ANNUAL PERFORMANCE SUMMARIES

2018/19

Solar 2014
Solar 2016
Sandford Hydro
ONCORE A & B
COMMUNITY ENERGY FUND

www.lowcarbonhub.org

Low Carbon Hub, 9 Park End Street, Oxford OX1 1HH • members@lowcarbonhub.org
Dear Member

Welcome to our annual performance summary, giving you an insight into the latest social, environmental and financial performance of your investment.

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

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

Membership of the Low Carbon Hub IPS now stands at over 1,000 strong. June 2018 saw ONCORE’s investors formally join us as well as the launch of the Community Energy Fund, attracting significant support from new investors. A very warm welcome to all our new Members.

Investment in the organisation rose following the launch of the Community Energy Fund, attracting support from new and existing investors. With the investment raised we have funded new solar installations and paid back our entire outstanding short-term loan from Oxford City Council. As a result, our Solar 2016 portfolio is now entirely funded by community investment.

With record generation, comes record community benefit. £141,000 was donated by the IPS to support further carbon cutting activity. This has enabled the Low Carbon Hub CIC to make significant strides in developing the ‘powering down’ element of our work with schools and organisations.

Our community benefit donation has also enabled us to leverage other forms of support, which we report on for the first time in this summary. Turn to page 16-17 to see the wider social and environmental impact of your investment.

2018/19 also saw significant increases in the electricity bill savings delivered to our host organisations. This was in part due to increased overall generation, and in part a reflection of significant rises in electricity prices charged by our host’s main grid supplier during the year, with our discounted supply resulting in larger overall savings.

Collaboration has been key to our success as an organisation and we are thrilled to be part of the £40m Project LEO. This three-year project aims to transform the technology and markets that underpin Oxfordshire’s energy system, and demonstrate it’s possible to meet our energy needs in a way that’s good for people and good for the planet. We’ll be developing more community energy projects in Oxfordshire as part of Project LEO, so keep an eye out in early 2020 for your opportunity to support them through the Community Energy Fund.

To prevent runaway climate change, we need to keep fossil fuels in the ground. Change is happening but we need it to be faster and Project LEO is an exciting exploration into how we can achieve this. Thank you for your support. We couldn’t do it without you.

With warm wishes,

Barbara Hammond
CEO, Low Carbon Hub

Low Carbon Hub Newsletter on our website: www.lowcarbonhub.org

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Investment in the Low Carbon Hub 2014 share offer allowed the first wave of Low Carbon Hub Solar projects to be built. This report provides a performance summary of that first wave of solar projects for the 2018/19 financial year.

**Performance Review**
In contrast to the previous year, the portfolio had an excellent generation year, achieving 106% of its 1,028 GWh target.

All of the projects in this portfolio performed as expected and a number underwent cleaning in order to improve their performance. This is part of our standard Operations and Maintenance activity for our solar panel installations. This increase in generation was also in part due to a very productive summer, as can be seen in the monthly generation graph.

Income relating to these projects was £218,793 against a target of £211,029, which is mainly due to excellent performance of the panels in the summer months.

Electricity sales were also affected by two other key factors: the Feed-in-Tariff is index-linked to Retail Price Index (RPI) and on 1 April 2018 it rose by 4.1%. During 2018, export prices for electricity decreased slightly and there was a small decrease in revenue from exports.

**Projects in this Portfolio**
- Oxford Bus Company
- Banbury Academy (two installations)
- Bure Park Primary School
- Charlbury Primary School
- Cheney School
- Chilton County Primary School
- Edward Field School
- Fir Tree Junior School
- Larkrise Primary School
- Norbar Torque Tools
- Owen Mumford (four installations)
- Stonesfield School
- The Warriner School
- Thomas Reade Primary School
- West Kidlington Primary School
- Wheatley Park School (two installations)

**Performance: 2014 Portfolio**

**Electricity generation**

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<tr>
<th>Month</th>
<th>Actual generation</th>
<th>Actual exports</th>
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<tr>
<td>Apr 2018</td>
<td>100,000</td>
<td>25,000</td>
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<tr>
<td>May 2018</td>
<td>125,000</td>
<td>37,500</td>
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<td>Jun 2018</td>
<td>150,000</td>
<td>45,000</td>
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<td>Jul 2018</td>
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<td>Aug 2018</td>
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<td>Dec 2018</td>
<td>300,000</td>
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<td>Jan 2019</td>
<td>325,000</td>
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<tr>
<td>Feb 2019</td>
<td>350,000</td>
<td>105,000</td>
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<tr>
<td>Mar 2019</td>
<td>375,000</td>
<td>112,500</td>
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</tbody>
</table>

**Returns**

- This financial year: Interest declared per £ invested: 5.83 p
- Total interest due to investors: £107,505
- Capital released for return: £27,694
- Savings on electricity bills by hosts: £37,650
- Total IPS community benefit donation*: £141,000

**Cumulative to date:**

- Interest to investors: £229,281
- Savings on electricity bills by hosts: £124,565
- Total IPS community benefit donation*: £397,626

*Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub CIC, not just the income arising from this portfolio.

**Key facts**

- **Projects**
  - Number of installations: 21
  - Total installed capacity: 1.215 MW

- **Funding**
  - Total number of shareholders: 351
  - Number of Class A investors: 345
  - Number of Class B investors: 10
  - Amount initially invested: £1,844,000
  - Capital returned: £1,000
  - Remaining investment capital: £1,843,000
  - Current debt funding towards capital costs: £0

- **Lifetime anticipated benefits**
  - Interest to investors: £1,490,344
  - Savings on electricity bills by hosts: £1,122,440
  - Community benefit income from this portfolio: £1,012,745

**About Investment in this Portfolio**

Class A shares are in the form of ‘withdrawable’ shares that cannot be sold, traded or transferred between Members. They cannot increase in value.

There were ten pioneer investors who hold Class B transferable shares to the value of £150,000. Their investment was through a private placement in 2013 and enabled us to install our first solar PV array at the Oxford Bus Company. As set out in the 2014 Share Offer Document this installation has been incorporated into the 2014 Portfolio and their return has been aligned to the terms set out in the 2014 share offer, so all payments to these investors are made on the same basis as Solar 2014 investors.

**Anticipated Returns**

In the first year of their investment, investors eligible for Enterprise Investment Scheme (EIS) were able to claim back 30% of their initial investment as tax relief. Investors eligible for Seed EIS were able to claim back 50% of their initial investment.

Interest was forecast to start to accrue from the end of the second full year of operation, a target that has been successfully met.

As set out in the original Share offer Document we anticipate for every £10,000 you invest, you could get back £21,123 after 20 years: your £10,000 initial capital, £3,000 as EIS tax relief; and £8,123 as interest.

**Capital Returns**

It was anticipated that capital would be gradually returned to investors from year 4, with a number of shares being bought back each year such that all shares are bought back 20 years after installation. We are returning our first tranche of capital to investors in 2019 in line with our original model.

Interest payments and capital repayments are not guaranteed.
Investment in the Low Carbon Hub 2016 share offer funded the Low Carbon Hub’s second major wave of solar PV projects across Oxfordshire. This report summarises the performance of the portfolio over the 2018/19 financial year.

**PERFORMANCE REVIEW**

Now in its second full year of operation, the portfolio has continued to perform well, achieving 1,674 GWh, almost 108% of its annual generation target. This increase is due to an excellent summer with solar panels out-performing forecast during the summer months, as can be seen in the monthly generation graph.

The original short term debt funding for these projects was replaced this year with additional investment from the Community Energy Fund.

Electricity sales were also affected by two other key factors: The Feed-in-Tariff is index-linked to Retail Price Index (RPI) and on 1 April 2018 it rose by 4.1%. During 2018, export prices for electricity decreased slightly and so there was a small decrease in revenue from exports.

**PROJECTS IN THIS PORTFOLIO**

- Botley School
- Crompton Technology Group Ltd
- Didcot Girls’ School
- Langtree School
- Long Furlong Primary School
- Middle Barton Primary School
- Nettlebed Community School
- Orchard Fields School
- Prodrive
- Rose Hill Primary School
- Sir William Ramsay School
- Windmill Primary
- Wood Green School

**PERFORMANCE: 2016 PORTFOLIO**

**Electricity generation**

- Total generation this year: 1,673,553 kWh
- As a percentage of predicted output: 108%
- CO₂ savings: 514 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.3072 kgCO₂e/kWh (2018)

**Returns**

- **This financial year:**
  - Interest declared per £ invested: 5.7 p
  - Total interest due to investors: £45,186
  - Capital released for return: £10,576
  - Savings on electricity bills by hosts: £20,737
  - Total IPS community benefit donation*: £141,000

**Cumulative to date:**

- Interest to investors: £45,186
- Savings on electricity bills by hosts: £48,130
- Total IPS community benefit donation*: £397,626

* Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub CIC, not just the income arising from this portfolio.

**KEY FACTS**

**Projects**

- Number of installations: 13
- Total installed capacity: 1.868 MW

**Funding**

- Total number of shareholders: 239
- Number of Class A investors: 239
- Amount initially invested: £793,100
- Community Energy Fund investment: £1,305,807
- Remaining investment capital: £3,000

**Lifetime anticipated benefits**

- Interest to investors: £605,453
- Savings on electricity bills by hosts: £490,912
- Community benefit income from this portfolio: £596,848

Engaged at nominal values and based on current equity levels. Excludes benefits derived from the working capital element.

**ABOUT INVESTMENT IN THIS PORTFOLIO**

Class A shares are in the form of withdrawable shares. They cannot be sold, traded or transferred between members. They cannot increase in value.

**ANTICIPATED RETURNS**

We are forecasting a 5% internal rate of return on your investment, which includes your capital being paid back over the 20-year life of the investment, and annual interest on the outstanding balance of Retail Price Inflation (RPI) plus 3%.

Interest was forecast to start to accrue from the end of the second full year of operation, a target that has been successfully met.

As set out in the original Share offer Document we anticipate for every £10,000 you invest, at the end of the 20-year project lifetime, you will have received back £19,409; your initial capital and £9,409 as interest.

The amount of interest paid will vary depending on the actual rate of RPI for any given year.

**CAPITAL RETURNS**

It is anticipated that capital will be gradually returned to investors from year 4, with a number of shares being bought back each year such that all shares are bought back 20 years after installation.

Interest payments and capital repayments are not guaranteed.
**PERFORMANCE REVIEW**

This year was the first year of operation for the largest community-owned hydro on the Thames. The long commissioning process was necessary as we worked closely with the Environment Agency to optimise operation within our Operating Agreement. This has led to modifications being made to both the Archimedes screws and to the Operating Agreement with the result that our operating range has been significantly increased. This should result in our average annual generation increasing by 20%. The main reason for this is that the Environment Agency has agreed that all their gates remain closed until we are at full power; previously two were kept open. The impact of these optimisations was already manifest in the last quarter of the year when the hydro over-performed against target, as can be seen in the monthly graph.

Balancing this positive picture, however, actual generation for the year was at the lower end of the expected generation range, achieving 1,082 GWh against a mean average expected generation of 1,537 GWh. The reason for this shortfall was largely due to an extremely dry summer and autumn: as the graph shows, this meant that generation did not start again after we stopped in mid-June until late November. But there was also some impact as we learnt, with the Environment Agency, about how to work to our operating limits.

This low generation figure means that we cannot pay the full 5% interest to shareholders as anticipated in the Share Offer Document.

**Monthly generation results**

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<tr>
<th>Month</th>
<th>Forecast generation</th>
<th>Actual generation</th>
<th>Actual exports</th>
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<td>Feb 2019</td>
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<td>Mar 2019</td>
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**KEY FACTS**

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<th>Projects</th>
<th>Number of Archimedes screws</th>
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<td>Total number of shareholders</td>
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<tr>
<td></td>
<td>Number of Class A investors</td>
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<td></td>
<td>Amount initially invested</td>
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<td>Capital returned</td>
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<td>Remaining investment capital</td>
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<td>External debt funding towards capital costs</td>
<td>£2,097,068</td>
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<td></td>
<td>Internal working capital</td>
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**About investment in this portfolio**

Class A shares are in the form of withdrawable shares. They cannot be sold, traded or transferred between members. They cannot increase in value.

**Anticipated returns**

We are anticipating a 5% internal rate of return on your investment, which includes your capital being paid back over the 20-year life of the investment, and annual interest on the outstanding balance of Retail Price Inflation (RPI) plus 3%.

The first year of interest has been calculated based on performance during the year 2018/19 which was 70% of the mean average expected generation.

39 angel investors who invested in the early stage of the project development received interest during the early construction period. Once the site was commissioned, their shares reverted to the same terms as all other investors in the project.

Given the optimisations achieved during the year, we still anticipate achieving the returns set out in the original Share Offer Document, ie for every £10,000 you invest, at the end of the 20-year project lifetime, you will have received back £18,409; your initial capital and £8,409 as interest.

The amount of interest paid will vary depending on the actual rate of RPI for any given year.

**Capital returns**

It is anticipated that capital will be gradually returned to investors from year 4, with a number of shares being bought back each year such that all shares are bought back 20 years after installation.

Interest payments and capital repayments are not guaranteed.
ONCORE: PORTFOLIO A

PERFORMANCE REVIEW

The solar panels at this site generated 44,746 kWh of clean electricity, 23% above target. Much of this over performance is attributable to the fact that the portfolio was modelled using the old version of the Standards Assessment Procedure (SAP) and is therefore very conservative. We would therefore expect this portfolio to regularly outperform against its target. The excellent sunny conditions over the summer gave the generation an additional lift.

As part of the agreement to transfer engagements from ONCORE to the Low Carbon Hub IPS Limited, we promised to honour ONCORE’s commitment to support the work of Low Carbon Oxford North (LCON) with income generated by the solar PV arrays on Cherwell School and St Barnabas Primary School. Therefore £5,000 of the £141,000 raised in 2011 has been donated to LCON.

In June 2018, ONCORE transferred its leases over to the Low Carbon Hub and we have been delighted to welcome ONCORE investors to the Low Carbon Hub. This report summarises the performance of ONCORE A and B for financial year 2018/19.

PROJECTS IN THIS PORTFOLIO

- The Cherwell School (North)

PERFORMANCE

Electricity generation

Total generation this year: 44,746 kWh
As a percentage of predicted output: 123%
CO₂ savings: 13.7 tonnes

CO₂ savings based on UK electricity CO₂ intensity of 0.3073 kgCO₂-e/kWh (2018)

RETURNS

This financial year:
- Interest declared per £ invested: 3.2 p
- Total interest due to investors: £6,408
- Capital released for return: £12,969
- Savings on electricity bills by hosts: £960
- Total IPS community benefit donation*: £141,000
- Interest to investors: £45,105

* Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub/CIC, not just the income arising from this portfolio.

KEY FACTS

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<th>Projects</th>
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<tr>
<td>Funding</td>
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<tr>
<td>Total number of shareholders</td>
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<tr>
<td>Number of ‘Returnable’ shareholders</td>
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<td>Number of ‘25-year pledge’ shareholders</td>
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<td>Lifetime anticipated benefits</td>
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<td>Interest to investors</td>
<td>£81,705</td>
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<tr>
<td>Savings on electricity bills by hosts</td>
<td>£11,603</td>
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<tr>
<td>Community benefit income from this portfolio</td>
<td>£75,982</td>
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MONTHLY GENERATION RESULTS

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ABOUT INVESTMENT IN THIS PORTFOLIO

This share portfolio had two classes of shares: ‘Returnable’ shares and ‘25-year pledge shares’.

Returnable shares allowed shareholders to apply to have all of their capital returned to them at any time following year 3, and thereby completely exit their investment before the end of 25 years. The 25-year pledge shareholders, on the other hand, opted to have their capital repaid gradually over 25 years and they waived their rights to ask for it all back at once. In both cases, investors receive the same amount back over 25 years, but at different rates.

ANTICIPATED RETURNS

As laid out in the original Share Offer Document, the anticipated interest rates on shares is different.

For the 25-year pledge, investors are anticipated to receive a forecast average of 4.2% annual interest rate, though the actual interest rate will vary from year to year. From year 4 onwards, annual payments will comprise both interest and capital payments.

For ‘returnable shares’ it is anticipated that investors will be paid a forecast average 3.0% annual interest rate on their capital (assuming they do not withdraw their capital), though the actual rate will vary from year to year.

CAPITAL RETURNS

All capital returns are subject to the availability of funds, ONCORE Rules, the conditions in Appendix 1 of the original Share Offer Document and the discretion of the Low Carbon Hub Board.

Interest payments and capital repayments are not guaranteed.
ONCORE INVESTMENT PORTFOLIO

ONCORE: PORTFOLIO B

PERFORMANCE REVIEW

The projects in this portfolio very slightly outperformed their forecast with actual generation of 52,824 kWh. During the summer, the generation meter on the St. Barnabas array failed and needed replacing, resulting in the lost recording of some generation data, and some lost income, but not affecting actual generation. Fortunately, we experienced an excellent summer of generation which helped get us back on track for our financial targets.

The Feed-in-Tariff is index-linked to Retail Price Index (RPI) and on 1 April 2018 it rose by 4.1%. Also, in 2018 export prices for electricity decreased slightly and so there was a small decrease in revenue from exports.

PROJECTS IN THIS PORTFOLIO

- The Cherwell School (south side)
- St. Barnabas Primary School

PERFORMANCE

Electricity generation

- Total generation this year: 52,824 kWh
- As a percentage of predicted output: 100.2%
- CO₂ savings: 16.2 tonnes

CO₂ notings based on UK electricity CO₂ intensities of 0.3072 kgCO₂e/kWh (2018)

Returns

This financial year:
- Interest declared per £ invested: 3.6 p
- Total interest due to investors: £1,515
- Capital released for return: £1,400
- Savings on electricity bills by hosts: £455
- Total IPS community benefit donation*: £141,000

Cumulative to date:
- Interest to investors: £18,582

* Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub CIC, not just the income arising from this portfolio.

KEY FACTS

Projects

- Number of installations: 2
- Total installed capacity: 62.5 kWp

Funding

- Total number of shareholders: 36
- Amount initially invested: £93,750
- Capital returned: £2,250
- Remaining investment capital: £91,500
- Current debt funding towards capital costs: £0

Lifetime anticipated benefits

- Interest to investors: £53,045
- Savings on electricity bills by hosts: £8,868
- Community benefit income from this portfolio: £42,831

ABOUT INVESTMENT IN THIS PORTFOLIO

This second ONCORE portfolio offered 20-year pledge shares in which investors waive their right to withdraw their capital at will.

ANTICIPATED RETURNS

ONCORE intended for interest on investment to be paid from the first full year of operation. The scheme offers projected returns to investors of 4.2%, plus any EIS benefits investors are entitled to.

CAPITAL RETURNS

Capital will be returned to investors over the 20-year period of the project, beginning in year 4.
The Community Energy Fund is the Low Carbon Hub’s new investment portfolio, created to enable investors to support a range of ventures to strengthen and grow our community energy projects.

Since its launch in July 2018, the fund attracted £1.5m of investment. This enabled us to grow our portfolio of rooftop solar PV arrays and pay back the Low Carbon Hub’s entire outstanding short-term loan from Oxford City Council which had funded a significant part of the Solar 2016 Portfolio.

**Performance Review**

Investment in the Community Energy Fund has been used to provide the capital to support two key areas of the Low Carbon Hub’s work. The lion’s share was used to replace debt held against the Solar 2016 portfolio. As a result, the Fund holds a significant stake in solar assets that are already generating electricity, and therefore income. We report on the overall performance of the Solar 2016 Portfolio on p.6.

The Fund also provided 100% of the capital costs relating to three solar PV arrays, which between them generated 26,312 kWh electricity, slightly below forecast of 28,300 kWh. The reduced performance relates to a fault at the Sonning Common Primary school site which was identified and fixed during the summer. The apparent under-performance of the 100% owned installations in March 2019 is due the Brookside array becoming operational only mid-way through the month, whereas the modelling is based on whole month periods.

The Feed-in-Tariff is index-linked to Retail Price Index (RPI) and on 1 April 2018 it rose by 4.1%. Also, in 2018 export prices for electricity decreased slightly and so there was a small decrease in revenue from exports.

**Investments Held**

100% owned installations

<table>
<thead>
<tr>
<th>Name</th>
<th>Commission date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Solar Installations</td>
<td>December 2017</td>
</tr>
<tr>
<td>Sonning Common Primary School</td>
<td></td>
</tr>
<tr>
<td>2018 Solar Installations</td>
<td>December 2018</td>
</tr>
<tr>
<td>Longfields Primary and Nursery School</td>
<td></td>
</tr>
<tr>
<td>Brookside Primary School</td>
<td>March 2019</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Solar 2016 Portfolio</td>
<td>£1,305,807</td>
</tr>
<tr>
<td>Capital for pipeline</td>
<td>£84,884</td>
</tr>
</tbody>
</table>

**Performance – Community Energy Fund**

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Installed capacity</th>
<th>kWh generated</th>
<th>% of predicted</th>
<th>CO2 savings (tonnes)</th>
<th>Savings on bills by hosts</th>
<th>Owned by CEP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solar 2016</td>
<td>1,968 MW</td>
<td>1,673,553</td>
<td>107.9</td>
<td>94</td>
<td>£20,737</td>
<td>62.2</td>
</tr>
<tr>
<td>2017 installations</td>
<td>23kWp</td>
<td>23,937</td>
<td>118</td>
<td>9.7</td>
<td>£521</td>
<td>100</td>
</tr>
<tr>
<td>2018 installations</td>
<td>89kWp</td>
<td>2,375</td>
<td>29.8</td>
<td>0.7</td>
<td>£119</td>
<td>100</td>
</tr>
</tbody>
</table>

**Anticipated Returns**

The Community Energy Fund is targeting an annual interest rate of 4% for investment in their first four years, going up to 5% per year in year five and beyond. Interest started accruing from day one of investments being accepted.

For the first two rounds of investment in the Fund (August 2018, October 2018), interest has been calculated based on performance during 2018/19 with the first payment anticipated to be made following the completion and auditing of that year’s accounts in August 2019.

For the third round of investment (March 2019), interest has been calculated based on that accrued in the 20 days from 10 March to 31 March 2019 (i.e. the remainder of 2018/19) and this will then be bundled in with interest calculated based on the performance during 2019/20 financial year. First interest payments are anticipated to be made following the completion and auditing of that year’s accounts, in August 2020. This decision was made to reduce administration costs of paying interest on just 20 days of performance.

**Capital Returns**

The Community Energy Fund does not automatically return capital, rather, it gives our Members greater control as to when their equity is returned. There will be an annual opportunity for investors to apply to request the return of their capital after the fourth anniversary of their investment. Our ability to fulfill requests to withdraw capital is entirely dependent on the availability of sufficient funds at the time and is in no way guaranteed. Interest payments and capital repayments are not guaranteed.

**Monthly Owned Installations**

<table>
<thead>
<tr>
<th>Month</th>
<th>Model</th>
<th>Actual generation</th>
<th>Actual exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>May 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Jun 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Jul 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Aug 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Sep 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Oct 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Nov 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Jan 2019</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Feb 2019</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>Mar 2019</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
</tbody>
</table>

**Lifetime Anticipated Benefits**

<table>
<thead>
<tr>
<th>Number of installations</th>
<th>Total installed capacity kWp</th>
<th>Interest to investors</th>
<th>Savings on electricity bills to host</th>
<th>Community benefit income from this portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Installations</td>
<td>1</td>
<td>23</td>
<td>£19,742</td>
<td>£11,163</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>89</td>
<td>£76,575</td>
<td>£38,149</td>
</tr>
<tr>
<td>2018 Installations</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Community benefit donations are based on an IPS operating surplus, rather than at portfolio level. This figure represents the total community benefit donation made by the IPS to Low Carbon Hub CIC, not just the income arising from this portfolio.
In accordance with the Low Carbon Hub IPS Limited’s aims and objectives, surpluses from projects that have been live for at least one year are passed to the Low Carbon Hub CIC in the form of Community Benefit donations.

**Community Benefit Income 2018-19**

This year, the £141,000 donation from our IPS owned renewables has been boosted thanks to the additional contribution of income generated by the solar PV arrays transferred from ONCORE in June 2018.

The Low Carbon Hub CIC also received additional income from a number of additional funding streams including the two CIC-owned renewable energy installations in Eynsham, generous support from Westmill Solar Co-operative supporting energy installations in Eynsham, generous support from Westmill Solar Co-operative supporting energy efficiency audits for schools and community buildings and a number of other grants and contracts.

During 2018-19 our work to foster the development of community-led solutions to tackle climate change was supported by the following programmes:

- European Regional Development Fund support of OxFutures, which will deliver £3.2 million benefit to our community over three years.
- Department for Business, Energy and Industry Strategy (BEIS) Retrofit pilot to support the development of a home energy efficiency scheme in Oxfordshire.
- Power to Change Next Generation Programme, led by Centre for Sustainable Energy, to support a nationwide programme to develop new decentralised, decarbonised and democratised energy business models.

All three of these projects will continue to run in 2018-20. As the financial year drew to a close, we were thrilled to announce our participation in Project LEO, a £40 million collaboration to lead energy innovation in Oxfordshire. We will report further of this in the next financial year.

**Community Benefit Expenditure for 2018-19**

We use our community benefit income to deliver:

- grants and loans to community energy enterprises
- funding, help and advice to support community action on climate change
- energy efficiency support to reduce our County’s energy demands
- support to innovative initiatives, by providing seed funding for the development of new products and services that encourage carbon-cutting action.

<table>
<thead>
<tr>
<th>Community Benefit Expenditure 2018-19</th>
<th>2018/19</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community grant programme</td>
<td>£38,788</td>
<td>£9,035</td>
</tr>
<tr>
<td>Local energy programme</td>
<td>£495,259</td>
<td>£495,259</td>
</tr>
<tr>
<td>Community benefit management</td>
<td>£2,900</td>
<td>£2,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£536,947</strong></td>
<td><strong>£198,923</strong></td>
</tr>
</tbody>
</table>

**Community grant programme – £38,788**

Ten of our Low Carbon Hub community group shareholders were awarded a total of 17 grants through our community grants programme this financial year. Grants were awarded for a wide range of projects, including both ‘powering up’ local community energy generation projects and ‘powering down’ through a range of domestic energy efficiency pilots. We were particularly delighted to be able to support projects by a number of communities working together on shared interests. For example, helping primary-age children understand and take effective action to combat climate change, and a second project to reduce transport emissions and tackle air pollution.

**Local energy programme – £495,259**

Our Local Energy Programme has two key themes. Firstly, we provide advice and practical and financial support to encourage the flourishing of community energy in Oxfordshire and beyond. Secondly, we support innovation, either through undertaking research and pilots ourselves, or funding the work of others to help explore new business models for community energy.

Spend for 2018/19 includes services such as our Helpdesk, providing support for further community energy projects and grants provide free energy audits for schools and community buildings.

**2018/19 spend**

In 2018/19 our local energy programme delivered:

- Helpdesk service supporting further community energy projects – £11,186
- Next generation funding to support new community energy projects nationally – £13,347
- Community building audit grants scheme – £4,970
- LESS CO2 school energy efficiency programme support – £8,551
- OxFutures project supported energy efficiency and innovation for SMEs – £341,193
- BEIS retrofit ‘Cozy Homes Oxfordshire’ project – £115,461
- People’s Power Station – an online interactive map showcasing Oxfordshire’s efforts to reduce use of fossil fuels – £550

**Community benefit management – £2,900**

We believe that investing in good management of our community benefit is important in ensuring its effective use. This includes overall strategy development, and monitoring and reporting to ensure learning is fed back into the organisation. It excludes internal costs relating to the management of specific projects, which are allocated to those projects.
ABOUT THE LOW CARBON HUB
The Low Carbon Hub is two organisations working together: 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 energy. It aims to make a surplus which is invested in the Low Carbon Hub Community Interest Company (CIC) which supports local communities in take further action to cut carbon emissions and reduce energy demand. Sandford Hydro is held in a wholly owned subsidiary of Low Carbon Hub IPS Limited, Sandford Hydro Limited.

LOW CARBON HUB INVESTMENT PORTFOLIOS
Investment is held in the Low Carbon Hub IPS Limited. It has run four successful share offers enabling it to build renewable energy projects across Oxfordshire at schools, businesses, organisations and a hydro scheme on the Thames. 100% of its surplus go to supporting local communities working to further cut carbon emissions. You can learn more about the projects we manage and those we’ve helped support through community benefit on our website.

In June 2018 Oxford North Community Renewables (ONCORE) transferred the leases of their generation projects to the Low Carbon Hub IPS Limited, and their investor Members are now Members of the Low Carbon Hub. Their investment is managed through two portfolios: Portfolio A: invested in solar PV situated at the Cherwell School, north site; and Portfolio B with solar PV at the Cherwell School south site and at St. Barnabas Primary School.

UNDERSTANDING SHARE CLASSES OF THE LOW CARBON HUB IPS LIMITED
The Low Carbon Hub IPS Limited has two share classes: ‘A’ and ‘B’. They are shown in the table below.

OUR SHARE CLASSES

<table>
<thead>
<tr>
<th>CLASS A</th>
<th>CLASS B</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Solar 2014</td>
<td>Original 10 ‘pioneer’ investors</td>
</tr>
<tr>
<td>• Solar 2016</td>
<td></td>
</tr>
<tr>
<td>• Sandford Hydro</td>
<td></td>
</tr>
<tr>
<td>• ONCORE</td>
<td></td>
</tr>
<tr>
<td>• Community Energy Fund</td>
<td></td>
</tr>
</tbody>
</table>

Visit the investor pages at lowcarbonhub.org for more information about investment in the Low Carbon Hub IPS Limited.

INTEREST PAYMENTS
Decisions relating to annual interest payments will be based on a portfolio’s performance during a financial year and will also take into account the Low Carbon Hub IPS Limited’s overall financial situation. We aim to notify members of interest payments due by the August after financial year close, and to make interest payments within 60 days of notification.

Income from investment in Registered Societies is treated as interest payments, not dividends, for tax purposes.

CAPITAL REPAYMENTS
Interest payments and capital repayments are not guaranteed and the decision to return capital will be made by the Directors.

Investors are reminded that any investment they make is an acknowledgement of their support for the development of renewable 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 that will produce a significant financial return.

MANAGING YOUR INVESTMENT
For any queries related to your investment, please contact us on:

Email: members@lowcarbonhub.org
Telephone: 01865 246099

Please get in touch to:
• Notify us of any change in address, name, email address or bank details
• Request a nomination of shares on death form

Further information for investors can be found on our website: www.lowcarbonhub.org

BACKGROUND NOTES

Do you own a renewable energy installation in Oxfordshire?

Plug into the People’s Power Station

PEOPLE’S POWER STATION

www.peoplespowerstation.org
Sign up to keep up to date with our news

Would you like to receive details of our community share offers, renewable project updates and news, and updates on community benefit projects? Sign up to receive the Low Carbon Hub newsletter on our website: www.lowcarbonhub.org