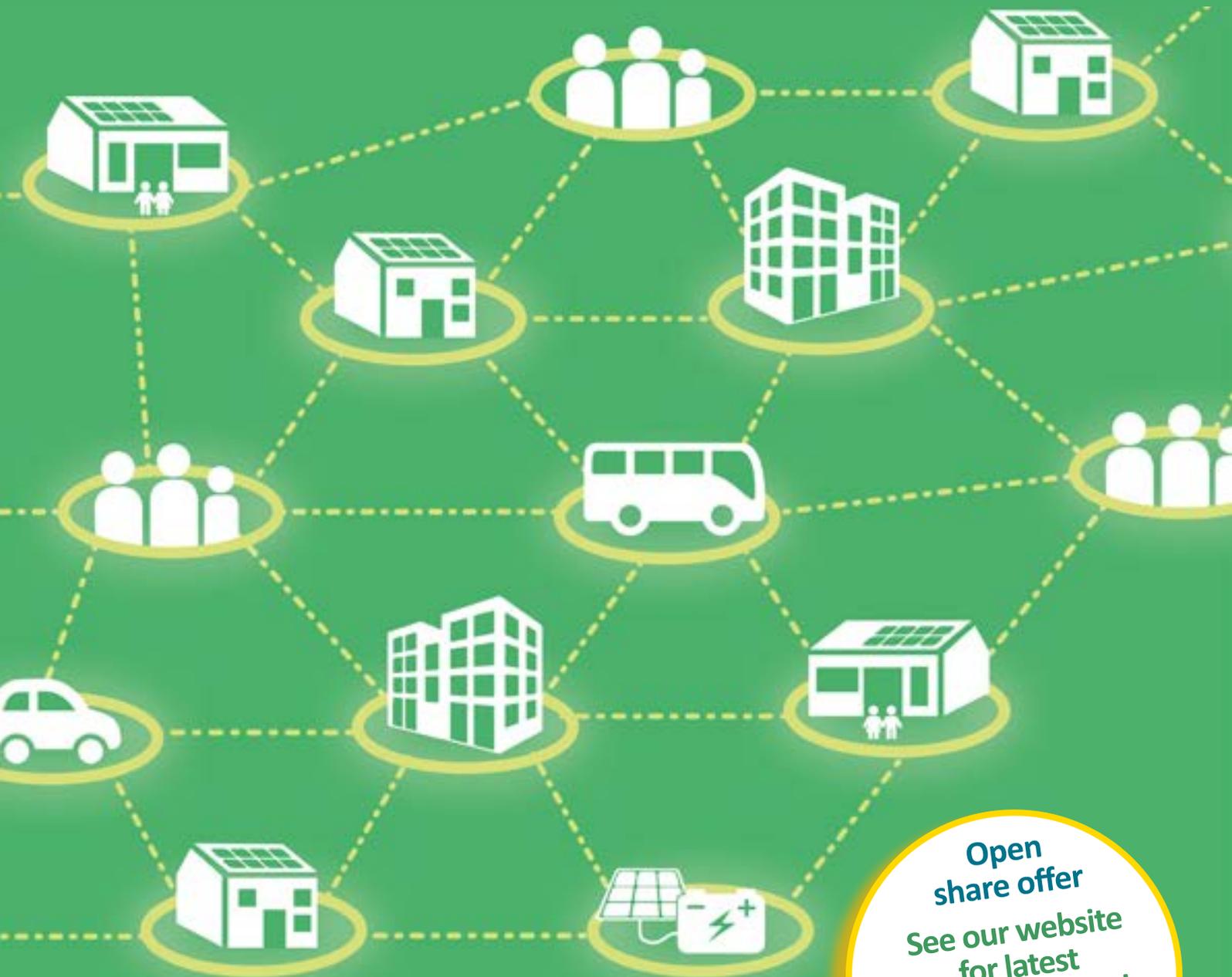




# COMMUNITY ENERGY FUND

## SHARE OFFER DOCUMENT 2024

Creating energy we can all feel good about



**Open share offer**  
See our website for latest investment needs  
**5% annual target interest rate\***



[www.lowcarbonhub.org/invest](http://www.lowcarbonhub.org/invest)

\*Capped at 4% for the first four years of investment

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## 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*
- *The Low Carbon Hub IPS Limited Accounts*

These are all available on request or online at [www.lowcarbonhub.org/invest](http://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.

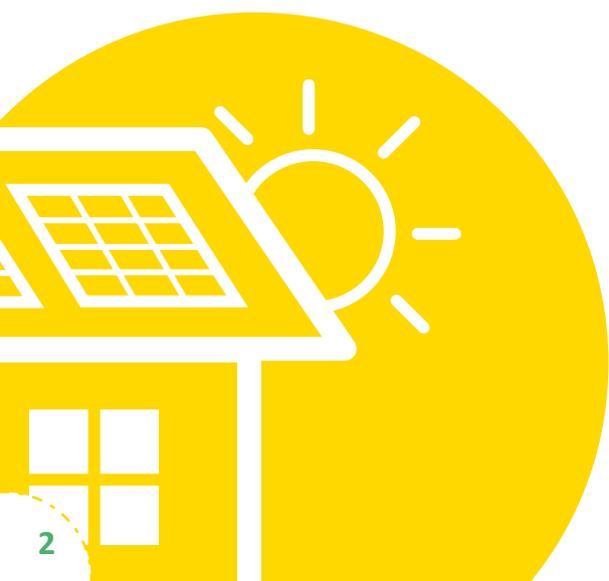
Reliance on this document for the purposes of engaging in investment activity may expose an individual to a significant risk of losing all the money they have invested. You may lose all or some of your money.

**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.

1 September 2024



# YOUR INVITATION TO INVEST

## Will you help create a clean, green energy future?

The Low Carbon Hub's Community Energy Fund is your opportunity to set your money to work, accelerating the transition to an energy system that's fossil fuel free.

## Invest – and support renewable generation

As a first step, we need investment to significantly grow our portfolio of community-owned renewable generation projects. More renewables, providing more clean green electricity. Together we can provide the power we need to help make fossil fuels a thing of the past.

## Invest – and fuel a powerful carbon-cutting feedback loop

All financial surpluses from our electricity generation are reinvested in further projects. Helping organisations cut their energy use, funding green innovation, and backing further community energy projects. We make every pound work hard to bring our vision of the future energy system to life: homes, schools, businesses, and communities generating their own clean energy, becoming more energy efficient, and working together to balance their energy needs.

## Invest – and unlock more funding

We use our income to leverage additional grants, loans and funding, so we can move faster towards the decentralised energy system we envision for the future - providing electricity, heat and a clean transport system, all powered by renewables.

## Invest – and catalyse innovation

We need innovative and collaborative approaches to accelerate the transition to net zero. With your support we're able to build on the partnerships we've developed with academia, industry, local authorities and communities and put community energy at the heart of grid-edge innovation.

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.

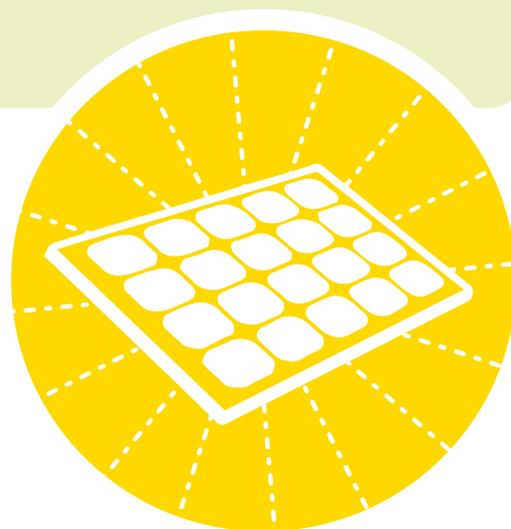
It's a virtuous circle and a game changer.

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

**We've reinvested over £1 million of the income from our renewable energy projects back into action on climate change.**



# ABOUT THE COMMUNITY ENERGY FUND

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



*“The next ten years will be the most important decade ever in the transition to a net-zero energy system that's powered by renewable energy. We need your help to make this happen.”*

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 raised over £6 million through the Community Energy Fund, bringing the total amount invested by our 1700+ strong membership to almost £10 million. Together, they are supporting over 50 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.



**This is an open share offer**

This gives us the flexibility to raise new investment as and when we need it to make new projects happen.

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

## 1 Fund energy projects that directly reduce CO<sub>2</sub> 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, CO<sub>2</sub> savings, project risks, and other benefits such as innovation and learning.

## 2 Replace debt with equity in existing projects

On some occasions we use debt funding to enable us to quickly make the most of opportunities as they arise. Replacing debt with equity can help us provide long term, predictable funding for our projects, increasing community benefit surpluses and overall community ownership, which is an important part of our vision. As a result we strive to keep the total level of debts associated with our projects at no more than 50% of asset value.

## 3 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.

**Find out about our latest investment needs and view supporting documents, such as our Annual Report, Accounts, and Rules, at [lowcarbonhub.org/invest](https://lowcarbonhub.org/invest)**

### 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.

#### A regular 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.27) 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.

# Community Energy Fund: Key facts

<b>Year of inception:</b>	2018
<b>Number of Investors:</b>	1,227
<b>Investment:</b>	£6,000,694

As at the financial year end 31.3.2024

## Projects supported

### Supporting Solar 2016 Portfolio

£1.32 million of Community Energy Fund investment is supporting the Low Carbon Hub 2016 Solar PV portfolio of 13 school-hosted PV arrays. This funding replaced short-term debt and means that the entire portfolio is now funded by community investment. The portfolio has a total installed capacity of 1.868 MW, which generated 1,535,907kWh of electricity in 2023/24.

### Rooftop Solar PV Array Pipeline

The Community Energy Fund has contributed just over half a million pounds towards the capital costs of all nine of our rooftop solar PV arrays installed on host schools and businesses since 2017. Together they have an installed capacity of 1,052 kW, giving an annual predicted generation of 924,545 kWh.

### Loan to Sandford Hydro Ltd

£200,000 inter-company loan to Sandford to replace debt funding. This has reduced the cost of financing the project, and reduced our exposure to loans that were pegged to Bank of England base rates, which have increased significantly in recent years.

### Ray Valley Solar

The remaining £3.9 million is currently being used to fund Ray Valley Solar. This 19.2 MW solar park is the UK's largest community owned solar park and can generate 19.5 GWh a year.

## 2023/24 Community Energy Fund financial results:

- Investment declared per £ invested (before fourth anniversary) 4%
- Investment declared per £ invested (post-fourth anniversary) 5%
- Total interest paid out since inception £936,488
- Total capital returned since inception £73,034

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 CO<sub>2</sub> 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.



Ray Valley Solar, groundmount solar park.  
Credit: Low Carbon Hub

# YOUR INVESTMENT

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

## Share offer type: Open Offer

To see our current investment needs and next investment deadline please go to [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest)

Minimum investment: £100

Maximum investment: £100,000

Investment target: See website

## 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.

## What is an open share offer?

An open share offer is one that is not time-limited or limited to raising capital for a single specific project. It enables us to raise additional equity as and when we need it. It still gives us the flexibility to set targets for investment required to support our current pipeline of projects, and we can also 'pause' the share offer to avoid overcapitalisation.

## Who can invest?

Individuals, charities, and other organisations may invest in this offer. You can also buy and hold shares on behalf of children. We require all Investor Members to have a UK bank account in their name.

## How much can I invest?

We are offering £1 shares with a minimum investment of £100 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?

There are two ways to apply:

- Invest online at [www.lowcarbonhub.org/invest](http://www.lowcarbonhub.org/invest)  
Here you will find our online application form. 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 01865 246099
- Or, if you would prefer, you can send us a paper application form to: Membership, Low Carbon Hub, Holywell House, Osney Mead, Oxford OX2 0ES

Application forms are at the back of the Share Offer Document or can be downloaded from our website.

Children can be Members in their own right, so long as they have a UK bank account in their name. Alternatively, 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.

There are three ways to pay:

- Online at [www.lowcarbonhub.org/invest](http://www.lowcarbonhub.org/invest)
- By Bank Transfer. This is the most cost-effective route. Details for payment are provided during the application process
- By cheque

## 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
- 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](http://www.gov.uk) 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, on page 25.

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

We have ambitious plans to continue to develop our pipeline of rooftop solar and other ground mount solar projects. We will continue to raise the investment required to enable us to deliver that pipeline.

In the unlikely event we discover that overall capital required is significantly lower than anticipated after investment has been accepted, we may have to take the decision to return some, or all, of the capital raised in this share raise. If this arises we will:

- Notify all shareholders 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 order of share raise, such that investment raised in the most recent raise is returned first
- 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.

## 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. The interest rate paid is at the director's discretion, who have to consider the overall financial stability of the Society.

## 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 on 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:

### 1 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?

Under our Rules people of any age can become Members, so children can apply to become Members. Alternatively 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 purchase shares for a child, or hold shares on behalf of children you will need to complete both a paper copy of the main application form, and the  *Holding shares on behalf of children*  form at the end of this document. Unfortunately, we do not have the facilities to accept applications on behalf of children online. Please complete a paper application and return it to us.

## 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 or maximum target for the share offer?

This is an open share offer which is not time-limited or tied to a particular project investment need, so there is no minimum or maximum target for the overall share offer. We may however set target investment amounts for a particular investment round, based on the funding we require for the current pipeline of projects.



## 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](http://www.communityshares.org.uk)

## What is the target raise for an investment round?

We will use this open share offer to raise new investment as and when it is required by the business for the purposes set out on page six. We will set out our latest investment needs and application deadlines at [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest).

## 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.

## What happens if the share offer is undersubscribed?

If we fail to meet our targets by the deadline we propose to:

- Process applications received by the deadline, to the timetable set out at [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest)
- Set a new application deadline to enable us to continue to accept the investment needed to meet our capital requirements
- Cover any shortfall with short-term debt, until we are able to secure sufficient investment.

# ABOUT LOW CARBON HUB

**Low Carbon Hub is a social enterprise that's out to prove we can meet our energy needs in a way that's good for people and good for the planet. We are a registered society, owned by our members and run for the benefit of the community.**

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

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

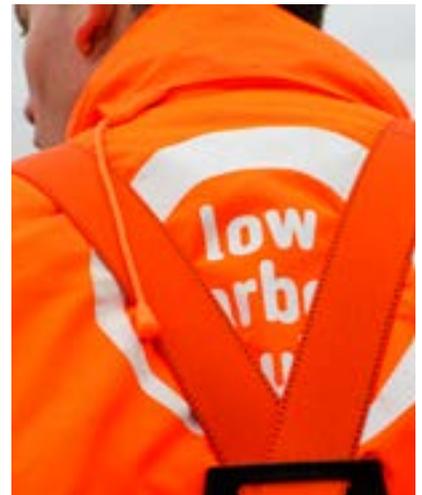
We've reinvested over £1 million of our income back into the community:

- Providing funding and support to bolster grassroots carbon-cutting activity
- Delivering energy efficiency advice to reduce energy demand
- Co-ordinating partnership approaches that translate national strategy into practical local delivery
- Catalysing innovation that drives the transition to a zero-carbon energy system.

The UK's energy system is changing, and we are at the heart of a growing partnership of people and organisations across Oxfordshire, working together for a low carbon future.

Collaboration is at the heart of everything we do. We are part-owned by more than 40 low-carbon community groups and work in partnership with local authorities, academics, businesses and organisations from across the energy system. By working together, we hope we can deliver a zero-carbon energy system that puts people and communities at its heart, and is both smart, and fair.

You can learn more about the community benefit we deliver and the impact of our work in our latest Annual Report and Accounts at [lowcarbonhub.org](https://lowcarbonhub.org)



*“Low Carbon Hub delivers fantastic work that results in impactful work.”*

Anonymous feedback from our 2024 'How are we doing?' survey

## Catalysing Innovation

Through innovation projects such as Project LEO, we are playing a central role in developing the smart, flexible electricity system of the future in Oxfordshire. One that benefits us all.

# 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.



*“ It has helped us save money on our energy bills, and the students in our school have also learned more about the environment now that the solar panels are installed.”*

Jason, Teacher

## 1 Sandford Hydro



### The largest community-owned hydro on the Thames

- 440 kW installed capacity
- Able to generate 1.3 GWh a year
- Enough to power 450 typical homes
- Commissioned: August 2017 (fully operational February 2018)

**2**

## Thames Travel



One of several business installations is at the Thames Travel bus depot in Didcot

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

**3**

## Ray Valley Solar



Ray Valley Solar is the UK's largest community owned solar park

- 19.2 MW installed capacity
- Able to generate 18.5 GWh a year
- Enough to power over 6,000 homes
- Commissioned: June 2022

## Our rooftop solar arrays



We're partnered with more than 40 schools and businesses around Oxfordshire which have had rooftop solar panels installed. As well as reducing carbon emissions, host organisations use the electricity generated to power their buildings and save money on energy bills. We continue to grow our pipeline of community-owned renewable installations. Case studies of all our projects are available on our website.

- 4.3 MW total installed capacity
- Able to generate over 3.5 GWh a year

# MEET THE TEAM

Key to Committee Members	
<b>A</b>	Audit Committee
<b>G</b>	Grants Committee
<b>GR&amp;N</b>	Governance, Risk and Nominations Committee
<b>I</b>	Investment Committee
<b>R</b>	Remuneration Committee
<b>S</b>	Strategy Committee
<b>*</b>	denotes Chair of Committee

## Board of Directors and Executive Team

The Low Carbon Hub IPS Limited is governed by a Board of Directors, who bring a wealth of experience from both the community energy and wider energy sector.



### Steve Drummond

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

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



### Barbara Hammond, MBE

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

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



### Mairi Brookes

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

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



### Maxine Frerk

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

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



### Tim Jones

Renewables Portfolio Director, Executive Director **I**

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



### Lenah Oduor

Non-Executive Director **A\***

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



### Al Kitchen

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

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



### Chris Woolhouse

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

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



### Mish Tullar

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

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



### Chukwuemeka Godwin Nwangele

Non-Executive Director **I, S**

Board member since July 2023, serves on the Investment Committee. As a Rhodes Scholar at the University of Oxford, he is pursuing a PhD in Engineering Sciences



### Rob Kesterton

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

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

For further information about the team, scan the QR code:



## The team

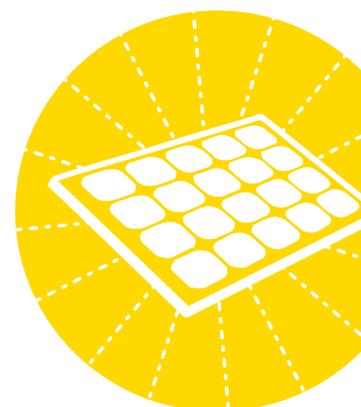
The day-to-day operation of Low Carbon Hub is managed by a team of 16 full and part-time staff.

- **Barbara Hammond, CEO**, steers the strategy of Low Carbon Hub, in conjunction with the Board and ensures the Low Carbon Hub is well-managed, resourced and effective in delivering our business plan.
- **Mairi Brookes, Smart Energy Systems Director**, leads on innovation projects to decarbonise at the Grid Edge.
- **Tim Jones, Renewables Portfolio Director**, leads the development and management of our portfolio of renewable energy projects.
- **Jack Irwin and Kim McLaren, Business Development and Operations**, develop new renewable energy partners and ensure our renewable projects are maintained and operating as they should.
- **Tessa Paterson, Company Secretary**, responsible for organisational compliance, corporate governance and ensuring we have the right office and HR systems in place.
- **Sam Clutton, Leanne Byatt, and Clare Doolan, Finance Team**, responsible for the management of Low Carbon Hub's finances and investor relationships.
- **Alison Grunewald, Business Relationship Manager**, manages Energy Solutions Oxfordshire supporting SMEs reduce energy demand.
- **Tim Lunel, Project Manager**, Cosy Homes Oxfordshire helping decarbonise Oxfordshire's homes.
- **Mim Saxl, Net Zero Community Manager**, developing and delivering the Community Action Plan for Zero-carbon Energy (CAPZero).
- **Cathy Ryan, Community Engagement Manager**, works with our low carbon community group network to support the design and delivery of projects to help people reduce their carbon footprint.
- **Beth McAllister and Christian Guthier, Marketing and Communications Team**, plan and implement the Low Carbon Hub's, and associated programmes, communications and marketing strategies.



“Community energy means to me something that the communities can take ownership of and have a sense of pride in where they've invested their money. Being able to see how much good this is going to do to the communities in and around Oxfordshire is really rewarding.”

Leanne Byatt



# FINANCE SUMMARIES

## Finance summary for the Low Carbon Hub IPS Limited

**Low Carbon Hub has spent more than £20 million installing the green energy renewable projects we own and manage. The following tables show the consolidated financial position for the Low Carbon Hub Group, which comprises the Low Carbon Hub IPS Limited and its two wholly-owned subsidiaries: Low Carbon Hub Sandford Hydro Limited and Ray Valley Solar Limited.**

**Please note:** These tables reflect the accounting losses caused by depreciation. This loss is the result of depreciation of our assets, which has a non-cash affect, and does not affect our overall positive cash flow situation.

### Society funds

At the end of the 2023/24 financial year, Member share capital in the IPS stood at almost £10 million. The table on page 23 gives a further breakdown of the investment in each of our portfolios of projects.

Our liabilities as of March 2024 includes two loans relating to Ray Valley Solar. £2.3 million from Triodos Bank and £3.7 million from Oxford City Council. We also had a £100,000 loan for the Sandford Hydro fish pass to Oxford City Council.

The balance of our long-term liabilities relates to deferred income arising from grant funding of capital projects, which is released as income over the lifetime of the projects.

The equity figures are the total share capital held in the Society net of historic share raise costs.

The table shows net fixed assets (cost, less depreciation).

**You can find all our Annual Report and Accounts on our website: [lowcarbonhub.org](https://www.lowcarbonhub.org)**

### Use of society funds

The electricity generated by our portfolio of installations, along with other activities results in an 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 support community benefit activity. In 2023/24, community benefit activity that had previously been delivered by Low Carbon Hub CIC transferred to the IPS, which is reflected in the increase in surpluses and internal community benefit spend in 23/24.

These assets are forecast to continue to generate an operating surplus over their project lifetimes.

The illustrative financial projections for the new solar projects show how this operates on a project level basis (see pages 20–21).

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 project 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.

Membership levels	Year 2023/24	Year 2022/23	Year 2021/22
Number of Members at the beginning of year	1,758	1,770	1,457
Number of new Members Joining	20	8	318
Number of Members leaving	8	20	5
Number of Members at the end of the year	1,773	1,758	1770

Member Share Capital £s	Year 2023/24	Year 2022/23	Year 2021/22
Opening balance	10,047,972	10,193,174	8,355,564
New Share Capital added during the year	877	0	1,967,304
Share Capital withdrawn in the year	212,808	145,203	129,694
Closing balance	9,836,041	10,047,971	10,193,174

Society Funds £s	Year 2023/24	Year 2022/23	Year 2021/22
Net Fixed Assets	16,206,675	17,179,271	15,853,090
Net Current Assets	1,066,793	69,880	859,397
Long-Term Liabilities	10,089,609	9,207,800	8,084,415
Equity	9,687,772	9,899,703	10,044,904
Retained Profits or Losses	(2,503,912)	(1,858,352)	(1,416,832)

Use of Society Funds £s	Year 2023/24	Year 2022/23	Year 2021/22
Net Profit (or Loss) before Share Interest and Community Benefit	688,707	46,504	199,714
Interest rate on Share Capital	3% to 5.6%	3% to 5.6%	3% to 5.6%
Total interest paid to Members	456,820	182,240	441,429
Community benefit spend			
Internal spend	670,257	0	0
External spend	18,450	42,779	40,011

## Project financial projections

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

The table overleaf summarises the indicative lifetime income and expenditure for a new 230 kW rooftop solar PV array, typical of new projects we anticipate funding through new investment. It is based on the model used by our renewables portfolio team.

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, our 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 any 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.

# NEW SOLAR PV

PER £200,000 INVESTED

## Summary projections first five years (£)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>OPERATING CASH FLOW £</b>						
Host PPA	24,822	25,352	25,642	25,960	26,360	128,136
Export PPA	3,234	3,219	3,923	3,921	3,729	18,026
<i>Total operating income</i>	28,055	28,572	29,565	29,881	30,088	146,162
Operating costs	-8,870	-9,021	-9,171	-9,337	-9,536	-45,935
<b>Total net operating income</b>	<b>19,185</b>	<b>19,551</b>	<b>20,394</b>	<b>20,544</b>	<b>20,553</b>	<b>100,227</b>
<b>OPERATING COSTS £</b>						
Reserve funds	2,829	2,829	2,829	2,829	2,829	14,145
Interest on short-term debt	0	0	0	0	0	0
<i>Portfolio operating surplus</i>	16,356	16,722	17,565	17,715	17,724	86,082
Interest payments	10,001	9,699	9,381	9,048	8,698	46,827
Capital payments	6,049	6,352	6,669	7,003	7,353	33,426
Community benefit donations	306	671	1,514	1,664	1,673	5,829
<b>Total expenditures cash flow</b>	<b>19,185</b>	<b>19,551</b>	<b>20,394</b>	<b>20,544</b>	<b>20,553</b>	<b>100,227</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROFIT AND LOSS ACCOUNT £</b>						
Total revenue	28,055	28,572	29,565	29,881	30,088	146,162
Operating costs	-8,870	-9,021	-9,171	-9,337	-9,536	-45,935
<i>EBITDA*</i>	19,185	19,551	20,394	20,544	20,553	100,227
Cost of finance	-10,001	-9,699	-9,381	-9,048	-8,698	-46,827
Community benefit donations	-306	-671	-1,514	-1,664	-1,673	-5,829
Depreciation	-10,001.3	-10,001.3	-10,001.3	-10,001.3	-10,001.3	-50,007
<b>Total</b>	<b>-1,123</b>	<b>-821</b>	<b>-503</b>	<b>-169</b>	<b>181</b>	<b>-2,435</b>

\* EBITDA= Earnings before interest, tax, depreciation, and amortisation.

## KEY FINANCIAL TABLE ASSUMPTIONS

- 20-year project
- System size 230kW
- System degradation 0.45% a year
- Inverter replacement required once at year 11
- 80% of electricity used on site
- Average annual electricity price inflation 2.55%

## Summary projections lifetime (£)

	Years 1–5	Years 6–10	Years 11–15	Years 16–20	Years 21–25
<b>OPERATING CASH FLOW £</b>					
Host PPA	128,136	138,018	148,985	160,824	575,964
Export PPA	18,026	16,112	17,865	21,291	73,294
<i>Total operating income</i>	146,162	154,130	166,850	182,115	649,257
Operating costs	-45,935	-50,824	-56,537	-62,876	-216,173
<b>Total net operating income</b>	<b>100,227</b>	<b>103,306</b>	<b>110,313</b>	<b>119,239</b>	<b>433,085</b>
<b>EXPENDITURES CASH FLOW £</b>					
Reserve funds	14,145	14,145	2,829		31,119
Interest on short-term debt	0	0	0	0	0
<i>Portfolio operating surplus</i>	86,082	89,161	107,484	119,239	401,966
Interest payments	46,827	37,592	25,805	10,762	120,986
Capital payments	33,426	42,661	54,448	69,491	200,026
Community benefit donations	5,829	8,908	27,231	38,986	80,953
<b>Total Expenditures Cash Flow</b>	<b>100,227</b>	<b>103,306</b>	<b>110,312</b>	<b>119,239</b>	<b>433,084</b>
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>PROFIT AND LOSS ACCOUNT £</b>					
Total revenue	146,162	154,130	166,850	182,115	649,257
Operating costs	-45,935	-50,824	-56,537	-62,876	-216,173
<i>EBITDA*</i>	100,227	103,306	110,313	119,239	433,085
Cost of finance	-46,827	-37,592	-25,805	-10,762	-120,986
Community benefit donations	-5,829	-8,908	-27,231	-38,986	-80,953
Depreciation	-50,006.5	-50,006.5	-50,006.5	-50,006.5	-200,026
<b>Total</b>	<b>-2,435</b>	<b>6,800</b>	<b>7,271</b>	<b>19,484</b>	<b>31,120</b>

\* EBITDA= Earnings before interest, tax, depreciation, and amortisation.

# FREQUENTLY ASKED QUESTIONS

## **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 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. We will not sell, rent, or lend your data to other organisations. Our full Privacy Statement is available on our website.

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

The Low Carbon Hub IPS Limited is fortunate to now have over 1,700 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 £133,257 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.

## **Why are you no longer offering paper share certificates?**

In order to reduce our administration costs and reduce the amount of paper we use, we have decided to offer digital share certificates from now on. Our members can now access information about their investments, including interest statements, and manage their personal and bank account details on our online Investors Portal. See the Members page on our website for more information on how to access the online Investor Portal.

## **How does this share offer differ from your early 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.

## The projects

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

Many of our projects are initially funded using short-term debt. This enables us to cover capital costs in the short term as opportunities arise, without the need to wait until sufficient equity is raised.

### 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 20. 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 from 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

*Continue overleaf...*

## Summary of share offer portfolios to date

As of March 2024

Portfolio	Class A £1 Shares	Class B £1 Shares	Associated Debt £	Original Capital Expenditure £
<b>Solar 2014</b>	1,380,343	133,257	0	1,626,900
<b>Solar 2016</b>	673,365	0	0	2,157,514
<b>Sandford Hydro</b>	1,443,844		100,000	3,992,712
<b>ONCORE*</b>	180,492	24,010	0	248,856
<b>Community Energy Fund</b>	6,000,694		6,041,546	£1,320,083 towards Solar 2016 Projects £200,000 loan to Sandford Hydro £553,658 in rooftop solar £3,879,217 Ray Valley Solar

\* Figure relates to original project costs at time of construction by ONCORE.

Capex may differ from investment raised as projects may have also been funded by loans, grants or other income sources, and other costs may have been incurred that do not appear in the capital expenditure figure, such as equity-raising expenses.

Portfolio	Lifetime Target Return	First Year Interest Accrued	Interest Awarded for 2023/24 £	Equity Returned to Date £
<b>Solar 2014</b>	5% IRR	2016/17	84,762	246,557
<b>Solar 2016</b>	5% IRR	2018/19	36,968	119,735
<b>Sandford Hydro</b>	5% during construction for pioneer investors, then 5% IRR	2017/18	72,192	30,333
<b>ONCORE*</b>				
<b>ONCORE A 25-year pledge</b>	4%	2012/13	4,322	20,318
<b>ONCORE A Withdrawable</b>	3%		720	0
<b>ONCORE B</b>	4%		3,259	13,899
<b>Community Energy Fund</b>	4% years 1–4 then 5% a year	2018/19	254,597	73,034

\* Information relates to original ONCORE portfolios prior to their transfer of engagement to the Low Carbon Hub IPS Limited.

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 grids
- 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.

## Roof-mounted solar PV

### 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.

### Who will manage the installations?

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

## Ground mount solar park

### Do you have plans for other ground mount solar projects?

We are working on a pipeline of opportunities, and these may include ground mount solar projects.

### Who is Low Carbon Limited and what is their role in Ray Valley Solar?

Low Carbon Limited is a leading renewable energy investment and asset management company committed to making a positive and significant impact on climate change through the development and operation of renewable energy at scale.

Low Carbon Limited has a proven track record in the development, construction, financing, and management of renewable energy assets and remains involved in the projects for the long term with a dedicated asset management team. They will carry out the project management of Ray Valley Solar and take on operations and maintenance of the site once built.

## 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 society do not have access to the Financial Ombudsman Service (FOS) or Financial Services Compensation Scheme (FSCS). Low Carbon Hub IPS 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 their current shareholding.

This means you may lose some or all of your capital.

## 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, or other factors such as Brexit and pandemics.
- Installations given as security to lenders 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.
- Reduction in generation due to mechanical failure, unplanned maintenance, vandalism, and unforeseen restrictions imposed by National Grid or District Network Operator.
- Unforeseen policy or regulatory changes.

## 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.

For example, for our roof-mounted arrays, these include:

- A 10-year manufacturer's warranty and 20-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.
- Industry standard defects liability period after commissioning for ground mounted installations. During this period we can call on the installers to address any issues. In addition, we require a workmanship warranty from the installer.

The Directors expect that regular ongoing output monitoring of all projects carried out by the Low Carbon Hub and our contractors 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 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. To mitigate the risk to our being able to pay the target interest rate we will monitor equity levels to avoid over-capitalisation and return excess capital if necessary.

## Risks to delivery of our environmental and social benefit

The benefits delivered by the projects depend on the performance of the installations themselves and the performance of the community projects we support:

- CO<sub>2</sub> 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 factor in the return of capital in our project financial models, with 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 40-year project lifetime for ground mounted projects. Capital begins to be released a short time into each project's 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 target deadline, it will be considered for approval at the first convenient Board of Directors meeting after the target deadline.

Applications received after the 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. We will acknowledge receipt of your payment and application. Your money will be held on trust for you until the Directors have considered your application.

If Low Carbon Hub IPS Limited decide not to issue shares to you or allocate you fewer shares than you applied for, the balance will be returned to you (within 28 days of the Board of Directors meeting at which they consider your application). 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 payment will be honoured on presentation.
- 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 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](http://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](http://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.

### **Advisers and bankers**

**Bankers:** The Co-operative Bank and Triodos Bank

**Community Share Document:** Saskya Huggins

**Community Shares Standard Mark Assessor:**  
Eva Goudouneix

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



# Community Energy Fund application form



You can also apply online at [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest)

I wish to become a member of the Low Carbon Hub IPS Limited in accordance with the Rules and apply for:

Value of shares (£)  in the Community Energy Fund

### Payment options (PLEASE TICK RELEVANT BOX)

- I wish to pay by BACS The minimum shareholding is £100 and the maximum is £100,000.
- I enclose a cheque made payable to Low Carbon Hub IPS Ltd For current deadlines and investment opportunities go to [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest)

### NAME AND ADDRESS (PLEASE USE CAPITAL LETTERS)

First name(s) in full	<input type="text"/>	Last name	<input type="text"/>
Address	<input type="text"/>		
Town / city	<input type="text"/>	Postcode	<input type="text"/>
Date of birth	<input type="text"/>	Nationality	<input type="text"/>
Telephone No.	<input type="text"/>	Email	<input type="text"/>

If you have been living at the above address for less than 3 years please provide your previous address:

If you are applying for shares on behalf of an organisation, please supply the following additional information. Please note, *this form must be signed by a Director of your organisation.*

Company name	<input type="text"/>	Reg. company No.	<input type="text"/>
Name of signatory	<input type="text"/>	Position in org.	<input type="text"/>

**Applying for shares on behalf of children?** Please complete the additional form overleaf and return it with this application. Please note, we are only able to accept applications for shares to be held on behalf of children on paper, not online, and this must be done at the time of purchasing the shares.

### AGREEMENT

- I have read the Share Offer Document and supporting documents including the Rules of the Low Carbon Hub IPS Limited.
- I understand that this investment carries risks and I may not be paid interest, or be able to redeem my original investment
- I understand that this investment is not covered by the Financial Services Compensation Scheme.
- I wish to become a Member of the Low Carbon Hub IPS Ltd
- I agree to be bound by the Terms and Conditions included in the Share Offer Document and the Rules of Low Carbon Hub IPS Limited (see [lowcarbonhub.org/invest](http://lowcarbonhub.org/invest))
- I understand that the Board of Directors of the Low Carbon Hub IPS Limited may reject my application and are not obliged to tell me why it has been rejected.
- I consent to receiving formal notices by email and links to formal documents on the low Carbon Hub website.
- I hold a sterling bank account in the UK.

### SIGNED

Signature

Name in print

Date

Please send your completed application form to: Stakeholder Finance Coordinator, Low Carbon Hub, Holywell House, Osney Mead, Oxford OX2 0ES or email: [members@lowcarbonhub.org](mailto:members@lowcarbonhub.org)

### Data protection and money laundering

The data provided by you on this form will be stored within a computerised database. This data will be used only for Low Carbon Hub purposes and will not be disclosed to any third party. It is a condition of the offer that to ensure compliance with the Money Laundering Regulations 2008, Low Carbon Hub may at its absolute discretion require verification of the identity of any person seeking to invest.

### Notices by email

- To reduce our administrative costs, we would like to send you formal notices by email and refer you (by email) to documents posted on our website. **If you are unable** to receive communications via email, please tick the box.
- We provide Members with regular updates on the social and environmental impact of their investment and the activities of Low Carbon Hub via our email newsletter. If you **DO NOT** wish to receive the newsletter, please tick the box. You can unsubscribe at any time via the link found at the bottom of each newsletter.

If you have any queries about your application, please call: **01865 246099** or email: [members@lowcarbonhub.org](mailto:members@lowcarbonhub.org)



APPS OFFICE USE ONLY

# COMMUNITY ENERGY FUND



## PURCHASING SHARES ON BEHALF OF CHILDREN FORM

Purchasing shares on behalf of children? Please select one of the following options:

**Child member:** This application is being made on behalf of a child who will hold the investment in their own name, and will become a Member of Low Carbon Hub IPS Limited in their own right.

When you select this option you are confirming that:

- the child understands the terms of Membership and has signed the form themselves.
- the child has a sterling bank account in the UK.
- you have permission from the people named on this form to share their details with us.

**The application form overleaf should be completed with the child's details, and signed by the child. Please also complete the Guardian and Purchaser sections below.**

**Shares held on behalf of a child:** An investor Member can hold shares on behalf of somebody who is under 16 years of age. Once that person turns 16, we will then contact you and facilitate the gifting of shares to the value of those you hold on their behalf. When you select this option you are confirming that:

- You understand that the investment is held in your name, and you are the Member, until the shares are gifted.
- You have permission from the people named on this form to share their details with us.

Nomination must be made at the time of purchasing the shares.

**The application form overleaf should be completed with your details. Please also complete the Guardian, Child and Purchaser sections below.**

If you wish to purchase shares on behalf of more than one child please make a separate application for each child.

### GUARDIAN'S CONTACT DETAILS (PLEASE USE CAPITAL LETTERS)

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

### CHILD'S CONTACT DETAILS

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

### PURCHASER'S DETAILS (IF SHARES PAID FOR BY SOMEONE OTHER THAN THE NAMED CHILD)

First name(s) in full	
Last name	
Email address	
Signature	
Date	

Please send this completed paper form, along with your application overleaf, to:

**Stakeholder Finance Coordinator, Low Carbon Hub,  
Holywell House, Osney Mead, Oxford OX2 0ES**

If you have any queries about your application, please call us: **01865 246099**  
or email: [members@lowcarbonhub.org](mailto:members@lowcarbonhub.org)

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# LOW CARBON HUB AT A GLANCE

## PLANET



**55**  
renewable energy  
installations



**23.9**  
MW installed  
capacity



**18.16**  
GWh generated  
in 2023-24



**4,087**  
tonnes of CO<sub>2</sub> saved  
in 2023-24

## PEOPLE



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



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



**45**  
Solar PV hosts – schools, businesses,  
and community organisations  
that host our energy projects

## PROSPERITY



**£9,836,006**  
Total investment by  
our members



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



**£456,820**  
Interest to investors  
in 2023-24



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

## PERCEPTION

**93%**  
perceive Low Carbon Hub to be quite or  
highly committed to the creation of a zero-  
carbon energy system that's good for people  
and good for the planet.

**92%**  
report quite high or high trust in Low Carbon  
Hub to deliver community centred solutions  
that support the creation of a zero-carbon  
energy system.

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

“ I chose to invest in the Low Carbon Hub because 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*

“ 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*

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

*Eleanor, Investor*



[members@lowcarbonhub.org](mailto:members@lowcarbonhub.org) • 01865 246 099

[www.lowcarbonhub.org/invest](http://www.lowcarbonhub.org/invest)

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

To the best of our knowledge, the information contained herein is accurate and reliable as of 1 September 2024

Based on an original design and illustration by [www.goodthinkingcommunications.net](http://www.goodthinkingcommunications.net)