

LOW CARBON HUB ANNUAL REPORT AND ACCOUNTS

low
carbon
hub

2023/24

We are 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 PURPOSE

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.

We develop community-owned renewable energy projects across Oxfordshire which produce clean energy and accelerate the transition to the zero-carbon electricity system we need for the future. Power, heat and transport – all powered by renewable electricity.

Our installations produce an ongoing, long-term income that we use to fund our part in the transition to a fair, community-centred, zero-carbon electricity system at the Grid Edge, where we all live and work. We want to be at the heart of a growing partnership of communities, local authorities, businesses, universities and energy system operators working together for a zero-carbon energy system that benefits everyone.

The IPS business model

The Low Carbon Hub IPS Limited is a registered society run for the benefit of the community (previously known as an Industrial and Provident Society, hence IPS). The IPS is a for-profit business that applies all of its profits to the benefit of the community. Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar Limited are both wholly-owned subsidiaries of the Low Carbon Hub IPS Limited.

The IPS develops renewable energy projects for partner organisations, including schools and businesses, providing them with cheaper electricity, enabling them to meet carbon reduction commitments, and delivering a positive corporate social responsibility return.

We raise the capital needed to pay for these projects through community energy share raises, loans and grants, so there is no investment cost to the partner organisation. Investors in the Low Carbon Hub IPS Limited become members on a one member = one vote principle. The IPS owns the installations, receives income from the sale and export of the electricity, and retains the Feed-in Tariff.

Surpluses from our trading are used for community benefit purposes, normally a combination of direct grants to communities for carbon reduction projects in their area, and match-funding for innovation projects that will lead to new systems and business models at the Grid Edge.

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STRATEGIC REPORT



Steve Drummond
Chair of The Low Carbon Hub IPS Limited

Message from the Chairman

I am writing to you on the Hub's twelfth anniversary; delighted to present to you another excellent set of results and to tell you about an unprecedented year of change at The Low Carbon Hub. Change is why the Hub was founded: the idea that community is the key to a truly sustainable energy future and that as many of us as possible need to help find the way. Helping to catalyse this change is what Low Carbon Hub is all about.

As Chairman, I am afforded the luxury of being able to pick out my own highlights from the last year of operations. Ray Valley Solar has been contractually put to bed and its innovative use of bi-facial solar panels is already reaping rewards in higher-than-expected energy output. The remodelling of Sandford Hydro is also nearing completion, to enable it to make better use of the river flows and be truly capable of remote operation. The successful consolidation of both of these generation assets creates a strong financial platform for the future, and thanks are very much due to our new Renewables Portfolio Director, Tim Jones.

I am also delighted that the total amount of community benefit invested from our renewable energy income has now exceeded one million pounds. This is a lot of money, from the smallest of beginnings, and has been the catalyst for very much more in grants and other income. Community benefit is not all about money however, and in addition to our work with businesses and schools I am particularly excited by the Community Action Plan for Eynsham. This points the way forward: a truly innovative, fully integrated sustainable energy plan for Eynsham's Primary Substation Area (PSA) involving all the parties necessary to ensure its success.

There are 63 PSAs in Oxfordshire and we have 46 community energy groups, so there is a gap. Each PSA needs a Community Action Plan and many of the unrepresented communities are in lower income areas – which needs fixing. Planning energy production and use locally is at the core of enabling a truly sustainable future. There is a huge prize: put simply, if we do this right, it will halve the amount of extra copper wiring needed in our streets for all-electric energy, heat and transport. Communities are at the heart of this transformation.

Which brings me neatly onto strategy. At the last AGM the Members appointed an expert Board, and the benefits are already being felt in every aspect of the Hub's mission and operations. Thank you – it makes the Chairman's job a lot easier! The main job of the Board so far has been to support Barbara Hammond's development of the next phase of the Hub's strategy. The Hub was formed to help communities in Oxfordshire develop energy efficiency and renewable energy

projects. Along the way the Hub has developed and acquired its own portfolio of renewable energy installations, and we have now grown our income enough to support initiatives for change directly, without having to rely on (and be diverted by) grant money. So we can truly focus our attention on where it will be most effective.

It is the Low Carbon Hub's job to ensure that we demonstrate how the 'high-welfare, low energy society' can be achieved, in Oxfordshire and beyond. We will continue to grow our portfolio of renewable energy assets, so that we can grow our community benefit profit and our profits will be used to help achieve the following benefits for Oxfordshire by 2050:

- No households in Oxfordshire remain in fuel poverty because all fuel-poor households (currently c. 23,000) have had a Whole House Plan and all the measures identified have been funded
- There are no households in Oxfordshire reliant on oil for heating because they are not connected to the gas grid (currently c. 57,000). All have had Whole House Plan and all have electric heating installed
- All SME premises in Oxfordshire (currently c. 18,400) have had an energy assessment and all the measures identified have been funded
- Smart retrofit: all households and SMEs have maximised their energy efficiency and installed highly controllable low-carbon technologies, so that:
 - demand from the Grid can be reduced to a minimum
 - all can benefit from supplier tariffs that help to manage electricity system loads
- Smart buildings can be members of Smart Community Energy Schemes that together provide reliable peak management behind the secondary substation and can trade surplus generation directly between themselves and local renewable energy assets
- Our programmes and business models will provide channels for stakeholder investment, coordinating with capital providers to achieve smart retrofit targets.

Our role is to partner with our Distribution Network Operators, Local Authorities, universities and major businesses to make sure the resources of skills, supply chain, knowledge, and funding are available to all communities, individual householders and SMEs to achieve a high-welfare, high energy, zero-carbon society in Oxfordshire.

We also have a duty to share our learning and help foment similar change elsewhere in the UK.

That's a lot to do! I look forward to sharing the progress with you next year.



Barbara Hammond, MBE
Chief Executive Officer of
The Low Carbon Hub IPS Limited

CEO's report

Last year was one of finishing big projects: Project LEO, OxFutures, Ray Valley Solar, and consolidation of all business into the IPS. I am very happy to report that these all went very well, with full grant paid to us, performance acceptance achieved for Ray Valley Solar, and consolidated budgets set for the IPS for the first time at the March Board.

During this period, we continued working with our growing network of communities as we show in the 'Our Impact' and 'Supporting Community Action' sections of this report. I am particularly pleased to highlight here that we have now invested over £1m of our own income from our renewable energy projects back into the community. We have leveraged this up to £13m in grants and contracts, making a huge £14m of community benefit spend in total.

The next ten years will be the most important for the zero carbon transition. We can achieve a 'high energy, high welfare'* zero-carbon society; all the tools and technologies are there. We have the will, the knowledge and the resources now in the Low Carbon Hub that can make a significant contribution to a successful transition that could benefit everyone.

We will now be seeing policies and programmes put in place nationally through GB Energy and its Local Power Plan that can super-charge our ability to put actionable plans in place at the high-voltage and low-voltage levels to move forward rapidly with the transition in Oxfordshire.

We were not successful in the bid, led by our main Distribution Network Operator, Scottish and Southern Electricity Networks (SSEN), for the successor innovation programme to Project LEO, Project LEO-N. The extra 'N' means 'at the neighbourhood scale, showing how vital our work has been in exposing the problem of the Grid Edge to SSEN and the wider system. But our Business Plan includes a programme of LEO-N activity funded from our community benefit profit, as the need for the work has not gone away.

We have developed our new strategy and business plan with all of this in mind. The strategy and the business planning framework is therefore set for the next 10 years until 2035. We have described the benefits we intend to achieve by 2035, we then manage the business planning underlying the strategy using an Objectives, Key Results approach. We will use the Annual Report to set out our progress using the three-level metric we have set in the strategy for each objective: baseline, grow, and stretch. We expect this business planning framework to be in place for the full 10 years, with a light-touch review by the Board every three years. This approach should allow us to keep a laser focus on making the change happen, whilst managing the Hub staff and resources efficiently.

We will not achieve our 'grow' or 'stretch' goals without working in partnership, both to leverage resources and capacities, but also to share knowledge within and beyond Oxfordshire. With your help, we have built a business that can build lasting partnerships, and that has the capacity to have a lasting effect on the welfare of the people of Oxfordshire and beyond.

*Centre for Research into Energy Demand Solutions www.creds.ac.uk

OUR HEADLINES

At Low Carbon Hub, we are committed to leading the transition to a sustainable energy future for Oxfordshire. This section illustrates our journey and vision.

Past successes

Our groundbreaking Local Energy Oxfordshire (LEO) project has demonstrated the power of localised energy systems in fostering sustainability and community resilience. Through LEO, we have set a benchmark for integrating energy solutions at the community level.

Current projects

Presently, we are focused on several key initiatives. The FutureFit Area Based Insetting (FABI) project is driving forward with innovative energy efficiency measures across various communities. Our Community Action Plan for Zero-Carbon Energy (CAPZero) is empowering local residents and organisations to actively participate in the transition to a zero-carbon future. Additionally, the Action on Carbon and Energy in Schools (ACES) programme provides an energy efficiency support service specifically for schools in Oxfordshire.

Planning the next steps

Looking to the future, we are excited to launch Local Energy Oxfordshire – Neighbourhoods (LEO-N). This upcoming initiative aims to build on the success of LEO by fostering greater community involvement and expanding sustainable practices at a neighbourhood level.



From left: Fiona Brown, Vice Chair, Hook Norton Community Land Trust; Dianne Regisford, Oxford City Councillor; and Cathy Ryan, Chair, Hook Norton Community Land Trust.

From the success of LEO...

Project LEO (Local Energy Oxfordshire) reached a successful close in March 2023, marking a significant milestone in Low Carbon Hub's journey towards a sustainable and economically resilient future.

With a total budget of £40 million, LEO exemplified what can be achieved through collaboration and strategic investment. Key stakeholders, including Scottish and Southern Electricity Networks, the two universities, and local authorities, played a pivotal role in its success.

LEO focused on innovative energy trials, to build a broad range of evidence of the technological, market, and social conditions needed for a greener, more flexible, and fair electricity system. It looked at how communities could become more involved in, and crucially benefit from, the sustainable energy system of the future.

The lessons learned from LEO will have an enduring impact on the way we approach the energy transition.

...to the vision of LEO-N

Project LEO-N (Local Energy Oxfordshire - Neighbourhood) is an extension of Project LEO, and focuses on community-driven decarbonisation. It emphasises coordinating efforts between communities, network operators, and local authorities to optimise energy use and reduce costs.

LEO-N aims to establish a Grid Edge Coordinator service. This service will support communities in creating and implementing Zero Carbon Energy Action Plans, facilitating smart retrofit schemes and data analysis.

The project seeks to develop a detailed plan, funded by our own community benefit surplus, aiming to avoid chaos in energy planning, create an affordable business model, and share insights nationwide. If successful, LEO-N could pave the way for coordinated, scalable decarbonisation efforts across the UK.

"It's great to see residents moving into this community-led development, proving we can build affordable, energy-efficient homes powered by locally generated renewable energy."

Cathy Ryan, Chair, Hook Norton Community Land Trust



Targeting non-residential emissions

FutureFit Area Based Insetting (FABI), an InnovateUK-funded project in Oxford City running to June 2025, targets carbon emissions from non-residential buildings.

Many businesses face financial and support challenges in decarbonisation. FABI offers a funding solution by allowing large local organisations to offset their carbon emissions through local low-carbon projects, which have had an Energy Solutions Oxfordshire (ESOx) energy efficiency assessment. Oxford City Council ensures transparency for the project.

FABI focuses on retrofitting and 'FutureFit' projects, enhancing energy systems' resilience. It will reduce energy demand, support local communities, and provide evidence of the impact of funding in supporting action.

Community action plan

The **Community Action Plan for Zero-Carbon Energy (CAPZero)**, the first of its kind in the UK and pioneered by Project LEO, focuses on Eynsham's Primary Substation Area (PSA) to accelerate the shift to zero-carbon energy. With the UK targeting a 78% carbon cut by 2035 and net-zero by 2050, urgent action is needed. By 2030, goals include reducing energy use, adopting renewables, building energy-efficient homes, and fostering smart, connected communities. Opportunities like shared heat networks and local energy trading are explored. The plan sets targets for the first three years, with Low Carbon Hub working with the community and local authorities, supported by a Service Level Agreement (SLA) with West Oxfordshire District Council. The aim: To build a healthier, stronger world, starting now.





OxFutures: Advancing energy efficiency

The OxFutures programme (2017-2023) created a lasting legacy of innovation and energy efficiency across Oxfordshire. It accelerated the growth of Oxfordshire's low-carbon economy, driving transformation at business, academic, and innovation levels.

Through the combined efforts of six partner organisations, including local authorities and universities, the programme made significant strides toward the county's net-zero goals. It funded 8 start-ups, 9 new low-carbon products and services, and supported 45 businesses in installing low-carbon technologies. Additionally, 182 businesses received building assessment reports, leading to major improvements in energy efficiency and reduced carbon emissions.



Helping schools reduce energy use

The **Action on Carbon and Energy in Schools (ACES)** programme helps local schools reduce energy use, cut carbon emissions, and save money on energy bills. By March 2024, ACES had engaged over 100 schools, including 60% of county-maintained ones, providing free energy assessments, thermal imaging, and support in accessing funding. Notably, ACES has facilitated carbon savings of 19.76 tonnes annually. In 2023/24 the programme supported Oxfordshire County Council's interest-free loan scheme offering funding for LED lighting and solar panels. With its extension into a third year, ACES continues to offer invaluable support, working closely with Oxford Brookes University's Environmental Information Exchange, enhancing school energy efficiency and comfort for students and staff.

"It's that combination of experience, knowledge, and idealism that makes Low Carbon Hub so special."

Eleanor, Rose Hill and Iffley Low Carbon

OUR IMPACT

We measure the impact we achieve against four key metrics:
Planet, Prosperity, People, and Perception.

Planet

We reduce Oxfordshire's carbon emissions by increasing renewable energy generation, reducing energy demand and supporting more efficient use of our local electricity network.

Our programmes support thousands of residents, organisations and communities across Oxfordshire to get started on their journey to net zero.

Our portfolio



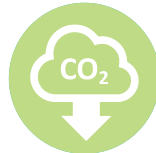
55
renewable energy installations



23.9
MW installed capacity



18.16
GWh generated in 2023-24



4,087
tonnes of CO₂ saved in 2023-24



122
kW of battery storage

Plans to net-zero



106
Whole House Plans carried out



79
Energy efficiency assessments carried out



1
CAPZero report delivered

Prosperity

Our portfolio of community-owned renewables provides the organisations that host them with discounted electricity and a cost-effective way to reduce their carbon footprint. Together they form the Low Carbon Hub's engine – producing green electricity to power Oxfordshire, and a sustainable income stream to help transform the way we generate, use and store energy in our communities to the benefit of people, and the planet.



£9,836,006
Total investment by our members



£473,262
Surpluses spent on community benefit in 2023-24



£456,820
Interest to investors in 2023-24



£153,837
Savings on bills for our hosts in 2023-24

People

Collaboration is at the heart of everything we do – from our community groups, host organisations, programme partners, and funders, to everyone who subscribes to our newsletters and helps spread the word on social media. Together they form an incredible ecosystem that supports the transformation towards a zero-carbon energy system.



1,773
Investor Members
who help finance the upfront costs of our projects and whose investments bring energy into community ownership



14,000+
Network of supporters



46
Low carbon community groups
in our network who share our aims



190
people from 61 organisations working in partnership with Low Carbon Hub



45
Hosts for rooftop solar

Perception

We are committed to developing sustainable energy for community benefit. We aim to be a transparent and trusted partner, sharing knowledge and expertise openly.

To ensure we meet this commitment, we survey our stakeholders – host partners, community members, investor members, project partners, and others – annually to see how we're doing and how we can improve.

This summary is based on 132 responses to the "How are we doing?" Low Carbon Hub stakeholder survey, Spring 2024.

93%

perceive Low Carbon Hub to be quite or highly committed to the creation of a zero-carbon energy system that's good for people and good for the planet.

92%

report quite high or high trust in Low Carbon Hub to deliver community centred solutions that support the creation of a zero-carbon energy system.

79%

report we had a moderate or substantial difference to their knowledge of the changes we can make about the way we use, store or generate energy in our homes, organisations and community to support the transition to a low carbon energy system.

74%

report we made them more positive about the potential of community-centred solutions to energy issues.

77%

report we have contributed to them taking some or substantial action on energy or environmental issues.

Delivering community benefit

The electricity we generate provides us with a sustainable income stream to support further carbon-cutting activity and leverage additional funding from grants and contracts.

Community benefit income

	2023/24		2022/23	
Income	CIC	IPS	CIC	IPS
Own surpluses	-	£473,262	£1,391	£35,117
Unrestricted grants and donations	£237	£50	£840	-
Restricted grants and donations	£66,557	£14,095	£3,558,353	-
Service contracts	£92,431	-	£99,695	-
Total community benefit income by organisation	£159,225	£487,407	£3,660,279	£35,117
Total community benefit income		£646,632		£3,695,397

Community benefit expenditure

	2023/24		2022/23	
Summary	CIC	IPS	CIC	IPS
Community grants programme	-	£18,450	£5,162	£35,117
Local energy programme	£96,592	£573,665	£4,175,001	-
Total community benefit spend by organisation	£96,592	£592,115	£4,180,163	£35,117
Total		£688,707		£4,215,280

Income

We use our surpluses to leverage significant additional donations, grants and contracts to further our mission. We are most grateful to all our funders for their support of our work. In particular, our members who have donated shares and interest, and Westmill Solar Co-operative for their ongoing support of our community buildings energy assessment work.

Did you know?

We've now reinvested over £1 million of our own income from our renewable energy projects back into the community and for every £1 of our own funds created, we've attracted an additional £13 in grants and contracts to support our communities, drive innovation and deliver carbon reduction programmes.

Expenditure

We use our community benefit income to deliver community benefit activities, either in the form of grants or by directly carrying out activities ourselves to support community action on climate change. This includes:

- Grants and support to community energy enterprises
- Funding, help, and advice to support community action
- Innovation initiatives to accelerate the transition to net-zero

You can read more about our community benefit programmes on page 14. In this year of transition, some of our community benefit activity has been delivered by Low Carbon Hub CIC.

With restricted grants and donations, where monies were spent on capital investments, these monies have been treated as deferred income in the Balance Sheet and will be released as income into the Profit and Loss Account over the useful life of the investments.



Supporting community action

Our network of 46 low carbon community groups sit at the heart of Low Carbon Hub. We offer training, advice and support to help them transform their neighbourhoods into vibrant and sustainable communities.



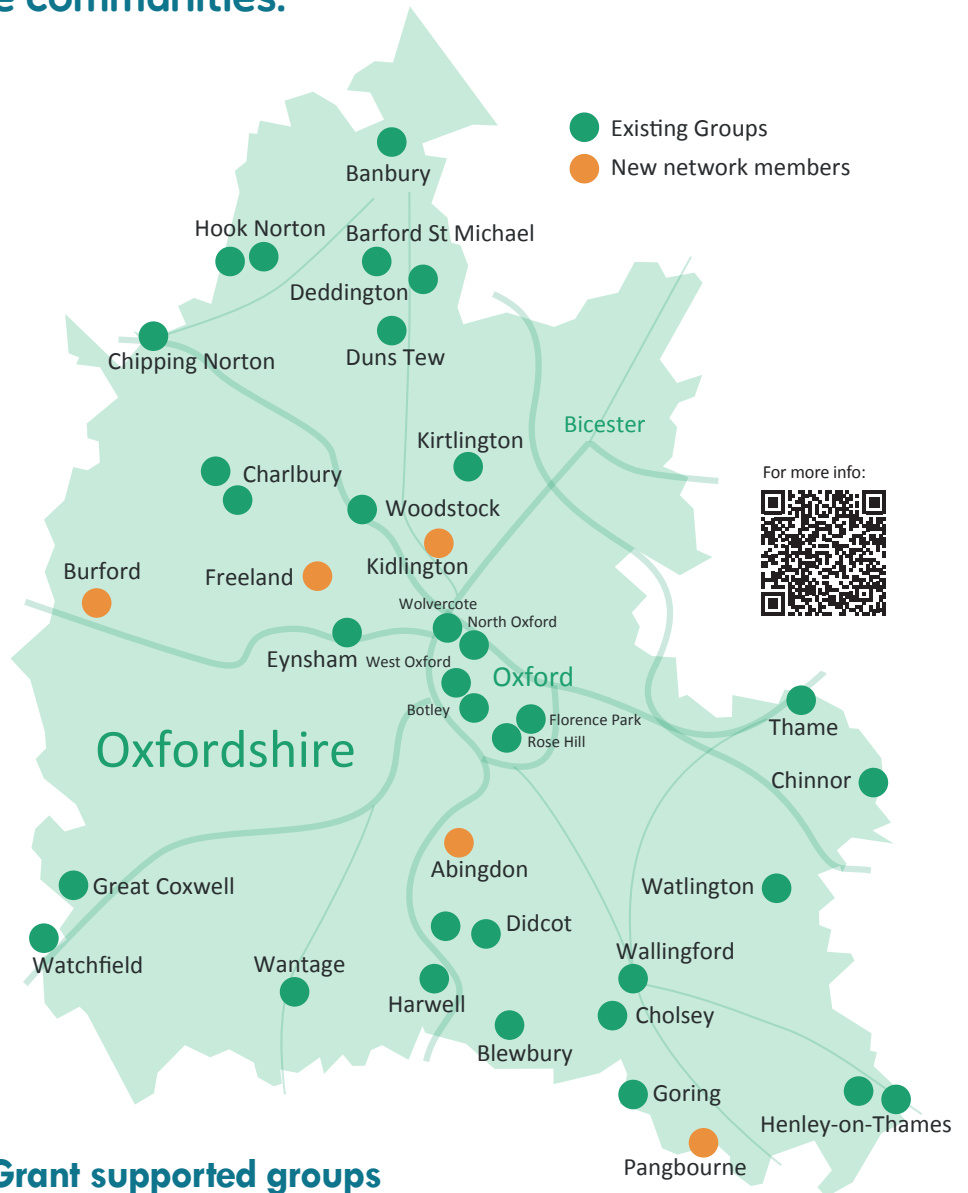
Above: **Sustainable Harwell** 'speed dating' in the Village Hall to bring the group together

Below: **Kidlington Eco Group** set up Draughtbusters (being demonstrated below)



Our new network members:

- Burford BEAGles
- Freeland Energy Group
- Hardwick Community Energy
- Kidlington Eco Group
- One Planet Abingdon



Grant supported groups

Oxford Friends of the Earth set up an information service to help households move away from dependency on gas.

Hook Norton Community Land Trust designed resources to promote their community share offer to fund affordable, sustainable homes and a microgrid.

Sustainable Wantage held an energy event to encourage take-up of solar PV and batteries.

WeSET (in conjunction with Westmill Wind & Solar Co-op) created new educational materials for events in schools.

Low Carbon Oxford North set up a website called Oxport.org to help people find alternative ways to travel actively across Oxfordshire.



Thermal imaging training

Our thermal imaging training and camera loan scheme helps groups show householders where their homes are losing heat and promote energy efficiency. Thirty-five volunteers were trained.



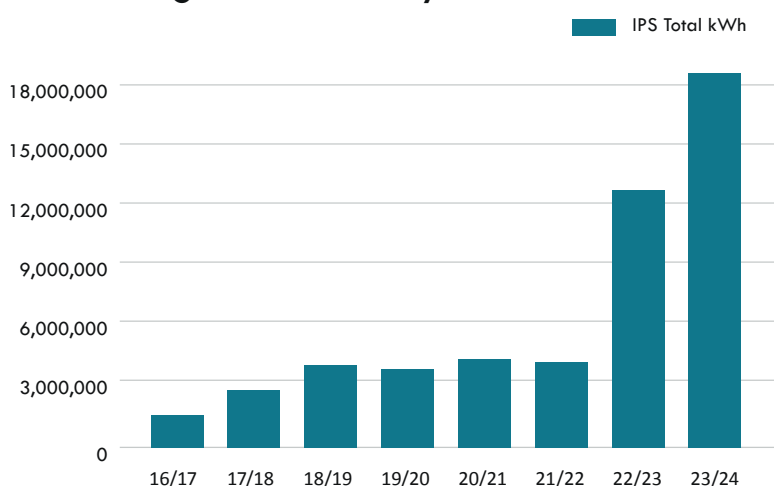
Energy advice stall

Our Community Energy Champions have delivered over 300 hours of energy advice.

ANNUAL PERFORMANCE SUMMARY

Our generation portfolio

Annual generation by IPS installations



Our generation portfolio forms the engine that powers Low Carbon Hub.

2023/24 saw the completion of all outstanding construction and generation works at Ray Valley Solar, the UK's largest community-owned solar park.

The decision to install bifacial panels is proving an initial success, resulting in 8% higher annual predicted generation than our original expectations.

See a full list of our installations, backed by over £10 million investment from 1,773 investor Members, on our website.

	Total installed capacity	2023/24 generation (kWh)	% of predicted	CO ₂ tonnes saved
IPS rooftop solar	4.3 MW	3,406,421	95.40%	766
Ray Valley Solar	19.2 MW	14,095,317	76%*	3,171
Sandford Hydro	440 kW	661,708	49.80%	149

*Reduced generation due to planned transformer works. Performance when site fully operational showing better than modelled performance.

Investment performance

The investment by portfolio and return to investors summarised:

Portfolio	Number of investors	Total investment at year end	Change in equity	Interest rate	Total interest to be paid out
Solar 2014	354	£1,513,600	(£89,249)	5.6%	£84,762
Solar 2016	237	£673,365	(£34,478)	5.49%	£36,968
Community Energy Fund	1,227	£6,000,729	(£67,492)	4%	£254,597
			[4 year+]	5%	
Sandford Hydro	460	£1,443,844	(£12,333)	5%	£72,192
ONCORE A 25 year pledge	64	£102,891	(£5,061)	4.2%	£4,322
ONCORE A returnable	13	£24,010	0	3%	£720
ONCORE B 20 year pledge	37	£77,601	(£3,353)	4.2%	£3,259



Rooftop solar portfolio

Capacity MW	Generation kWh	CO ₂ tonnes saved
4.3	3,406,421	766

There was strong performance across our solar rooftop sites, reaching 95% of the predicted generation. Our focus on maximizing on-site energy use continues to drive efficient energy management and long-term sustainability.

Looking ahead will see the completion of our first 1 MW rooftop solar array with long-time partner Norbar Torque Tools Ltd.



Ray Valley Solar

Capacity MW	Generation kWh	CO ₂ tonnes saved
19.2	14,095,317	3,171

Our community-owned ground mount solar park, Ray Valley Solar, continues to exceed expectations as we gained an extra 8% of energy production across the year from using bi-facial panels. These generate electricity from the front and rear sides of the panels.

The site has also become a thriving [wildlife haven](#), with Great Crested Newts on site and beehives in place to enhance pollination.



Sandford Hydro

Capacity kW	Generation kWh	CO ₂ tonnes saved
440	661,708	149

Sandford Hydro had another poor year for generation. Various safety concerns meant considerable downtime was needed at the site while we made a lot of improvements. Unfortunately the renovation works were greatly delayed by the terrible winter weather preventing site access for our contractors. The weather also created flooding conditions further hampering generation. These vital improvement works will stand us in good stead for our major generation period in Autumn/Winter.

GOVERNANCE REPORT

Governance

The Board is the principal decision-making body in the IPS. It is collectively responsible for ensuring that the business is run according to the Co-operative and Community Benefit Societies Act 2014 and the Financial Conduct Authority guidance on its implementation. This includes the long-term success of the business for the benefit of the community according to the Objects as set out in the Rules of the Society, which include delivering a reasonable investment return to IPS members.

The Chief Executive proposes strategy to the Board and is then held accountable by it for delivery of the agreed strategy. The Board ensures effective corporate governance, succession planning, and stakeholder engagement. The Board is also responsible for ensuring that effective internal controls and risk management systems are in place.

The Board comprises Executive Directors – Low Carbon Hub’s senior management – and Non-Executive Directors who bring additional skills and experience and an independent perspective that is separate from its day-to-day operations. The Directors set the tone and lead by example. This is particularly true of Executive Directors, and each of the Non-Executive Directors has a specific responsibility to provide support to the IPS team beyond simple attendance at Board meetings.

As part of this, the Board has formally delegated certain governance responsibilities to its Board Committees as briefly outlined below and set out in more detail on the website. Prior to appointment, each prospective Non-Executive Director confirms that they will have sufficient time available to be able to discharge their responsibilities effectively and that they will have no conflicts of interest. This is discussed by the Board before any appointment is made.

The Board meets formally about eight times a year and individual Non-Executive Directors carry out other duties in addition, including the activities of the Board Committees. Board meetings are not exclusively for Directors; other members of staff are included to add their expertise on particular topics and to ensure broader links between the Board and the Low Carbon Hub’s team.

The Board is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Practice and applicable law) including FRS 102. The financial statements must give a true and fair view of the state of affairs of the IPS and its excess of income over expenditure for that period.

In preparing these financial statements, the Board is 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 is also responsible for keeping adequate accounting records that are sufficient to show and explain the Society’s transactions and the financial position of the Society, and to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Board is 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 is 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.

Board Members

Re-election of Directors previously appointed by the Members

Under the Low Carbon Hub IPS Rule number 18.1, one third of the Directors elected by the members must stand down at each AGM. This third must comprise the Directors who were longest-standing from their last election or re-election (Rule 18.2). Saskya Huggins stands down as a Director. Al Kitchen is standing for re-election (see below). Barbara Hammond is standing down as longest-serving Director and is seeking re-election. Steve Drummond is standing down having been drawn by lot under Rule 18.2 and will be seeking re-election.

Communities Director

Al Kitchen kindly agreed to extend his term of office as Communities Director to bridge over the year of consolidation of the Low Carbon Hub CIC into the Low Carbon Hub IPS. Elections were duly held amongst our community shareholders, and they decided unanimously to ask Al Kitchen to stand again for re-election.



Key to Committee Members

- A** Audit Committee
- G** Grants Committee
- GR&N** Governance, Risk and Nominations Committee
- I** Investment Committee
- R** Remuneration Committee
- S** Strategy Committee
- *** denotes Chair of Committee

Board of Directors and Executive Team



Steve Drummond

Chairman, Non-Executive Director **GR&N**

Board member since 2013, brings 40 years of energy sector experience. CEO of Electrogenic Ltd.



Barbara Hammond, MBE

CEO, Executive Director **A, GR&N, R, S**

Founder and CEO since 2012, drives sustainability initiatives, pioneering community energy and leading Low Carbon Hub.



Mairi Brookes

Smart Energy Systems Director, Executive Director **S**

Board member since 2023, drives community energy, focuses on carbon emissions reduction and innovation.



Maxine Frerk

Non-Executive Director **R*, S**

Board member since September 2023, leverages grid edge expertise, enhancing customer communication and innovation at Low Carbon Hub.



Saskya Huggins

Social Impact Director, Executive Director **G, S**

Board member since 2023, 30+ years' charity experience, leading stakeholder engagement / community programmes.



Tim Jones

Renewables Portfolio Director, Executive Director **I**

Board member since 2023, brings 35 years' energy sector experience, managing renewables investments.



Al Kitchen

Non-Executive Director **G*, R**

Board member since September 2023, champions community engagement, representing affiliated organisations and advancing Low Carbon Hub's mission.



Lenah Oduor

Non-Executive Director **A***

Board member since September 2023, brings financial expertise, chairing the Audit Committee at Low Carbon Hub.



Mish Tullar

Non-Executive Director **G, S***

Board member since June 2023, leads strategy development, leveraging corporate communication expertise and collaboration with Oxford City Council.



Chris Woolhouse

Non-Executive Director **GR&N***

Board member since June 2023, leads governance, leveraging legal expertise and commitment to the low-carbon transition at Low Carbon Hub.



Rob Kesterton

Non-Executive Director **A, I***

Board member since June 2023, merges finance acumen with renewable energy experience, chairing the Investment Committee for Low Carbon Hub.



Chukwuemeka Godwin Nwangele

Non-Executive Director **I, S**

Board member since July 2023, serves on the Investment Committee.

Our committees

Board Committees

The Board Committees support the Board in specific areas of its responsibilities, as outlined below and set out in more detail on the website. The Committee Chairs provide regular updates to the Board on committee meetings and activities.

Audit Committee

- Reviews and monitors the integrity of financial information prior to publication, ensuring that the Annual Report as a whole is fair, balanced, and understandable
- Oversees systems of internal control and risk management
- Approves internal and external audit processes
- Maintains relationship with auditors
- Carries out in-depth reviews of specific risks, ensuring that risks are appropriately identified, managed, and mitigated.

The Committee consists of two Non-Executive Directors, one of whom is the Board member responsible for finance, one of whom is the Chair of the Investment Committee, and both of whom are independent. It is chaired by the Non-Executive Director for Finance. The members of the committee at the date of this report are:

Lenah Oduor, Non-Executive Director Responsible for Finance and Committee Chair

Barbara Hammond, Executive Director

Rob Kesterton, Non-Executive Director and Chair of Investment Committee

In attendance:

Sam Clutton, Finance Manager

External Audit

Critchleys Audit LLP were the external auditor for 2023-24. They provided the committee with relevant reports, reviews, information and advice, as set out in their engagement letter.

Grants Committee

- Reviews and recommends the Community Grants Policy, ensuring that it promotes the delivery of the Low Carbon Hub's strategy and the long-term sustainable success of the business
- Reviews, assesses and makes the final decisions on awarding Community Grants
- Oversees and provide Governance for the whole Community Granting process

- Provides proportionate and appropriate transparency and accountability to all stakeholders

The Committee consists of two Non-Executive Directors and one Executive Director. It is chaired by a Non-Executive Director. The members of the Committee at the date of this report are:

Al Kitchen, Non-Executive Communities Director and Committee Chair

Saskya Huggins, Executive Director

Mish Tuller, Non-Executive Director

Governance, Risk and Nominations Committee

- Reviews the Board's size, structure, and composition, including the recommendation of new appointments to the Board
- Monitors the balance of skills, knowledge, experience, independence, and diversity of the Board and its committees to ensure that they remain appropriate
- Oversight of succession planning and development plans of the Board and senior management
- Reviews the governance framework, including the IPS's compliance with applicable laws and regulations, particularly the Co-operative and Community Benefit Societies Act 2014 and accompanying guidance
- Evaluates the effectiveness of the Board and its committees
- Monitors compliance against the UK Corporate Governance Code
- Carries out in-depth reviews of specific risks, ensuring that risks are appropriately identified, managed, and mitigated.

The Committee consists of two Non-Executive Directors and the Chief Executive. The members of the committee at the date of this report are:

Chris Woolhouse, Non-Executive Director and Committee Chair

Steve Drummond, Non-Executive Director and Board Chair

Barbara Hammond, Executive Director

Investment Committee

The Investment Committee oversees investment in and operation of the renewables portfolio.

Investment

- Approve 'standard' rooftop solar schemes under existing delegated powers from the Board

- Assess and update the detailed terms of those investments including lease terms, etc.
- Assess and guide the detailed terms of non-standard investments, which will be approved (or otherwise) by the full Board – ensuring that the important questions have been asked and the project detail is fully understood so there can be a meaningful discussion at the Board
- Guide the principles of the financial modelling and price determination for investments.

Operations

- Oversee the operations monitoring processes to ensure they are appropriate
- Develop a reporting process so the Board has meaningful but concise information
- Oversee health and safety
- Provide guidance to management regarding specific issues that arise and refer to the full Board as appropriate.

The Committee consists of the Renewables Portfolio Director, and two Non-Executive Directors, both of whom are independent. It is chaired by a Non-Executive Director. The members of the Committee at the date of this report are:

Rob Kesterton, Non-Executive Director and Committee Chair
 Chukwuemeka Godwin Nwangele, Non-Executive Director
 Tim Jones, Executive Director and Renewables Portfolio Director

In attendance:

Barbara Hammond, Executive Director
 Sam Clutton, Finance Manager

Kim McLaren provides the secretariat for the Committee.

Remuneration Committee

- Recommends and reviews the Remuneration Policy, ensuring that it promotes the delivery of our strategy and the long-term sustainable success of the business
- Approves remuneration and benefits for the Executive Directors and Non-Executive Directors
- Approves remuneration principles throughout the business.

The Committee consists of the CEO and two Non-Executive Directors, both of whom are independent. It is chaired by a Non-Executive Director. The members of the Committee at the date of this report are:

Maxine Frerk, Non-Executive Director and Committee Chair
 Barbara Hammond, Executive Director and CEO

Al Kitchen, Non-Executive Communities Director

In attendance:

Sam Clutton, Finance Manager

Strategy Committee

The Strategy Committee works with Chief Executive on the long-term development of strategies and plans for the Low Carbon Hub. The Committee supports the Chief Executive to:

- Undertake a comprehensive strategy review to refresh the mission and business objectives of the Company
- Produce, review and update a vision statement for the Company for consideration by the Board
- Develop both long-term (10-year) and short-term (3-year) business plans for consideration by the Board
- Refresh and updates these strategies and plans as required
- Propose the appointment of any external consultants as required to advise the Company on its strategic direction for consideration by the Board
- Horizon scan, research and make recommendations to the Board on the major financing plans of the Company and other major strategic issues influencing the development of the Company
- Provide governance as an “innovation gateway” for non-capital projects that aren’t naturally considered by the Investment Committee
- Support the development of strategic partnerships as appropriate to further the work of the Company and its relationship with Government.

The Committee consists of three Non-Executive Directors and three Executive Directors. It is chaired by a Non-Executive Director. The members of the Committee at the date of this report are:

Mish Tuller, Non-Executive Director and Committee Chair
 Mairi Brookes, Executive Director
 Maxine Frerk, Non-Executive Director
 Barbara Hammond, Executive Director
 Saskya Huggins, Executive Director
 Chukwuemeka Godwin Nwangele, Non-Executive Director

Directors' Report

Principal activity

The IPS's principal activity is the development, ownership, and operation of renewable energy power generation installations. Surpluses from these activities are applied to the benefit of the community, as defined by the Objects of the organisation. The aim is to prove we can meet our energy needs in a way that's good for people and good for the planet.

Income is reinvested in further carbon-cutting projects. We help local organisations become more energy efficient, fund green innovation, and back further community energy projects. We make every pound of investment work hard to bring our vision of a smart and fair energy system to life.

Capital structure

As of 31 March 2024, the Society had in issue 9,836,005 withdrawable £1 shares and 35 transferable £1 shares. The total issued share capital of the company at year end was 9,836,040 £1 shares.

Interest payments to shareholders

The consolidated accounts for the Low Carbon Hub IPS Limited show a net trading surplus of £176,523. As set out on the FCA guidance, the IPS must demonstrate that the surplus is adequate to cover the interest payments to shareholders; this amount is adequate for the amount agreed.

The Board has therefore approved interest payments to Members for the financial year 2023/24 that are fully in line with the expectations set out in the individual share offers on the basis of which Members invested.

Conflicts of interest

Directors are required to disclose their interests to the Board, highlighting any actual or potential conflicts of interest with their duties and responsibilities as a Director. A register of interests is maintained by the Company Secretary and reconfirmed every six months.

The Board has looked closely at the other appointments held by Directors, details of which are contained in their biographies, and considers that the Chair and each of the Directors are able to devote sufficient time to fulfil the duties required of them under the terms of their contracts or letters of appointment.

During the year no Director declared a material interest in any contract of significance with Low Carbon Hub or any of its subsidiary undertakings, other than any third-party indemnity between each Director and the Company.

Going concern

The Directors, after reviewing Low Carbon Hub's operating budgets, investment plans, and financing arrangements, consider that the IPS has sufficient financing available at the date of approval of this report. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report and Accounts.

A full description of Low Carbon Hub's business activities, financial position, cash flows, liquidity position, committed facilities, and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report and the Financial Report.

Viability statement

The Directors have assessed the prospects of Low Carbon Hub over a three-year period to October 2026. This has taken into account the business model, strategic aims, risk appetite, and principal risks and uncertainties, along with the Society's current financial position. Based on this assessment, the Directors have a reasonable expectation that the Society will be able to continue in operation and meet its liabilities as they fall due over the three-year period under review.

Events after the balance sheet

On review by the Directors there are no subsequent events that have material implications on the financial statement to 31 March 2024.

Auditor

Critchleys Audit LLP were the external auditor for 2023-24. They provided the committee with relevant reports, reviews, information and advice, as set out in their engagement letter.

Annual General Meeting (AGM)

The Low Carbon Hub IPS Limited's AGM will take place online at 18:30 on Monday 14 October 2024. Members and the Directors are entitled to attend the AGM. Voting is conducted electronically.

Signed on behalf of the Board on 11 September 2024.



'It was a lovely day when the Board and Team visited Sandford Hydro. This visit exemplifies what Low Carbon Hub is all about!'

Leanne Byatt, Stakeholder Finance Coordinator

FINANCIAL STATEMENTS



Independent auditor's report

To the Members of The Low Carbon Hub IPS Limited for the year 2023/24

Opinion

We have audited the financial statements of The Low Carbon Hub IPS Limited (the Society) for the year ended 31 March 2024, 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 2024 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 18), 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 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, Statutory Auditor,
Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP

Critchleys Audit LLP

Date: 9 October 2024

Consolidated statement of financial position

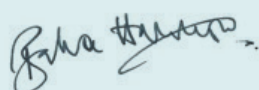
	Notes	2023/24 £	2022/23 £
Intangible fixed assets	7	7,796	8,285
Tangible fixed assets	8	16,198,880	17,170,986
		16,206,676	17,179,271
Current assets			
Debtors	9	719,642	4,629,022
Cash at bank and in hand	10	1,769,835	620,501
		2,489,477	5,249,523
Creditors: Amounts falling due within one year	11	1,565,320	5,179,643
Net current assets / (liabilities)		924,157	69,880
Total assets less current liabilities		17,130,833	17,249,151
Creditors: Amounts falling due after more than one year	12	9,946,974	9,207,800
		7,183,859	8,041,351
Total net assets		7,183,859	8,041,351
Capital and Reserves			
Share equity	13	9,687,772	9,899,703
Income and expenditure account		(2,503,913)	(1,858,352)
Members' funds		7,183,859	8,041,351

Signed on behalf of the Board and authorised for issue on 11 September 2024.

Steve Drummond
Chair
The Low Carbon Hub IPS Limited



Barbara Hammond
Director CEO
The Low Carbon Hub IPS Limited



Tessa Paterson
Company Secretary
The Low Carbon Hub IPS Limited



Consolidated income statement

	Notes	2023/24 £	2022/23 £
Income			
Electricity sales		1,963,491	1,103,621
FIT income		417,481	320,618
Interest income		10,767	2,859
Government grant income		340,802	
Other income		17,520	572,390
		2,750,061	1,999,488
Expenditure			
Community benefit donations	3	42,325	35,117
Depreciation/amortisation expense	7 & 8	822,084	656,068
Administration fees	4	1,846,147	1,076,005
Interest payable	5	228,098	228,573
		2,938,654	1,995,764
Earnings before tax and Members' interest		(188,593)	3,724
Members' interest payments	5	456,968	445,244
Deficit for the year		(645,561)	(441,520)
Taxation	6	-	-
Deficit transferred to retained reserve		(645,561)	(441,520)

Consolidated statement of other comprehensive income

	Notes	2023/24 £	2022/23 £
Deficit for the year		(645,561)	(441,520)
Total other comprehensive income		-	-
Total comprehensive income for the year		(645,561)	(441,520)

Consolidated statement of changes in equity

	Share capital	Income and expenditure account	Total shareholders' funds
	£	£	£
At 31 March 2022	10,044,904	(1,416,832)	8,628,072
Deficit for the year		(441,520)	(441,520)
Other comprehensive income	-	-	-
Issue of new equity shares	250	-	250
Repayment of shares	(145,451)	-	(145,451)
At 31 March 2023	9,899,703	(1,858,352)	8,041,351
Deficit for the year		(645,561)	(645,561)
Other comprehensive income	-	-	-
Issue of new equity net of share raise fees	35	-	35
Repayment of shares	(211,966)	-	(211,966)
At 31 March 2024	9,687,772	(2,503,913)	7,183,859

Consolidated cashflow statement

	£	2023/24 £	£	2022/23 £
Opening cash		620,501		1,589,101
Deficit for the year	(645,561)		(441,520)	
Depreciation	822,084		656,068	
Community benefit donations	42,325		35,117	
Interest expense	685,066		670,001	
Operating surplus		903,914		919,667
Working capital movements		3,118,595		873,014
Construction damages		293,000		582,054
Net cash flow from operating activities		4,315,509		2,374,735
Net capital investment		(522,425)		(1,832,386)
Community benefit donations		(36,914)		(20,297)
Net cash flow from investing activities		(559,339)		(1,852,683)
New share equity raised		35		250
Oxford City Council Salix Loan		(156,336)		-
Oxford City Council Non Salix Loan		(130,087)		-
Triodos Construction Loan Facility		(630,135)		55,657
Charity Bank Loans		(805,005)		(818,717)
Members interest payments		(445,244)		(441,428)
Interest on debt finance		(228,098)		(140,962)
Repayment of shares		(211,966)		(145,451)
Net cash flow from financing		(2,606,836)		(1,490,651)
Cash as at the balance sheet date		1,769,835		620,501

Reconciliation of consolidated net debt

	1 April 2023	Cash flows	Other non-cash changes	31 March 2024
	£	£	£	£
Unrestricted cash at bank (see Note 10)	601,471	1,141,364	-	1,742,835
Loans due within one year	(3,361,415)	2,795,620	-	(565,795)
Loans due after one year	(4,484,911)	(988,546)	-	(5,473,457)
Net debt	(7,244,855)	2,948,438	-	(4,296,417)

Loans consist of Charity Bank loan and three loans from Oxford City Council for Salix, Non Salix, and fish pass facilities. The loans stated are at net of finance arrangement fee.

Notes to the consolidated financial statements

1 Entity information and Statement of compliance with FRS 102

The Low Carbon Hub IPS Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. Registration number 31903R. Registered office: Holywell House, Osney Mead, Oxford OX2 0ES.

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:

Leasing accounting policy

Rentals payable under operating leases are charged to expenditure on a straight line basis over the term of the relevant lease.

Judgements

The main judgements 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 were 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.

Rooftop solar PV arrays - The Low Carbon Hub IPS Ltd

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.

Ground mounted solar PV arrays - Ray Valley Solar Ltd

The useful life of solar PV arrays is estimated to be 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 landscaping and infrastructure costs are depreciated over 38 years, this being the operational lease length of the site.

Hydro plant and machinery - Low Carbon Hub Sandford Hydro Limited

The useful life of the Sandford Hydro plant is estimated to be 40 years based on the lifespan 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.

Loans

Third-party loans are net of external finance arrangement fees.

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 Society's aims and objectives, historically surpluses from projects that have been live for at least one year are passed to The Low Carbon Hub CIC in the form of a Community Benefit Donation. In the year ending 31 March 2022, The Low Carbon Hub IPS Limited initiated the policy of directly distributing the community benefit donations and this has continued in the following years. These funds are used to support activities within Oxfordshire focused on improving energy efficiency, and on increasing the amount of energy produced from community-owned renewable sources. During the year, direct donations of £42,325 (2023: £35,117) were recorded as expenses.

4 Administration costs

Administration costs are made up of the following:

	2023/24	2022/23
	£	£
Low Carbon Hub CIC (see related parties note)	-	307,266
Staff Costs (see Note 14)	933,034	
Other admin fees	422,061	129,896
Other operations and maintenance fees	486,107	608,839
Loss on disposal of Fixed Assets	4,945	30,004
	1,846,147	1,076,005

The audit fee for the year ending 31 March 2024 included in these accounts was £9,000 (2023: £8,500).

5 Interest payable

	2023/24	2022/23
	£	£
Loan interest	228,098	228,573
Other interest	-	-
	228,098	228,573
Members' interest payments	456,968	445,244
	685,066	673,817

For year ending 31 March 2024 the Directors have declared interest payments on outstanding capital as follows:

	Interest rate	Interest due £
Solar PV 2014	5.60%	84,762
Solar PV 2016	5.49%	37,016
Sandford Hydro 2016	5.00%	72,192
ONCORE A 25 year pledge	4.20%	4,322
ONCORE A withdrawable	3.00%	720
ONCORE B	4.20%	3,259
Community Energy Fund 01 to 03 inclusive	5.00%	72,948
Community Energy Fund 04 to 06 inclusive	4.00%	181,749
Community Group Shares	5%	-
		456,968

6 Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2024 and 31 March 2023 is as follows:

	2023/24 £	2022/23 £
(Deficit) for the year before tax	(645,562)	(441,520)
At UK tax rate of 25%/19%	(161,391)	(83,889)
Creation of tax losses	161,391	83,889
Total reported on the income statement	-	-

7 Intangible fixed assets - Goodwill

Cost	£
As at 31 March 2023	10,731
Arising in the year	-
As at 31 March 2024	10,731
Amortisation	
As at 31 March 2023	2,446
Amortisation in the year	489
As at 31 March 2024	2,935
Net book value at 31 March 2023	8,285
Net book value at 31 March 2024	7,796

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

8 Tangible fixed assets

	Sandford Hydro £	Ray Valley Solar £	Rooftop solar PV array £	Inverters £	Rose Hill battery £	WIP & office equipment £	Total £
Cost							
At 31 March 2023	3,789,137	11,090,001	4,576,691	273,688	62,687	12,698	19,804,902
Additions	1,229	79,374	4,363	-	-	81,694	166,660
Construction damage adjustment		(293,000)					(293,000)
Disposals	-	-	(11,713)	-	-	(14,236)	(25,949)
At March 2024	3,790,366	10,876,375	4,569,341	273,688	62,687	80,156	19,652,613
Depreciation							
At 31 March 2023	794,855	246,384	1,467,855	99,032	25,040	750	2,633,916
Provided during the year	155,921	398,346	227,703	26,492	12,572	561	821,595
Disposals	-	-	(799)	-	-	(979)	(1,778)
At 31 March 2024	950,776	644,730	1,694,759	125,524	37,612	332	3,453,733
Net book value							
At 31 March 2023	2,994,282	10,843,617	3,108,836	174,656	37,647	11,948	17,170,986
At 31 March 2024	2,839,590	10,231,645	2,874,582	148,164	25,075	79,824	16,198,880

Sandford Hydro Limited

Sandford Hydro was completed during 2018. Of the costs capitalised to date on Sandford Hydro Limited £410,239 (2023: £410,239) relates to financing costs.

Ray Valley Solar Limited

The IPS acquired 100% of the share capital of Ray Valley Solar Limited on 30 September 2020 for a total consideration of £748,257. 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, including construction loan interest of

£262,843, 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. Ray Valley Solar became operational and generating electricity in August 2022 with the project formal completion undertaken on 11 October 2023.

In March 2024, pursuant to the Engineering, Procurement, Construction, and Installation contract dated 26 February 2021, the main contractor paid £293,000 in construction damages. These damages have been accounted for as a reduction in the asset's value for the year ending 31 March 2024.

9 Debtors

	2023/24 £	2022/23 £
Trade debtors	501,428	84,709
Amounts owed from Low Carbon Hub CIC (see Note 16)	15,000	2,033,083
Accrued income electricity sales & FIT	100,701	127,270
Prepayments and accrued income	97,656	591,701
VAT recoverable	4,857	1,792,258
	719,642	4,629,021

10 Cash or cash equivalents

	2023/24 £	2022/23 £
Unrestricted cash	1,742,835	601,471
Restricted cash	27,000	19,030
	1,769,835	620,501

Management have set aside £27,000 (2023: £19,030) as a fund to cover expected future inverter replacement requirements. This level of cash will be regularly reviewed against expected requirements.

11 Creditors: Amounts falling due within one year

	2023/24 £	2022/23 £
Charity Bank loan (see Note 12)	-	43,176
Triodos Loan Facility (see Note 12)	317,976	2,844,205
Oxford City Council Salix Loan (see Note 12)	79,912	186,421
Oxford City Council Non Salix Loan (see Note 12)	67,907	187,613
Oxford City Council Fish Pass Loan	100,000	100,000
Trade creditors	74,349	36,907
Accruals	731,299	1,643,113
Deferred income	193,877	138,208
	1,565,320	5,179,643

The Triodos Bank Construction Loan facility of £2,907,685 as at 31 March 2023 was repaid on 11 October 2023. On the same date the development loan was replaced by an operational loan facility of £2.4 million for 14 years under signed agreements made with the Triodos Bank.

The Accruals for 31 March 2024 contains £71,430 (2023: £452,655) that relate to Ray Valley Solar Limited for the completion of the construction of the project post the year end.

These costs have been capitalised in the Ray Valley Solar Limited Fixed Assets (Note 8) as it has been generating electricity since August 2022, with the project completed on 11 October 2023.

12 Creditors: Amounts falling due after more than one year

	2023/24	2022/23
	£	£
Charity Bank loan	-	761,829
Oxford City Council Salix Loan	1,796,783	1,898,316
Oxford City Council Non Salix Loan	1,780,579	1,824,766
Triodos Bank	1,896,094	-
Deferred income	4,473,518	4,722,889
	9,946,974	9,207,800

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 was discharged in full in December 2023. On 11 October 2023 Ray Valley Solar converted the development loan to an operational loan of £2.4m repayable over 14 years

On 23 February 2022 two loan facilities were signed between The Low Carbon Hub IPS Limited and Oxford City Council as long-term finance for the construction of Ray Valley Solar as annotated within this note and note 11. The Salix Loan has an interest rate of 1.45% and is due for repayment on 31 March 2045. The Non Salix Loan has an interest rate of 2.85% and is due for repayment on 31 March 2045. These loans are secured against Ray Valley Solar assets. The total balances stated at year end for Salix Loan is £1,876,695 (2023: £2,084,737) and Non Salix Loan £1,848,486 (2023: £2,012,379) net of external finance arrangement fees.

The capital and interest due for repayment for the year ending 31 March 2024 was paid in March 2024.

The Oxford City Council Fish Pass Loan with The Low Carbon Hub IPS Limited that was utilised in Sandford Hydro was renewed within the year at an interest rate of 2%.

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 2024 is as follows:

	2023/24	2022/23
	£	£
Class B £1 Shares Solar PV 2013	145,382	145,800
Class A £1 Shares Solar PV 2014	1,368,218	1,457,049
Class A £1 Shares Solar PV 2016	673,365	707,843
Class A £1 Shares Sandford Hydro 2016	1,443,844	1,456,177
ONCORE - £1 Portfolio A 25 year pledge	102,891	107,952
ONCORE - £1 Portfolio A withdrawable	24,010	24,010
ONCORE - £1 Portfolio B	77,601	80,954
Community Energy Fund £1 Shares	6,000,694	6,068,186
Community Shares	35	-
	9,836,040	10,047,971

Share capital on the Balance Sheet is stated net of the costs of raising and issuing equity shares.

Number of individual shareholders by share class at 31 March 2024:

Share Class	2024	2023
Class B - Solar PV 2013	10	10
Class A - Solar PV 2014	334	334
Class A - Solar PV 2016	237	237
Class A - Sandford Hydro 2016	460	463
Class A - ONCORE - £1 Portfolio A 25 year pledge	64	64
Class A - ONCORE - £1 Portfolio A withdrawable	13	13
Class A - ONCORE - £1 Portfolio B	37	37
Class A - Community Energy Fund £1 Shares	1,227	1,234
Community Group Shares	35	-

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.

Terms under which capital can be repaid to Members for each share class are set out in section 7 of the Society's Rules. All Members have one vote at General Meetings of the Society, regardless of how many shares they hold.

14 Board Members' remuneration

During the financial year ending 31 March 2024, the Low Carbon Hub IPS employed a total of 26 individuals (2023: Nil). This includes 4 Executive Directors, 8 Non-Executive Directors, and 14 other staff members. The Executive Directors are employed on a full-time basis, while the Non-Executive Directors are part-time, working an average of 2 days per month.

The total remuneration paid to employees during the year was £933,034. This figure includes salaries, employment taxes, and pension contributions.

The breakdown of total remuneration is as follows:

Salaries	£814,059
Employment Taxes	£87,696
Pension Contributions	£31,279

The total remuneration of the Executive Directors amounted to £316,087, while the remuneration of the Non-Executive Directors amounted to £21,626.

15 Capital and Leasing commitments

The Society has capital commitments for Sandford Hydro Limited of £42,508 as at 31 March 2024 (2023: £Nil). Capital in respect of work in progress projects is only committed when lease contracts with Landlords have been signed. These lease commitments of £311,250 (2023: £320,250) for Sandford Hydro Limited and £3,611,414 (2023: £3,249,190) for Ray Valley Solar. The latter represents the minimum amounts payable under operating leases.

On 6 April 2024 Low Carbon IPS Limited had the remaining lease of office space at Holywell House, Osney Mead, Oxford transferred into its name from Low Carbon Hub CIC Limited. The remaining lease commitment is £72,634.

16 Related party transactions

During the year the Group made the following transactions:

The Low Carbon Hub CIC

On the 1 April 2023 the management function undertaken by Low Carbon CIC was transferred, along with employees, into the Low Carbon Hub IPS Limited. This has resulted in no fees being charged for the following; Investor registry services, Administration and Operations and Maintenance costs (2023: £310,120 combined) and Project Development Fees (2023: £319,015).

During the financial year ending 31 March 2024, The Low Carbon Hub CIC transferred assets to The Low Carbon Hub IPS at £Nil consideration. The net book value of the assets transferred on this date was £25,998, for Eynsham Village Hall and St Peters Church Eynsham rooftop solar arrays. Additionally, furniture, fittings, and equipment with a net book value of £5,992 were transferred.

As part of this transaction, The Low Carbon Hub IPS capitalised £4,363, representing legal fees incurred for transferring the lease of the Eynsham Village Hall and St Peters Church Eynsham into the company's name.

As of the balance sheet date, 31 March 2024, The Low Carbon Hub CIC owed £15,000 to The Low Carbon Hub IPS (2023: £2,033,083). During the financial year, The Low Carbon Hub IPS wrote off loans totalling £45,024.

The Society's statement of financial position

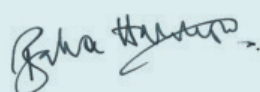
	Notes	2023/24 £	2022/23 £
Intangible fixed assets	8	7,796	8,285
Tangible fixed assets	9	3,077,963	3,333,087
Fixed asset investments	10	6,443,653	9,048,960
		9,529,412	12,390,332
Current Assets			
Debtors	11	1,032,992	1,610,025
Cash at bank and in hand	12	845,798	30,285
		1,878,790	1,640,310
Creditors: Amounts falling due within one year	13	984,198	1,044,674
		894,592	595,636
Net Current Assets			
Total assets less current liabilities		10,424,004	12,985,968
Creditors: Amounts falling due after more than one year	14	4,063,641	4,230,197
Total net assets		6,360,363	8,755,771
Capital and reserves			
Share equity	15	9,687,772	9,899,703
Income and expenditure account		(3,327,409)	(1,143,932)
Shareholders' funds		6,360,363	8,755,771

Signed on behalf of the Board and authorised for issue on 11 September 2024.

Steve Drummond
Chair
The Low Carbon Hub IPS Limited



Barbara Hammond
Director CEO
The Low Carbon Hub IPS Limited



Tessa Paterson
Company Secretary
The Low Carbon Hub IPS Limited



The Society's income statement

	Notes	2023/24 £	2022/23 £
Income			
Electricity sales		589,043	459,036
FIT income		299,065	285,494
Government grant income		167,938	375,484
Other grant income		17,520	-
Group Management, O&M & Admin		193,953	-
Interest receivable	3	329,293	(27,483)
		1,596,812	1,092,531
Expenditure			
Community benefit donations	4	42,325	35,117
Administration fees	5	3,226,591	584,974
Interest payable	7	(213,413)	389,611
Depreciation/amortisation expense	8 & 9	267,816	254,215
		3,323,319	1,263,917
Earnings before tax and Members' interest		(1,726,507)	(171,386)
Members' interest payments	7	456,968	445,244
		(2,183,475)	(616,630)
Surplus/(Deficit) for the year		(2,183,475)	(616,630)
Taxation	6	-	-
Surplus/(Deficit) transferred to retained reserve		(2,183,475)	(616,630)

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

The Society's statement of changes in equity

	Share capital	Income and expenditure account	Total shareholders' funds
	£	£	£
At 31 March 2022	10,044,904	(527,302)	9,517,602
Loss for the year	-	(616,630)	(616,630)
Issue of new equity shares	250	-	250
Repayment of shares	(145,451)	-	(145,451)
At 31 March 2023	9,899,703	(1,143,932)	8,755,771
Loss for the year	-	(2,183,475)	(2,183,475)
Issue of new equity shares	35	-	35
Repayment of shares	(211,968)	-	(211,968)
At 31 March 2024	9,687,770	(3,327,407)	6,360,363

Notes to the Society's financial statements

1 Entity information and statement of compliance with FRS 102

The Low Carbon Hub IPS Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. Registration number 31903R. Registered office: Holywell House, Osney Mead, Oxford OX2 0ES.

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 judgements 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 were historically payable 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.

Bank borrowings

External bank borrowings net of capitalised bank arrangement fees. It does not include lease liabilities.

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.

Lease commitments

Rentals payable under operating leases are charged to expenditure on a straight line basis over the term of the relevant lease.

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

	2023/24	2022/23
	£	£
Sandford Hydro Limited equity and working capital loan interest	84,192	(345,317)
Ray Valley Solar Limited equity and working capital loan interest	245,101	316,122
Bank and other Interest	-	1,712
	329,293	(27,483)

Loans have been made to Low Carbon Hub Sandford Hydro and Ray Valley Solar as detailed in note 18, Related Party Transactions.

Low Carbon Hub Sandford Hydro Limited equity loan interest of £84,192 (2023: [£345,317]). In the prior year 2022/23, the previous years' interest accrued was written off and expensed through the profit and loss account. This year's interest, for year ending 31 March 2024, has been accrued at a rate of 5% which is the equivalent of the Members' interest rate of return. After reviewing investment position the Directors of Low Carbon Hub IPS have written off loans to Low Carbon Hub Sandford Hydro Limited for £1,775,764. This has been treated as an expense in the Profit and Loss account and subsequently treated as income within Sandford Hydro Limited.

Sandford Hydro Limited also holds a Fish Pass Loan. The loan agreement for £100,000 (2023: £100,000) is between the Low Carbon Hub IPS and Oxford City Council with the monies loaned onto Sandford Hydro at the same headline 2% interest rate.

Sandford Hydro also has a working capital loan of £200,000 (2023: £200,000) with the Low Carbon Hub IPS. The interest accrued was £10,000 (2023: £8,400) at a rate of 2%.

Ray Valley Solar Limited equity loan interest of £245,101 (2023: £316,122) was accrued as interest on the £3,965,289 (2023: £5,926,525) Ray Valley Solar equity loan. Interest has been charged at a rate of 5% for 2023/24, which is the equivalent of the Members' interest rate of return.

4 Community benefit donations

In accordance with the Society's aims and objectives, historically surpluses from projects that have been live for at least one year are passed to The Low Carbon Hub CIC in the form of a Community Benefit Donation. In the year ending 31 March 2022, The Low Carbon Hub IPS Limited initiated the policy of directly distributing the community benefit donations and this has continued in the following years. These funds are used to support activities within Oxfordshire focused on improving energy efficiency, and on increasing the amount of energy produced from community-owned renewable sources.

During the year, direct donations of £42,325 (2023: £35,117) were recorded as expenses.

5 Administration costs

Administration costs are made up of the following:

	2023/24	2022/23
	£	£
Low Carbon Hub CIC (see related parties note)	-	127,567
Staff costs (see Note 16)	933,034	-
Other admin fees	238,770	61,554
Other Operations and Maintenance Fees	224,104	395,853
Loss on sale of Fixed Assets	4,945	-
Write down of Group Company Loans (see Note 18)	1,825,738	-
	3,226,591	584,974

The audit fee for 2023/24 included in these accounts is £9,000 (2023: £8,500).

6 Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2024 and 31 March 2023 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 2024 was 25% (2023: 19%).

	2023/24	2022/23
	£	£
Profit / (deficit) for the year before tax	(2,183,475)	(616,630)
At United Kingdom tax rate of 25%/19%	(545,869)	(117,160)
Creation of tax losses	545,869	117,160
Total reported on the income statement	-	-

7 Interest payable

	2023/24 £	2022/23 £
Loan interest	86,587	89,611
Impairment of Sandford Hydro Equity Loan	(300,000)	300,000
	(213,413)	389,611
Members' interest payments	456,968	445,244
	243,555	834,855

For the year ending 31 March 2023 impairment calculations the value of the Equity Loan for Sandford Hydro Limited was reduced by £300,000. This was treated as expense in the Society's Profit and Loss Account. In the financial year ending March 2024, after the removal of £1,775,764 of loans owed Low Carbon Sandford Hydro Limited this impairment has been reversed.

For 2023/24 the Directors have declared interest payments on outstanding capital as follows:

	Interest rate %	Interest due £
Solar PV 2014	5.60%	84,762
Solar PV 2016	5.49%	37,016
Sandford Hydro 2016	5.00%	72,192
ONCORE A 25 year pledge	4.20%	4,322
ONCORE A withdrawable	3.00%	720
ONCORE B	4.20%	3,259
Community Energy Funds 01 to 03 inclusive	5.00%	72,948
Community Energy Funds 04 to 06 inclusive	4.00%	181,749
		456,968

The amount accrued at the balance sheet date is £456,968 (2023: £445,244) and it is expected that this will be paid out prior to the 14 October 2024 AGM.

8 Intangible fixed assets - Goodwill

Cost	£
At 31 March 2023	10,731
Arising in the year	-
As at 31 March 2024	10,731
Amortisation	
As at 31 March 2023	2,446
Amortisation in the year	489
As at 31 March 2024	2,935
Net book value at 31 March 2023	8,285
Net book value at 31 March 2024	7,796

9 Tangible fixed assets

	Rooftop solar PV array £	Inverters £	Rose Hill battery £	WIP & office equipment £	Total £
Cost					
At 31 March 2023	4,576,691	273,688	62,687	12,438	4,925,504
Additions	4,363			31,752	36,115
Disposals	(11,713)			(13,488)	(25,201)
At March 2024	4,569,341	273,688	62,687	30,702	4,936,418
Depreciation					
At 31 March 2023	1,468,190	98,697	25,040	490	1,592,417
Provided during the year	227,703	26,982	12,572	70	267,327
Disposals	(1,134)	(155)			(1,289)
At 31 March 2024	1,694,759	125,524	37,612	560	1,858,455
Net book value					
At 31 March 2023	3,108,501	174,991	37,647	11,948	3,333,087
At 31 March 2024	2,874,582	148,164	25,075	30,142	3,077,963

10 Fixed asset investments

	2023/24	2022/23
	£	£
Investment in subsidiary - Low Carbon Hub Sandford Hydro Limited	1	1
Investment in subsidiary – Ray Valley Solar Limited	748,258	748,258
Loans to subsidiaries (note 18)	5,695,394	8,600,702
Impairment on Sandford Hydro Limited	-	(300,000)
	6,443,653	9,048,960

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 their registered office at Holywell House, Osney Mead, Oxford OX2 0ES.

11 Debtors

	2023/24	2022/23
	£	£
Trade debtors	238,873	90,403
Accrued income electricity sales & FIT	-	1,756
Prepayments and accrued income	779,119	558,851
VAT recoverable	-	6,260
Amounts owed from Low Carbon Hub CIC (see Note 18)	15,000	829,341
Amounts owed from Low Carbon Hub Sandford Hydro Limited	-	123,413
	1,032,992	1,610,025

12 Cash or cash equivalents

	2023/24	2022/23
	£	£
Unrestricted cash	818,798	11,255
Restricted cash	27,000	19,030
	845,798	30,285

Management have set aside £27,000 (2023: £19,030) 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

	2023/24	2022/23
	£	£
Oxford City Council Salix Loan (see Note 14)	79,912	186,421
Oxford City Council Non Salix Loan (see Note 14)	67,907	187,613
Oxford City Council Fish Pass Loan	100,000	100,000
Trade Creditors	43,653	35,160
Accruals	609,953	514,641
Deferred income	20,839	20,839
VAT	61,934	-
	984,198	1,044,674

The Oxford City Council Fish Pass Loan with The Low Carbon Hub IPS Limited that was utilised in Sandford Hydro within the year at an interest rate of 2%.

14 Creditors: Amounts falling due greater than one year

	2023/24 £	2022/23 £
Oxford City Council Salix Loan	1,796,784	1,875,573
Oxford City Council Non Salix Loan	1,780,580	1,847,509
Deferred income	486,277	527,954
	4,063,641	4,251,036

On 23 February 2022 two loan facilities were signed between The Low Carbon Hub IPS Limited and Oxford City Council as long-term finance for the construction of Ray Valley Solar. The Salix Loan has an interest rate of 1.45% and is due for repayment on 31 March 2045. The Non Salix Loan has an interest rate of 2.85% and is due for repayment on 31 March 2045. These loans are secured against the Ray Valley Solar assets. The total balances stated at year end for Salix Loan is £1,876,695 (2023: £2,084,737) and Non Salix Loan £1,848,486 (2023: £2,012,379) net of external finance arrangement fees. The capital and interest due for repayment for the year ending 31 March 2024 was paid in March 2024.

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.

15 Share equity

The equity held by shareholders at 31 March 2024 is as follows:

	2023/24 £	2022/23 £
Class B £1 Shares Solar PV 2013	145,382	145,800
Class A £1 Shares Solar PV 2014	1,368,218	1,457,049
Class A £1 Shares Solar PV 2016	673,365	707,843
Class A £1 Shares Sandford Hydro 2016	1,443,844	1,456,177
ONCORE - £1 Portfolio A 25 year pledge	102,891	107,952
ONCORE - £1 Portfolio A withdrawable	24,010	24,010
ONCORE - £1 Portfolio B	77,601	80,954
Community Energy Fund £1 Shares	6,000,695	6,068,186
Community Group Shares	35	-
	9,836,041	10,047,971

The share equity stated in the balance sheet is net of share raise costs.

Number of shares issued, allotted and fully paid

Share Class	Issued	Allotted	Fully Paid
Class B - £1 Shares Solar PV 2013	145,382	145,382	145,382
Class A - £1 Shares Solar PV 2014	1,368,218	1,368,218	1,368,218
Class A - £1 Shares Solar PV 2016	673,365	673,365	673,365
Class A - £1 Shares Sandford Hydro 2016	1,443,844	1,443,844	1,443,844
ONCORE - £1 Portfolio A 25 year pledge	102,891	102,891	102,891
ONCORE - £1 Portfolio A withdrawable	24,010	24,010	24,010
ONCORE - £1 Portfolio B	77,601	77,601	77,601
Community Energy Fund £1 Shares	6,000,694	6,000,694	6,000,694
Community Group Shares	35	35	35

Number of individual shareholders by share class at 31 March 2024:

Share Class	2024	2023
Class B - Solar PV 2013	10	10
Class A - Solar PV 2014	334	334
Class A - Solar PV 2016	237	338
Class A - Sandford Hydro 2016	460	472
Class A - ONCORE - £1 Portfolio A 25 year pledge	64	64
Class A - ONCORE - £1 Portfolio A withdrawable	13	13
Class A - ONCORE - £1 Portfolio B	37	37
Class A - Community Energy Fund £1 Shares	1,227	1,243
Community Group Shares	35	-

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.

Terms under which capital can be repaid to Members for each share class are set out in section 7 of the Society's Rules. All Members have one vote at General Meetings of the Society, regardless of how many shares they hold.

16 Board Members' remuneration

During the financial year ending 31 March 2024, the Low Carbon Hub IPS employed a total of 26 individuals (2023: Nil). This includes 4 Executive Directors, 8 Non-Executive Directors, and 14 other staff members. The Executive Directors are employed on a full-time basis, while the Non-Executive Directors are part-time, working an average of 2 days per month.

The total remuneration paid to employees during the year was £933,034. This figure includes salaries, employment taxes, and pension contributions. The breakdown of total remuneration is as follows:

Salaries	£814,059
Employment Taxes	£87,696
Pension Contributions	£31,279

The total remuneration of the Executive Directors amounted to £316,087, while the remuneration of the Non-Executive Directors amounted to £21,626.

17 Capital and Leasing commitments

The Society has no capital or leasing commitments at 31 March 2024 (2023: £Nil). On 6 April 2024 Low Carbon Hub IPS Limited had the remaining lease of office space at Holywell House, Osney Mead, Oxford transferred into its name from Low Carbon Hub CIC Limited. The remaining lease commitment is £72,634.

18 Related party transactions

During the year the Company made the following transactions with:

The Low Carbon Hub CIC

On the 1 April 2023 the management function undertaken by Low Carbon CIC was transferred, along with employees, into the Low Carbon Hub IPS Limited. This has resulted in no fees being charged for the following; Investor registry services, Administration and Operations & Maintenance costs (2023: £134,792 combined) and Project Development Fees (2023: £45,164).

During the financial year ending 31 March 2024, The Low Carbon Hub CIC transferred certain assets to The Low Carbon Hub IPS at nil consideration. The net book value of the assets transferred on this date was £25,998 for Eynsham Village Hall and St Peters Church Eynsham rooftop solar array. Additionally, furniture, fittings, and equipment with a net book value of £5,992 were transferred.

As part of this transaction, The Low Carbon Hub IPS capitalised £4,363, representing legal fees incurred for transferring the lease of the Eynsham Village Hall and St Peters Church Eynsham into the company's name.

As of the balance sheet date, 31 March 2024, The Low Carbon Hub CIC owed £15,000 to The Low Carbon Hub IPS (2023: £829,340). During the financial year, The Low Carbon Hub IPS wrote off loans totalling £45,024

Sandford Hydro Limited

Loans have been made to Sandford Hydro as follows:

£200,000 at a rate of 5% which was a working Capital Loan from The Low Carbon Hub IPS Limited (2023: £200,000).

£100,000 at a rate of 2%. This is a supplemental loan from Oxford City Council for the Fish Pass Loan and is being lent across on the same terms (2023: £100,000).

£1,443,844 (2023: £2,074,177 including a £300,000 reverse of an impairment that occurred in the financial year to 31 March 2023. This is at a rate of 5% to cover the investor returns.

At the balance sheet date, the inter-company clearing account had a balance (owed) of £Nil (2023: £123,413).

During the financial year, Low Carbon Hub IPS wrote off loans to Sandford Hydro Limited to the value of £1,775,764.

On the 1 April 2023 Low Carbon Hub IPS took over the management of Sandford Hydro Limited from Low Carbon CIC. During the financial year the company charged Sandford Hydro Limited £8,728 for Administration Fees and £8,728 for Operations and Management Fees. At the year end, 31 March 2024, there were no trade debtors or creditors balanced owed.

Ray Valley Solar Limited

Loans have been made of £3,965,289 (2023: £5,926,525) loan from the equity raised. This is at a rate of 5% to cover the investor returns.

At the balance sheet date, the inter-company clearing account had a balance owed to Ray Valley Solar of £13,739 (2023: £Nil).

On the 1 April 2023 Low Carbon Hub IPS took over the management of Ray Valley Solar from Low Carbon Hub CIC. During the financial year, the company charged Ray Valley Solar £13,248 for Operations and Management Fees and £163,248 for Project Administration Fees. At the year end, 31 March 2024, there were no trade debtors or creditors balanced owed.

Registration on the Mutuals Register

As a Society run for the benefit of the community, we are registered on the Mutuals Register kept by the Financial Conduct Authority (FCA). To remain on the register, we must comply with the FCA's guidance on the Co-operative and Community Benefit Societies Act 2014, the key aspects of which are:

- That we trade
- That our primary purpose is to produce surpluses that are spent on producing the community benefit Objects set out in our Rules
- That we therefore do not pay shareholders any more than a reasonable rate of return sufficient to retain capital in the business and that the return must be covered by our net trading surplus in each year
- That we cannot exist purely for the purpose of returning money to shareholders or benefiting another business or organisation; we cannot be purely an investment vehicle.

We meet these requirements by:

- Trading in renewable electricity produced from the developments funded by our shareholders
- Conducting community benefit activities that we report on in our social impact reporting
- Demonstrating in our consolidated accounts that our net trading surplus is sufficient to cover interest payments to shareholders.

Together, the Board and its committees ensure that we comply with the requirements set out in the 2014 Act and the FCA guidance working closely with our CEO, Social Impact Director, and Company Secretary.

Corporate governance standards

The Low Carbon Hub IPS Limited does not exist in isolation. To succeed in the long-term, we need to build and maintain successful relationships with a wide range of stakeholders. These relationships will be successful and enduring if they are based on respect, trust, and mutual benefit. Accordingly, a company's culture should promote integrity and openness, value diversity, and be responsive to the views of shareholders and wider stakeholders.

The Financial Reporting Council (FRC) UK Corporate Governance Code sets out guidelines to help listed companies to demonstrate throughout their reporting how the governance of the company contributes to its long-term sustainable success and achieves wider objectives. The Low Carbon Hub IPS Limited is not a listed company, but we do look after the investments of 1,773 Members, so where sensible it seems appropriate to hold ourselves to the same

standards. Accordingly, the Board has voted to apply the FRC Guidelines and to explain annually to the Members how these have been implemented and where and why any deviations from them have been agreed. Happily, Low Carbon Hub already complies with the majority of the FRC best practice, so this report is by exception, and inevitably a summary of points to be addressed over the next year.

The following points are items where the IPS deviates from the FRC guidelines for understandable reasons: The FRC guidelines say that directors should stand down and seek re-election annually. The Low Carbon Hub IPS Limited Rules 18.1 and 18.2 say that one third of its Directors should stand down each year and that these should be the longest standing since their previous election/re-election.

The FRC guidelines say that executive director remuneration schemes should promote share ownership in the organisation. The Board encourages investment in The Low Carbon Hub IPS Limited but does not consider it to be appropriate to subsidise investment in the IPS.

The following points are items where the FRC guidelines highlights issues that are currently under review by the incoming Board:

- A process to ensure that the Board engages with its Members. The Board has active representation from its community group shareholders through consultation and via the Communities Director's full involvement as a Non-Executive Director. The Board will look at ways to broaden its interaction with Members
- Workforce engagement in the board process. This happens informally at the moment, but the Board is looking at ways of making this more structured
- The Board is reviewing a number of policies against current best practice, including a means for the staff to raise concerns confidentially, the use of external board evaluators, diversity, and inclusion.

Managing our risks

Management of the Society is overseen by the Board of Directors with the Executive Team running the business day-to-day and being accountable to the Board. The Chief Executive proposes strategy to the Board and is responsible to it for delivering the agreed strategy. A key part of agreeing the strategy is setting the risk appetite, which provides the guard rails for how much strategic, operational and financial risk the Board is willing to take in pursuit of the agreed strategy. It is the responsibility of the Board to enable Executive Directors to be aware of risks in their areas of responsibility, to make risk-informed decisions, and to manage risk in their day-to-day activities.

All activities associated with investment in, and operation of, our renewable energy portfolio is managed by the responsible Executive Director working closely with the Investment Committee.

The Risk Register for the whole group of companies is overseen by the Governance, Risk and Nominations Committee.

The Low Carbon Hub IPS Limited is a registered society under the Co-operative and Community Benefit Societies Act 2014. Registration number 31903R. Registered office: Holywell House, Osney Mead, Oxford OX2 0ES

The IPS business model

Until 31 March 2023, Low Carbon Hub's mission was carried out through two principal entities, The Low Carbon Hub IPS Limited (IPS) which develops community-owned renewable energy installations across Oxfordshire and grant funds community energy projects across Oxfordshire, and The Low Carbon Hub CIC Ltd. (CIC), which provided services under contract to the IPS and with whom we partnered on innovation contracts to spearhead a huge range of activities to bring our vision of a smart and fair energy system to life.

On 28 March 2023, an Extraordinary General Meeting of the IPS voted to take over the activities of the CIC from 1 April 2023. From 1 April 2023 therefore, all the activities of the Low Carbon Hub are being carried out by the IPS and its subsidiaries.

The Low Carbon Hub IPS Limited is a Registered Society run for the benefit of the community (previously known as an Industrial and Provident Society, hence IPS). The IPS is a for-profit organisation that applies all of its profits for the benefit of the community. Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar Limited are both wholly owned subsidiaries of The Low Carbon Hub IPS Limited.

The IPS develops renewable energy projects for partner organisations, providing them with cheaper electricity, enabling them to meet carbon reduction commitments, and delivering a positive corporate social responsibility return. The IPS provides the capital so there is no investment cost to the installation host organisation. The IPS owns the installations, receives income from the sale and export of the electricity, and retains the Feed-in Tariff.

Surpluses from our trading are used for community benefit, both direct grants to communities for carbon reduction projects in their areas, and match funding for innovation projects that will lead to new business models for community energy at the grid edge.

Overall management of the Society is the responsibility of the Directors. For the financial year to 31 March 2023, day-to-day company activity and company secretarial services were managed and carried out as a charged service by officers of the CIC. Administrative service fees were paid to the CIC cover these services. From 1 April 2023, everything is under one roof.

SOCIETY INFORMATION

Full name

The Low Carbon Hub IPS Limited,
Industrial & Provident Society
no: 31903R

Wholly owned subsidiaries

**Low Carbon Hub Sandford Hydro
Limited**

(Company Registration no: 9743887)

Ray Valley Solar Limited

(Company Registration no: 12279415)

Principal address

Holywell House
Osney Mead
Oxford OX2 0ES

Company Secretary

Tessa Paterson (appointed
23 December 2022)

Auditors

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

Governing document

The Society is operated in accordance
with the Rules of The Low Carbon Hub
IPS Limited.

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.

"We are totally over the moon
and have a huge project to get
going with now. Thank you so much
for your support with it. We will
continue beaming for weeks."

Jo, Chipping Norton Theatre, on support
received from Energy Solutions Oxfordshire

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Cover photo

On the roof at Norbar Torque Tools Ltd during the installation of their third solar PV array with Low Carbon Hub.

Photo credits in report: Low Carbon Hub

The Low Carbon Hub IPS Limited, Holywell House, Osney Mead, Oxford OX2 0ES
Tel: 01865 246099 or visit www.lowcarbonhub.org