Hub IPS is a 'not-for-profit' Industrial and Provident Society for the Benefit of the Community with registered number 31903R. The society is incorporated in England and Wales and has its registered office at Wood Centre for Innovation, Quarry Road, Headington, Oxford, OX3 8SB

These financial statements were prepared in accordance with Financial Reporting Standard 102 and in accordance with applicable accounting standards. The principal accounting policies adopted by the Society are set out in note 2.

2. Accounting Policies Basis of preparation

The Society has taken advantage of the Disclosure Exemption under FRS 102 and has not prepared its own statement of cash flows. The Financial Statements have been prepared under the historical cost convention using the following accounting policies:

Judgements

The main judgments made by the Directors in preparing the Financial Statements are the use life of tangible fixed assets and whether there has been any impairment in the value of fixed assets.

Income

The income shown in the Income and Expenditure Account represents amounts receivable during the year in respect of services provided by the Society.

Grants to fund the acquisition of tangible fixed assets are credited to deferred income upon receipt. They are then released to income (to match against the related depreciation charge) over the useful life of the asset funded by the grant. Grants to cover expenses are recognised in income in the period in which the expense is incurred.

Tangible Fixed Assets

Tangible Fixed Assets are stated at cost. Cost includes all costs incurred to bring assets into service, including legal fees, construction costs, development fees payable to The Low Carbon Hub CIC, and an allocation of financing costs.

Depreciation is calculated to write off the cost of an asset on a straight line basis over the expected useful life of the asset.

Solar PV Arrays

The useful life of solar PV arrays is estimated based on the duration of the FiT payments that are receivable in respect of that array, which are typically 20 years.

Inverters used on solar PV arrays are anticipated to have a shorter useful life than the arrays themselves. In recognition of this, these are separated out from the array they support and are depreciated over 10 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

No deferred tax asset is currently recognised in respect of any taxation losses.

Derivatives, financial Instruments and investments

Financial Instruments are classified and accounted for, where appropriate, according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments.

Investments in subsidiaries are included at cost.

Interest on members' equity

Interest on members' equity is recorded as an expense once the interest payment has been agreed by the board. All interest payments are made at the discretion of the board and therefore no accrual is made for interest payments not yet declared.

3. Interest Receivable

	2021	2020
	£	£
Sandford Hydro IPS Equity and Working Capital Loan Interest	103,504	106,428
Ray Valley Solar IPS Equity and Working Capital Loan Interest	5,802	10,000
Bank and other Interest	720	394
	110,026	106,822

Loans have been made to Low Carbon Hub Sandford Hydro as detailed in note 17, Related Party Transactions.

Sandford hydro equity loan interest of £87,057 (2020: £96,428) was accrued as interest on the £1,674,177. (2020: £1,674,177) Sandford Hydro equity loan. Interest has been charged at a rate of 3% plus R.P.I for 2020/21, which is the equivalent of the members' interest rate of return.

4. Community Benefit Donations

In accordance with the Company's aims and objectives, surpluses from projects that have been for at least one year are passed to The Low Carbon Hub CIC in the form of a Community Benefit Donation. The Low Carbon Hub CIC uses these funds to support its activities within Oxfordshire focussed on improving energy efficiency, and on increasing the amount of energy produced from community-owned renewable sources.

During the year, £61,261 (2020: £102,999) was transferred to The Low Carbon Hub CIC as such a donation. This is recognised as an expense when utilised by The Low Carbon Hub CIC and any amounts advanced in excess of utilised amounts are included within prepayments.

5. Administration Costs

Administration costs are made up of the following:

	2021	2020
	£	£
Low Carbon Hub CIC (see related parties note)	110,532	100,866
Other Admin Fees	18,651	18,375
Other Operations & Maintenance Fees	32,238	26,409
	161,421	145,650

The audit fee for 2020/21 included in these accounts is £5,000 (2020: £4,750).

6. Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2021 and 31 March 2020 is as follows:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The standard rate of corporation tax for the year ended 31 March 2021 was 19%(2020: 19%).

	2021	2020
	£	£
(Deficit) for the year before tax	(7,037)	(12,184)
At United Kingdom Tax rate of 19%	(1,337)	(2,315)
Creation of tax losses	1,337	2,315
Total reported on the income statement	-	-

7. Interest Payable

	2021 £	2021 £
Loan Interest	9,658	14,011
Other interest	<u>14,695</u>	<u>-</u>
	24,353	14,011
Members Interest Payments	<u>370,889</u>	<u>270,350</u>
	395,242	284,361

For 2020-21 the Directors have declared interest payments on outstanding capital as follows:

	Interest rate	Interest Due
Solar PV 2014	5.60%	99,393
Solar PV 2016	5.49%	42,648
Sandford Hydro 2016	4.10%	104,543
ONCORE A 25 Year Pledge	4.20%	4,905
ONCORE A Withdrawable	3.00%	720
ONCORE B	4.20%	3,660
Community Energy Fund	4.00%	115,020
		370,889

£326,664 (2020: £217,168) has been accrued at the balance sheet date and it is expected that this will be paid out prior to the 2021 AGM.

During the development of 4 new Solar PV array projects interest on the construction loan from Oxford City Council that formed part of the capital cost was capitalised. These projects were completed in the year ending 31st March 2020 and so £nil (2020: £3,890) interest has been capitalised in the year. Since completion of the projects to the point of repayment of this loan the interest of £2,849 (2019/20: £1,077) was expensed

8. Intangible Fixed Assets

	Goodwill £
As at 1 April 2020	10,731
Arising in the year	-
As at 31 March 2021	10,731
Amortisation	
As at 1 April 2020	978
Amortisation in the year	489
As at 31 March 2021	1,467
Net book value at 31 March 2020	9,753
Net book value at 31 March 2021	9,264

Goodwill arose in relation to the transfer of engagements of ONCORE on 1st June 2018.

9. Tangible Fixed Assets

	Work in progress	Solar PV arrays £	Inverters £	Total £
Cost				
At 31 March 2020	187,210	3,986,657	260,780	4,434,647
Additions	229,942	804	3,340	234,086
Disposals	-	-	(3,340)	(3,340)
At 31 March 2021	417,152	3,987,461	260,780	4,665,393
Depreciation				
At 31 March 2020	-	797,900	103,330	901,230
Provided during the year	-	228,385	28,768	257,153
Released on disposals	-	-	(1,719)	(1,719)
At 31 March 2021	-	1,026,285	130,379	1,156,664
Net book value				
At 31 March 2020	187,210	3,188,757	157,450	3,533,417
At 31 March 2021	417,152	2,961,176	130,401	3,508,729

A total of £85,265 (2020: £26,640) of financing costs were capitalised into Tangible Fixed Asset cost during the year. Of these costs, £1,003 (2020: £1,077 nil) related to interest on loan finance; £nil (2020: £23,000) for fees in connection with finance arrangements and £84,262 (2020: £2,563) related to costs incurred in relation to new share offerings.

10. Fixed Asset Investments

	2021 £	2020 £
Investment in subsidiary - Low Carbon Hub Sandford Hydro Limited	1	1
Investment in subsidiary – Ray Valley Solar Limited	683,305	-
Loans to subsidiaries (note 18)	3,819,620	1,974,177
	4,502,926	1,974,178

The Society owns 100% of the share capital of Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar Limited, companies incorporated in England and Wales and having its registered office at Wood Centre for Innovation, Quarry Road, Headington, Oxford, OX3 8SB.

11. Debtors

	2021 £	2020 £
Trade Debtors	80,039	82,170
Accrued Income Electricity Sales & FIT	13,235	72,475
Prepayments and accrued income	362,912	256,507
VAT recoverable	-	56,598
Amounts owed from Low Carbon Hub C.I.C. (see note 18)	571,776	188,976
Amounts owed from Low Carbon Hub Sandford Hydro Limited	49,859	47,307
	1,077,821	704,033

12. Cash or cash equivalents

	2021 £	2020 £
Unrestricted cash	31,333	208,848
Restricted cash	79,537	87,794
	110,870	296,642

Management have set aside £79,537 (2020 £115,614) as a fund to cover expected future inverter replacement requirements. This level of cash will be regularly reviewed.

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Oxford City Council Fish Pass Loan	100,000	100,000
Trade Creditors	141,096	146,023
Deferred consideration	411,000	-
Accruals	341,616	230,427
Deferred income	215,422	105,528
VAT	2,349	-
Oxford City Council construction facility (see below)	-	531,438
	1,211,483	1,113,416

The Oxford City Council construction loan facility has a term of 364 days, at an interest rate of 5%. The term for each drawdown starts on the date of funds being released. On 31st March 2020 the loan was secured over four PV arrays with a combined net book value of £165,334. During the year the Oxford City Council construction facility has been repaid in full and the security released.

14. Creditors: Amounts falling due greater than one year

	2021 £	2020 £
Deferred income	156,806	0
	156,806	0

15. Share Equity

The equity held by shareholders at 31 March 2021 is as follows:

	2021 £	2020 £
Class B £1 Shares Solar PV 2013	145,800	147,749
Class A £1 Shares Solar PV 2014	1,629,075	1,662,558
Class A £1 Shares Solar PV 2016	777,307	784,411
Class A £1 Shares Sandford Hydro 2016	1,471,177	1,471,177
ONCORE - £1 Portfolio A 25 Year Pledge	116,776	119,987
ONCORE - £1 Portfolio A Withdrawable	24,010	24,010
ONCORE - £1 Portfolio B	87,136	90,101
Community Energy Fund £1 Shares	4,104,282	1,508,985
	8,355,563	5,808,978

Number of shares issued, allotted and fully paid

Share Class	Issued	Allotted	Fully Paid
Class B £1 Shares Solar PV 2013	145,800	145,800	145,800
Class A £1 Shares Solar PV 2014	1,629,075	1,629,075	1,629,075
Class A £1 Shares Solar PV 2016	777,307	777,307	777,307
Class A £1 Shares Sandford Hydro 2016	1,471,177	1,471,77	1,471,177
ONCORE - £1 Portfolio A 25 Year Pledge	116,776	116,776	116,776
ONCORE - £1 Portfolio A Withdrawable	24,010	24,010	24,010
ONCORE - £1 Portfolio B	87,136	87,136	87,136
Community Energy Fund £1 Shares	4,104,282	4,104,282	4,104,282

Number of individual shareholders by share class at 31st March 2021:

Share Class	2021	2020
Class B - Solar PV 2013	10	10
Class A - Solar PV 2014	345	345
Class A - Solar PV 2016	240	239
Class A - Sandford Hydro 2016	465	468
Class A - ONCORE - £1 Portfolio A 25 Year Pledge	63	63
Class A - ONCORE - £1 Portfolio A Withdrawable	13	13
Class A - ONCORE - £1 Portfolio B	37	36
Class A - Community Energy Fund £1 Shares	1180	370

Rights, Preferences and Restrictions attaching to Share Classes

Class A shares are non-transferable. They can be withdrawn by agreement between the Directors and the member holding a class A share.

Class B shares can be transferred between family members, or to any trust established for the benefit of family members at any time. They can only be transferred outside of a family member by giving formal notice to the Directors of their wish to do so, and by following a prescribed process set out in section 9 of the Society's rules, which can be found online at https://www.lowcarbonhub.org/wp-content/uploads/2021/09/LCH-IPS-Ltd-Rules_August-2021.pdf

Terms under which capital can be repaid to members for each share class are set out in section 7 of the Society's rules, which can be found online at <https://www.lowcarbonhub.org/wp-content/uploads/2020/07/Low-Carbon-Hub-IPS-Rules-2020.pdf>.

All members have one vote at General Meetings of the Society, regardless of how many shares they hold.

16. Board Members' Remuneration

No expenses were paid to any Board members in their capacity as Board members.

17. Capital Commitments

The Society had no authorised capital commitments as at 31 March 2021 (2020: £nil). Capital in respect of working progress projects is only committed when lease contracts with Landlords have been signed.

18. Related Party Transactions

During the year the company made the following transactions with:

The Low Carbon Hub CIC:

£79,627 was paid in respect of Investor Registry Services, Administration and Operations & Maintenance costs (2020: £100,866); and £61,621 was included as a Community Benefit Donation, as described in Note 4 (2020: £102,999). £nil was paid in respect of Project Development Fees (2020: £13,367). £34,214 was paid, being the cost element after grant funding, for the Rose Hill Battery project that became operational on 1st April 2021 [2020: £nil].

Finally, £nil (2020: £23,000) was paid to the Low Carbon Hub CIC as a finance arrangement fee for the continued access to the Oxford City Council Revolving Construction Loan fee and £42,705 (2020: £ nil) to reimburse it for costs incurred in preparation for new share offers during the year.

At the balance sheet date, £571,776 (2020: £255,021) was owed by The Low Carbon Hub CIC and included in trade creditors was £76,511.11 (2020: £18,247) owed to The Low Carbon Hub CIC.

Sandford Hydro Limited

Loans have been made to Sandford Hydro as follows:

£200,000 at a rate of 5% which is the same terms that the IPS originally secured the loan from CLF, Esmee Fairbairn Foundation and Big Society (2020: £200,000).

£100,000 at a rate of 2%. This is a supplemental loan from Oxford City Council and is being lent across on the same terms (2020: £100,000)

£1,674,177 (2020: £1,674,177) loan from the equity raised. This is at a rate of 3% plus R.P.I. to cover the investor returns.

At the balance sheet date, the intercompany clearing account had a balance (owed) of £49,859 (2020: (£47,307)).

Ray Valley Solar Limited

Loans have been made of £1,845,433 (2020: £Nil) loan from the equity raised. This is at a rate of 5%. to cover the investor returns.

19. Subsequent events

Since the year end additional share capital of £1,967,304 has been raised in the Community Energy Fund. In addition, £2,300,000 has been drawn against the construction loan facility from Oxford City Council. Both relate to the financing for the development of Ray Valley Solar.