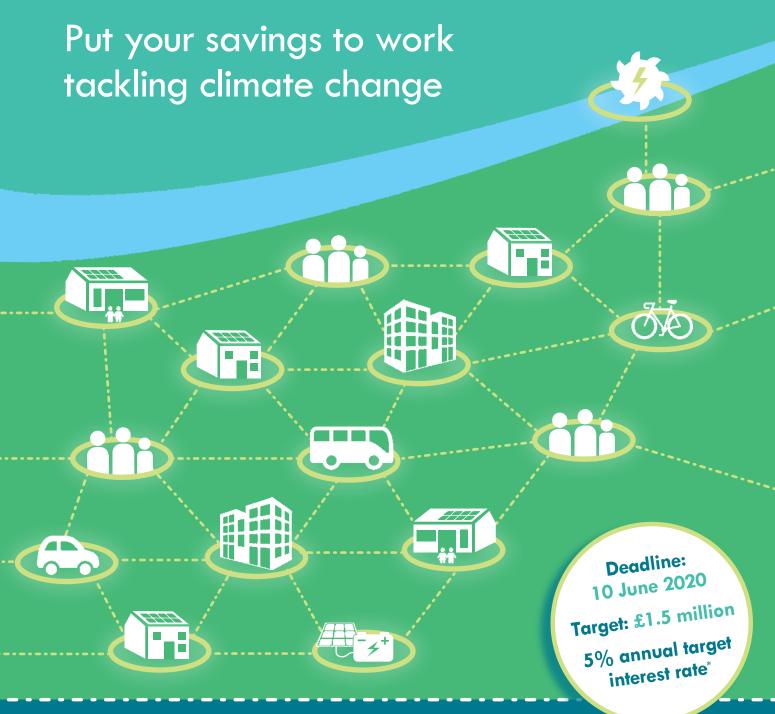


COMMUNITY ENERGY FUNDShare Offer Document 2020



CONTENTS

Your invitation to invest3
About the Community Energy Fund4
Latest investment opportunities 6
Your investment 11
About the Low Carbon Hub 16
About Project LEO 18
Low Carbon Hub at a glance 19
Delivering community benefit 20
Our renewable energy projects 22
Meet the team 24
Finance summaries 28
Frequently asked questions 32
Risks35
Terms and conditions for applying for shares
Other legal details you should know40
Application forms 41



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR CAREFUL ATTENTION.

This document sets out in detail an invitation to subscribe for shares in the Low Carbon Hub IPS Limited, a Registered Society, run for the benefit of the community.

It should be read in conjunction with the following documents:

- Community Energy Fund Guidelines
- Rules of the Low Carbon Hub IPS Limited
- Low Carbon Hub Business Plan
- Low Carbon Hub IPS Limited Accounts

These are all available on request or online at www.lowcarbonhub.org/invest

This document should be read in its entirety. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA), or from another appropriately authorised independent financial adviser.

Reliance on this document for the purposes of engaging in investment activity may expose an individual to a significant risk of losing all the money they have invested. You may lose all or some of your money. Do not invest money you cannot afford to be without.

In any event, investors should appreciate that any investment they make is an acknowledgement of their support for the development of community energy and, accordingly, a subscription for shares in the Low Carbon Hub IPS Limited should primarily be regarded as an investment for social and environmental purposes rather than one which will produce a significant financial return. It should also be noted that members of Registered Societies do not have access to the Financial Ombudsman Service (FOS) or the Financial Services Compensation Scheme (FSCS).

Nothing in this document constitutes investment, tax, legal or other advice by the Low Carbon Hub IPS Limited, its Directors or advisers.

4 March 2020

A glossary of terms is available at: www.lowcarbonhub.org/invest

YOUR INVITATION TO INVEST

What can I do about the climate crisis? It's the question we're all asking ourselves.

We each try to do our bit, with our time, our choices, and our money. These small steps all help, but we also need large-scale change – ambitious new ideas and approaches. Here at the Low Carbon Hub we're pioneering a bold new way to tackle one of the biggest challenges of all – how to accelerate the transition to a zero carbon energy system.

Project Local Energy Oxfordshire (LEO) is one of the most ambitious, wide-ranging, innovative and holistic smart grid trials ever conducted in the UK. This is an incredible opportunity to fundamentally change the way the UK energy system works – but we can't do this without your help.

As a first step, we need investment to significantly grow our portfolio of community-owned renewable energy generation to allow these trials to take place. But growing local green electricity generation is just the start. We've created a powerful feedback loop which makes every pound you invest go further.

All our financial surpluses from our electricity generation are reinvested in further projects. Helping local businesses to cut their energy use, funding green innovation, and backing further community energy projects.

Crucially, investment will also unlock matched grant funding from Innovate UK. This will enable our renewable installations to sit at the heart of a \pounds 40 million real-world trial, taking us a step closer to the decentralised energy system we envision for the future, providing electricity, heat and a clean transport system, all powered by renewables.

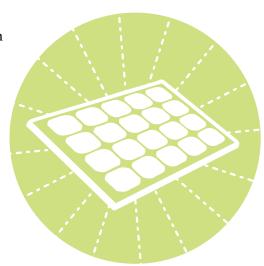
We make every pound of investment work hard to bring our vision of the future energy system to life: homes, schools, businesses and communities all over the region, generating their own clean energy and becoming more energy efficient.

We're already at the heart of a growing partnership of people and organisations across Oxfordshire, working together, for a low carbon future. And this success means we can do even more. It's a virtuous circle – and it could be a gamechanger.

Because we're only getting started. We want to make Oxfordshire an example for the world – to show how the right investment, used in the right way, can rapidly create the new energy system we need in communities everywhere.

With your investment we can make an energy system that works for all of us, and for the planet, a reality.

Join us, and make it happen.



ABOUT THE COMMUNITY ENERGY FUND

Join over a thousand investors and put your money to work tackling climate change.



66 Climate change is a global crisis that needs local solutions. We invite you to invest in the Community Energy Fund and become part of the solution.

Barbara Hammond MBE CEO, Low Carbon Hub

- Earn up to 5% interest on your investment
- Help fund more community energy projects across Oxfordshire
- Keep money in the local economy through community ownership
- Support local action to tackle the global climate crisis
- 100% of surpluses support further local action on climate change.

The Community Energy Fund is the investment opportunity that puts your money to work delivering local projects to tackle climate change and pays you interest in return for your support.

We use the money invested in the Fund to strengthen and grow our portfolio of community energy projects. As a result we generate more green energy, a sustainable income stream for our carbon-cutting community work, and can deliver ground-breaking collaborative partnerships to accelerate the transition to a zero carbon energy system.

Since its inception in 2018, we've already raised over £1.5 million through the Community Energy Fund, bringing the total amount invested by our thousand strong membership to almost £6 million. Together, they are supporting over 40 community energy projects across Oxfordshire.

The urgency of the climate crisis means we want – and need – to achieve so much more. We want to be ready to move quickly on robust new ideas, so that the local community can play its proper part in catalysing and funding the energy system of the future. Thanks to the Community Energy Fund, we are better placed than ever to do just that. Please take this opportunity to join us in our fight against climate change.



In Spring 2020 we have a target to raise £1.5 million of new investment, which will be used to:

- Grow our portfolio of renewable energy generation projects
- Replace debt funding for Sandford Hydro.

See page 6 for more details.

The investment we raise through the Fund is used for three key purposes:



Fund energy projects that directly reduce CO₂ emissions and generate a profit that supports further action on climate change.

These could include:

- Rooftop solar PV arrays
- Other renewable energy generation projects
- Energy efficiency projects
- Energy balancing and smart grids
- Energy storage
- Energy-related products and services which can generate a profit whilst reducing carbon emissions
- Investing in innovative energy projects that further our aims, that are developed by third parties or in partnership with others.

Projects are assessed on a case-by-case basis by our Investment Committee, factoring in the likely financial return, CO₂ savings, project risks and other benefits such as innovation and learning.



Replace debt with equity in existing projects

Debt funding, such as the short-term loan from Oxford City Council, has proved invaluable in enabling us to access funding as and when we need it, to make the most of opportunities as they arise. However, this debt facility is only available to us in the short-term and needs to be replaced. Putting energy projects into community ownership is an important part of our vision, so we strive to keep the total level of debts associated with our projects at no more than 50% of asset value.



Facilitate equity withdrawal

We hope our Members will be able to support us for the long-term, but we appreciate that people's financial circumstances change, and so investors may wish to withdraw their investment. The Community Energy Fund gives us an opportunity to raise new equity to help us meet equity withdrawal requests. The process for equity withdrawal has been built into this share offer.

In return for your investment, we aim to offer you:

A target interest rate of 5%

(capped at 4% for the first four years of investment)

The Fund has a target interest rate of 5% for each year following the fourth anniversary of your investment, and 4% per annum before that.

An equity withdrawal mechanism

While we hope you will wish to invest in us for the long-term, the Community Energy Fund will provide an annual opportunity for investors to request the return of capital after the fourth anniversary of their investment. Please note our ability to fulfil requests to withdraw capital is entirely dependent on the availability of sufficient funds at the time and is in no way guaranteed.

Regular feedback on the impact achieved by the Fund and plans for future activity

Investment raised through the Community Energy Fund is ring-fenced with the Fund acting as a special purposes fund. We will give you regular updates about the specific projects you are supporting, and report on the social and environmental impact they deliver, and their financial performance.

An annual opportunity to invest in community energy

The Community Energy Fund will be used to raise the equity we need to continue to deliver new energy projects in the future. We plan to open up the Fund to new investment each year, providing a regular opportunity to increase your support of community energy.

See Terms and Conditions (p. 38) for further details. In particular it is important to note that the target interest rate is not guaranteed, and that we may not be able to fulfil all requests to withdraw capital each year.

LATEST INVESTMENT OPPORTUNITIES

Investing in the Low Carbon Hub's Community Energy Fund is your opportunity to set your money to work, accelerating the transition to a zero carbon energy system. It may sound like an ambitious aim, but the Low Carbon Hub, in collaboration with our Project LEO partners, has the opportunity to do just that. But we need your help to make it happen.

This spring, we want to raise £1.5 million of new investment into the Community Energy Fund to support the following key funding needs.

Grow our portfolio of renewable energy generation projects

Although the discontinuation of the Feed-in Tariff has made it extremely challenging to find sites where community solar is financially viable, we continue to seek out and explore opportunities to install roof mounted solar PV arrays on buildings across Oxfordshire.

Specifically, we need to raise funding to complete the finance on the installation of solar PV arrays at West Witney Primary School and Langford Village Community Primary School. Their completion will bring the Low Carbon Hub IPS's overall portfolio of roof mounted solar to 45 installations.

Develop ground mount solar PV sites to support Project LEO

As part of Project LEO (see page 9 for more information), we are developing a virtual power plant in Oxfordshire. To facilitate this we need to significantly increase the amount of renewable energy generation we have available to connect to it. This will enable us to test the system and demonstrate the potential that local energy has to decarbonise the energy system as a whole.

Due to Oxfordshire's geography, that means increasing solar generation. So, alongside our rooftop installations, we're also exploring opportunities for ground mount solar installations (also known as solar parks or farms). Your investment in the Community Energy Fund will enable us to develop this ground mount solar which is critical for the virtual power plant.

At this stage we don't know the total amount of capital required to develop the ground mount solar sites, as it's site dependent. We're currently assessing several potential sites in terms of financial and technical feasibility, potential for learning, and opportunities for the host communities (more information on page 9).

Our immediate need is to have funds in hand to enable us to cover the initial costs to secure the right site opportunities, which is why we took the decision to raise equity this spring. Once a site is secured, we anticipate using a combination of short-term debt and an additional equity raise later this financial year to cover the final capital expenditure.

As well as being a key component in the virtual power plant, any ground mount solar sites will make a significant contribution to renewable generation in Oxfordshire. They'll also generate income over their lifetime (20-30 years), meaning we can commit to long-term funding which supports further carbon-cutting activity in our community. An 8MW solar project, as set out in our base case scenario (page 30-31), is expected to deliver:

- 7.8 GWh clean green electricity every year
- 1,994 tonnes of CO₂ savings each year*
- £1.9 million community benefit funding over its lifetime.



Replace £200,000 debt funding

The Low Carbon Hub IPS took out a £200,000 loan to part-fund the construction of Sandford Hydro. We have used funding from the Oxford City Council short-term revolving loan to repay the initial loan, but now need to replace that with equity. The equity sits within the Low Carbon Hub IPS, which then replaces the debt with an inter-company loan to our wholly owned subsidiary Sandford Hydro Ltd. By replacing the original 7.5% loan with investment we can reduce the debt burden of our community hydro by £5,000 a year, without any detrimental effect to our existing shareholders.

What is a virtual power plant?

To help solve the climate emergency, we need to change to a zero carbon energy system, which will be done in the following ways:

- Power up: increasing the availability of renewable energy
- **Power down:** reducing the energy we need by improving efficiency
- Decarbonise heat and transport: switching to renewable energy sources
- Match supply and demand: using storage and flexibility so we have enough energy available at any time to meet needs.

Key to this new system will be the ability to know in real-time what energy is being generated or used in the network, so this information can be used to harmonise supply and demand. This already happens in the transmission network. We want to do it in the distribution network, or network edge, close to where demand takes place – by doing so we will be creating the conditions for more local generation and storage as well as investment in energy efficiency.

The virtual power plant enables us to do just this. Starting with our Low Carbon Hub generation installations we'll then add in batteries and heat pumps to provide flexible storage and demand to the system. Through this we will learn how to use raw data about the generation or energy needs of any part of the electricity network to optimise the whole system. This will help us make the most of local generation and make more efficient use of our existing energy infrastructure, so making room in the system for the electrification of heat and transport.

We also want to demonstrate that the virtual power plant isn't just theoretically possible, we want to provide proof that it can work in the real world, by creating a utility grade system that reduces network constraints and demonstrates we can meet our energy needs using renewable energy.

In order to achieve this we need a sufficiently large amount of renewable generation – an anchor load – to enable us to work at a scale that allows us to carry out meaningful trials and is financially viable.

As we develop the system we will be guided by our core values of inclusivity, collaboration, and community. We want to put communities right at the heart of the new energy system, putting power in the hands of local people.

 $^{^{*}}$ Based on the 2019 government figure for grid electricity of 0.2556kg CO2 emissions per KWh

DEVELOPING BEST PRACTICE IN GROUND MOUNT SOLAR

We are facing a climate emergency, which demands that we transition to zero carbon as soon as possible. Energy plays a huge part in this.

How we achieve this is still under debate – but it's clear that we must:

- Reduce energy demand through energy efficiency measures
- Increase renewable energy generation to meet energy demands without relying on fossil fuels
- Explore innovative solutions to reduce the strain put in the electricity network at times of peak demand, increase the network capacity for more renewable generation, and create room for zero carbon transport and heat.

The Low Carbon Hub is working on each of these. In terms of 'powering up' and increasing generation of renewables we're primarily focused on solar installations, due to Oxfordshire's geography.

So far, the Low Carbon Hub has been installing solar on Oxfordshire's rooftops. We'd love to do more rooftop installations, but it's becoming difficult to find suitable buildings which are financially viable.

Indeed, half of our solar energy will need to come from ground mounted PV solar by 2030, as outlined in the Oxfordshire Low Carbon Economy report.* So, if we want to increase our renewable generation, then we must also look at ground mounted solar installations, also known as solar farms. And if ground mount is an inevitable part of the renewable transition, then at Low Carbon Hub we want to ensure that these installations are designed, delivered and managed in a way that benefits the local community and environment.

Community ownership models would mean communities have a greater say in how the installations are created and managed. It would also mean that the income made from selling the energy can benefit the local economy, keeping more of the £1.5 billion we spend on energy each year in Oxfordshire in the county.

We're already learning from successes, such as Westmill Solar and Southill Solar, about how we can do ground mount solar in the right way, and we want to learn more.

As a first step towards this, we surveyed our members and stakeholders to gather their views on the role of ground mount solar as part of the transition to a zero carbon energy system. The 80 responses were overwhelmingly positive, with the vast majority highlighting the importance of increasing solar energy generation in reducing carbon emissions and taking local action against the climate crisis.

The survey has helped underline the importance of considering the wider sustainability of any proposed site, such as that:

- The land used is actively managed to enhance biodiversity and create new habitats for wildlife in the local area, such as seeding wildflowers beneath the panels
- The end of life restoration of the land is put into place to ensure the land is returned in the same (or even, better) condition at the end of the project's life
- The sites are carefully chosen to ensure the best use of land available in the county
- The possibility of sharing the land with other activities is considered, such as for grazing animals.

^{*} lowcarbonoxford.org/reports/oxfordshires-low-carbon-economy/

A SELECTION OF POTENTIAL SITES

Location: Yarnton

Size: 5 MW

Potential energy generation:

4.8 GWh

With a grid connection agreement and planning permission already secured this project is ready to be built. At 5MW it creates an opportunity to demonstrate a business model for community ownership of small utility scale generation in a post-subsidy world. No comparable projects have yet been delivered in the UK; the landowners, developers, and Low Carbon Hub are committed to realising a mould-breaking project.

2

Location: Cherwell district

Size: 8 MW

Potential energy generation:

7.8 **GWh**

Currently awaiting planning approval but with an approved grid connection, this project offers some important strategic opportunities for Project LEO. Situated in an off-gas grid rural area, with many local properties reliant on oil-fired heating, it could play a key role in better understanding a community-led approach to the electrification of domestic heating and transport.

3

Location: Eynsham

Size: 32 MW

Potential energy generation:

30 GWh

When the Eynsham low carbon group Green TEA learnt of plans to build a solar park next to the site of the Oxfordshire Cotswold Garden Village development, they saw an opportunity for local generation to become an integral part of, and influence on, the way we plan to meet our county's growing housing needs. They approached the Low Carbon Hub to work with the developer to bring local generation into community ownership for the benefit of the local community. The site is currently awaiting planning approval but has an approved grid connection.





THE COMMUNITY ENERGY FUND PORTFOLIO: KEY FACTS

Year of inception: 2018 Existing investors: 366

Investment: £1,508,985

Projects supported:

Supporting Solar 2016

The CEF has a 62% stake (£1.3 million) in the Low Carbon Hub 2016 Solar PV portfolio, replacing short-term debt, so the entire portfolio is now funded by the community. The portfolio has a total installed capacity of 1.868 MW, which generated 1,673,553 kWh of electricity in 2018/19.

13 Solar Schools.

Rooftop Solar PV Arrays

The Community Energy Fund contributed £188,000 towards the capital costs of the solar rooftop PV arrays below. They have a total installed capacity of 261 kW, giving an annual predicted generation of 225,000 kWh.

- Sonning Common Primary School
- Longfields Primary and Nursery School
- Brookside Primary School
- Thames Travel the first renewable project to 'plug in' to Project LEO
- CTG extension.

2018/19 financial results:

- Investment declared per £ invested (before fourth anniversary) 4%
- Investment declared per £ invested (post fourth anniversary) n/a
- Total interest paid out £19,826.

When you invest in the Community Energy Fund you help us deliver:



Local action to tackle the global issue of climate change

More investment means we can deliver more energy projects that reduce CO₂ emissions and reinvest the profits in energy-related community action.

Lower energy bills for schools and organisations

Our host organisations can benefit from lower electricity bills, thanks to buying discounted clean electricity from us, and getting practical support to improve their energy efficiency.

Long-term funding to support further carbon-cutting activity in our community

All our surpluses are put to work encouraging community energy initiatives to flourish in Oxfordshire and beyond, supporting increased renewable energy generation and delivering energy efficiency measures to reduce energy demand.

Additional funding from external funders

Your investments, and the projects they support, enable us to secure loans and leverage grant funding, enabling us to scale up our activities, delivering more carbon savings, more community action and driving innovation.

Flexible funding to seize new opportunities as they arise

Because the funding raised isn't tied to a single fixed portfolio of projects, it enables the Low Carbon Hub to support new projects as they arise. What's more, as a project returns capital, we are able to reinvest this in new projects, rather than automatically returning it to investors.

Innovative solutions

The projects that we deliver and the profits that they generate can be used to trial local energy approaches to accelerate the transition to a zero carbon energy system.

YOUR INVESTMENT

You are invited to invest in the Low Carbon Hub IPS Limited.

Minimum investment: £250

Maximum investment: £100,000

Investment target for this round: £1-5 MILLION

Spring 2020 timetable

- Application deadline:
 Midnight on Wednesday 10 June 2020
- Shares allotted by: 1 July 2020

Share type

We are offering 'A' shares. These are 'withdrawable' shares that cannot be sold, traded, or transferred between Members, unlike the 'transferable' shares typical of a limited company, and only the Low Carbon Hub IPS Limited can buy them back.

Who can invest?

Individuals over the age of 16, charities and other organisations may invest in this offer. You can also buy and hold shares on behalf of children. We are in the process of changing our Rules so children can hold shares in their own right. The change has been voted on and approved by our Membership and we are in the process of registering this Rule change with the Financial Conduct Authority (FCA), but it is not yet in force.

How much can I invest?

We are offering £1 shares with a minimum investment of £250 and maximum investment of £100,000. The maximum £100,000 includes any existing investment you may hold in the Low Carbon Hub IPS Limited, including any held on behalf of children.

How do I invest?

Ethex is managing the share administration of this share offer. It is a not-for-profit investment platform, based in Oxford, which makes positive investing easy to understand and easy to do. You can either:

- Invest online at www.lowcarbonhub.org/invest. This will take you through to the Ethex website where our share offer is listed. This paperless process is our preferred mechanism and is the most efficient method for investing. If you have any problems, or need help, then please call o1865 403304.
- Or, if you would prefer, you can send a cheque with a paper application to Ethex and they will process your investment. (See application form at the end of this document for more details.)

If you would like to apply for and hold shares on behalf of children, you will need to submit a paper application accompanied by the additional *Holding shares on behalf of children* form at the end of this document. Unfortunately, we do not have the facilities to accept this form online. This must be done at the time of application and cannot be done retrospectively.

What are the benefits?

The biggest benefit you receive as an Investor Member is the knowledge that your funds are being used to support local action to tackle the global issue of climate change and, through that, you are making a tangible difference to the future of your community. In addition, we offer:

- Membership of the Low Carbon Hub IPS Limited
- A stake in a successful community energy enterprise with a proven track record
- Delivery of environmental and community projects resulting in local action on climate change
- Democratic voting rights, with one member, one vote, at our AGM
- Opportunity to elect the Board who govern the Low Carbon Hub IPS Limited
- The Fund has a target interest rate of 5% for each year following the fourth anniversary of your investment, and 4% per annum before that
- Interest accrued from the day your investment is accepted by the Low Carbon Hub IPS Board
- The right to apply to withdraw your capital from the fourth year of investment
- A regular opportunity to increase your support for community energy.

Can I get tax relief?

Personal Allowance: You can use your Income Tax Personal Allowance to earn interest tax-free if you have not used it up on your wages, pension, or other income.

Starting rate for savings: You may also get up to £5,000 of interest tax-free. The more you earn from other income (for example your wages or pension), the less your starting rate for savings will be.

Personal Savings Allowance: The interest we pay counts as savings income. This means the interest you receive from your investment may qualify for tax relief under the Personal Savings Allowance. If you're a basic rate taxpayer you can earn up to £1,000 a year in savings income tax-free. Higher rate taxpayers can earn up to £500.

Inheritance Tax benefit: If a Member dies more than two years after investing, the shares may qualify for 100% relief under Business Relief for Inheritance Tax because the shares are unlisted.

All information correct at the time of writing. Go to **www.gov.uk** for for more information on any of these, as we cannot provide tax advice.

Is my investment safe?

You can be sure that your funds will make a positive difference to local initiatives tackling climate change but there is no guarantee of receiving a financial return on your investment. Investors may receive back less than their original investment and may not get it back at all. Please do not invest funds that you cannot afford to lose. You can read more about the risks of investing in the Risks section (p. 35).

What if the ground mount projects do not go ahead, or go ahead at a smaller scale?

Whilst the progress we have made to date gives us confidence we will be able to secure a suitable ground mount site this financial year, if we are not successful in securing a site, or the overall capital required is significantly lower than anticipated, we may have to take the decision to return some or all the capital raised in this share raise. In the unlikely event that this arises we will:

- Notify all shareholders by 31 March 2021 of our intention to return some or all of the capital invested during this share raise that we were not able to utilise.
- Return capital to investors in the current share raise, i.e. previous investments in the Community Energy Fund will not be affected.
- Return capital to each shareholder proportionate to the amount invested in this share raise. For instance, if we are unable to utilise 50% of the capital invested, we will return 50p for each £1 invested.
- Endeavour to honour our annual target interest rate of 4%, regardless of whether your capital is returned.
 Interest earned on capital that is returned early will be paid in line with our usual annual interest payment schedule.

Will the value of my shares ever increase?

No, unlike company shares co-operative and community benefit society shares cannot go up in value, but they can go down meaning that you could lose some or all of the money you invest.

Why do I get an interest payment, not a dividend?

Due to our structure as a Registered Society our shareholders can receive interest payments on their investment (rather than dividends) and these are limited under legislation to what is necessary to attract and retain the investment.

What is a 'target' interest rate?

We set a target interest rate for investment held in the Fund; this is the rate we will strive to deliver, based on the anticipated performance of our projects. The Fund has a target interest rate of 5% for each year following the fourth anniversary of your investment, and 4% per annum before that.

Can I withdraw my capital?

We strongly encourage investors to view their investment as a long-term commitment to the Low Carbon Hub, generating long-term financial benefits to you and sustained environmental and social benefit to the community.

However, investors in the Community Energy Fund whose investment has been in the Fund for a minimum of four years have the right to request the return of some or all of their capital. Although we cannot guarantee to fulfil all requests, we commit to making funding available each year to facilitate some requests.

This is a significant change from our early share raises. Capital invested in earlier share raises is gradually returned to investors over the 20-year project lifetime, rather than on request.

How do I apply to withdraw capital?

Investors can apply to withdraw equity that has been held in the Fund for at least four years. There will be an annual process by which investors can apply to withdraw some or all of their equity, up to a maximum of £20,000 in any one year.

Investors should submit application requests by 15 December each year by email, to **members@lowcarbonhub. org**. We will confirm if your application has been successful the following April, with successful applicants having their capital returned within 180 days of notification of their success.

To cover administration costs, successful applicants will forfeit 90 days of interest.

A full description of the process and a worked example can be found in the Community Energy Fund Guidelines available from our website.

Because the Low Carbon Hub does not hold large cash reserves, requests to withdraw capital will be met either out of our ongoing project income or by raising new equity to replace it. The timetable set out for replacement reflects the time it may take to raise the necessary capital.

Ultimately equity withdrawal remains at the discretion of the Directors who have an obligation to put the overall financial wellbeing of the Low Carbon Hub IPS Limited first.

How will you prioritise equity withdrawal requests?

Should the total equity withdrawal requests in any one year exceed the available capital, we will prioritise requests as follows, with each of the four stages being applied sequentially:



Personal hardship

This could include:

- a) Critical illness or death (affecting the investor or their immediate family)
- b) Redundancy or loss of employment by the investor or their immediate family that results in a significant change in household income
- c) Any other significant, unpredictable changes in circumstances, considered on a case-by-case basis.

Unless exceptional circumstances can be explained, it is unlikely that retirement, the arrival of a new baby, or moving to a new house would be considered grounds for personal hardship prioritisation.

The return of capital for hardship cases would usually follow the annual withdrawal timetable. However, in exceptional circumstances, and when funds allow, the Directors may consider requests for the immediate return of capital.

2 Fulfilment of unsuccessful applications from previous rounds

Any requests that were unfulfilled in the previous year will be next in line for consideration, which we will endeavour to meet.

3 Length of investment

Remaining requests will be fulfilled with priority given to funds that have been invested in the Community Energy Fund for the longest period of time.

4 Amount requested

In the event that we lack sufficient capital to meet all the requests relating to funds with the same investment anniversary, we will endeavour to meet the first £250 of every request and then meet an equal proportion of the remaining withdrawal request.

When equity withdrawal is part-funded by new equity, we may be in a position to return some equity more quickly and we would offer some investors their equity back sooner, using the same prioritisation rules.

We cannot guarantee you will be able to withdraw your capital. Please do not invest funds that you cannot afford to be without.

When else might capital be returned?

The financial models we use for our renewable energy projects anticipate the gradual repayment of capital over the project lifetime. By using this released capital, combined with new equity, we hope to fulfil capital withdrawal requests.

If the sum total of requests to withdraw capital is lower than the capital to be returned, we may have to proactively return capital to investors. The decision to return capital will be made by the Directors.

Can I hold shares on behalf of children?

Members must be at least 16 years of age. You have the option of holding shares on behalf of someone who is under 16. Following that person's 16th birthday they may become a Member of the Society and those shares can be passed on to them. If you would like to hold shares on behalf of children, complete the *Holding shares on behalf of children* form at the end of this document. Unfortunately, we do not have the facilities to accept this form online. Please complete a paper application and return it to Ethex.

Can we hold shares in joint names?

We have historically had very few people applying to hold shares in joint names, so we have decided to not offer this option at this stage.

What happens to my shares if I die?

If a Member dies, the repaid value of the shares will normally be added to the estate for probate purposes. The simplest way to ensure your shares will be transferred in line with your wishes is to complete and return a *Nomination of shares on death* form to the Low Carbon Hub. This will be sent out with share certificates and can also be downloaded from the Low Carbon Hub website 'Invest' page.

If a Member dies more than two years after investing, the shares may qualify for 100% relief under Business Relief for Inheritance Tax because the shares are unlisted.

What happens to my investment if you develop more projects?

Your return will be based on the performance of the total portfolio of energy projects developed and supported by the Community Energy Fund. This will change over time as new projects are developed or mature projects reach the end of their life. Each year we will report on the financial, social, and environmental performance of the projects where the capital invested in the Fund is currently deployed.

Where can I find further details about the way the Community Energy Fund will operate?

The Community Energy Fund Guidelines document sets out how the Fund will be managed and operated.

What is the minimum target for this round of investment?

There is no minimum target for the share offer.

What is the maximum target for this round of investment?

Our target for this round of investment is £1.5 million. However, should we have sufficient new solar PV projects confirmed to enable us to quickly make use of additional equity, we may increase the maximum target to enable us to attract the equity needed to cover their costs during this investment raise round.

What happens if the share offer is undersubscribed?

If we fail to meet our target it is our intention to process any applications made by the deadline to the timetable outlined in this Share Offer Document. If we still have an immediate need for new investment, we will set a new application date later in the year for a follow-up round of investment, to enable us to meet our capital requirements.

What happens if the share offer is oversubscribed?

Should the offer be oversubscribed, we will accept additional investment so long as we have sufficient confirmed energy projects in the pipeline to quickly make use of the additional capital. Should this not be the case, we will not exceed the target in order to avoid overcapitalisation. In which case, we will prioritise investment in order of receipt of application.

Please read the document *Community Energy Fund Guidelines* in conjunction with this document. It outlines the way the Fund will be managed, how interest payments are calculated, and the rules for equity. Please also see the full Terms and conditions (p. 38).



This share offer has been awarded the Community Shares Standard Mark

The Community Shares Standard Mark is awarded by the Community Shares Unit to offers that meet national standards of good practice. These standards ensure that:

- The offer document and application form are easy to understand
- You are provided with all the facts you need to make an informed decision
- The facts are supported by the annual accounts and/or business plan for the society
- Nothing in the documents is purposefully incorrect, confusing, or misleading
- Societies are asked to sign a code of practice requiring them, among other things, to give the public a right
 of complaint to the Community Shares Unit.

For more information about community shares, the Community Shares Standard Mark and the Community Shares Unit, go to: www.communityshares.org.uk

ABOUT THE LOW CARBON HUB

OUR STRUCTURE

Low Carbon Hub is a social enterprise that's out to prove that we can meet our energy needs in a way that's good for people and for the planet. It's made up of two organisations: the Low Carbon Hub IPS Limited (a Registered Society) and the Low Carbon Hub CIC (a Community Interest Company).



LOW CARBON HUB IPS LIMITED

Low Carbon Hub IPS Limited is a Registered Society, a business owned by our Investor Members and run for the benefit of the community.

The Low Carbon Hub IPS Limited develops, delivers, owns, and manages renewable energy projects with local schools, businesses and community groups – we currently own and manage over 40 renewable energy projects across Oxfordshire.

We're able to do this because over 1,000 Investor Members have invested in share offers just like this one – giving us the capital we need to build these projects. In turn these projects deliver:

- Reduced carbon emissions through the generation of clean, green electricity
- Lower energy bills and carbon savings for schools and organisations hosting our solar PV arrays
- Interest payments to the investors whose capital funds our projects
- Long-term funding to support further carbon-cutting activity in our community.

Take a look at some of our renewable energy projects on pages 22-23.

Working in partnership

Alongside the income from our renewable energy projects, we also work to secure grants and contracts to deliver other projects and programmes. Often this involves working in partnership with other organisations. Our current collaborations include:



Project LEO, a £40 million project trialling local energy solutions to accelerate the transition to a zero carbon energy system.

More information on page 18.



Cosy Homes Oxfordshire, a home retrofit service to improve energy efficiency in homes, reducing carbon emissions and improving comfort.



OxFutures, boosting the low carbon economy in Oxfordshire through providing energy audits to local businesses and grants to support innovation in the sector.



LESS CO2, an energy efficiency programme for schools to give staff the knowledge and confidence to reduce their school's energy usage.



66 The Low Carbon Hub supports communities around Oxfordshire to make this work on climate change possible.

Mim, Low Carbon West Oxford

LOW CARBON HUB CIC

100% of the surplus we make from selling renewable energy is donated to the Low Carbon Hub Community Interest Company (CIC), to be used for community benefit, supporting community action on climate change.

There are 26 low carbon community groups across Oxfordshire who have chosen to become CIC Community Members, and have a shareholding in the CIC. This ensures that our operation is totally transparent and is guided by those it is set up to serve.

We offer:

- Grants and loans to help community energy enterprises flourish
- Funding, help, and advice to support grassroots carbon-cutting activity
- Energy efficiency support to reduce Oxfordshire's energy demands
- Catalysing and driving partnerships that support the transition to a zero carbon energy system.

Find out more about our community benefit work on pages 20-21.

ABOUT PROJECT LEO

Project LEO (Local Energy Oxfordshire) is one of the most ambitious, wide-ranging, innovative, and holistic smart grid trials ever conducted in the UK.



This £40 million project is a unique collaboration between commercial and public partners, academics and communities. Together we are conducting real-world trials to understand the role local energy can play in accelerating the transition to a zero carbon energy system.

Project LEO aims to demonstrate how the electricity system of the future can work, and so to grow an evidence base that can inform how we manage the transition to a smarter electricity system. Decarbonisation, decentralisation, and digitalisation are all fundamentally changing the way we interact with energy and creating new opportunities and challenges.

Project LEO will help us better understand how this shift changes the role of the distribution network operators (DNO) as they become distribution service operators (DSO), how markets can be unlocked and supported, create new investment models for community engagement, and support the development of a skilled community positioned to thrive and benefit from a smarter, responsive, and flexible electricity network.

As well as the technical challenges we'll face, the shift to the new system is going to create another key challenge: that of fairness, and part of our work will be to explore how we can transition to a new energy system from which everyone can benefit and no one is left behind.

Project LEO partners:

- Scottish & Southern Electricity Networks
- Low Carbon Hub
- University of Oxford
- Oxford Brookes University
- EDF Energy
- Piclo
- Oxfordshire County Council
- Nuvve
- Oxford City Council
- Industrial Strategy Challenge Fund

This project will transform new thinking in the future of energy systems to a reality.

Professor Malcolm McCulloch, University of Oxford



LOW CARBON HUB AT A GLANCE



PLANET



45 renewable energy installations*

Together they can:



generate
4-4 GWH
green electricity
a year



power **1,447** typical homes



save
1,244
TONNES
of CO₂**



between them have invested £5.8 million to finance the costs of our projects and whose investments bring energy into community ownership



37 host organisations – the schools, businesses and community organisations that host our energy projects



26 community shareholders

- the low carbon community groups who share our aims and have a stake in us



PROSPERITY

ES.8 M share capital raised

28-3 M capital expended on renewable energy installations

Our portfolio of renewable energy installations is anticipated to deliver the following benefits over their lifetime:

£3.9 M interest to investors

savings on electricity bills by hosts

£2. S M community benefit income



PERCEPTION

We are committed to developing a sustainable energy system for community benefit. And our stakeholders agree...

99%

believe we are committed to the creation of a low carbon, locally owned renewable energy system

98%

trust our expertise around local, renewable energy and low carbon

^{*} Including IPS- and CIC-owned installations.

^{**} Based on 2019 government emission conversion factors for greenhouse gas reporting.

DELIVERING COMMUNITY BENEFIT



Powering down

We're working to power down and reduce energy demand across Oxfordshire. This means improving the energy efficiency of buildings and encouraging behaviour change. Our work in this area includes:

- Funding energy audits and energy efficiency measures to help businesses, schools, and communities increase the energy efficiency of their buildings, reducing CO₂ emissions and energy bills
- Working with schools to bring climate change and energy into the school curriculum
- Providing a one-stop-shop for home retrofit measures through Cosy Homes Oxfordshire.



$ar{\zeta}$ Supporting innovation

We are supporting innovation by providing grants and loans to communities and companies at the early stage of developing innovative, low carbon projects. Recent examples include:

- Providing grant funding to Oxford-based startup EcoSync through OxFutures, to develop technology so that only occupied rooms in a building are heated, vastly reducing energy consumption
- Giving a community grant to Hook Norton Low Carbon to kick-start a community-led housing project to develop energy efficient, affordable, and community-focused housing for local people
- Developing the People's Power Station, an online interactive map showcasing projects across Oxfordshire which reduce our reliance on fossil fuels.



Catalysing system change

We are catalysing system change in Oxfordshire and beyond: moving away from an energy system reliant on fossil fuels by focusing on local energy solutions to manage and fulfil energy demand.

Central to this is our involvement in Project LEO, a £40 million project trialling local energy solutions to accelerate the transition to a zero carbon energy system. Our role is to utilise our existing renewable energy installations to trial local generation and demand projects, as well as growing our portfolio of installations – including those which will be funded by this share offer.



Providing help and support

We offer help, advice, and support to groups and individuals across Oxfordshire and beyond on all things related to community-owned renewable energy, through the Low Carbon Hub Helpdesk.

ièi

Community Grants Programme

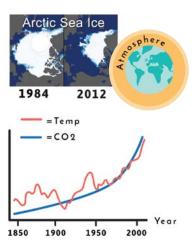
We give grants to support the work of low carbon community groups across Oxfordshire. Over the last financial year (2018/19) we awarded a total of £38,788 in 17 grants, including:

Sustainable Kirtlington: Solar Village Hall



Sustainable Kirtlington wanted to install solar PV panels on their Village Hall. A Low Carbon Hub grant funded the initial feasibility study to see if the Hall roof was suitable. The 32 panels are now fully operational, with an annual output of 8,277 kWh of clean electricity to power the Hall. As well as generating electricity, the sale of surplus electricity is expected to provide the community with over £1,000 a year to support further projects.

Low Carbon West Oxford: KidsCAN (Climate Action Network)



Low Carbon West Oxford received a grant to support their engagement programme, which reduces carbon emissions in their local area by engaging with residents. Part of this project became KidsCAN, a fantastic set of resources and visual materials to help school children make sense of climate change and feel empowered to make a difference.

Low Carbon Oxford North: Coalition for Healthy Streets and Active Travel



Low Carbon Oxford North are leading this coalition of 11 organisations striving for efficient, active, and low carbon travel in Oxfordshire. Thanks to a Low Carbon Hub grant they are working on a range of travel initiatives including promoting active travel in schools and working towards a car-free Broad Street.

In 2018/19 we delivered the following community benefit:

energy audits

community grants

energy efficiency grants for SMEs schools signed up for energy efficiency programmes

hours of Helpdesk support

£536,947 total spend

OUR RENEWABLE ENERGY PROJECTS

We create and manage renewable energy projects in collaboration with businesses, schools, and communities across Oxfordshire. These are made possible thanks to the investment provided by our Members.



on our energy bills, but also the students in our school have learnt more about the environment now that the solar panels are installed.

Jason, Teacher

Sandford Hydro



The largest community-owned hydro on the Thames

- 440 kW installed capacity
- Generating 1.6 GWh a year
- Enough to power **500** typical homes
- Commissioned: August 2017 (fully operational February 2018)

2) Thames Travel



Our latest of several business installations was at the Thames Travel bus depot in Didcot

- 50 kW installed capacity
- Generating 44,303 kWh a year
- Enough to power 14 typical homes
- Commissioned: September 2019

3 Brookside Primary School



One of our latest solar school installations, with 147 rooftop solar panels installed

- 40 kW installed capacity
- Generating **34,779 kWh** a year
- Meeting 33% of the school's electricity needs
- Commissioned: March 2019

Our solar schools











We're now partnered with 29 schools around Oxfordshire which have had rooftop solar panels installed. As well as reducing carbon emissions, this benefits the schools as they're able to use the electricity generated to power their school and save money on energy bills. Our solar schools total:

• **5,647** panels

- Meeting **16–40**% of each school's electricity needs
- Generating **1,362,415 kWh** a year
- Saving **345** tonnes of CO₂ a year

MEET THE TEAM

BOARD MEMBERS

The Low Carbon Hub IPS Limited and the Low Carbon Hub CIC (see p.16 for more on our structure) are each governed by a Board of Directors. Most Board Members sit on both Boards, but we have one independent Board Members on each board for any issues where there is conflict between the two organisations.

Executive Directors



Barbara Hammond

CEO, Director of Low Carbon Hub IPS Limited & CIC

Barbara's 25-year career in sustainable development and energy, including stints in local government, central government, the private sector, and academe, gives her a very unusual ability to network across all of those sectors to build 'coalitions of the willing' to make projects happen. During her time in central government she was responsible for the UK's £350 m renewable energy programme and the delivery of the UK's first offshore wind farm, large-scale PV field trials, biomass generators, and wave and tidal research programme.

She is a pioneer in developing local, collective responses to climate change, being founder and director of Low Carbon Oxford, a city-wide partnership of leading corporations committed to reducing carbon emissions, and founder and director of West Oxford Community Renewables Ltd and Osney Lock Hydro Ltd which together have raised around £1.5m for a range of community-owned solar and hydro projects. She was awarded an MBE in 2015 for her services to the development of community energy.



Adriano Figueiredo

Director of Innovation, Director of Low Carbon Hub IPS Limited & CIC

A Civil Engineer and highly experienced manager, Adriano has held senior positions in commercial businesses in the UK, Continental Europe, and Latin America in sectors as diverse as industrial property development, heavy construction, and private equity backed M&A. An entrepreneur at heart, he has set up, developed, and managed subsidiaries of UK businesses in Spain, Mexico, and Brazil. He used this experience to co-found Oxford North Community Renewables (or ONCORE) and has been with the Low Carbon Hub since 2013.

As the Director of Innovation for the Low Carbon Hub, Adriano has a leading role in the continuous development of the Hub's zero carbon strategy. Adriano also acts as the Hub's Project LEO programme manager.

Non-Executive Directors



Tim SadlerChair of the Board of Directors,
Board Member of The Low Carbon Hub IPS & CIC

Tim Sadler has a wealth of experience both in environmental programmes and social enterprise. He is currently the Transition Director at Oxford City Council where he provides the officer lead and advice on the City Council and Oxford achieving net zero carbon. Tim is also the non-executive chairman of the council's social enterprise Oxford Direct Services, a building, engineering,

and services company with a turnover of around £60m a year. Tim has recently worked with the Foreign and Commonwealth Office to advise the nascent social enterprise sector in Russia.

Tim joined the Boards in Jan 2012 and became its chairman in June 2019.



Luke MarionTreasurer of The Low Carbon Hub IPS & CIC

Luke is a Chartered Accountant and the Finance and Commercial Director of the Oxford Bus Company and its sister companies Thames Travel, Carousel Buses, and City Sightseeing Oxford. In 2013 he helped Oxford Bus Company become the first local business to partner with the Hub, which led to a 140 kWp solar PV array being installed on the company's depot premises in Cowley. In 2019 the partnership was extended further, with a 50kW PV array being

installed on the Thames Travel depot premises in Didcot. Luke started his career with Ernst & Young before joining Reckitt Benckiser, where he spent seven years in various commercial finance roles in the UK.

He joined the Low Carbon Hub as non-executive treasurer early in 2015. Luke is currently working to introduce Oxford's first electric double deck buses for his City Sightseeing business, and through this has been able to assist the Hub with local demand management work under Project LEO. The first electric bus went into service in March 2020.



Steve Drummond *IPS Independent Board Member, and Investment Committee Chair*

Steve has extensive experience in the energy sector. Starting as an engineer and then moving into finance, he has spent nearly 30 years working in nuclear, conventional, and renewable energy power generation. Roles include power station design, operations, and development at the Central Electricity Generating Board and its successors, Partner of Corporate Finance at PwC, and emissions trading, finance, and global project development at Cantor

Fitzgerald. Steve is now MD of Bainton Capital Partners Ltd, a boutique advisory firm that helps develop and finance renewable energy power projects around the world. Back in Oxford, he was one of the founding directors of Oxford North Community Renewables (or ONCORE) and developed the structure of the enterprise and the financial model to install community renewable projects in North Oxford.



Tom HoinesBoard Member of The Low Carbon Hub IPS & CIC

Tom is Managing Director for Co-op Community Energy, a joint venture between the Midcounties Co-operative and Octopus Energy. Its aim is to support and help facilitate innovation and routes to market for community energy.

Tom has nearly a decade of experience in the energy industry, most of which has been in renewable energy and energy supply, from heading up departments responsible for negotiating hundreds of Power Purchase Agreements to running businesses developing and selling commercial-scale installations. Tom joined the Low Carbon Hub as non-executive Director in early 2016.



Sue HalliwellCIC Independent Board Member

Sue is Director for Planning and Place at Oxfordshire County Council, overseeing place-shaping functions including strategic infrastructure planning, transport, and environmental strategy and policy including low carbon community engagement and green infrastructure. Previously Sue has been involved in developing energy and resource management strategies both locally and nationally and established a centre of excellence for local authorities sharing best practice in business resource efficiency.



Nina Alphey
CIC Communities Director

In 2018 the Low Carbon Hub CIC's community shareholder groups elected Nina Alphey as their representative. She will serve as Communities Director until the AGM in October 2020. Nina is a long-term member of Westmill Solar Co-operative Ltd and has been on its Board since 2016 and was an active member of low carbon community group Kidlington vs Climate Change until 2014. As Communities Director on the Board, Nina's main focus is on achieving benefit for our communities and representing the interests of the community shareholder groups. She is also interested in encouraging partnerships with academic institutions to support research, in particular in relation to renewable energy and climate change mitigation.

STAFF TEAM

The day-to-day operation of the Low Carbon Hub is managed by a team of 15 staff (12.9 full-time equivalents) employed by the Low Carbon Hub CIC.

- Barbara Hammond, CEO, steers the strategy of the Low Carbon Hub, in conjunction with the Boards, and ensures the Low Carbon Hub is well managed, resourced, and effective in delivering our business plan.
- Adriano Figueiredo, Innovation Director, leads the continuous development of the Hub's zero carbon strategy.
 Adriano also acts as the Hub's programme manager for Project LEO.
- Tom Heel, Business Development Director, develops and delivers on our existing business model, as well as developing models for any new business propositions.
- Alison Grunewald, Business Relationship Manager, manages the European Regional Development Fund project, OxFutures, which is growing Oxfordshire's low carbon economy.
- James Ochiltree, Project Manager, develops and maintains new and existing renewable energy projects.
- Rachel Boyes-Watson, Chief Operating Officer, ensures all business operations run smoothly including finance, billing, and insurance. Rachel is Company Secretary for the Hub and manages the registry administration for our investor Members.
- Harry Orchard, Operations Manager, ensures the efficient operation of our renewable energy projects.
- Mark Coles and Leanne Byatt, Finance Team, are responsible for the effective day-to-day management of the Hub's finances.
- Saskya Huggins, Social Impact Director, is responsible for developing a robust community benefit strategy, reporting on the Hub's social impact, and raising investment for energy projects.
- Beth McAllister, Tabitha Whiting, and Zoe Toone, Marketing and Communications Team, plan and implement the Hub's communications and marketing strategy.
- Catherine Ryan, Community Engagement Manager, works with low carbon communities across Oxfordshire to support the design and delivery of projects to help local people reduce their carbon footprint.
- Kat Luddecke, Stakeholder Engagement Advisor, supports our work with key partners and manages the administration for the Boards of Directors.
- Joanna Tamburino, Investor Support Co-ordinator, is responsible for responding to investor and renewable energy host queries and ensures the smooth running of the Hub office.



Low Carbon Hub is really dedicated, knowledgeable, and passionate and that all together means they are making fantastic things happen.

Jenny, Investor

FINANCE SUMMARIES

Finance Summary for the Low Carbon Hub IPS Limited

The Low Carbon Hub has delivered more than £8 million worth of green energy projects since 2011. The following tables show the consolidated financial position for the Low Carbon Hub Group, which comprises the Low Carbon Hub IPS Limited and Low Carbon Hub Sandford Hydro Limited, a wholly owned subsidiary.

Please note: These tables reflect the accounting losses caused by depreciation. This is a paper loss only and does not affect our overall positive cash flow situation.

Society funds

At the end of the 2018/19 financial year, Member share capital in the IPS stood at almost £6 million. The table on p.33 gives a further breakdown of the investment in each of our portfolios of projects.

Long-term liabilities as of March 2019 related to a loan to fund Sandford Hydro of £1,812,068 from Charity Bank, held in Low Carbon Hub Sandford Hydro Limited. This loan is ring-fenced within the wholly owned subsidiary and therefore exposure is limited only to Sandford Hydro portfolio shareholders. The total long-term liabilities also included £122,596 deferred income relating to the transfer of ONCORE (see note 12 in our Consolidated Accounts).

At the end of the 2018/19 financial year we also had short-term liabilities of £300,000 due this current year that relate to a £200,000 loan from Resonance and a £100,000 loan for the Sandford Hydro fish pass.

Since then, we have taken out £327,984 from our short-term revolving loan facility with Oxford City Council, part of which replaced the £200,000 loan from Resonance.

Use of society funds

Our existing portfolio of installations are now operational and generating income, resulting inan annual surplus being generated each year. This surplus is enabling us to accrue interest in line with the timetables set out during our share offers and to make community benefit donations to the Low Carbon Hub CIC.

These assets are forecast to continue to generate an operating surplus over their project lifetimes. The illustrative financial projections for the new solar ground mount illustrate how this operates on a project level basis (see pages 30-31).

Once depreciation of the value of the fixed assets is taken into account, the reserves in the profit and loss account show accounting losses. However, as explained in the following project financial projections section, accumulated reserves reach £0 at the end of the life of each portfolio, with total accumulated profits matching the equity invested and repaid over the life of the portfolio.

In line with FCA guidance on the withdrawal of share capital, our policy is that capital withdrawal will be from trading surpluses, after all other liabilities have been met, or by matching with new equity.

Over time, the society will reduce its negative reserves as portfolios mature, ensuring that the negative reserves do not exceed share capital.

Society Funds £s	Year 2018/19	Year 2017/18	Year 2016/17
Fixed Assets	7,027,323	7,185,859	5,959,450
Member Share Capital	5,851,982	4,105,278	3,459,462
Society Reserves (or losses)	(840,080)	(436,709)	(279,446)
Long-term Liabilities (loans)	1,934,654	2,323,586	1,100,000
Net Assets	5,011,902	3,668,569	3,180,016

Member Share Capital £s	Year 2018/19	Year 2017/18	Year 2016/17
Opening Balance of Member Share Capital	4,105,278	3,459,462	2,046,603
New Share Capital Invested During Year	1,747,704	651,816	1,412,861
Share Capital Withdrawn During the Year	1,000	6,000	0
Closing Balance of Member Share Capital	5,851,982	4,105,278	3,459,462

Membership levels	Year 2018/19	Year 2017/18	Year 2016/17
Number of Members at the Beginning of Year	808	647	396
Number of New Members Joining	229	165	251
Number of Members Leaving	1	3	0
Number of Members at the End of the Year	1036	808	647

Use of Society Funds £s	Year 2018/19	Year 2017/18	Year 2016/17
Interest Rate on (eligible) Share Capital	3.2% to 5.83%	5.4%	5.0%
Interest Paid on Share Capital	182,240	104,097	102,330
Community Benefit Spend	76,201	100,000	48,497
Total Comprehensive Income	(403,371)	(157,263)	(160,618)
Addition (reduction) to Society Reserves	(403,371)	(157,263)	(160,618)

Project financial projections

We undertake detailed financial projections for each of the projects we develop.

The table overleaf summarises the lifetime income and expenditure for an 8MW ground mount solar PV project. This model illustrates a subsidy free business model, and sets out the key assumptions it contains. Although we may be able to secure cheaper capital to support the project or reduce initial or ongoing costs, we will use this model and assumptions as the base case we are working to, in order to demonstrate the case that using share capital to fund subsidy-free ground mount solar can be anticipated to generate sufficient surplus to meet shareholder interest payments, provide community benefit income, and return investor capital during the project lifetime.

Like many one-off capital projects, the way the finances are modelled shows the projects running at an accounting loss, although the cash position is always positive. This is because the projects are treated as wasting assets, so depreciation is charged to the income statement but has no impact on cash held in the bank.

Each year, the projects are expected to return a surplus. This surplus is used for the following purposes, in order of precedence:

- Contribute to organisational administrative costs including investor support
- Pay interest on short-term loans
- Provide an interest payment to our investor Members
- Release all the capital originally invested in the project for reinvestment or return to investors, as shown in the tables overleaf in the row Capital Repayments
- Provide funding for community benefit.

As a Registered Society we make returns to investors as interest, paid before profit is calculated, unlike dividend payments, which are generally paid out after profit is calculated. Similarly, we pay community benefit out of our surpluses.

8MW GROUND MOUNT SOLAR

Indicative base case financial projection for a subsidy-free 8MW ground mount solar PV array.

An 8MW ground mount solar – a base case scenario Summary projections first five years (£)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Operating Cashflow						
Energy Sales Income	404,544	408,439	412,264	426,393	428,556	2,080,196
Operating Costs	136,500	140,595	144,813	149,157	153,632	724,697
Net Operating Cashflow	268,044	267,844	267,452	277,236	274,924	1,355,499
Expenditure Cashflow						
Senior Debt Interest	-60,500	-58,928	-57,311	-55,653	-53,652	-286,044
(18 year tenure)						
Senior Debt Principal	-48,370	-49,760	-51,021	-61,574	-20,954	-231,679
(18 year tenure)						
Members Interest	-138,286	-138,286	-138,286	-138,286	-172,858	-726,003
Members Capital Repayments	0	0	0	0	-10,000	-10,000
Tax	0	0	0	0	0	0
Community Benefit Donations	-20,887	-20,869	-20,833	-21,723	-17,461	-101,772
Operating Surplus	О	0	О	О	0	0
Profit and Loss Account						
Total Revenue	404,544	408,439	412,264	426,393	428,556	2,080,196
Operating Costs	136,500	140,595	144,813	149,157	153,632	724,697
EBITDA	268,044	267,844	267,452	277,236	274,924	1,355,499
Senior Debt Interest	-60,500	-58,928	-57,311	-55,653	-53,652	-286,044
Members Interest	-138,286	-138,286	-138,286	-138,286	-172,858	-726,003
Community Benefit Donations	-20,887	-20,869	-20,833	-21,723	-17,461	-101,772
Depreciation	-177,290	-177,290	-177,290	-177,290	-177,290	-886,451
Allowance for Tax	0	0	0	0	0	0
Total	-128,920	-127,530	-126,269	-115,716	-146,337	-644,772

^{*} EBITDA= Earnings before interest, tax, depreciation, and amortisation.

KEY FINANCIAL TABLE ASSUMPTIONS

- 30-year project
- Total capital cost £5.3 million
- System degradation 0.4% a year
- Debt to equity ratio 35:65
- 100% of electricity exported
- Debt interest rate: 3.25% for 18 years
- RPI at 3%
- PPA starting price at £52/MWh

Summary projections lifetime (£)

	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Operating Cashflow							
Energy Sales Income	2,080,196	2,476,861	3,026,501	3,439,828	3,818,138	4,338,448	19,179,972
Operating Costs	724,697	840,122	973,932	1,129,054	1,308,883	1,517,355	6,494,043
Net Operating Cashflow	1,355,499	1,636,738	2,052,569	2,310,774	2,509,254	2,821,094	12,685,928
Expenditure Cashflow							
Senior Debt Interest (18 year tenure)	-286,044	-246,126	-167,358	-31,841	0	0	-731,370
Senior Debt Principal (18 year tenure)	-231,679	-345,192	-747,441	-537,234	0	0	-1,861,546
Members Interest	-726,003	-856,289	-826,289	-768,789	-519,289	-206,789	-3,903,450
Members Capital Repayments	-10,000	-80,000	-170,000	-620,000	-1,250,000	-1,327,158	-3,457,158
Tax	0	0	0	-105,746	-350,055	-491,266	-947,067
Community Benefit Donations	-101,772	-109,132	-141,480	-247,163	-389,910	-795,880	-1,785,337
Operating Surplus	0	0	0	0	0	0	0
Profit and Loss Account							
Total Revenue	2,080,196	2,476,861	3,026,501	3,439,828	3,818,138	4,338,448	19,179,973
Operating Costs	724,697	840,122	973,932	1,129,054	1,308,883	1,517,355	6,494,044
EBITDA	1,355,499	1,636,738	2,052,569	2,310,774	2,509,254	2,821,094	12,685,928
Senior Debt Interest	-286,044	-246,126	-167,358	-31,841	0	О	-731,370
Members Interest	-726,003	-856,289	-826,289	-768,789	-519,289	-206,789	-3,903,450
Community Benefit Donations	-101,772	-109,132	-141,480	-247,163	-389,910	-795,880	-1,785,337
Depreciation	-886,451	-886,451	-886,451	-886,451	-886,451	-886,451	-5,318,704
Allowance for Tax	0	0	0	-105,746	-350,055	-491,266	-947,067
Total	-644,772	-461,259	30,991	270,784	363,549	440,707	0

^{*} EBITDA= Earnings before interest, tax, depreciation, and amortisation.

FREQUENTLY ASKED QUESTIONS

Who is Ethex and what is its role in this share offer?

Ethex brings together on one platform the best positive savings and investment opportunities to make it easy to make money do good. On its platform, you can browse, compare, and invest in a range of products from bank accounts and ISAs to equity investments and charity bonds that offer a social and environmental as well as a financial return.

Through Ethex you can invest and save with businesses you believe in – whether it's renewable energy, fair trade, social housing, organic farming, green transport, or micro-finance schemes – and these positive businesses can then find the investment they need to develop and grow. Ethex wants everyone to invest and save in a way that brings benefit to society and finances a more sustainable world. That's what it calls positive investing.

What about data protection?

Although we are using third parties to assist with the administration of the share offer, the Low Carbon Hub IPS Limited controls and is responsible for the use of your information. We will use your data to keep you up to date with the work of the Low Carbon Hub IPS Limited and Low Carbon Hub CIC. We will not sell, rent, or lend your data to other organisations. Our full Privacy Statement is available on our website.

How does 'one member, one vote' work?

In line with co-operative principles, a Registered Society operates on the democratic basis of 'one shareholder, one vote', so all shareholders have equal say regardless of the size of their investment.

What is the relationship between Members investing in this share offer and existing investors?

The Low Carbon Hub IPS Limited is fortunate to already have over 1,000 Members who have already invested. The vast majority of them hold withdrawable 'A' Class shares, the same share class as being offered in this share offer. There are also 10 pioneer investors who between them hold £121,232 of 'B' Class 'transferable' shares. All investors in the Community

Energy Fund will share the same democratic rights as existing Members. The key difference between Members relates to how interest payments are calculated and how capital is returned. These details are set out in our previous share offer documents.

Any equity invested in the Community Energy Fund by existing Members will be subject to the terms set out in this Share Offer Document. Their pre-existing investment will continue to be subject to the conditions set out in the share offer in which it was invested.

How does this share offer differ from previous share offers?

There are a number of key ways in which this offer differs from share offers preceding the Community Energy Fund.

Time-bound vs open share offer

Our previous share offers have focused on raising funds for a discrete set of projects through a time-bound share offer. This means investors' equity being tied to the performance of those projects for the lifetime of the project, with capital from the projects being slowly released over time and gradually returned to investors. At the end of the project lifetime investors will have had all their equity returned and will cease to be a Member.

Through the Community Energy Fund, investors are now being offered the opportunity to invest in an 'open' share offer which will stimulate and support the organic growth of the Low Carbon Hub.

The monies invested in the Fund will be used to support an identifiable set of projects, so you will still get tangible feedback about the projects we deliver thanks to your support. This portfolio of projects will change over time, as new opportunities arise, and we'll keep you up to date about the changes to the portfolio of projects.

Previously, each time a new set of projects has arisen we have launched a new time-bound share offer specifically to fund those projects, resulting in a new share portfolio. Going forward, we can use the Community Energy Fund to support new opportunities as they arise. Each year, we will reopen the share offer to bring new equity into the Community Energy Fund to support new projects.

As projects mature and release capital, this can be used to support further community energy projects that will sit inside the Fund. This means that your Membership isn't limited to the lifetime of a single set of projects, and so can continue beyond the life of the original projects, continuing to deliver environmental, social, and financial benefits.

Interest payments

In our earlier offers interest has been expressed as an 'Internal Rate of Return' (IRR) reflecting the overall likely performance over the project lifetime. This could include an initial 'grace period' where no interest was paid. For our Solar 2014, Solar 2016 and Sandford Hydro investors, this was set at 5% IRR.

The Community Energy Fund is offering a simple annual target interest rate which starts to accrue from day one of your investment being accepted.

Capital repayment

Our earlier share offers model capital return to investors as taking place gradually over the 20-year lifetime of the project. The investment held in the project slowly reduces over time until the last capital is repaid and you cease to be a Member.

The Community Energy Fund does not automatically return capital, rather, it gives our Members greater control as to when their equity is returned.

Summary of share offer portfolios to date

As of December 2019

Portfolio	Class A £1 Shares	Class B £1 Shares	Associated Debt £	Original Capital Expenditure £
Solar 2014	1,693,000	147,749	0	1,626,900*
Solar 2016	784.411	0	0	2,157,514
Sandford Hydro	1,471,177	0	1,955,453	3,992,712
ONCORE	143,997	91,500	0	248,856**
Community Energy Fund	1,508,985	0	0	£1,305,807 invested in Solar 2016 £203,178 allocated to new pipeline

^{* £200,000} of equity held in this portfolio is also used as working capital at an internal charge of RPI+3%.

^{**} Figure relates to original project costs at time of construction by ONCORE. Capex is not exactly equal to equity raised due to equity-raising expenses and small differences between the final construction costs of projects at project commencement.

Portfolio	Lifetime Target Return	First Year Interest Accrued	Interest Awarded for 2018/19 £	Equity Returned to Date £
Solar 2014	5% IRR	2016/17	107,447	28,694
Solar 2016	5% IRR	2018/19	45,036	8,689
Sandford Hydro Investors	5% during construction for pioneer investors, then 5% IRR	2017/18	51,491	0
ONCORE* ONCORE A 25 year pledge ONCORE A Withdrawable ONCORE B	4% 3% 4%	2012/13	5,869 768 3,294	3,000
Community Energy Fund	4% years 1–4 then 5% a year	2018/19	19,827	3,222

^{*} Information relates to original ONCORE portfolios prior to their transfer of engagement to the Low Carbon Hub IPS Ltd.

The projects

How do you select your project partners for rooftop solar PV arrays?

We actively welcome enquiries from all Oxfordshire schools, academies, institutions and businesses and assess suitability based on a number of criteria, which include:

Site suitability:

- A site able to host a solar array of sufficient size for the model to be financially viable and with enough on-site electricity consumption to ensure efficient operation
- An occupant able to enter a 20-year lease and power purchase arrangement (PPA) for the host building
- A roof orientated between south-east and south-west (or flat)
- A structurally sound roof, able to support panels for a 20-year project lifetime.

Active commitment from a host site who is:

- Supportive of the programme
- Able to work within programme timescales
- Willing to authorise key steps, including roof lease contract
- Happy to facilitate site surveys and contribute to an installation plan.

How has the end of the Feed-in Tariff impacted projects?

All of our operational projects have already secured 20-year FIT and a number of projects being delivered now were pre-registered to enable them to qualify. All future projects are being evaluated on the basis that they are financially viable without subsidy. This has significantly reduced the number of rooftop projects that we are able to deliver with our operating model.

Who will manage the installations?

The Low Carbon Hub CIC will manage the installations throughout the project's lifetime. This will include monitoring the performance of the systems, billing, and maintenance of equipment.

How do you fund the initial capex costs of a project?

Many of our projects are initially funded using short-term debt provided by Oxford City Council. The Oxford City Council loan is short-term funding for construction only and enables us to cover capital costs in the short term as opportunities arise, without the need to wait until sufficient equity is raised. It has to be repaid within 12 months of the first drawdown for a given project. The total amount of the facility is £2.3 million and the interest rate is 5% per annum.

What warranties and guarantees do you have?

The systems are covered by a number of warranties and will be insured against third party damage and theft and for loss of income. Further information is available in the Risks section of this document.

What happens to the installations at the end of their operating life?

Our projects are delivered using the highest quality (tier 1) panels which are currently covered by performance warranties that ensure they are generating at least 80% of their day 1 capacity by year 25. Our system modelling takes account of this performance decline over the lifespan of each installation and industry monitoring suggests that reasonable performance can be expected form panels in excess of 30 years.

For rooftop installations, the lease between the Low Carbon Hub IPS Limited and the host site is for 20 years and, on its expiration, the host organisations will be given the opportunity to take ownership of their systems. For ground mount installations, lease conditions require revenue to be set aside to return the land to its pre-developed condition.

What happens to the installations if the Low Carbon Hub IPS Limited ceases to exist?

If the Low Carbon Hub IPS Limited is wound up, then its assets will first be used to meet its liabilities, then to repay Members for their shares, and finally any surplus remaining will be passed on to a charity or social enterprise with similar objectives.

What plans do you have for projects in the future?

As well as continuing to grow our portfolio of renewable energy projects, we would like to develop a range of different community energy projects, which may include:

- Other renewable energy generation projects
- Energy efficiency projects
- Energy balancing and smart grid
- Energy storage
- Other energy-related products and services which can generate a profit while reducing carbon emissions.

We will set out our plans for new activities each year as part of our reporting to investors in the Fund.

The organisation

What is an IPS and Registered Society?

The Low Carbon Hub IPS Limited was set up as an Industrial and Provident Society, which is a legal form used for organisations that act either as a co-operative or for the benefit of the community.

In 2014 the Co-operative and Community Benefit Societies Act consolidated and replaced previous Industrial Provident Society legislation. Under the Act a society registered before August 2014 must refer to itself as a 'Registered Society', rather than a community benefit society, although we are governed by the Act.

Key principles are:

- Purpose: Our business must be entirely for the benefit of the community
- Membership: We have members who hold shares and we are run on a democratic 'one member, one vote' basis
- Application of profits: Any profits must be used for the benefit of the community with any interest on share capital being viewed as an operating expense rather than a distribution of profits
- Use of assets: The physical assets and any profits must only be used for the benefit of the community and, as such, have an 'asset lock'.

RISKS

Investing in the Low Carbon Hub IPS Limited should be seen as more of a social than a financial investment. We cannot guarantee a safe haven for your money or even that you will ever receive back all the money you invest or receive interest payments.

Members of Registered Societies do not have access to the Financial Ombudsman Service (FOS) or Financial Services Compensation Scheme (FSCS). The Low Carbon Hub IPS Limited has signed up to the Community Shares Unit Code of Practice, giving investors in the Community Energy Fund a right of complaint to the Community Shares Unit.

These risk factors are not set out in any particular order of priority and should not be regarded as exhaustive or a complete and comprehensive statement of all potential risks and uncertainties associated with the Society. Additional risks and uncertainties that are not presently known to the Directors, or which they currently deem immaterial, may also have an adverse effect on the Society's operating results, financial condition, and prospects.

The Directors have identified the following risks:

Liability

When you invest in the Community Energy Fund you are investing in, and becoming a Member, of the Low Carbon Hub IPS Limited. As the Low Carbon Hub IPS Limited has been incorporated with limited liability, the liability of its Members will be limited to the amount paid for their shares.

Loss of capital

The value of your shares will never increase and may reduce. Do not invest any funds that you cannot afford to be without.

Income

Our predicted income is based on a number of assumptions built into our financial and business models. The actual income generated by projects may differ from that anticipated by our financial modelling. Factors affecting income include, but are not limited to, the following:

- Projects may be delayed or incur additional costs due to technical, financial, or legal matters.
- Installations given as security to Oxford City
 Council construction facility could be taken over
 by the City Council should we fail to repay the loan.
- Costs associated with the management and maintenance of the projects and debt servicing may increase beyond the rate of inflation currently allowed for within our financial modelling.
- Other assumptions that we have built into our financial modelling relating to energy price inflation, RPI, proportion of electricity sold to host organisations, and export levels may prove to be inaccurate.
- Changes to the government's current timetable for the phasing out of the Feed-in Tariff.
- Local weather conditions affecting the amounts of electricity generated from renewable energy projects.
- Mechanical failure.

Technology

Technological failure of equipment such as panels, inverters, or any other part of the system and maintenance may cause interruptions to generation and affect income.

The solar PV systems are covered by a number of warranties and will be insured against third party damage and theft, and for loss of income. These include:

- A 10-year manufacturer's warranty and 25- year manufacturer's performance guarantee on the solar PV panels, guaranteed to 80% of nominal performance and panel degradation, is built into our financial modelling.
- Inverters are covered by a minimum two-year manufacturers' warranty, and we are building in a fund to enable all inverters to be replaced once within the 20-year period.
- A six-month installer defects liability period after commissioning for rooftop systems extending to one year for larger ground mounted installations.
 During this perod we can call on the installers to address any issues. In addition, we require a two-year workmanship warranty from the installer.

The Directors expect that regular ongoing output monitoring of all projects carried out by the Low Carbon Hub will identify unexpected drops in performance which will in turn trigger a check-up of the system and any necessary maintenance. However, there may be interruptions to generation of electricity caused by mechanical/electrical failure of equipment or poor installation, or during maintenance of the roofs on which the solar panels are mounted.

Interest rate payments

The Low Carbon Hub IPS Limited is permitted to pay interest on your shares, but according to FCA regulation we cannot offer an excessively generous interest rate and may pay no interest at all. The interest rate we offer must reflect the fact that the Society's primary purpose is community benefit. Financial performance is based on assumptions which are subject to variation outside the control of the Low Carbon Hub and cannot be guaranteed.

The timing of interest payments and rate of interest will be determined by the IPS Board of Directors.

We have set a target interest rate based on our assumptions about the income earned from the projects we support with the invested capital. Our ability to pay out the interest rate depends on the level of investment in the Fund, the surplus generated by the projects directly funded by the Fund, and the overall financial health of the Low Carbon Hub IPS Limited.

We will take the following steps to mitigate the risk to our being able to pay the target interest rate:

- Monitor the level of equity in the Fund to avoid over-capitalisation and return excess capital if necessary
- While the Fund is in its early years, we will only invest in projects that have a scheduled delivery date or are already completed.

Risks to delivery of our environmental and social benefit

The environmental and social benefits delivered by the projects depend on the performance of the installations themselves and the performance of community projects supported by the Low Carbon Hub IPS Limited and CIC. In particular:

- CO₂ reduction targets for the installations may not be met if green electricity generation or energy efficiency saving is lower than predicted.
- We may not generate sufficient profits to be able to provide the level of financial and other support to community-led environmental and social projects.
- Community-led projects supported by the Low Carbon Hub may not deliver the expected carbon and environmental savings.

Liquidity of your investment

Our ability to fulfil requests to withdraw capital is entirely dependent on the availability of funds at the time and our ability to attract new investment.

We anticipate projects returning capital to the Low Carbon Hub IPS over their lifetime. The timetable for capital return will vary between projects and is usually modelled over many years. For example, our new Solar PV financial models anticipate that the total capital invested in rooftop projects is released over a 20-year project lifetime and over a 30-year project lifetime for ground mounted projects. Capital begins to be released a short time into each projects, operating lifetime and increases over time as cashflow increases. The profile of capital release is primarily sculpted dependent on the demands of debt service for each individual project.

We anticipate it will be harder to facilitate equity withdrawal from released capital during the early years of the Fund. If there is insufficient capital released from our projects to fulfil requests to withdraw equity, we can also facilitate equity release by attracting in new investment to replace it.

We aim to open the Fund to new investment each year which will help facilitate early equity withdrawal by Members of the Fund. However, we cannot guarantee that we will be successful in attracting sufficient new investment to facilitate all requests to withdraw equity.

Each year, when accepting new investment, we aim to prioritise the allocation of new equity to facilitate the withdrawal of funds by existing Members that has been held for more than four years. Equity up to the value of 5% of all funds eligible for withdrawal in the Community Energy Fund will be made available, unless to do so would jeopardise the financial sustainability of the Low Carbon Hub IPS Limited. That means that for each £100,000 invested in the Fund that is eligible for equity withdrawal on 15 December, we aim to meet a minimum of £5,000 of equity withdrawal requests. We intend to make more available if we can.

Ultimately we cannot guarantee that we will be able to fulfil all requests to withdraw equity and equity withdrawal remains at the discretion of the Directors who have an obligation to put the overall financial wellbeing of the Low Carbon Hub IPS Limited first.

General investor risks

As a result of the risks to the projects identified above, investors should be aware of the following risks:

- Shares in the Low Carbon Hub IPS Limited are unquoted securities and may be considered to be riskier than quoted securities and shares.
- There is no prospect of shares in this Registered Society ever being worth more than their nominal value. Investors may receive back less than their original investment and may not get back their original investment.
- Withdrawal of share capital is entirely at the discretion of the Directors, and investors may not be able to withdraw their capital promptly in the event that projects fail.
- The financial performance projections set out in this Share Offer Document are based on assumptions which the Low Carbon Hub IPS Limited considers reasonable but are subject to variation and are not guaranteed. Investors may receive lower returns than those projected.

Information, opinions, and quotations in this Share Offer Document are correct at the time of writing and may change without notice. We are under no obligation to ensure that such updates are brought to the attention of any recipient of this material.

This Share Offer Document is issued by the Low Carbon Hub IPS Limited. None of the Low Carbon Hub IPS Limited Members, its Directors, officers, or employees gives or offers any investment advice to potential investors in relation to the application for investment in the company. Nor do they provide advice as to whether such an investment is appropriate for a potential investor.

TERMS AND CONDITIONS FOR APPLYING FOR SHARES

Your application

You can cancel your application for shares after we receive your application form and payment and prior to the Board approval of your application.

The Directors do not have to accept your application for shares. They may decide not to issue shares to you or may allocate you fewer shares than you applied for. They do not have to give any reason for their decision. If the share offer is oversubscribed (i.e. the share offer attracts applicants for more than the amount needed), shares will be allocated in order of receipt of application.

The share offer is expected to remain open until the target amount is reached. The Directors may give notice of the closure of the share offer sooner, and any applications received after this time will be returned to applicants.

If your application is received prior to the first target deadline, it will be considered for approval at the first convenient Board of Directors meeting after the target deadline.

Applications received after the first target deadline will be considered on an ongoing basis at the next convenient Board of Directors meeting after receipt of application.

Your payment

Shares are payable in full on application. Ethex, on behalf the Low Carbon Hub IPS Limited, will acknowledge receipt of your payment and application. They may cash any cheques as soon as they are received. Ethex will hold your money on trust for you in a segregated client account until the Directors have considered your application.

Ethex will return your money to you (within 28 days of the Board of Directors meeting at which they consider your application), if Low Carbon Hub IPS Limited decide not to issue shares to you. If the Directors decide to issue you with fewer shares than you applied for, Ethex will return the balance to you (within 28 days of the Board of Directors meeting). The Low Carbon Hub IPS Limited will not pay you any interest on any money it returns to you.

Once your application is accepted, all monies subscribed will be transferred to The Low Carbon Hub IPS Limited; you are no longer able to cancel your order.

Your promise to us

- Your cheque or payment will be honoured on presentation.
- You, as an individual, are at least 16 years of age.
- You have authority to sign the application form.
 If you are signing it for another person, you will provide the Directors with evidence of your authority to sign if they ask to see it.
- You will supply the Low Carbon Hub IPS Limited or Ethex with proof of your identity and address, if we ask for it. We may need to do this to comply with the Money Laundering Regulations 2008.
 We may have to hold back your shares until we see the proof.
- You hold a sterling bank account based in the UK.
- You are not relying on any information or representation which is not included in this document and the accompanying Business Plan and Community Energy Fund Guidelines.

Demutualisation

You may not benefit financially from your shares if the Low Carbon Hub IPS Limited converts, or transfers its business or is wound up. In this case, the only financial benefits you may receive from your shares are:

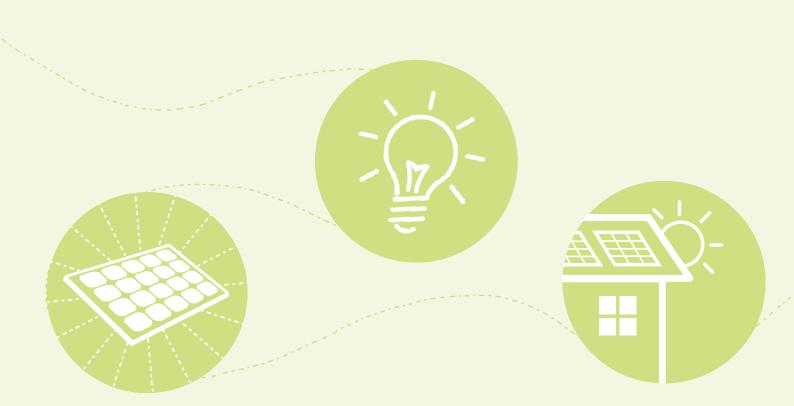
- The possibility of interest (at a low rate)
- The possibility of the return of the money you paid for your shares.

The Directors draw your attention to your obligations under Rule 14 of the Rules of the Low Carbon Hub IPS Limited regarding the windfall if the Society converts, transfers its business, or is wound up. Should any greater financial benefit come into your hands, it will belong to such charity or community benefit society as we may nominate from time to time. You are to hold the benefit in

trust for that charity or community benefit society. To secure this (and your obligations under Rule 14.2 of the Rules of the Low Carbon Hub IPS Limited) you appoint as your attorney the person holding office (from time to time) as our Secretary. That appointment is irrevocable. Your attorney has power to sign – on your behalf – an undertaking for which we may ask in accordance with Rule 14.3.

Miscellaneous

The Laws of England apply to this document and any subscription made for shares in the project, and the Courts of England and Wales have exclusive jurisdiction in relation to any disputes arising out of the same. You will be bound by the Rules of the Low Carbon Hub IPS Limited (as may be amended from time to time) if the Directors issue shares to you.



OTHER LEGAL DETAILS YOU SHOULD KNOW

Anyone interested in making an application for shares in the Low Carbon Hub IPS Limited is strongly advised to take appropriate independent advice. The list of risks contained in this document is not necessarily comprehensive. Shares in the Society are not 'investments' for the purposes of the Financial Services Marketing Act 2000 (FSMA), therefore you do not have the level of protection that you might otherwise be offered by that Act or subsidiary regulations.

As a Registered Society, Low Carbon Hub IPS Limited is registered with, but not authorised or regulated by, the Financial Conduct Authority and therefore any money you pay for shares is not safeguarded by any depositor protection or dispute resolution scheme. In particular, you will have no right of complaint to the Financial Ombudsman Service nor any access or entitlement to the Financial Services Compensation Scheme.

Low Carbon Hub IPS Limited was registered with the Financial Services Authority (the predecessor regulator to the Financial Conduct Authority) on 21 November 2012 (Registered Number 31903R). We use governing documents provided by Wessex Community Assets (www.wessexca.co.uk), specialists in community investments. Our governing document, the Rules of the Low Carbon Hub IPS Limited, is available to download at www.lowcarbonhub.org and explains Member rights as well as the management and constitution of the Society.

As with any investment, there is risk involved. Should the Low Carbon Hub IPS Limited get into financial difficulties:

- We may not be in a position to pay interest.
- We may have to suspend your rights to withdraw shares.
- You may lose all the money you pay for your shares.

If the Low Carbon Hub IPS Limited is wound up, its assets will first be used to meet its liabilities; then to repay Members for their shares; and finally, any surplus remaining will be passed on to a charity, society, or other body with similar objectives.

The Directors of the Low Carbon Hub IPS Limited have taken all reasonable steps to ensure that the facts stated in this document are clear, fair, and not misleading in all material aspects, and that there are no other material facts, the omission of which would make misleading any statement in this document. To the extent permitted by relevant law and regulation, the Directors and the Low Carbon Hub IPS Limited expressly disclaim and exclude any and all liability based on this document and for any errors or omissions contained in it. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. All statements of opinion contained in this document, all views expressed, and all projections, forecasts, or statements relating to expectations regarding future events or the possible future performance of the Low Carbon Hub IPS Limited, represent the assessment of the Directors based on information available to them as at the date of this document, but they are not to be read as guarantees or assurances that the particular events will in fact come about. Accordingly, no representation is made or warranty given as to the accuracy, completeness, achievability, or reasonableness of any such projections, views, statements, or forecasts.

Can you afford to be without the money you would pay for these shares?

If not, PLEASE do not apply to buy any shares.



COMMUNITY ENERGY FUND APPLICATION FUND



You can also apply online at ethex.org.uk

I wish to become a me	ember	r of	the Lo	w Ca	arbor	n Hub l	IPS Liı	mited	l in ac	cordar	nce wit	th the	Rules	and	l apply	y for:	
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COMMUNITY ENERGY FUND HOLDING SHARES ON BEHALF OF CHILDREN FORM



An investor Member can hold shares on behalf of somebody who is under 16 years of age. To do this, complete this form to say you are holding shares on behalf of children.

Please note this must be done at the time of purchase of the shares and cannot be done at a later date.

Once that person turns 16, they may become a Member and the shares can pass on to them.

If you wish to hold shares on behalf of someone who is under 16, please fill in that person's details below.

CHILD'S CONTACT DETAILS (PLEASE USE CAPITAL LETTERS)

First name(s) in full	
Last name	
Date of birth	
Address	
Town/City	
Postcode	

GUARDIAN'S CONTACT DETAILS

First name(s) in full	
Last name	
Date of birth	
Address	
Town/City	
Postcode	
Phone number	
Email address	

SIGNED

Signature	
Name in print	Date

We do not have the facilities to accept this form online. Please send this completed paper form, along with your application overleaf, to: Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford, OX4 1JE

If you have any queries about your application, please call Ethex: 01865 403304

2020 APPS. OFFICE USE ONLY											
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Advisers and bankers

Accountants: Critchleys, Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP

Bankers: The Co-operative Bank and Triodos Bank

Share offer administration: Ethex

Community Shares Standard Mark assessors: Locality

Designed by: www.goodthinkingcommunications.net

You can inspect the detailed documents produced in developing the projects by prior appointment at our offices.

I'm really passionate about doing something to lower our carbon emissions and I'm very impressed by the real projects that I've seen come to fruition around the county, from schools to other community projects.

It's great to be part of it.

Karen, Investor

66 I think you give an extraordinary service, above all encouraging people to believe that a different approach to energy is possible and that it works.

Low Carbon Hub supporter

66 It is a really special feeling when you go out of your house, cycle to work and you actually see projects in Oxfordshire that you helped to make happen.

Jenny, Investor



members@lowcarbonhub.org • 01865 546 452 www.lowcarbonhub.org/invest

The Low Carbon Hub is two organisations working together: The Low Carbon Hub IPS Limited (registration number: 31903R) and the Low Carbon Hub Community Interest Company (registration number: 7583663).

The Low Carbon Hub IPS Limited is a Registered Society that operates for the benefit of the community. It generates income from the Feed-in Tariff and by selling renewable electricity. It aims to make a surplus that will enable the Low Carbon Hub IPS Limited and Low Carbon Hub CIC to lower carbon emissions across Oxfordshire by helping businesses, the public sector, and communities to develop renewable energy projects and reduce energy demand.

To the best of our knowledge, the information contained herein is accurate and reliable as of 1 March 2020.

Both are registered in England and Wales and the registered address is Wood Centre For Innovation, Stansfeld Park, Quarry Road, Headington, Oxford OX3 8SB