

Registration number: 07583663

The Low Carbon Hub C.I.C.
Annual Report and Unaudited Financial Statements for the
Year Ended 31 March 2023

The Low Carbon Hub C.I.C.

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Company information

Directors

Mairi Halliday Brookes

Susan Halliwell

Barbara Ann Hammond

Thomas Matthew Heel (resigned 16 December 2022)

Thomas Hoines (resigned 13 March 2023)

Saskya Huggins

Alan William Kitchen

Luke Carl Marion

Timothy Paul Sadler (resigned 3 January 2023)

Company secretary

Barbara Ann Hammond (resigned 16 December 2022)

Teresa Nicola Paterson (appointed 16 December 2022)

Registered office

Holywell House

Osney Mead

Oxford OX2 0ES

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Directors' report for the year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors of the company

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

- Mairi Halliday Brookes
- Susan Halliwell
- Barbara Ann Hammond
- Thomas Matthew Heel (resigned 16 December 2022)
- Thomas Hoines (resigned 13 March 2023)
- Saskya Huggins
- Alan William Kitchen
- Luke Carl Marion
- Timothy Paul Sadler (resigned 3 January 2023)

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 strategic objectives

In 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- Didcot Power Station has been replaced by renewable energy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 2022/23

Low Carbon Hub CIC had 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.

Post Balance Events

The directors draw attention to Note 10 in these accounts After the reporting period, the directors have made the decision to initiate the voluntary liquidation of the Low carbon Hub CIC Limited, as the company has successfully fulfilled its intended purpose. This decision was reached subsequent to the reporting period but is considered a non-adjusting event under the provisions of International Financial Reporting Standards (IFRS).

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Directors' report for the year ended 31 March 2023

Community Benefit Report

Delivering community benefit

The electricity generated by the Low Carbon Hub IPS Limited provides a sustainable income stream to support further carbon-cutting activity and leverage additional funding from grants and contracts.

Expenditure

The Low Carbon Hub IPS Limited donated £35,117 community benefit funds from its surpluses to support community action on climate change, which helped leverage significant additional funding for our work through both the Low Carbon Hub IPS Limited and Low Carbon Hub CIC. In total £4,215,280 of carbon cutting activity was delivered in 2022/23.

The following section sets out both the community benefit funded by the IPS and the activities carried out by the CIC during the financial year.

Income

Our community benefit work is funded from a number of different sources:

- The surpluses of The Low Carbon Hub IPS Limited resulting from our renewable energy generation activities
- The surpluses of the Low Carbon Hub CIC
- Donations, grants, and contracts.

During 2022/23 our work to foster the development of community-led solutions to tackle climate change was supported by the following programmes. We are most grateful to all our funders for their support of our work.

- Innovate UK funding for Project LEO, a £40 million, multi-stakeholder partnership carrying out real-world energy system trials
- European Regional Development Fund support of OxFutures, a £3.2 million partnership to boost Oxfordshire's low carbon economy
- 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
- Westmill Solar Co-operative support for our energy efficiency audits programme for schools and community buildings
- Oxford City's Economic Development Team Build Back Better assessment funding
- Oxford City Council's Oxford Community Impact Fund, Community Energy England, Westmill Solar Co-operative, Westmill Wind Farm Co-operative, and everyone who supported the Warmer Winter Appeal for supporting our energy advice programme.

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Directors' report for the year ended 31 March 2023

Expenditure

We use our community benefit income to deliver:

- Grants and support to community energy enterprises
- Funding, help, and advice to support community action on climate change

Support to innovative initiatives, by providing seed funding for the development of new products and services that encourage carbon-cutting action.

On the 31st March 2023 the major grant funding in the form of Innovate UK and European Regional Development Fund came to an end. During this financial year the Directors undertook a further review of the activities of the company and it was agreed with the directors of the IPS that it would be more efficient and effective for CIC staff to work within the IPS Group who share the same strategic objectives.

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Directors' report for the year ended 31 March 2023

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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.

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Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover		1,174,008	1,258,246
Cost of sales		<u>419,092</u>	<u>296,815</u>
Gross profit		754,916	961,431
Administrative expenses		(1,490,494)	(899,664)
Other Operating Income		<u>34,778</u>	<u>7,575</u>
Operating (loss)/profit		(700,800)	69,342
(Loss)/profit before tax	4	(700,800)	69,342
Taxation			
(Loss)/profit for the financial year		<u>(700,800)</u>	<u>69,342</u>

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(Registration number: 07583663)

Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Intangible assets	5		158,933
Tangible assets	6	31,990	31,459
Other financial assets		2,809	2,982
		<u>34,799</u>	<u>193,374</u>
Current assets			
Debtors	7	937,409	1,232,159
Cash at bank and in hand		652,258	277,426
		<u>1,589,667</u>	<u>1,509,585</u>
Creditors: Amounts falling due within one year	8	<u>(2,220,396)</u>	<u>(1,598,092)</u>
Net current assets		<u>(630,729)</u>	<u>(88,507)</u>
Total assets less current liabilities		<u>(595,930)</u>	<u>104,867</u>
Provisions for liabilities			
Net assets		<u>(595,930)</u>	<u>104,867</u>
Capital and reserves			
Called up share capital		46	43
Profit and loss account		<u>(595,976)</u>	<u>104,824</u>
Total equity		<u>(595,930)</u>	<u>104,867</u>

For the year ending 31st March 2023, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved and authorised for issue by the Board on 20th December 2023 and signed on its behalf by:

Sam Clark

Director

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Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital	Profit and loss account	Total
	£	£	£
At 1 April 2022	43	104,824	104,867
(Loss) for the year	-	(700,800)	(700,800)
Total comprehensive income	-	(700,800)	(700,800)
New share capital subscribed	3	-	3
At 31 March 2023	46	(595,976)	(595,930)

	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

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Notes to the Financial Statements for the Year Ended 31 March 2023

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.

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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.

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Notes to the Financial Statements for the Year Ended 31 March 2023

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 22 (2022: 16).

4 Loss/profit before tax

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	6,806	5,582

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Notes to the Financial Statements for the Year Ended 31 March 2023

5 Intangible assets

	Development Costs	Total
	£	£
Cost or valuation		
At 1 April 2022	158,933	158,933
Additions	331,454	331,454
Disposals	(490,397)	(490,397)
At 31 March 2023	-	-

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 coordination System that continues to be refined where local, small-scale renewable energy assets can be aggregated and traded into a new local energy market. In accordance with applicable accounting standards, the company has assessed People's Power Station 2.0 and identified impairment indicators. As a result of this assessment, it has been determined the full costs are no longer expected to generate future economic benefits at its carrying amount. Consequently, the company recognizes an impairment loss in the financial statements for this financial year.

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6 Tangible assets

	Furniture, fittings and equipment	Other property, plant and equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2022	24,834	52,875	77,709
Additions	5,778	1,559	7,337
Disposals	-	-	-
At 31 March 2023	30,612	54,434	85,046
Depreciation			
At 1 April 2022	23,503	22,747	46,250
Charge for the year	1,117	5,689	6,806
At 31 March 2023	24,620	28,436	53,056
Carrying amount			
At 31 March 2023	5,992	25,998	31,990

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Notes to the Financial Statements for the Year Ended 31 March 2023

7 Debtors

	2023	2022
	£	£
Trade debtors	769,477	976,187
Prepayments	13,631	105,895
Other debtors	154,301	150,077
	937,409	1,232,159

8 Creditors

Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	34,403	21,647
Amounts owed to Low Carbon Hub IPS Ltd and Sandford Hydro Ltd	2,033,083	1,292,190
Other creditors	152,910	284,255
	2,220,396	1,598,092

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 £nil (2022 - £102,441). These represent the total commitments under non-cancellable operating leases over the remaining life of these leases.

10 Events After the Reporting Period: Voluntary Liquidation

After the reporting period, the directors have made the decision to initiate the voluntary liquidation of the Low carbon Hub CIC Limited, as the company has successfully fulfilled its intended purpose. This decision was reached subsequent to the reporting period but is

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considered a non-adjusting event under the provisions of International Financial Reporting Standards (IFRS).

Purpose Fulfilled: The voluntary liquidation is a strategic decision based on the accomplishment of the company's specified objectives and goals.

Voluntary Liquidation Process: The company will proceed with the orderly liquidation process, appointing a liquidator to oversee the distribution of assets to creditors and shareholders. The anticipated timeline and key milestones of the liquidation process are outlined intended to be by 31st March 2024.

Financial Position: The financial statements have been prepared on a going concern basis, reflecting the company's financial position as of the end of the reporting period. The anticipated assets of the company will be transferred to the Low Carbon IPS Limited at £nil expense.

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Detailed Profit and Loss Account for the Year Ended 31 March 2023

	2023	2022
	£	£
Turnover (analysed below)	1,174,008	1,258,246
Cost of sales (analysed below)	419,092	296,815
Gross profit	754,916	961,431
Gross profit (%)	64.30%	76.41%
Administrative expenses		
Employment costs (analysed below)	(783,197)	(716,946)
Establishment costs (analysed below)	(56,042)	(62,286)
General administrative expenses (analysed below)	(644,052)	(114,404)
Finance charges (analysed below)	(397)	(446)
Depreciation costs (analysed below)	(6,806)	(5,582)
	(1,490,494)	(899,664)
Other Operating Income	34,778	7,575
Operating (loss)/profit	(700,800)	69,342
(Loss)/profit before tax	(700,800)	69,342

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Detailed Profit and Loss Account for the Year Ended 31 March 2023

	2023	2022
	£	£
Turnover		
Sales	347,376	637,949
Interest received	99	179
Grants and subsidies	826,533	620,118
	1,174,008	1,258,246
Cost of sales		
Direct costs	419,092	296,815
Employment costs		
Wages and salaries (excluding directors)	676,336	627,567
Staff NIC (Employers)	72,778	62,989
Staff pensions (Defined contribution)	26,898	25,134
Staff training	7,185	1,256
	783,197	716,946
Establishment costs		
Rent	33,925	38,949
Rates	22	231
Insurance	-	6,123
Repairs and maintenance	22,095	16,983
	56,042	62,286
General administrative expenses		
Telephone and fax	2,459	1,194
Office expenses	150	386
Computer software and maintenance costs	526,968	27,816
Printing, postage and stationery	1,238	2,527
Trade subscriptions	626	2,860
Charitable donations	5,828	2,273
Sundry expenses	33,335	9,675
Community engagement and marketing	59,510	51,501
Travel and subsistence	2,625	2,841
Accountancy fees	8,875	11,335
Legal and professional fees	2,438	1,996
	644,052	114,404

The Low Carbon Hub C.I.C.

Detailed Profit and Loss Account for the Year Ended 31 March 2023

	2023	2022
	£	£
Finance charges		
Bank charges	397	446
Depreciation costs		
Depreciation of plant and machinery (owned)	6,806	5,582
Other Operating Income		
Other Operating Income	34,778	7,575