

The Low Carbon Hub IPS Limited

Registration No: 31903R

GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2019**

The Low Carbon Hub IPS Limited
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

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The Low Carbon Hub IPS Limited

**Report of the Board
For the Year End
31 March 2019**

The Board presents its Report and the Group Financial Statements for the year ended 31 March 2019.

Full name: The Low Carbon Hub IPS Limited

Industrial Provident Society Number: 31903R

Wholly-owned subsidiaries

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

Principal Address

9 Park End Street,
Oxford OX1 1HH

Low Carbon Hub IPS Board Members

The Board members who served during the year were:

Tim Sadler
Luke Marion
Barbara Hammond
Steve Drummond
Adriano Figueiredo
Tom Hoines
Sam Clarke (resigned 10/10/18)
George Levvy (resigned 21/06/19)
Ramsay Dunning (resigned 21/06/19)

Company Secretary

Rachel Boyes-Watson

Bankers

Cooperative Bank
Southway
Skelmersdale WN8 6WT

Triodos Bank
Deanery Road
Bristol BS1 5AS

Charity Bank
Fosse House
182 High Street
Tonbridge TN9 1BE

Auditors

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

Solicitors

Blake Morgan
Seacourt Tower
West Way
Oxford OX2 0FB

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Governing document

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

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

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

Aims and Objectives

The Low Carbon Hub IPS is an Industrial and Provident Society for the Benefit of the Community (IPS Bencom). Low Carbon Hub Sandford Hydro Limited is a wholly-owned subsidiary of The Low Carbon Hub IPS Limited.

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

Overall management of the society is the responsibility of the directors. Day to day company activity and company secretarial services are managed and carried out as a charged service by officers of the CIC. Administrative service fees payable to the CIC covers these services.

The Board's Responsibilities

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

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

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

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

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

Report of the Board

This has been another year of growth, with 4 GWh of green electricity generated, 40% up on the previous year. This is due to three key factors: the commissioning of Sandford Hydro, which contributed a quarter of our total clean green energy electricity production. Solar generation was up, boosted by new installations and a particularly sunny summer. We installed two new solar pv arrays on school hosts and completed the formal transfer of assets from Oxford North Community Renewables (ONCORE). Record generation meant record community benefit.

During the year, £141,000 (2018: £100,000) was advanced as a community benefit donation by the IPS to support further carbon cutting activity by the CIC. £76,201 was recognised this financial year when it was utilised by The Low Carbon Hub CIC and the balance is included within prepayments.

This has enabled the CIC to make significant strides in developing the 'powering' down element of our work with schools and organisations and has enabled us to leverage significant additional funding support.

Despite the loss of the Feed-in Tariff for installations commissioned after 31 March this year, we did receive one small piece of good news. Community organisations, such as ourselves, have been given a 12 month reprieve to this deadline, so we can continue to work with schools on PV projects during 2019/20. Thank you to everyone involved in making these projects happen, in particular, Oxfordshire County Council.

This year another challenge has emerged in relation to business rates. Several of the local district councils have taken legal advice and have questioned the need to give the Low Carbon Hub group of companies business rates relief. Following this, all reliefs have been removed and both the IPS and Low Carbon Hub Sandford Hydro Limited (Sandford Hydro) have been charged commercial business rates on their installations. This has led to significant increases in administration costs.

While it remains the belief of the board that that our activities are for a charitable and social purpose, this is not as explicit as it could be in our current Rules and Articles of Association. The Board have taken legal advice in relation to this matter and are looking to make amendments as required to ensure that our charitable purpose is fully enshrined within our corporate structures and to enable the reliefs on business rates to be re-instated.

This year we launched the Community Energy Fund, which attracted significant support from new and existing investors. During the financial year the Community Energy Fund raised £1,508,985 from 366 shareholders.

This investment funded new installations and enabled us to pay back our entire outstanding short-term loan from Oxford City Council. As a result our Solar 2016 portfolio is now entirely funded by community investment.

At year end, we had 1036 share holders, 375 of whom have invested more than once in Low Carbon Hub IPS.

We have drawn down the full £2m long-term debt finance on Sandford Hydro which we agreed with the Charity Bank and are now paying quarterly interest and capital repayments as per the agreed schedule over 18 years.

As planned, we continued to hold the £200k medium-term funding from Resonance CLF, in order to ensure smooth cashflowing of the first year of operation of Sandford Hydro. It is the Board's intention to repay this in 2019-20.

Project Performance

In 2018-2019 we generated 3,965 MWh against a forecast generation of 4,231 MWh. The key reason for this was that actual generation for Sandford Hydro was at the lower end of the expected generation range, achieving 1.02 GWh against a mean average expected generation of 1.537 GWh. The reason for this shortfall was largely due to an extremely dry summer and autumn. This was partially mitigated by excellent performance by the solar portfolio, generating higher than expected FiT income.

Installations

Our installed capacity continued to increase in 2018 – 2019. Our total portfolio of solar PV arrays reached 40 installations on the roofs of 34 hosts, with a combined installed capacity of 3.7MW including 440kWe at Sandford Hydro (2018: 3.6 MW) and an annual predicted generation of 4.2 GWh (2018: 4.2 GWh) including expected system degradation.

Community benefit donations

The IPS advanced £141,000 (Total cumulative to date £397,622) to the CIC to support its community benefit work. £76,201 (2018: £100,000) was spent by the CIC as such a donation during the financial year. Please see the accounts for the Low Carbon Hub CIC for a full breakdown of how it utilised these funds to assist further community driven carbon reduction projects.

Social impact

Our projects deliver a range of environmental and social benefits. In 2018-19 these included:

- Generating 3.965 GWh - enough power to meet the typical electricity needs of 1,280 households
- Saving 1,218 tonnes of CO₂
- Saving host organisations £60,092 on their electricity bills through the supply of discounted green electricity

Financial Performance

As anticipated in the previous accounts, income grew substantially, with turnover rising from £494,500 in 2017/18 to £733,103 in 2018/19.

In a going year turnover from solar PV arrays is now expected to be approximately £537,000. A going year for the hydro installation is anticipated to equate to approximately £320,000 in an “average generation” year.

An operating loss of £403,371 was returned in the year, compared to £169,070 in the prior year. The financial structure of the society is such that operating losses are expected each year, due to the fact that the projects are treated as “wasting assets,” resulting in large depreciation charges, because community benefit donations paid to the Low Carbon Hub CIC are treated as an administration expense, and because returns to shareholders are paid as interest.

Additionally in 2018-19, administration expenses were higher than anticipated as a result of the business rates issue noted above, which led to an additional £37,701 in business rates payments.

Additionally, legal fees of £35,129 were incurred in relation to the resolution of a construction contract related dispute related to Sandford Hydro. The board felt that this expense was necessary to reach a satisfactory conclusion to the matter in question.

Finally, loan interest payable charged to the income statement increased this year due to the timing of new project constructions, repayment of loans and the receipt of new equity investment from the Community Energy Fund. Moving forward, this cost is expected to reduce once again as new projects associated with the "Local Energy Oxford" programme begin construction.

Key terms

CIC = Community Interest Company

kW = kilowatt

KWp = kilowatt peak

MW = megawatt

MWh = megawatt hour

GWh = gigawatt hour

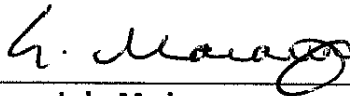
Auditor

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

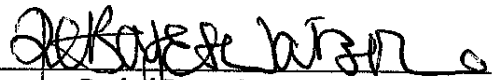
Signed on behalf of the Board on 03/10/2019



Tim Sadler
Chair



Luke Marion
Treasurer



Rachel Boyes-Watson
Secretary

**Independent Auditor's Report
To the Members of

The Low Carbon Hub IPS Limited

For the Year Ended 31st March 2019**

Opinion

We have audited the financial statements of The Low Carbon Hub IPS Limited (the "society") for the year ended 31 March 2019, 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 2019 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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement [set out on page 5], the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Critchleys Audit LLP
Statutory Auditor
Oxford


7 October 2019.

The Low Carbon Hub IPS Limited


Consolidated Statement of Financial Position
As at 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|--------------------|
| Intangible Fixed Assets | 7. | 10,242 | - |
| Tangible Fixed Assets | 8. | <u>7,017,081</u> | <u>7,185,859</u> |
| | | 7,027,323 | 7,185,859 |
| Current Assets | | | |
| Debtors | 9. | 287,225 | 179,471 |
| Cash at bank and in hand | 10. | 398,736 | 313,896 |
| | | <u>685,961</u> | <u>493,367</u> |
| Creditors: Amounts falling due within one year | 11. | 766,458 | 1,687,071 |
| Net Current (Liabilities) / Assets | | <u>(80,497)</u> | <u>(1,193,704)</u> |
| Total Assets Less Current Liabilities | | <u>6,946,826</u> | <u>5,992,155</u> |
| Creditors: Amounts falling due after more than one year | 12. | <u>1,934,924</u> | <u>2,323,586</u> |
| Total Net Assets | | <u>5,011,902</u> | <u>3,668,569</u> |
| Capital and Reserves | | | |
| Share Equity | 13. | 5,851,982 | 4,105,278 |
| Income and Expenditure Account | | (840,080) | (436,709) |
| Members' Funds | | <u>5,011,902</u> | <u>3,668,569</u> |

Signed on behalf of the Board and authorised for issue on 3 October 2019.


Tim Sadler
Chair


Luke Marion
Treasurer


Rachel Byes-Watson
Secretary

The Low Carbon Hub IPS Limited

Consolidated Income Statement
As at 31 March 2019

| | Notes | YEAR ENDED 31 MARCH 2019 | YEAR ENDED 31 MARCH 2018 |
|--|--------|-----------------------------|-----------------------------|
| | | £ | £ |
| Income | | | |
| Electricity Sales | | 322,618 | 183,625 |
| FIT Income | | 405,951 | 307,380 |
| Interest income | | 1,301 | 262 |
| Grant income | | 3,233 | 3,233 |
| | | 733,103 | 494,500 |
| Expenditure | | | |
| Community Benefit Donations | 3. | 76,201 | 100,000 |
| Depreciation/Amortisation Expense | 7.& 8. | 374,304 | 224,229 |
| Administration fees | 4. | 358,394 | 140,914 |
| Interest Payable | 5. | 327,575 | 198,427 |
| | | 1,136,474 | 663,570 |
| Surplus/(Deficit) for the year | | (403,371) | (169,070) |
| Taxation | 6. | - | - |
| Surplus/(Deficit) transferred to retained reserve | | (403,371) | (169,070) |

The Low Carbon Hub IPS Limited

Consolidated Statement of Other Comprehensive Income
As at 31 March 2019

| | YEAR ENDED 31 MARCH 2019 | YEAR ENDED 31 MARCH 2018 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Surplus/(Deficit) for the year | (403,371) | (169,070) |
| Other comprehensive income | | |
| Unrealised gains / (losses) on foreign exchange hedges | - | 11,807 |
| Total other comprehensive income | - | 11,807 |
| Total comprehensive income for the year | (403,371) | (157,263) |

The Low Carbon Hub IPS Limited

Consolidated Statement of Changes in Equity
As at 31 March 2019

| | Share Capital | Income and Expenditure Account | Hedging reserve | Total Shareholders' Funds |
|--------------------------------------|------------------|--------------------------------|-----------------|---------------------------|
| | £ | £ | £ | £ |
| At 31 March 2017 | 3,459,462 | (267,639) | (11,807) | 3,180,016 |
| Loss for the year | - | (169,070) | - | (169,070) |
| Other comprehensive income | - | - | 11,807 | 11,807 |
| Issue of new equity shares (note 13) | 651,816 | - | - | 651,816 |
| Cancellation of founder shares | (6,000) | - | - | (6,000) |
| At 31 March 2018 | 4,105,278 | (436,709) | - | 3,668,569 |
| Loss for the year | - | (403,371) | - | (403,371) |
| Other comprehensive income | - | - | - | - |
| Issue of new equity shares (note 13) | 1,746,704 | - | - | 1,746,704 |
| Repayment of shares | - | - | - | - |
| At 31 March 2019 | 5,851,982 | (840,080) | - | 5,011,902 |

The Low Carbon Hub IPS Limited
Consolidated Cashflow Statement
As at 31 March 2019

| | | YEAR ENDED 31 MARCH 2019 | | YEAR ENDED 31 MARCH 2018 |
|--|-----------|-----------------------------|-----------|-----------------------------|
| | £ | £ | £ | £ |
| Opening cash | | 313,896 | | 94,101 |
| Surplus/(Deficit) for the year | (403,371) | | (169,070) | |
| Depreciation | 374,304 | | 224,229 | |
| Community benefit donations | 76,201 | | 100,000 | |
| Interest expense | 327,575 | | 198,427 | |
| Operating surplus | | 374,709 | | 353,586 |
| Working capital movements | | (55,708) | | 71,952 |
| Net cash flow from operating activities | | 319,001 | | 425,538 |
| Capital investment | | (26,969) | | (1,451,206) |
| Cash acquired with ONCORE | | 58,450 | | - |
| Community benefit donations | | (141,000) | | (100,000) |
| Net cash flow from investing activities | | (109,519) | | (1,551,206) |
| New share equity raised | | 1,507,985 | | 651,816 |
| Oxford City Council construction fund | | (1,305,807) | | (317,403) |
| Repayment of loans | | (82,429) | | (600,000) |
| New long term debt finance | | - | | 1,679,497 |
| Members interest payments | | (97,988) | | |
| Interest on debt finance | | (146,403) | | (73,354) |
| Other comprehensive income | | - | | 11,807 |
| Repayment of shares | | - | | (6,000) |
| Net cash flow from financing activities | | (124,642) | | 1,346,363 |
| Cash as at the balance sheet date | | 398,736 | | 313,896 |

The Low Carbon Hub IPS Limited

Notes to the Consolidated Financial Statements For the Year Ended 31 March 2019

1. Entity information and Statement of compliance with FRS 102

The Low Carbon Hub IPS is an Industrial and Provident Society for the Benefit of the Community (IPS Bencom). The society is incorporated in England and Wales and has its registered office at 9 Park End Street, Oxford OX1 1HH.

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 company, Sandford Hydro Limited

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

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.

Tangible Fixed Assets

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

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

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

Solar PV Arrays

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

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

Hydro Plant and Machinery

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

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

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

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.

Forward contract derivatives are accounted for using hedge accounting as permitted under FRS 102. The fair value of the contracts is re-measured at the balance sheet date and gains or losses resulting from changes in the fair value of the derivative are recognised in other comprehensive income.

Hedge accounting will be discontinued when the derivative expires and at this point any cumulative gain or loss on the hedging instrument will be included in the carrying value of the Sandford Hydro Plant asset and transferred to the income statement over the asset's expected useful life.

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 earned but not yet declared.

3. Community Benefit Donations

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

During the year, £76,201 (2018: £100,000) was transferred to The Low Carbon Hub CIC as such a donation. This is recognised as an expense when utilised by The Low Carbon Hub CIC and any amounts advanced in excess of utilised amounts are included within prepayments.

4. Administration Costs

Administration costs are made up of the following:

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Investor Administration Fees | 3,108 | 2,418 |
| Low Carbon Hub CIC (see related parties note) | 99,314 | 86,098 |
| Other Admin Fees | 187,939 | 41,480 |
| Other Operations & Maintenance Fees | 68,033 | 10,918 |
| | 358,394 | 140,914 |

The audit fee for 2018/19 included in these accounts is £4,600 (2018: £4,500).

5. Interest Payable

| | 2019 | 2018 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Members Interest Payments | 182,240 | 104,097 |
| Loan Interest | 145,335 | 94,330 |
| | 327,575 | 198,427 |

For 2018-19 Directors have declared interest payments on outstanding capital as follows:

| | Interest rate | Interest Due |
|-------------------------|----------------------|---------------------|
| Solar PV 2014 | 5.83% | 107,447 |
| Solar PV 2016 | 5.70% | 45,036 |
| ONCORE A 25 Year Pledge | 4.80% | 5,869 |
| ONCORE A Withdrawable | 3.20% | 768 |
| ONCORE B | 3.60% | 3,294 |
| Community Energy Fund | 4.00% | 19,827 |
| | | 182,240 |

£182,240 (2018: £99,576) has been accrued at the balance sheet date and it is expected that this will be paid out prior to the 2019 AGM.

£9,734 was expensed this financial year in relation to amounts due to Oncore shareholders for 2017-18 as part of the transfer of engagements. £520 was accrued as other members interest outstanding from 2017-18.

During the development of the Solar PV array projects, interest on the loan from Oxford City Council formed part of the capital costs. In 2018/19 two new sites were commissioned and £599 was capitalised (2018: £162). The balance of the continuing interest payments in relation to this loan and totalling £53,453 (2018: £73,354) have been expensed.

During the construction of Sandford Hydro, interest on the loan from the charity bank formed part of the capital costs. In 2018/19 £nil (2018 £44,775) was capitalised. The balance of the continuing interest payments in relation to this loan and totalling £80,900 (2018: £19,726) have been expensed.

6. Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2019 and 31 March 2018 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 2019 was 19% (2018: 19%).

| | 2019 | 2018 |
|--|-----------|-----------|
| | £ | £ |
| (Deficit) for the year before tax | (403,371) | (169,070) |
| At United Kingdom Tax rate of 19% | (76,640) | (32,123) |
| Creation of tax losses | 76,640 | 32,123 |
| Total reported on the income statement | - | - |

7. Intangible Fixed Assets

| | Goodwill |
|---------------------------------|----------|
| | £ |
| Arising in the year | 10,731 |
| Amortisation in the year | 489 |
| Net book value at 31 March 2019 | 10,242 |

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

8. Tangible Fixed Assets

| | Sandford Hydro | Solar PV arrays | Inverters | WIP & Office Equipment | Total |
|--------------------------|-------------------|--------------------|----------------|---------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 31 March 2018 | 3,864,851 | 3,550,861 | 236,691 | 24,401 | 7,676,804 |
| Additions & adjustments | (56,840) | 250,952 | 22,659 | (11,734) | 205,037 |
| Disposals | | | | | |
| At March 2019 | 3,808,011 | 3,801,813 | 259,350 | 12,667 | 7,881,841 |
| Depreciation | | | | | |
| At 31 March 2018 | 18,030 | 412,888 | 59,997 | 30 | 490,945 |
| Provided during the year | 165,835 | 182,923 | 24,981 | 76 | 373,815 |
| Disposals | - | | | | |
| At 31 March 2019 | 183,865 | 595,811 | 84,978 | 106 | 864,760 |
| Net book value | | | | | |
| At 31 March 2018 | 3,846,821 | 3,137,973 | 176,694 | 24,371 | 7,185,859 |
| At 31 March 2019 | 3,624,146 | 3,206,002 | 174,372 | 12,561 | 7,017,081 |

Sandford Hydro plant was completed during 2018. Of the costs capitalised to date on Sandford Hydro Limited £410,239 (2018: £496,645) relates to financing costs.

A total of £11,734 of financing costs were capitalised into Tangible Fixed Asset cost during the year (2018: £147,130). Of these costs, £nil related to interest on loan finance (2018: £98,794); £nil related to loan arrangement fees and due diligence costs incurred in respect of new long term debt finance (2018: £48,336); and £11,734 related to costs incurred in relation to new share offerings (2018: £nil).

9. Debtors

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Trade Debtors | 71,819 | 18,047 |
| Accrued Income Electricity Sales & FIT | 100,352 | 110,040 |
| Prepayments and accrued income | 99,227 | 50,216 |
| VAT recoverable | 15,827 | 1,168 |
| | | |
| | 287,225 | 179,471 |

10. Cash or cash equivalents

| | 2019 £ | 2018 £ |
|-------------------|----------------|----------------|
| Unrestricted cash | 310,942 | 251,767 |
| Restricted cash | 87,794 | 62,129 |
| | 398,736 | 313,896 |

Management have set aside £87,794 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

| | 2019 £ | 2018 £ |
|---|----------------|------------------|
| Charity bank loan (See Note 12) | 85,000 | 82,000 |
| Community Land Finance loan (see note 12) | 200,000 | - |
| Oxford City Council fish pass loan (see note 12) | 100,000 | - |
| Trade Creditors | 69,164 | 60,773 |
| Amounts due to The Low Carbon Hub CIC (See Note 15) | 73,486 | 99,576 |
| Accruals and Deferred Income | 238,808 | 138,915 |
| Oxford City Council construction facility | - | 1,305,807 |
| | 766,458 | 1,687,071 |

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

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Community Land Finance loan | - | 200,000 |
| Oxford City Council fish pass loan | - | 100,000 |
| Charity bank loan | 1,812,068 | 1,897,497 |
| Deferred income | 122,586 | 126,089 |
| | 1,934,654 | 2,323,586 |

Community Land Finance loan has an interest rate of 7.5% and is due for repayment on 3rd March 2020.

These loans are secured by a debenture over 13 separate Solar PV arrays with a combined net book value of £1,012,420 as at the year end (2018: £1,088,323).

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

The £2,000,000 loan facility has been drawn. The balance remaining at year end is £1,897,068 (2018: £1,979,497).

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 2019 is as follows:

| | 2019 | 2018 |
|---------------------------------------|------------------|------------------|
| | £ | £ |
| Class A £1 Shares Solar PV 2014 | 1,693,001 | 1,694,001 |
| Class A £1 Shares Solar PV 2016 | 790,100 | 790,100 |
| Class B £1 Shares Solar PV 2013 | 150,00 | 150,000 |
| Class A £1 Shares Sandford Hydro 2016 | 1,471,177 | 1,471,177 |
| Oncore -£1 Portfolio A 25 Year Pledge | 123,209 | - |
| Oncore - £1 Portfolio A Withdrawable | 24,010 | - |
| Oncore - £1 Portfolio B | 91,500 | - |
| Community Energy Fund £1 Shares | 1,508,985 | - |
| | 5,851,982 | 4,105,278 |

1,508,985 £1 class A shares were issued in the Community Energy fund to 366 individual shareholders. In addition, 1,000 £1 class A shares were repaid in Solar PV 2014 to 1 shareholder in line with their nominal value.

Number of individual shareholders by share class at 31st March 2019:

| Share Class | 2019 | 2018 |
|-------------------------|-------------|-------------|
| Class B - Solar PV 2013 | 10 | 10 |
| Class A - Solar PV 2014 | 345 | 346 |
| Class A - Solar PV 2016 | 241 | 241 |

| Share Class | 2019 | 2018 |
|--|------|------|
| Class A - Sandford Hydro 2016 | 464 | 464 |
| Class A - ONCORE - £1 Portfolio A 25 Year Pledge | 63 | - |
| Class A - ONCORE - £1 Portfolio A Withdrawable | 13 | - |
| Class A - ONCORE - £1 Portfolio B | 36 | - |
| Class A - Community Energy Fund £1 Shares | 366 | - |

Rights, Preferences and Restrictions attaching to Share Classes

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

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

Terms under which capital can be repaid to members for each share class are set out in section 7 of the Society's rules, which can be found online at <http://www.lowcarbonhub.org/pdf/LCH-IPS-Limited-rules.pdf>.

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

14. Board Members' Remuneration

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

15. Capital and Leasing Commitments

The Society had no capital commitments (2018: £nil) at 31 March 2019.

As at 31 March 2019 the Group had total commitments in respect of the minimum amounts payable under operating leases of £347,250 (2018: £360,000).

16. Related Party Transactions

During the year the company made the following transactions with:

The Low Carbon Hub CIC:

£9,795 was paid in respect of Project Development Fees (2018: £1,308); £ 28,196 financing fees, including loan arrangement fees and to reimburse it for costs incurred in preparation for new share offers during the year (2018: £48,336); £99,314 was paid in respect of Administration and Operations & Maintenance costs (2018: £78,218); and £76,201 was recorded as a Community Benefit Donation, as described in Note 4 (2018: £100,000).

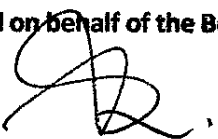
At the balance sheet date, £34,153 was owed to The Low Carbon Hub CIC (2018: £49,512).


The Low Carbon Hub IPS Limited


The Society's Statement of Financial Position
As at 31 March 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|--------------------|
| Intangible Fixed Assets | 8. | 10,242 | |
| Tangible Fixed Assets | 9. | 3,392,734 | 3,338,761 |
| Fixed Asset Investments | 10. | 1,974,178 | 1,974,178 |
| | | 5,377,154 | 5,312,939 |
| Current Assets | | | |
| Debtors | 11. | 307,694 | 237,367 |
| Cash at bank and in hand | 12. | 296,642 | 207,797 |
| | | 604,336 | 445,164 |
| Creditors: Amounts falling due within one year | 13. | 624,529 | 1,626,131 |
| Net Current Assets / (liabilities) | | (20,193) | (1,180,967) |
| Total Assets Less Current Liabilities | | 5,356,961 | 4,131,972 |
| Creditors: Amounts falling due after more than one year | 14. | - | 300,000 |
| Total Net Assets | | 5,356,961 | 3,831,972 |
| Capital and Reserves | | | |
| Share Equity | 15. | 5,851,982 | 4,105,278 |
| Income and Expenditure Account | | (495,021) | (273,306) |
| Shareholders' Funds | | 5,356,961 | 3,831,972 |

Signed on behalf of the Board and authorised for issue on 3 October 2019


 Tim Sadler
 Chair


 Luke Marion
 Treasurer


 Rachel Boyes-Watson
 Secretary

The Low Carbon Hub IPS Limited

The Society's Income Statement
As at 31 March 2019

| | Notes | YEAR ENDED 31 MARCH 2019 | YEAR ENDED 31 MARCH 2018 |
|--|--------|-----------------------------|-----------------------------|
| | | £ | £ |
| Income | | | |
| Electricity Sales | | 260,002 | 183,625 |
| FIT Income | | 257,864 | 257,470 |
| Interest Receivable | 3. | 9,346 | 174,654 |
| | | 527,212 | 615,749 |
| Expenditure | | | |
| Community Benefit Donations | 4. | 76,201 | 100,000 |
| Administration fees | 5. | 213,458 | 111,597 |
| Interest Payable | 7. | 250,875 | 241,602 |
| Depreciation/Amortisation Expense | 8.& 9. | 208,393 | 206,169 |
| | | 748,927 | 659,365 |
| Surplus/(Deficit) for the year | | (221,715) | (43,616) |
| Taxation | 6. | - | - |
| Surplus/(Deficit) transferred to retained reserve | | (221,715) | (43,616) |

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

The Low Carbon Hub IPS Limited

The Society's Statement of Changes in Equity
As at 31 March 2019

| | Share Capital | Income and Expenditure Account | Hedging reserve | Total Shareholders' Funds |
|--------------------------------------|------------------|--------------------------------|-----------------|---------------------------|
| | £ | £ | £ | £ |
| At 31 March 2017 | 3,459,462 | (229,690) | (2,004) | 3,227,768 |
| Loss for the year | - | (43,616) | - | (43,616) |
| Other comprehensive income | - | - | 2,004 | 2,004 |
| Issue of new equity shares (note 14) | 651,816 | - | - | 651,816 |
| Capital returned | (6,000) | - | - | (6,000) |
| At 31 March 2018 | 4,105,278 | (273,306) | - | 3,831,972 |
| Loss for the year | - | (221,715) | - | (221,715) |
| Other comprehensive income | - | - | - | - |
| Issue of new equity shares (note 11) | 1,746,704 | - | - | 1,746,704 |
| At 31 March 2019 | 5,851,982 | (495,021) | - | 5,356,961 |

The Low Carbon Hub IPS Limited

**Notes to the Society's Financial Statements
For the Year Ended
31 March 2019**

1. Entity information and statement of compliance with FRS 102

The Low Carbon Hub IPS is a 'not-for-profit' Industrial and Provident Society for the Benefit of the Community. The society is incorporated in England and Wales and has its registered office at 9 Park End Street, Oxford OX1 1HH.

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

Income

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

Tangible Fixed Assets

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

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

Solar PV Arrays

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

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

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

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.

Forward contract derivatives are accounted for using hedge accounting as permitted under FRS 102. The fair value of the contracts is re-measured at the balance sheet date and gains or losses resulting from changes in the fair value of the derivative are recognised in other comprehensive income.

Hedge accounting will be discontinued when the derivative expires and at this point any cumulative gain or loss on the hedging instrument will be included in the carrying value of the Sandford Hydro Plant asset and transferred to the income statement over the asset's expected useful life.

3. Interest Receivable

| | 2019 | 2018 |
|---|--------------|----------------|
| | £ | £ |
| Sandford Hydro IPS Equity and Working Capital Loan Interest | 101,285 | 103,989 |
| Sandford Hydro Third Party Working Capital Funding interest | 16,250 | 70,545 |
| Sandford Hydro - 2018 interest no longer being charged | (108,189) | |
| Bank Interest | - | 120 |
| | 9,346 | 174,654 |

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

£nil (2018: £10,000) has been accrued as interest on the £200,000 working capital loan advanced to Sandford Hydro in 2015-2016 to help fund pre-development works prior to financial close. Sandford hydro equity loan interest of £96,428 (2018: £93,989) was accrued as interest on the £1,674,177 (2018: £1,674,177) Sandford Hydro equity loan. Interest has been charged at a rate of 3% plus R.P.I for 2018/19, which is the equivalent of the members' interest rate of return.

4. Community Benefit Donations

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

During the year, £76,201 (2018: £100,000) was transferred to The Low Carbon Hub CIC as such a donation. This is recognised as an expense when utilised by The Low Carbon Hub CIC and any amounts advanced in excess of utilised amounts are included within prepayments.

5. Administration Costs

Administration costs are made up of the following:

| | 2019 | 2018 |
|---|----------------|----------------|
| | | £ |
| Investor Administration Fees (see related parties note) | 3,108 | 2,418 |
| Low Carbon Hub CIC (see related parties note) | 85,401 | 78,218 |
| Other Admin Fees | 85,377 | 20,466 |
| Other Operations & Maintenance Fees | 39,572 | 10,495 |
| | 213,458 | 111,597 |

The audit fee for 2018/19 included in these accounts is £4,600 (2018: £4,500).

From the start of 2018/19 the investor administration is being provided by The Low Carbon Hub CIC at a cost this year of £3,108 (2018: £nil). The costs are in line with the previous provider, the increase is owing to a rise in the numbers of shareholders.

6. Taxation

A reconciliation of income tax applicable to accounting profit before tax at the statutory tax rates for the years ended 31 March 2019 and 31 March 2018 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 2019 was 19% (2018: 19%).

| | 2019 | 2018 |
|--|-----------|----------|
| | £ | £ |
| (Deficit) for the year before tax | (221,715) | (43,616) |
| At United Kingdom Tax rate of 19% | (42,126) | (8,287) |
| Creation of tax losses | 42,126 | 8,287 |
| Total reported on the income statement | - | - |

7. Interest Payable

| | 2019 | 2018 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Members Interest Payments | 182,240 | 104,097 |
| Loan Interest | 68,635 | 137,505 |
| | 250,875 | 241,602 |

For 2018-19 the Directors have declared interest payments on outstanding capital as follows:

| | Interest rate | Interest Due |
|-------------------------|---------------|----------------|
| Solar PV 2014 | 5.83% | 107,447 |
| Solar PV 2016 | 5.70% | 45,036 |
| ONCORE A 25 Year Pledge | 4.80% | 5,869 |
| ONCORE A Withdrawable | 3.20% | 768 |
| ONCORE B | 3.60% | 3,294 |
| Community Energy Fund | 4.00% | 19,827 |
| | | 182,240 |

£182,240 (2018: £99,576) has been accrued at the balance sheet date and it is expected that this will be paid out prior to the 2019 AGM.

£9,734 was expensed this financial year in relation to amounts to Oncore shareholders for 2017-18 as part of the transfer of engagements. £520 was accrued as other members interest outstanding from 2017-18.

During the development of the Solar PV array projects, interest on the loan from Oxford City Council formed part of the capital costs. In 2018/19 two new sites was commissioned and £599 (2018: £162). The balance of the continuing interest payments in relation to this loan and totalling £53,453 (2018: £73,354) has been expensed.

8. Intangible Fixed Assets

| | Goodwill |
|---------------------------------|-----------------|
| | £ |
| Arising in the year | 10,731 |
| Amortisation in the year | 489 |
| Net book value at 31 March 2019 | 10,242 |

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

9. Tangible Fixed Assets

| | WIP | Solar PV arrays | Inverters | Total |
|--------------------------|---------------|------------------|----------------|------------------|
| | | £ | £ | £ |
| Cost | | | | |
| At 31 March 2018 | 24,094 | 3,550,861 | 236,691 | 3,811,646 |
| Additions | (11,734) | 250,952 | 22,659 | 261,877 |
| At 31 March 2019 | 12,360 | 3,801,813 | 259,350 | 4,073,523 |
| Depreciation | | | | |
| At 31 March 2018 | - | 412,888 | 59,997 | 472,885 |
| Provided during the year | - | 182,923 | 24,981 | 207,904 |
| At 31 March 2019 | - | 595,811 | 84,978 | 680,789 |
| Net book value | | | | |
| At 31 March 2018 | 24,094 | 3,137,973 | 176,694 | 3,338,761 |
| At 31 March 2019 | 12,360 | 3,206,002 | 174,372 | 3,392,734 |

A total of £11,734 of financing costs were capitalised into Tangible Fixed Asset cost during the year (2018: £46,766). Of these costs, £nil related to interest on loan finance (2018: £nil); £nil for fees in connection with finance arrangements and £11,734 related to costs incurred in relation to new share offerings (2018: £nil).

10. Fixed Asset Investments

| | 2019 £ | 2018 £ |
|---------------------------------|------------------|------------------|
| Investment in subsidiaries | 1 | 1 |
| Loans to subsidiaries (note 17) | 1,974,177 | 1,974,177 |
| | 1,974,178 | 1,974,178 |

The Society owns 100% of the share capital of Sandford Hydro Limited, a company incorporated in England and Wales and having its registered office at 9 Park End Street, Oxford OX1 1HH.

11. Debtors

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Trade Debtors | 27,746 | 13,496 |
| Accrued Income Electricity Sales & FIT | 59,176 | 64,552 |
| Prepayments and accrued income | 204,518 | 159,319 |
| VAT recoverable | 16,254 | - |
| | 307,694 | 237,367 |

12. Cash or cash equivalents

| | 2019 £ | 2018 £ |
|-------------------|----------------|----------------|
| Unrestricted cash | 208,848 | 145,668 |
| Restricted cash | 87,794 | 62,129 |
| | 296,642 | 207,797 |

Management have set aside £87,794 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

| | 2019 | 2018 |
|---|----------------|------------------|
| | £ | £ |
| Community Land Finance Loan (see note 14) | 200,000 | - |
| Oxford City Council Fish Pass Loan (see note 14) | 100,000 | - |
| Amounts owed to Low Carbon Hub Sandford Hydro Limited | 54,997 | |
| Trade Creditors | 29,836 | 58,266 |
| Amounts due to The Low Carbon Hub CIC (See Note 17) | 34,153 | 142,107 |
| Accruals and Deferred Income | 205,543 | 119,186 |
| Oxford City Council construction facility | - | 1,305,807 |
| Vat payable | - | 765 |
| | 624,529 | 1,626,131 |

The Oxford City Council construction loan facility has a term of 364 days, at an interest rate of 5%. The term for each drawdown starts on the date of funds being released. All balances advanced so far were repaid by 31 March 2019.

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

| | 2019 | 2018 |
|------------------------------------|-------------|----------------|
| | £ | £ |
| Community Land Finance loan | - | 200,000 |
| Oxford City Council fish pass loan | - | 100,000 |
| | - | 300,000 |

Community Land % Finance Limited has an interest rate of 7.5% and is due for repayment on 3rd March 2020.

These loans are secured by a debenture over 13 separate Solar PV arrays with a combined net book value of £1,012,420 as at the year end (2018: £1,088,323).

15. Share Equity

The equity held by shareholders at 31 March 2019 is as follows:

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| Class A £1 Shares Solar PV 2014 | 1,693,001 | 1,694,001 |
| Class A £1 Shares Solar PV 2016 | 790,100 | 790,100 |
| Class B £1 Shares Solar PV 2013 | 150,000 | 150,000 |
| Class A £1 Shares Sandford Hydro 2016 | 1,471,177 | 1,471,177 |
| ONCORE - £1 Portfolio A 25 Year Pledge | 123,209 | - |
| ONCORE - £1 Portfolio A Withdrawable | 24,010 | - |
| ONCORE - £1 Portfolio B | 91,500 | - |
| Community Energy Fund £1 Shares | 1,508,985 | - |
| | 5,851,982 | 4,105,278 |

1,508,985 £1 class A shares were issued in the Community Energy fund to 396 individual shareholders. In addition, 1,000 £1 class A shares were repaid in Solar PV 2014 to 1 shareholder in line with their nominal value.

Number of shares issued, allotted and fully paid

| Share Class | Issued | Allotted | Fully Paid |
|--|-----------|-----------|------------|
| Class A £1 Shares Solar PV 2014 | 1,693,001 | 1,693,001 | 1,693,001 |
| Class A £1 Shares Solar PV 2016 | 790,100 | 790,100 | 790,100 |
| Class B £1 Shares Solar PV 2013 | 150,000 | 150,000 | 150,000 |
| Class A £1 Shares Sandford Hydro 2016 | 1,471,177 | 1,471,177 | 1,471,177 |
| ONCORE - £1 Portfolio A 25 Year Pledge | 123,209 | 123,209 | 123,209 |
| ONCORE - £1 Portfolio A Withdrawable | 24,010 | 24,010 | 24,010 |
| ONCORE - £1 Portfolio B | 91,500 | 91,500 | 91,500 |
| Community Energy Fund £1 Shares | 1,508,985 | 1,508,985 | 1,508,985 |

Number of individual shareholders by share class at 31st March 2019:

| Share Class | 2019 | 2018 |
|--|------|------|
| Class B - Solar PV 2013 | 10 | 10 |
| Class A - Solar PV 2014 | 345 | 346 |
| Class A - Solar PV 2016 | 241 | 241 |
| Class A - Sandford Hydro 2016 | 464 | 464 |
| Class A - ONCORE - £1 Portfolio A 25 Year Pledge | 63 | - |
| Class A - ONCORE - £1 Portfolio A Withdrawable | 13 | - |
| Class A - ONCORE - £1 Portfolio B | 36 | - |
| Class A - Community Energy Fund £1 Shares | 396 | - |

Rights, Preferences and Restrictions attaching to Share Classes

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

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

Terms under which capital can be repaid to members for each share class are set out in section 7 of the Society's rules, which can be found online at <http://www.lowcarbonhub.org/pdf/LCH-IPS-Limited-rules.pdf>.

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

16. Board Members' Remuneration

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

17. Capital Commitments

The Society had no authorised capital commitments as at 31 March 2019 (2018: £nil). Capital in respect of work in progress projects is only committed when lease contracts with Landlords have been signed.

18. Related Party Transactions

During the year the company made the following transactions with:

The Low Carbon Hub CIC:

£9,795 was paid in respect of Project Development Fees (2018: £51,417); £3,108 was paid in respect of Investor Registry Services (2018: nil), £85,401 was paid in respect of Administration and Operations & Maintenance costs (2018: £78,218); and £76,201 was included as a Community Benefit Donation, as described in Note 4 (2018: £100,000).

Finally, £2,300 was paid to the Low Carbon Hub CIC as a finance arrangement fee for the continued access to the Oxford City Council Revolving Construction Loan fee and £25,896 to reimburse it for costs incurred in preparation for new share offers during the year (2018: £67).

At the balance sheet date, £34,153 was owed to The Low Carbon Hub CIC (2018: £49,226).

Sandford Hydro Limited

Loans have been made to Sandford Hydro as follows:

£200,000 at a rate of 7.5% which is the same terms that the IPS has secured the loan from CLF, Esmee Fairbairn Foundation and Big Society (2018: £200,000).

£100,000 at a rate of 1%. This is a supplemental loan from Oxford City Council and is being lent across on the same terms (2018: £100,000)

£1,674,177 (2018: £1,674,177) loan from the equity raised, This is at a rate of 3% plus R.P.I. to cover the investor returns.

At the balance sheet date the intercompany clearing account had a balance (owed) of £(54,997) (2018: (£142,107)).