

Registration number: 07583663

The Low Carbon Hub C.I.C.
Annual Report and Financial Statements
for the Year Ended 31 March 2022

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

The Low Carbon Hub C.I.C.

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The Low Carbon Hub C.I.C.

Company information

Directors

Mairi Halliday Brookes (appointed 25 November 2021)

Susan Halliwell

Barbara Ann Hammond

Thomas Matthew Heel (appointed 25 November 2021)

Thomas Hoines

Saskya Huggins (appointed 25 November 2021)

Alan William Kitchen

Luke Carl Marion

Timothy Paul Sadler

Company secretary

Rachel Boyes-Watson (resigned 24 March 2022)

Barbara Ann Hammond (appointed 24 March 2022)

Registered office

Holywell House

Osney Mead

Oxford OX2 0ES

Auditors

Critchleys Audit LLP

Registered Auditors

Beaver House

23 - 38 Hythe Bridge Street

Oxford

OX1 2EP

The Low Carbon Hub C.I.C.

Directors' report for the year ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the company

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

- Mairi Halliday Brookes (appointed 25 November 2021)
- Susan Halliwell
- Barbara Ann Hammond
- Thomas Matthew Heel (appointed 25 November 2021)
- Thomas Hoines
- Saskya Huggins (appointed 25 November 2021)
- Alan William Kitchen
- Luke Carl Marion
- Timothy Paul Sadler.

Our mission

The Low Carbon Hub is a social enterprise that's out to prove we can meet our energy needs in a way that's good for people and good for the planet.

Our role is to be a catalyst of change: driving innovation and creating an ecosystem that is able to develop and pilot practical, real-world solutions that will become models for other communities throughout the world.

Our 10-year strategic objectives

We are working to our 2020–23 Business Plan, in which we set our 10-year strategic goals for Oxfordshire's energy system:

- Didcot Power Station has been replaced by renewable energy
- No one has been left behind in that transformation
- We have an energy system that meets the energy needs of people in an equitable way
- Energy and the network are managed locally
- The Oxfordshire planning system is delivering 100,000 zero carbon homes and 80,000 zero carbon jobs.

As the Low Carbon Hub, we expect our role to be necessary, but not sufficient to enable these goals to be achieved, and partnership and collaboration continues to be at the heart of our way of working.

Our closest partnership is with the Low Carbon Hub IPS Limited (the IPS). Our collaborative business model uses investment in the IPS to grow a portfolio of community-owned renewable energy generation. This both provides the 'anchor load' for a local energy system and generates the income to drive a powerful feedback

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loop which makes every pound invested go further. Further details, including our three-year objectives, are set out in our joint business plan.

Business development during 2021/22

Low Carbon Hub C.I.C. 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 under contract to 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.

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Directors' report for the year ended 31 March 2022

Community Benefit Report

Community benefit income 2021/22

The C.I.C. receives income from the sale of electricity generated by two C.I.C.-owned renewable energy installations in Eynsham.

In addition, it receives income from a number of grants and contracts. These are in part leveraged by matched funding commitments from the C.I.C., fulfilling a key principle of our community benefit strategy – using our own income to leverage additional resources. In previous years, a community benefit donation from the IPS has formed a key part of our core income. This year we were able to fund our activities from our own income and surpluses, so did not request a donation from the IPS.

Every programme is delivered in partnership with other organisations, enabling us to draw on a wide range of expertise, networks, and additional resources.

During 2021/22 our work to foster the development of community-led solutions to tackle climate change was supported by the following programmes:

- Innovate UK funding for Project LEO (Local Energy Oxfordshire), a £40 million, multi-stakeholder partnership carrying out real-world energy system trials
- European Regional Development Fund support of OxFutures, a partnership to boost Oxfordshire's low carbon economy
- Department for Business, Energy & Industrial Strategy (BEIS) funding to support the development and launch of Energy Solutions Oxfordshire, a partnership project creating a complete energy efficiency service for small and medium-sized enterprises (SMEs)
- UK Community Renewal Fund, managed within Oxfordshire by Oxfordshire County Council, and with thanks to the Secretary of State for Levelling Up, Housing and Communities
- Power to Change Next Generation Programme, an expert consortium, led by the Centre for Sustainable Energy, supporting a nationwide programme to develop new community-led energy business models
- Westmill Solar Co-operative support enabled our energy efficiency audits programme for schools and community buildings to continue.

We are most grateful to all our funders for their support of our work.

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Directors' report for the year ended 31 March 2022

Table 1: Community benefit income for 2021/22

This table summarises the income we have received during the year from external sources to support activity we carry out for the benefit of the community.

	2021/22	2020/21
	£	£
Renewables generated income		
IPS Community benefit donation	-	61,260
C.I.C. Eynsham village solar PV income	1,783	1,983
Donations		
Unrestricted donations	-	1
Restricted donations	7,500	-
Programme grants		
Innovate UK – Project LEO*	2,127,480	2,077,813
European Regional Development Fund	101,570	132,358
BEIS – Building a market for retrofit	-	370,000
Service contracts		
LEO consortium communications support	35,584	-
Community Renewal Fund	31,825	-
BEIS – BASEE	67,006	171,363
Power to Change – Next Generation	682	12,275
Total	£2,373,430	£2,827,053

* Innovate UK – Project LEO includes £1,676,263 which is passed through the C.I.C. and is recognised as grant income in other Low Carbon Hub entities (as detailed below).

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Directors' report for the year ended 31 March 2022

Community benefit 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 innovation initiatives and providing seed funding for the development of new products and services that encourage carbon-cutting action.

Table 2: Community benefit Expenditure for 2021/22*

This table summarises our expenditure on activities carried out for the benefit of the community during the year. This includes expenditure funded from the C.I.C.'s own surpluses.

	2021/22	2020/21
	£	£
Community grants programme	4,952	24,622
Local energy programme	2,932,632	3,304,400
Community benefit management	2,970	2,935
Grand total	2,940,554	3,331,957

Community grants programme

Community Grants Programme delivery **£4,060**

In previous years, the C.I.C. has distributed grants to support local community action on climate change on behalf of the IPS. This year, grants were made direct from the IPS to recipients. You can see details of the grants made in the IPS Annual Accounts.

The cost of administering the grant programmes was covered by the C.I.C., paid for through its own surpluses. The C.I.C. also covered the costs associated with the dissemination of learning from these activities and general support of the C.I.C. community group members.

Renewable generation grant: Green TEA **£892**

Half of the net profits from the C.I.C.-owned installations in Eynsham are donated to Green TEA in recognition of their support in making the project happen. In 2021/22 these funds helped support a number of local activities carried out by the group. The following summary of their activities has been provided by Green TEA:

This year began deep in the pandemic and, in between the continuing work on housing standards and Smart and Fair Futures, we managed to put on an enormous Great Big Green Week in September 2021, with a lot of help from the community.

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Directors' report for the year ended 31 March 2022

The donation allowed us to put on our biggest ever event during that week, a call to action for our leaders attending COP26. We were able to make sure all the events were free, funding children's science experiments and eco racers from local business Curiosity Box, school Great Big Green Day Out competition prizes, plant-based food, and cover other event costs.

Over 200 people – including community groups, local businesses, experts, individuals, and families – came together to put on over 60 events, to entertain, inspire, and inform our community. An estimated 2000 participants from Eynsham and beyond joined in.

We had music; inspiring talks from experts, local businesses, activists, and community members of all ages offering insights on the climate and ecological emergency, green building, nature recovery, the future of energy, and sustainable lifestyles; children's activities; a school competition; stalls; a repair café; Nature Recovery Network and hedgehog highways; youth theatre; giant grid game and energy displays (with Low Carbon Hub); visits to a solar farm under construction; an EV event; garden visits; green craft activities; nature yoga and forest bathing; waste-free food; a village eco trail and many more activities over the full nine days. The week was nominated for a High Sheriff award.

Local Energy Programme

Our Local Energy Programme has two key themes. First, 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.

While Covid continued to create challenges for us and our partners, we have been able to successfully deliver much of our community benefit activity. Activities this year have included:

Helpdesk service

£4,702

Our helpdesk exists to support the development of a decentralised, community-owned, renewables-based energy system through additional activities not already provided as part of our ongoing programmes. In 2021/21 we delivered 149 hours of support to 131 individuals and organisations. We've supported a wide range of organisations from technical advice on energy projects to low carbon community groups, to answering queries from students and researchers.

Next Generation

£682

As well as our ongoing 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 10 communities to develop new business models for community energy. This was our final year supporting the programme.

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Directors' report for the year ended 31 March 2022

Community building audits grant scheme **£10,746**

Thanks to generous support from Westmill Solar Co-operative we were able to offer 15 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 provides organisations with support to reduce their energy use.

Project LEO: Local Energy Oxfordshire **£2,714,511**

This was the third year of 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.

Project LEO is:

- **Testing new market and flexibility models** – exploring new products and services that create new opportunities to benefit from the way we generate, store, and use energy in our homes, organisations, and communities
- **Advancing the capabilities of networks to manage smart, renewable, and storage technologies** – learning what needs to happen to our electricity networks to make them ready for a change to a local energy system
- **Facilitating local participation in the energy system** – ensuring that individuals, households, and organisations are part of the energy transition.

Through Project LEO we will demonstrate how a smart, local balanced energy system can bring social, economic and environmental benefits for all. We are exploring how flexibility services can be provided by small-scale renewable energy installations and how households and businesses can coordinate their use, storage and generation of energy to meet their needs while reducing carbon emissions.

In 2021-22 we undertook the first of three “trial periods” in which we participated in the delivery of flexibility services procured by SSEN. This has involved:

- Bidding for contracts and then charging and discharging the battery at Rose Hill Primary School when called upon by SSEN; and,
- Trading with Oxford City Council: The council trades its ‘spare’ solar pv export allowance in winter and this allows us to increase generation by Sandford Hydro beyond its normal cap during that period.

We have been making exciting progress with our Smart and Fair Neighbourhood projects. These are six community-led projects are shaping some of the most interesting and important insights that we hope to take forward beyond the LEO project:

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- Local area energy planning, focused around a primary substation and 'stewarded' by the community;
- Exploring ways to enable more renewable generation to be connected at lower cost by maximising use of existing, approved export connections;
- Working out if households can coordinate their use, generation and/or storage of electricity and share the benefit of this "community energy flexibility".

All four companies in the Low Carbon Hub (the Low Carbon Hub IPS and its two wholly owned subsidiaries and Low Carbon Hub C.I.C.) are contributing to project LEO, with grant funding paid at 45% of total eligible costs. Each company is responsible for providing its own match funding. The C.I.C. provided £551,487 of match funding.

Total grant funding earned in the year was £2,127,480. In addition, the C.I.C. was paid £35,584 by consortium members to deliver communications services to the project (as shown in Table 1).

The grant funding was distributed between the companies as follows:

The Low Carbon Hub C.I.C. received £451,217 towards staff salaries and programme delivery costs.

The Low Carbon Hub IPS Limited received £53,030 in grant funding; Sandford Hydro Limited received £5,176; Ray Valley Solar Limited received £1,618,057.

OxFutures

£101,570

This programme is funded by the European Regional Development Fund, with the aim of growing Oxfordshire's low carbon economy. After a successful initial three years of delivery, the Ministry of Housing, Communities and Local Government (MHCLG) granted a further three-year extension from April 2020 to March 2023, with an additional £609,089 of funding. The programme is continuing its work, rolling out energy audits and follow-up funding to businesses and supporting companies innovating in the low carbon market.

During 2021/22 OxFutures made 13 grants to businesses for both energy efficiency and innovation. The team also delivered 21 energy assessments, hitting their overall pipeline recruitment target of 181 in March 2022, a full year ahead of schedule.

The programme is still in progress delivering a last few remaining energy assessments and reports, and supporting businesses and communities to finish spending their innovation grants.

Cosy Homes Oxfordshire

£1,520

Cosy Homes Oxfordshire is a one-stop home retrofit service, making it simple for homeowners to make energy improvements – reducing carbon emissions and energy bills, whilst improving comfort.

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Cosy Homes Oxfordshire's pilot whole house home retrofit service was launched in 2019, a partnership between the Low Carbon Hub, RetrofitWorks, and the National Energy Foundation. The start-up phase was funded by the Department for Business, Energy and Industrial Strategy (BEIS) and we are now working to establish the service as an economically sustainable business model.

During the year, the service has continued to flourish with 25 retrofits underway, 122 Whole House Plans delivered, and over 2,000 householders using the free online Planbuilder app. Supported by 12 community advocate groups, and a growing pool of trusted contractors and suppliers, the scheme has made a significant step forward towards achieving a scale that will enable it to be financially sustainable.

The Cosy Homes service has also contributed to Project LEO through the SFN trials; the grant funding reported represents the cost of Whole House Plans delivered to trial participants.

Energy Solutions Oxfordshire **£67,006**

Energy Solutions Oxfordshire (ESOX) has been established to provide a one-stop-shop to give Oxfordshire businesses and organisations the knowledge and means to implement low carbon measures. ESOX was initially fully funded by the Department for Business, Energy and Industrial Strategy, as part of their Boosting Access to SME Energy Efficiency programme. This was start-up funding intended to result in an economically sustainable new service.

In 2021, ESOX secured its first fee-earning work by providing feasibility reports for buildings owned by Oxford Science Enterprises and Witney Town Council.

Community Renewal Fund **£31,825**

Funding from the UK Community Renewal Fund, awarded by the Department for Levelling UP, Housing and Communities, has allowed the ESOX partnership to move out of its fully-funded start-up phase and towards a hybrid financial model which relies on a mixture of grant and fee income. Free energy assessments and investment support were provided that enabled 35 businesses and organisations across multiple sectors to make progress to boost energy efficiency and cut carbon emissions from their buildings.

The Peoples Power Station **£29**

The People's Power Station is an online 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 **£2,970**

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.

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Directors' report for the year ended 31 March 2022

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.

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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 2022, 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director'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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors 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. 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.

The Low Carbon Hub C.I.C.

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.

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 14], 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.

The Low Carbon Hub C.I.C.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 company through discussions with directors 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 company, the Companies Act 2006, and the terms of grant agreements;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; 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 company'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.

The Low Carbon Hub C.I.C.

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 correspondence and agreements with grant providers.

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 directors 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 is available 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.

.....
Colin Mills (Senior Statutory Auditor)
For and on behalf of Critchleys Audit LLP, Statutory Auditor

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

Date:

The Low Carbon Hub C.I.C.

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		1,258,246	1,564,835
Cost of sales		(296,815)	(591,135)
Gross profit		961,431	973,700
Administrative expenses		(899,664)	(1,059,277)
Other operating income		7,575	2,982
Operating (loss)/profit		69,342	(82,595)
(Loss)/profit before tax	4	69,342	(82,595)
Taxation		-	-
(Loss)/profit for the financial year		69,342	(82,595)

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The Low Carbon Hub C.I.C.

(Registration number: 07583663)

Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	5	158,933	83,810
Tangible assets	6	31,459	23,871
Other financial assets		<u>2,982</u>	<u>2,982</u>
		193,374	110,663
Current assets			
Stocks		-	13,975
Debtors	7	1,232,159	1,298,182
Cash at bank and in hand		<u>277,426</u>	<u>81,808</u>
		1,509,585	1,395,965
Creditors: Amounts falling due within one year	8	<u>(1,598,092)</u>	<u>(1,469,138)</u>
Net current assets		(88,507)	(73,193)
Total assets less current liabilities		104,867	35,520
Provisions for liabilities			
Net assets		104,867	35,520
Capital and reserves			
Called up share capital		43	38
Profit and loss account		<u>104,824</u>	<u>35,482</u>
Total equity		104,867	35,520

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 October 2022 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 2022

	Share capital £	Profit and loss account £	Total £
At 1 April 2021	38	35,482	35,520
Profit for the year	-	69,342	69,342
Total comprehensive income	-	69,342	69,342
New share capital subscribed	5	-	5
At 31 March 2022	43	104,824	104,867

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	33	118,077	118,110
Profit for the year	-	(82,595)	(82,595)
Total comprehensive income	-	(82,595)	(82,595)
New share capital subscribed	5	-	5
At 31 March 2021	38	35,482	35,520

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Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

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

The address of its registered office is:

Holywell House

Osney Mead

Oxford

OX2 0ES

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.

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2022

Tax

The tax expense for the period comprises current 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.

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

Development costs

Development costs are capitalised as an asset when they meet the criteria set out in FRS 102.

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.

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2022

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 16 (2021: 16).

4 Loss/profit before tax

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	5,582	2,782

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2022

5 Intangible assets

	Development Costs £	Total £
Cost or valuation		
At 1 April 2021	83,840	
Additions	75,093	83,840
At 31 March 2022	153,933	6

The development costs relate to People's Power Station 2.0 that has become operational in the summer of 2021. This is a Distributed Energy Resources co-ordination system that continues to be refined where local, small-scale renewable energy assets can be aggregated and traded into a new local energy market.

6 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 April 2021	24,834	39,706	64,540
Additions	-	13,169	13,169
Disposals	-	-	-
At 31 March 2022	24,834	52,875	77,709
Depreciation			
At 1 April 2021	22,796	17,873	40,668
Charge for the year	708	4,874	5,582
Eliminated on disposal	-	-	-
At 31 March 2022	23,503	22,747	46,250
Carrying amount			
At 31 March 2022	1,331	30,138	31,459
At 31 March 2021	2,038	21,833	23,877

The Low Carbon Hub C.I.C.

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Debtors

	2022	2021
	£	£
Trade debtors	976,187	1,060,753
Prepayments	83,799	47,825
Other debtors	172,173	189,604
	1,232,159	1,298,182

8 Creditors

Creditors: amounts falling due within one year

	2022	2021
	£	£
Due within one year		
Trade creditors	21,646	105,097
Amounts owed to Low Carbon Hub IPS Ltd, Sandford Hydro Ltd, and Ray Valley Solar Limited	1,292,180	1,217,214
Other creditors	284,255	146,827
	1,598,092	1,469,138

9 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 £102,441 (2021: £27,700). 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 2022

	2022	2021
	£	£
Turnover (analysed below)	1,258,246	1,564,835
Cost of sales (analysed below)	(296,815)	(591,135)
Gross profit	961,431	973,700
Gross profit (%)	76.41%	62.22%
Administrative expenses		
Employment costs (analysed below)	(716,947)	(658,167)
Establishment costs (analysed below)	(62,286)	(50,850)
General administrative expenses (analysed below)	(114,403)	(346,875)
Finance charges (analysed below)	(446)	(603)
Depreciation costs (analysed below)	(5,582)	(2,782)
	(899,664)	(1,059,277)
Other operating income	7,575	2,982
Operating (loss)/profit	69,342	(82,595)
(Loss)/profit before tax	69,342	(82,595)

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	2022	2021
	£	£
Turnover		
Sales	637,949	435,105
Interest received	179	104
Grants and subsidies	620,118	1,129,626
	<u>1,258,246</u>	<u>1,564,835</u>
Cost of sales		
Direct costs	<u>296,815</u>	<u>591,135</u>
Employment costs		
Wages and salaries (excluding directors)	627,568	564,897
Staff NIC (Employers)	62,989	54,244
Staff pensions (Defined contribution)	25,134	37,724
Staff training	1,256	1,302
	<u>716,947</u>	<u>658,167</u>
Establishment costs		
Rent	38,949	43,777
Rates	231	17
Insurance	16,983	7,056
Repairs and maintenance	6,123	-
	<u>62,286</u>	<u>50,850</u>
General administrative expenses		
Telephone and fax	1,194	441
Office expenses	386	75
Computer software and maintenance costs	27,815	22,834
Printing, postage and stationery	2,527	6,401
Trade subscriptions	2,860	2,596
Charitable donations	2,273	212,970
Sundry expenses	9,675	10,315
Community engagement and marketing	51,501	82,786
Travel and subsistence	2,841	682
Accountancy fees	11,335	6,303
Legal and professional fees	1,996	1,472
	<u>114,403</u>	<u>346,875</u>

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	2022	2021
	£	£
Finance charges		
Bank charges	446	603
	<u>446</u>	<u>603</u>
Depreciation costs		
Depreciation of plant and machinery (owned)	5,582	2,782
	<u>5,582</u>	<u>2,782</u>
Other operating income		
Other operating income	-	2,982
	<u>-</u>	<u>2,982</u>

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