



ANNUAL PERFORMANCE SUMMARIES

2021/22



Solar 2014
Solar 2016



Sandford
Hydro



ONCORE
A&B



Community
Energy Fund

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LOW CARBON HUB AT A GLANCE

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PLANET

47 renewable energy installations*

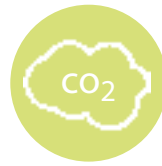
Together they can:



generate
4.54 GWh
green electricity
a year



power
1,566
typical homes**



save
1,050
TONNES
of CO₂



PEOPLE



1,770 investor members who between them have invested £10.19 million to finance the costs of our projects and whose investments bring energy into community ownership



40 host organisations – the schools, businesses, and community organisations that host some of our energy projects



38 community shareholders – the low carbon community groups who share our aims and have a stake in us



PROSPERITY

£10.19M equity capital invested

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

£3.93M interest to investors

£1.74M savings on electricity bills by hosts

£2.59M community benefit income



PERCEPTION

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

97%

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

97%

trust our expertise around local, renewable energy and low carbon

Dear Member

Welcome to your Annual Performance Summary for the financial year 2021/22. For over a decade, Low Carbon Hub has been at the heart of a growing partnership of people and organisations across Oxfordshire, all working together for a low carbon future.

Since our inception, we have seen a significant increase in support for community energy across Oxfordshire. Thanks to the £10 m of investment raised from our 1,700+ investor members as of August 2022, we own nearly 50 renewable energy installations across Oxfordshire. As well as our 48 rooftop solar arrays and Sandford Hydro, we have just completed work on Ray Valley Solar: the UK's largest community-owned solar park. The solar park represents a step change in our generation capacity – resulting in a five-fold increase in the amount of green electricity we'll be producing each year.

As the slightly later than scheduled completion attests, it has not all been plain sailing to get the project from concept to energisation. The project team had to overcome a number of external challenges, from the pandemic to global supply chain issues, which makes the successful completion of the solar park even more cause for celebration. We can now look forward to 40 years of community-owned generation powering community action on climate change.

In total our portfolio of community-owned renewables now represents 27 MW of installed generation capacity, and together, they can generate 24.6 GWh of electricity each year, enough to power 8,487 typical homes and save 5,688 tonnes of CO₂. Together they also provide an ongoing income stream enabling us to leverage further grants and contracts to fund energy efficiency, green innovation, and community energy projects.

Our community group membership has grown significantly over the last year – and stands at 41 in August, more than double our original membership. The work that they do in their communities and their determination and drive to make a difference continues to inspire us, and we are proud to be able to support their work. Many of these community groups are also vital and valued partners in the delivery of our innovation work such as the Project Local Energy Oxfordshire (LEO) Smart and Fair Neighbourhood Trials. We also hugely appreciate their support in advocating on behalf of energy efficiency programmes such as Cosy Homes Oxfordshire,

Energy Solutions Oxfordshire (ESOX), and our newest collaboration, Action on Carbon and Energy in Schools (ACES), delivering energy efficiency for local schools.

Although it is important to celebrate these achievements, a glimpse at the news tells us we don't have the luxury of time to pause for breath. With Project LEO due to come to an end in March 2023 we are already working with project partners to identify how we might continue to work together to put communities at the heart of a smart, local, and equitable energy system.

Now more than ever, speed is of the essence and we find it increasingly frustrating that 'business as usual' can hamper the innovation needed to accelerate the transition to a low carbon energy system. We draw strength from knowing we are not alone in our efforts, and from the resilience, ingenuity, and determination of our very many allies across Oxfordshire and beyond.

As I write, wildfires are tearing through communities around the world. The UK has just experienced the driest July on record, and the soaring cost of energy means millions face a stark choice between heating and eating this winter. The need for significant and sustained action to tackle the causes fuelling the climate crisis has never been greater.

As an investor in Low Carbon Hub IPS Limited, you are a crucial part of our support network. Whether you joined us at the start of our journey, or have recently become an investor, we're so grateful to you for supporting us and enabling us to continue with our mission – a huge thank you from the whole team at Low Carbon Hub.

With warm wishes,



Barbara Hammond

Barbara Hammond
CEO, Low Carbon Hub

* Includes IPS- and CIC-owned installations commissioned by 31 March 2022. This therefore excludes RVS which had not yet been commissioned.

**Based on Ofgem typical domestic consumption figure of 2,900 kWh annual electricity use.

Metrics calculated as of 31 March 2022 and reflect the combined work of The Low Carbon Hub IPS Limited and Low Carbon Hub CIC. Lifetime benefits are nominal values modelled over a project lifetime. Perception statistics based on 180 responses to the 'How are we doing?' Low Carbon Hub stakeholder survey April 2022.



SOLAR 2014 INVESTMENT PORTFOLIO

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 2021/22 financial year.

Performance review

Total generation by the Solar 2014 portfolio for the year was slightly below target, generating 0.969 GWh – 95% of the model forecast. This was due to a number of factors. The weather was worse than expected during May, June, and August, which resulted in this drop in performance compared to the model. Some of the installations have undergone scheduled cleaning to optimise their performance, and some have benefited from corrective maintenance. We finished the year on a strong final quarter, but not sufficient to make up the shortfall in generation earlier in the year.

The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021. In January 2022 the prices for electricity exported from our sites changed with new Power Purchase Agreement (PPA) contracts. Rates are 51% higher than those for the previous year, following energy price increases seen nationwide.

Performance

Electricity generation

Total generation this year	958,532 kWh
As a percentage of predicted output	94.7 %
CO ₂ savings	222 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.2311 kgCO₂e/kWh (2021)

Projects in this portfolio

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

Returns

This financial year:

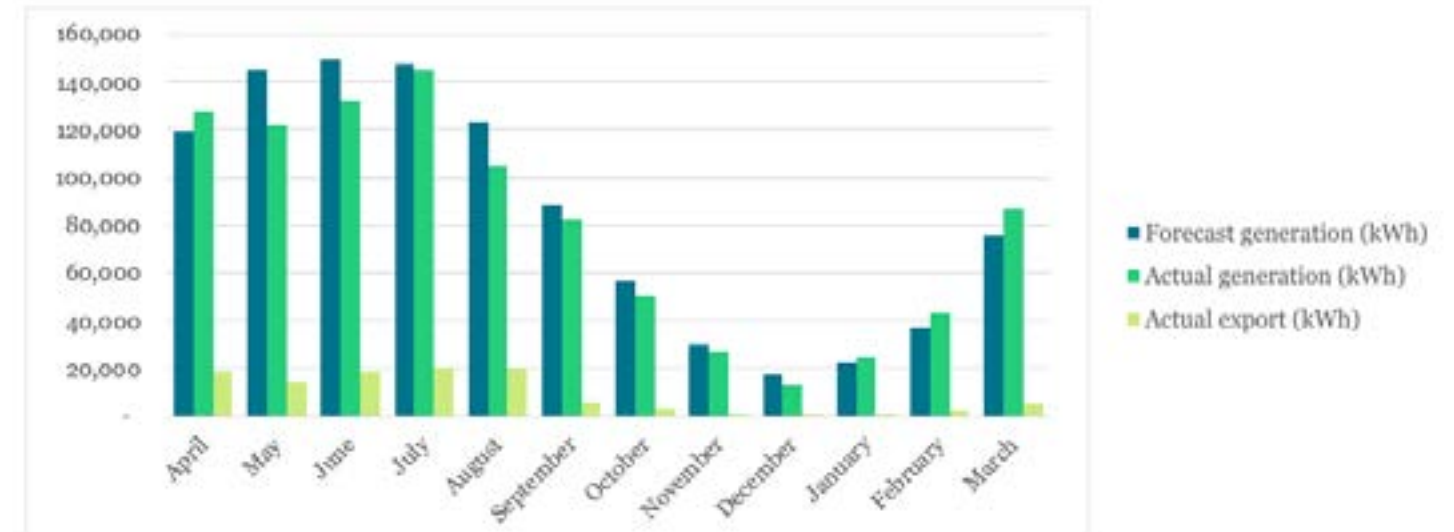
Interest declared per £ invested	5.60p
Total interest due to investors	£95,241
Capital released for return	£86,364
Savings on electricity bills by hosts	£40,582
Total IPS community benefit donation*	£35,059

Cumulative to date:

Interest to investors	£597,773
Savings on electricity bills by hosts	£248,235
Total IPS community benefit donation*	£566,360

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

Monthly generation results



Key facts

Projects

Number of installations	21
Total installed capacity	1.215 MW

Funding

Total number of shareholders	348
Number of Class A investors	338
Number of Class B investors	10
Amount initially invested	£1,844,000
Capital returned to date*	£145,561
Remaining investment capital	£1,698,439
Current debt funding towards capital costs	£ 0

*Excludes capital released for return this financial year.

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

*Expressed as nominal values and based on current equity levels. Excludes benefits derived from the working capital element.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.

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 combined 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 the 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 that 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 returned our first tranche of capital to investors in 2019 in line with our original model. Interest payments and capital repayments are not guaranteed.



SOLAR 2016 INVESTMENT PORTFOLIO

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 2021/22 financial year.

Performance review

The Solar 2016 portfolio performed well this year, generating 1,568 GWh – 103% of the generation target. Despite missing the model targets for May, June, and August, the portfolio was able to make up this deficit through particularly excellent generation in April 2021 and March 2022.

The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021. In January 2022 the prices for electricity exported from our sites changed with new Power Purchase Agreement (PPA) contracts. Rates are 51% higher than those for the previous year, following energy price increases seen nationwide.

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 Community School
- Prodrive
- Rose Hill Primary School
- Sir William Ramsay School
- Windmill Primary School
- Wood Green School

Performance

Electricity generation

Total generation this year	1,568,010 kWh
As a percentage of predicted output	102.5%
CO ₂ savings	362 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.23112 kgCO₂e/kWh (2021)

Returns

This financial year:

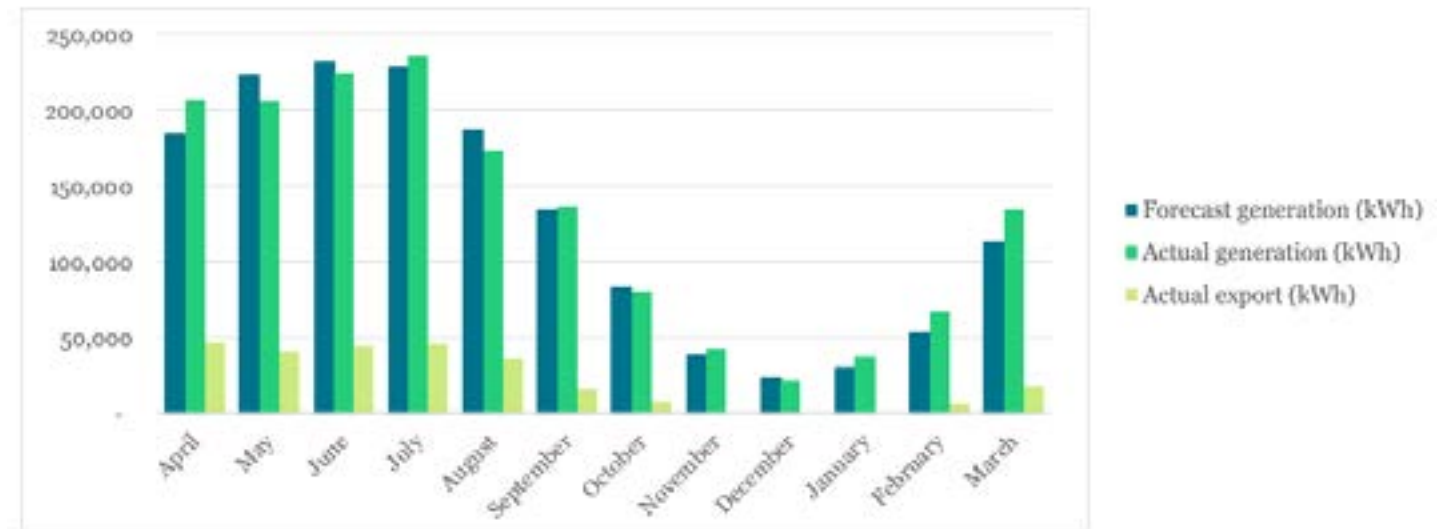
Interest declared per £ invested	5.49p
Total interest due to investors	£40,880
Capital released for return	£31,567
Savings on electricity bills by hosts	£23,579
Total IPS community benefit donation*	£35,059

Cumulative to date:

Interest to investors	£169,352
Savings on electricity bills by hosts	£112,300
Total IPS community benefit donation*	£566,360

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

Monthly generation results



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	£1,320,084
Capital returned to date*	£50,593
Remaining investment capital	£2,062,591
Current debt funding towards capital costs	£ 0

*Excludes capital released for return this financial year.

Lifetime anticipated benefits*

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

*Expressed as 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 that 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 2022/23, 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.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently, management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.



SANDFORD HYDRO INVESTMENT PORTFOLIO

Investment in two Sandford Hydro share offers enabled this project to be built. It was connected to the grid in August 2017, operational in February 2018, and fully commissioned in October 2018. This report summarises the performance of the portfolio for the 2021/22 financial year.

Performance review

The 2021-22 financial year was a year of two halves. The beginning of the year saw excellent generation, with the plant generating 6% more than the model forecast up to the end of September.

In November the hydro underwent upgrades to the system, including the installation of two new variable speed drives. These are designed to improve the versatility of the hydro during extreme river conditions in the coming years. Unfortunately, issues with commissioning the new drives over the winter period meant that two of the three screws were inoperable from October to early February. This was compounded by patchy rain fall – with particularly dry November and January, impacting on river conditions.

Despite these issues, the hydro saw its best year of generation to date and, were it not for the issues related to the commissioning of the upgrades, the hydro would likely have exceeded the model for the first time. The total generation for the year was 1.215 GWh, which was 77% of the generation target.

The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021. The hydro's Power Purchase Agreement (PPA) contract was renewed in July 2021, with the new prices seeing an increase over the previous contract by 17% in winter and 10% in summer.

Performance

Electricity generation

Total generation this year	1,215,302 kWh
As a percentage of predicted output	77%
CO ₂ savings	281 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.23112 kgCO₂e/kWh (2021)

Returns

This financial year:

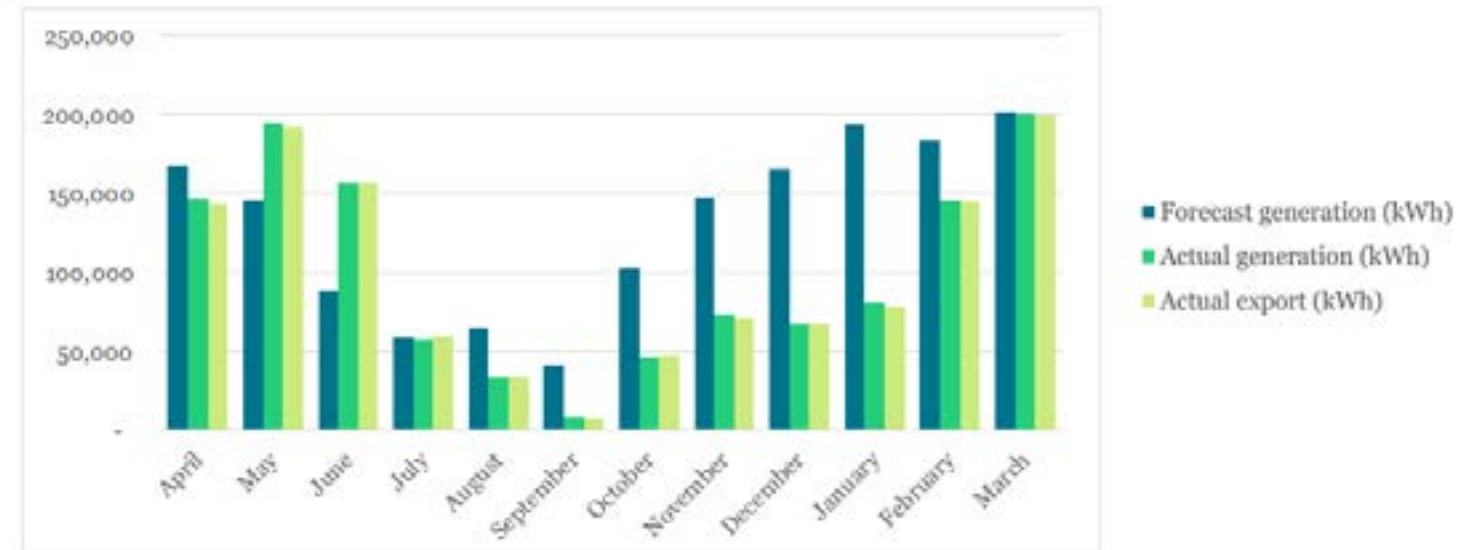
Interest declared per £ invested	4.1 p
Total interest due to investors	£59,990
Capital released for return	£ 0
Savings on electricity bills by hosts	N/A
Total IPS community benefit donation*	£35,059

Cumulative to date:

Interest to investors	£230,285
Total IPS community benefit donation*	£566,360

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

Monthly generation results



Key facts

Projects

Number of Archimedes screws	3
Total installed capacity	440 kW

Funding

Total number of shareholders	472
Number of Class A investors	472
Amount initially invested	£1,474,177
Capital returned to date*	£11,000
Remaining investment capital	£1,463,177
Current external debt funding towards capital costs	£1,723,723
Internal working capital	£200,000
Inter-company loan	£200,000

*Excludes capital released for return this financial year.

Lifetime anticipated benefits*

Interest to investors	£1,524,052
Savings on electricity bills by hosts	N/A
Community benefit income from this portfolio	£765,775

*Expressed as 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%.

Thirty-nine 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 those for all other investors in the project.

Given the optimisations currently planned to improve generation, we still anticipate achieving the returns set out in the original Share Offer Document, i.e. 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 2022, 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.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.



ONCORE INVESTMENT PORTFOLIO



In 2011, Low Carbon Oxford North set up Oxford North Community Renewables (ONCORE) to install solar panels on large roofs in North Oxford. The first share raise funded the installation of solar panels at The Cherwell School (North site). The second share raise funded a second site at The Cherwell School (South site) and an additional installation at St. Barnabas CoE Primary School.

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 the financial year 2021/22.

ONCORE: PORTFOLIO A

Performance review

The Cherwell School (North site) again showed a strong overperformance compared to the model, with 43,822 kWh generated – 10% above target. As mentioned in previous performance summaries, this portfolio was modelled with an old version of the Standards Assessment Procedure (SAP) – the UK government’s recommended system for measuring energy performance – which had more conservative forecasts than the updated SAP.

The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021.

Projects in this portfolio

- The Cherwell School (North site)

Performance

Electricity generation

Total generation this year	38,456 kWh
As a percentage of predicted output	109.8%
CO ₂ savings	8.9 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.23112 kgCO₂e/kWh (2021)

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

Returns

This financial year:

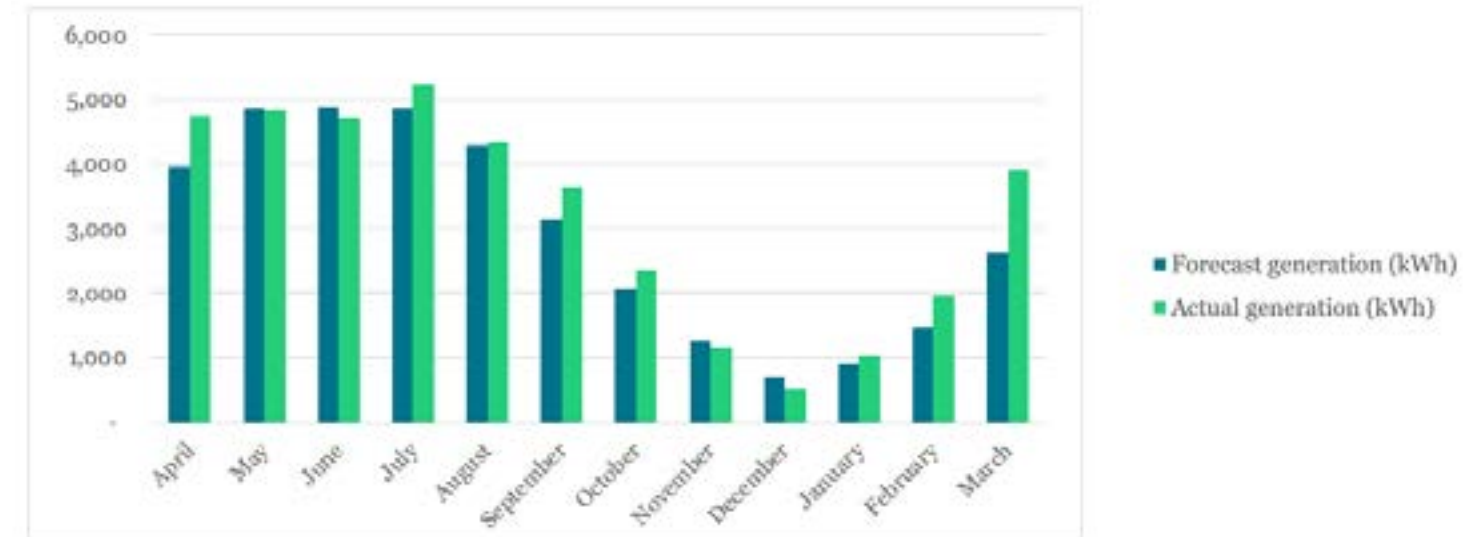
Interest declared per £ invested – ‘Returnable shares’	3.0p
Interest declared per £ invested – ‘25-year pledge’ shares	4.2p
Total interest due to investors	£5,458
Capital released for return	£4,857
Savings on electricity bills by hosts	£705
Total IPS community benefit donation*	£35,059

Cumulative to date**:

Interest to investors	£62,225
Cumulative capital returned	£18,481

** Includes interest to investors paid prior to transfer of assets from ONCORE to Low Carbon Hub IPS Limited.

Monthly generation results



Key facts

Projects

Number of installations	1
Total installed capacity	46.4 kWp

Funding

Total number of shareholders	77
Number of ‘Returnable’ shareholders	13
Number of ‘25-year pledge’ shareholders	64
Amount initially invested	£154,600
Capital returned to date*	£18,481
Remaining investment capital	£136,119

*Excludes capital released for return this financial year.

Lifetime anticipated benefits*

Interest to investors	£81,705
Savings on electricity bills by hosts	£11,603
Community benefit income from this portfolio	£75,982

*Expressed as nominal values and based on current equity levels. Excludes benefits derived from the working capital element.

Capital returns

All capital returns are subject to the availability of funds, Low Carbon Hub IPS Ltd 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.

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 rate on shares is different.

For the 25-year pledge, investors are anticipated to receive a forecast average 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% annual interest rate on their capital (assuming they do not withdraw their capital), though the actual rate will vary from year to year.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.



ONCORE INVESTMENT PORTFOLIO

ONCORE: PORTFOLIO B

Performance review

For most of the year the two projects in this portfolio showed good performance, generating 50,158 kWh of renewable energy. However, total annual generation dropped slightly below the forecast by just under 4%. This reduction was weather-related, in particular, due to the less-than-ideal generating conditions in May, June, and August 2021. There were no technical performance issues with this portfolio over the year and no maintenance was required beyond the scheduled testing and cleaning.

The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021. In January 2022 the prices for electricity exported from our sites changed with new Power Purchase Agreement (PPA) contracts. Rates are 51% higher than those for the previous year, following energy price increases seen nationwide.

Projects in this portfolio

- The Cherwell School (South side)
- St. Barnabas CoE Primary School

Performance

Electricity generation

Total generation this year	50,158 kWh
As a percentage of predicted output	96.4%
CO ₂ savings	11.6 tonnes

CO₂ savings based on UK electricity CO₂ intensities of 0.23112 kgCO₂e/kWh (2021)

Returns

This financial year:

Interest declared per £ invested	4.2 p
Total interest due to investors	£3,535
Capital released for return	£3,215
Savings on electricity bills by hosts	£593
Total IPS community benefit donation*	£35,059

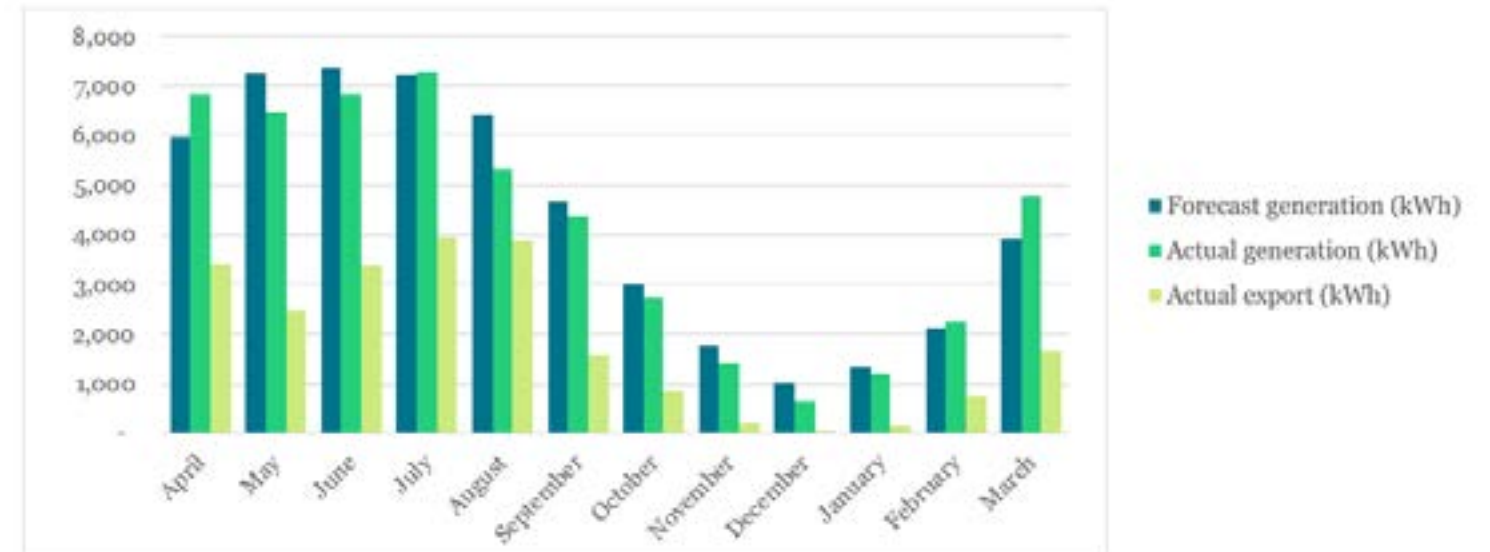
Cumulative to date**:

Interest to investors	£31,539
Cumulative capital returned	£9,705

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

** Includes interest to investors paid prior to transfer of assets from ONCORE to Low Carbon Hub IPS Limited.

Monthly generation results



Key facts

Projects

Number of installations	2
Total installed capacity	63 kWp

Funding

Total number of shareholders	37
Amount initially invested	£93,750
Capital returned to date*	£9,705
Remaining investment capital	£84,045
Current debt funding towards capital costs	£0

*Excludes capital released for return this financial year.

Lifetime anticipated benefits*

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

*Expressed as nominal values and based on current equity levels. Excludes benefits derived from the working capital element.

Anticipated returns

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

Capital returns

Capital will be returned to investors over the 20-year lifetime of the project, beginning in year 4. Interest payments and capital repayments are not guaranteed.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.

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.



COMMUNITY ENERGY FUND INVESTMENT PORTFOLIO

The Community Energy Fund is the Low Carbon Hub's investment portfolio, created to enable investors to support a range of ventures to strengthen and grow our community energy projects.

The year saw a significant increase in investment in the fund which now stands at over £6 m. This enabled us to commit to the construction of Ray Valley Solar, our first ground mount solar project. The fund also supports the continued growth of our pipeline of rooftop solar PV arrays and has enabled us to replace external debt funding with equity in both the 2016 Solar portfolio and Sandford Hydro.

Performance review

No new installations were commissioned during the financial year, so our predicted generation for the Community Energy Fund (CEF) portfolio did not increase. The existing portfolio performed well, generating 284,327 kWh – 101% of the model target. As with our other solar PV portfolios, the solar arrays generally exceeded the expected monthly generation targets except for May, June, and August which saw cloudier than expected conditions.

Three of these sites receive revenue through the Feed-in Tariff (Sonning Common, Longfields, and Brookside). The Feed-in Tariff is index-linked to the Retail Price Index (RPI) so increased by 1.2% on 1 April 2021.

The CEF has been instrumental in funding a number of new installations which were under construction in 2021/22 and commissioned after the end of the financial year. These include Ray Valley Solar, the UK's largest community-owned solar park, a large extension to our array at Norbar, and our first installation on an Oxford City Council-owned residential building. Together, these are creating a step change in our generation capacity.

Investments held

100% CEF-owned installations

2017 solar installations

Sonning Common Primary School

2018 solar installations

Brookside Primary School

Longfields Primary and Nursery School

2019 solar installations

CTG extension

Langford Village Primary School

Thames Travel

West Witney Primary School

Other projects supported

Solar 2016 Portfolio **£1,320,084**

Sandford Hydro (inter-company loan) **£200,000**

Capital available for Ray Valley Solar and pipeline **£4,243,079**

Overall performance of installations in which CEF has a stake

Portfolio	Installed capacity	kWh generated	% of predicted generation	CO ₂ savings (tonnes)	Savings on bills by hosts (£)	Owned by CEF (%)
Solar 2016	1.868 MW	1,568,010	102.5	362.0	23,579	64
2017 installations	23 kWp	21,712	108.5	5.0	492	100
2018 installations	89 kWp	74,924	98.5	17.3	1,412	100
2019 installations	209 kWp	187,691	101.6	43.4	5,252	100
Sandford Hydro	440 kW	1,180,659	74.8	299.0	n/a	0 (loan)

Key facts

Investors

New investors this year	63
Total shareholders at year end	1,243

Investment

New investment this year	£1,967,304
Capital withdrawn this year	£2,700
Total investment in fund at year end	£6,068,886

Financial results

Interest this year declared per £ invested (before 4th anniversary)	4p
Interest declared per £ invested (post-4th anniversary)	N/A
Total interest due to investors	£236,323
Cumulative interest to date	£433,519
Total IPS community benefit donation*	£35,059

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

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

Capital returns

The CEF does not automatically return capital; rather, it gives our members greater control as to when their equity is returned.

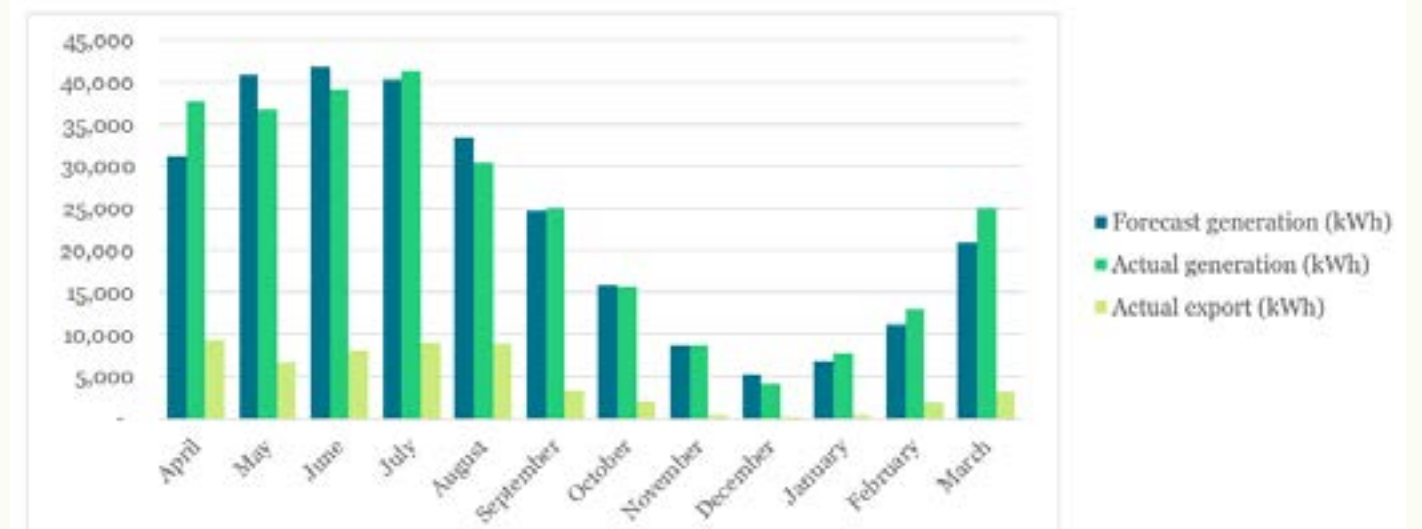
There will be an annual opportunity for investors to apply to request the return of their capital after the 4th anniversary of their investment. Our ability to fulfil requests to withdraw capital is entirely dependent on the availability of sufficient funds at the time and is in no way guaranteed. Interest payments and capital repayments are not guaranteed.

Community benefit

The community benefit donation figure just reflects spend directly funded by IPS surpluses this year. A summary of the total community benefit delivered by the Low Carbon Hub CIC and IPS is set out on p16-17. Net trading surpluses are considerably larger than this; currently management policy is to retain these in the business to support cashflow through the very large investments and commitments we are funding as part of Project LEO.

*Community benefit donations are based on Low Carbon Hub 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, plus any expenditure directly supporting community benefit activity delivered by the IPS itself.

100% CEF-owned installations Monthly generation results



	Number of installations	Lifetime anticipated benefits		
		Interest to investors	Savings on electricity bills to host	Community benefit income from this portfolio
2017 Installations	1	£19,742	£11,163	£4,403
2018 Installations	2	£76,575	£38,149	£34,752
2019 Installations	4	£77,696	£60,629	£20,396



COMMUNITY BENEFIT REPORT 2021/22

Because the Low Carbon Hub IPS Limited is run for the benefit of the community, all of its profits are used to fund community-led action on climate change. We use these funds, along with surpluses from the Low Carbon Hub CIC to leverage additional support, such as grants and contracts.

Community benefit income 2021/22

This report sets out both the community benefit funded by the IPS and the activities carried out by the CIC. Please see Background Notes (p. 18) about how these organisations work together. We are most grateful to all our funders for their support of our work.

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

- The surpluses of the Low Carbon Hub IPS Limited resulting from our renewable energy generation activities
- The surpluses of the Low Carbon Hub CIC (these are generated by the Eynsham renewable energy installation)
- Donations, grants, and contracts.

During 2021/22 our work to foster the development of community-led solutions to tackle climate change was supported by the following programmes

- Innovate UK funding for Project LEO, a £40 m, multi-stakeholder partnership carrying out real-world energy system trials.
- European Regional Development Fund support of OxFutures, a £3.2 m partnership to boost Oxfordshire's low carbon economy.
- Department for Business, Energy and Industrial Strategy (BEIS) funding to support the development and launch of ESOx, a partnership project creating a complete energy efficiency service for small and medium-sized enterprises (SMEs).
- UK Community Renewal Fund, managed within Oxfordshire by Oxfordshire County Council, and with thanks to the Secretary of State for Levelling Up, Housing and Communities.
- Power to Change Next Generation Programme, an expert consortium, led by the Centre for Sustainable Energy, supporting a nationwide programme to develop new community-led energy business models.
- Westmill Solar Co-operative support enables our energy efficiency audits programme for schools and community buildings to continue.

Low Carbon Hub community benefit income

	2021/22	2020/21
IPS community benefit income		
Surpluses allocated for community benefit	£35,059	£95,474
CIC community benefit income		
<i>Renewables-generated donations</i>		
Renewables-generated income	£1,783	£1,983
<i>Donations</i>		
Unrestricted donations	£0	£1
Restricted donations	£7,500	£0
<i>Programme grants</i>		
Innovate UK – Project LEO	£2,127,480	£2,077,813
BEIS – Build a market for retrofit	£0	£370,000
European Regional Development Fund	£101,570	£132,358
<i>Service contracts</i>		
Project LEO partner communications	£35,584	£0
BEIS – (ESOx)	£67,006	£171,363
Community Renewal Fund	£31,825	£0
Power to Change – Next Generation	£682	£12,275
Total	£2,408,490	£2,861,266

Community benefit expenditure for 2021/22

We use our community benefit income to deliver:

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

The following table summarises the community benefit expenditure of the Low Carbon Hub. All expenditure was incurred by the CIC unless stated otherwise.

Low Carbon Hub community benefit expenditure

	2021/22	2020/21
IPS community benefit spend		
Community grant programme	£35,059	£0
Rose Hill battery project	£0	£34,214
CIC community benefit spend		
Community grant programme	£4,952	£24,622
Local energy programme	£2,932,632	£3,304,400
Community benefit management	£2,970	£2,935
Total	£2,975,613	£3,366,171

Community grants programme – £40,011

We have a number of grants streams which provide funding to support community action on climate change. Our large grants programme awarded three grants, totalling, £15,500. Our community group members are also eligible for up to £500 funding each – and we were delighted to award 14 small grants supporting a wide range of projects from car clubs, to schools' cycling projects and educational materials.

We are particularly pleased by the high level of collaboration between groups who pooled their grants to support cross-community activities such as the Oxford-city-wide Energy Savings Homes project. Low Carbon Oxford North and Green TEA continue to receive support from our long-standing generation grants to these communities. Finally, grants totalling £5,250 were awarded to support other activities through our new Climate Change Grants scheme that enables us to make small tactical grants which support our strategic aims. This year, this included commissioning a report on nature-based solutions for Oxfordshire.

Grants are made by the IPS to beneficiaries, with the exception of the Green TEA renewables grant. This grant was made by the CIC, which also funds the cost of running the programme.

Local energy programme – £2,932,632

Our local energy programme has two key themes. First, we provide advice and practical and financial support to encourage the flourishing of community energy in Oxfordshire and beyond. Second, 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.

2021/22 spend

This year our local energy programme delivered:

- Helpdesk service supporting further community energy projects – £4,702
- Next Generation funding to support new community energy projects nationally – £682
- Community building energy audit grants scheme – £10,746
- OxFutures project supporting energy efficiency and innovation for SMEs – £101,570
- Cosy Homes Oxfordshire (excluding staff costs) – £1,520
- People's Power Station, an online interactive map showcasing Oxfordshire's efforts to reduce use of fossil fuels – £29
- Project LEO smart-grid trials (including communications support to the project) – £2,714,551
- ESOx supporting the take-up of energy efficiency amongst SMEs – £67,006
- Community Renewal Fund delivery – £31,825

Community benefit management – £2,970

We believe that investing in good management of our community benefit spend is important to ensure its effective use. This cost includes strategy development, monitoring, reporting, and internal project costs. In 2021/22 this cost was covered by the CIC.

BACKGROUND NOTES

About the Low Carbon Hub

The Low Carbon Hub is two organisations working together on a shared goal: 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. All surpluses from the IPS are used for the benefit of the community. The activities it funds may be carried about by the IPS itself or by providing funding to third-party organisations, such as Low Carbon Hub CIC, which supports local communities in taking 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. Ray Valley Solar Limited is also a wholly owned subsidiary of Low Carbon Hub IPS Limited.

Low Carbon Hub investment portfolios

Investment is held in the Low Carbon Hub IPS Limited. It has run 12 successful share offers enabling it to build renewable energy projects across Oxfordshire at schools, businesses, organisations and a hydro scheme on the Thames. All of its surplus goes to supporting local communities working to further cut carbon emissions. You can learn more about the projects we own and 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 CoE 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 IPS share classes

Class A	Class B
<ul style="list-style-type: none"> Solar 2014 Solar 2016 Sandford Hydro ONCORE Community Energy Fund 	<ul style="list-style-type: none"> Original 10 'pioneer' investors

Visit the investor pages at www.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.

About these figures

The results published in this document are based on our draft financial accounts for 2021/22 and are the most accurate figures available at the time of going to print. Any changes relating to our finalised accounts or the availability of updated generation data or modelling will be reflected in subsequent years' reports.

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



AT THE HEART OF COMMUNITY ENERGY INNOVATION



Project LEO (Local Energy Oxfordshire) is an ambitious, wide-ranging and innovative trial, seeking to accelerate the UK's transition to a zero-carbon energy system.

This collaborative project aims to provide the evidence needed to support the policy changes and investment to create the technological, financial, and social conditions for successful systemic change.

project-leo.co.uk



Energy Solutions Oxfordshire (ESOX) is a one-stop service, making it simple for businesses and organisations in Oxfordshire to undertake energy efficiency improvements to make assured savings on their energy bills, reduce their carbon emissions, and improve the comfort of their buildings for staff and visitors.

energysolutionsoxfordshire.org



Cosy Homes Oxfordshire is a home retrofit service to help make your home more comfortable, energy efficient and cheaper to run.

cosyhomesoxfordshire.org



Action on Carbon and Energy in Schools (ACES) is an energy efficiency support service to help schools in Oxfordshire carry out energy saving measures to cut carbon emissions, save money on energy bills, and make buildings more comfortable and healthier for staff and students.

ace-schools.org



PEOPLE'S POWER STATION
www.peoplespowerstation.org

Do you own a renewable energy installation or energy efficiency project in Oxfordshire?

Plug into the People's Power Station

The People's Power Station is an online platform that showcases renewable energy generation and energy efficiency projects across Oxfordshire – no matter how big or small. It aims to showcase the actions that people across Oxfordshire are taking to help consign fossil fuels to history.

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



Holywell House, Oxford OX2 0ES • members@lowcarbonhub.org • 01865 246099

www.lowcarbonhub.org

Ray Valley Solar Ltd has been set up as a wholly owned subsidiary of the Low Carbon Hub IPS. All IPS Board members are on the Board of Ray Valley Solar Ltd. Company registration number: 12279415.

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

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