



An electric future for Brighton & Hove



The Big Lemon's Investment Brochure 2016



1. Introduction

The Big Lemon is a pioneering social enterprise at the forefront of fresh thinking on sustainable fuels and community bus service provision. Since our launch in Brighton in 2007 we have been carving a niche in the provision of environmentally-sustainable community bus services, coach hire and music festival transport. All our vehicles run on recycled waste cooking oil from local restaurants, and since 2007 we have made good use of over half a million tonnes of waste cooking oil and saved over 900 litres of carbon dioxide from going into the atmosphere.

In 2016 our aim is to take it to the next level and run bus services on electricity from renewable sources. No emissions, no carbon footprint.

Through this we will consolidate our position as the Number 1 eco bus operator in the country, opening up opportunities for growth, and enabling us to offer more people access to sustainable transport, in their communities and at universities and colleges throughout the country.

If you are viewing this electronically click on the image below to watch our Company Video:



In the beginning we were a small group of people discussing ideas in a pub. We had no experience, no money, and no buses, but what we lacked in money and experience we made up for with a strong vision, buckets of enthusiasm and sheer stubbornness. We worked hard, learnt fast, overcome some significant challenges and are now looking towards a future of opportunity with lots of possibilities and a healthy cash position to fund our growth.



Why isn't everyone doing this already?!

Sadly the main reason is it simply costs too much to buy the buses - as the technology is still young it costs roughly twice as much for an electric bus as it would for a diesel bus.

In today's money that's roughly a quarter of a million pounds.



An Electric Bus similar to what we hope to operate in Brighton & Hove

Shouldn't we wait till the technology becomes cheaper?

The Big Lemon has always been about trying new things, harnessing pioneering spirit and blazing a trail. We were the first bus company to run all our vehicles on locally-sourced waste cooking oil, and we have been watching the electric bus market with interest in its formative years.

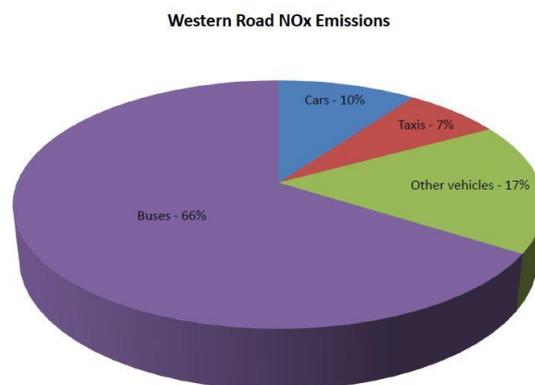
We feel that now is the right time to go for it. We're not the first; this is now proven technology: it has improved a great deal and also become more affordable since it first came on the market just a few years ago. The Government is also keen to encourage take-up of this technology and there is a grant scheme to help with the costs, which we have applied for called the Low Emission Bus Scheme. If successful, it provides funding for 90% of the extra cost on top of that of a regular diesel bus of the same specification.

Considering all these factors, there is no better time than now!

2. How going electric will help our city and our environment

Brighton & Hove City Council's 2015 Air Quality Action Plan priorities improvements in roadside NOx levels and welcomes initiatives to reduce NOx emissions from buses.

The Big Lemon's routes include North Street (B2066) which is one of the busiest routes in the UK with nearly all (97%) of the cities bus routes passing along this road. North Street to Western Road has the highest concentrations of nitrogen dioxide in Sussex and currently exceeds the legal limits for nitrogen dioxide emissions.



Based on Variable Tailpipe Emissions of NOx on the B2066 Western Road by traffic type

The reduction of emissions from buses along this route is a priority in tackling air pollution in the city. Although The Big Lemon uses sustainably sourced fuel from waste cooking oils, our current fleet of biodiesel buses produce relatively high levels of NOx. Replacing these buses with electric vehicles would reduce the NOx emissions (as well as particulate matter, CO₂ and everything else!) to zero.

Take a look at the emissions we could save from converting from biodiesel to electric:

Per Bus	Carbon dioxide (CO ₂)	Carbon monoxide (CO)	Hydro-carbons (HC)	Nitrogen Oxides (NO _x)	Sulphur Dioxide (SO ₂)	Particulates (PM)
Annual emissions (diesel)	83,641 kg	1227 kg	385 kg	1,214 kg	3 kg	119 kg
Annual emissions (biodiesel)	11,685 kg	836 kg	314 kg	1,419 kg	0	81 kg
Annual emissions (electric)	0	0	0	0	0	0
Saving over 10 yrs (compared with biodiesel)	117 tonnes	8.4 tonnes	3.1 tonnes	14 tonnes	0	0.8 tonnes

3. How much money do we need and where are we getting it from?

<i>What do we need to get three electric buses?</i>	Cost
Three electric buses @£233,803	£701,409
Two 'Slow' chargers for overnight charging @£2,440	£4,880
'Fast' charger for quick charging during the day @£22,111	£44,222
Total	£750,511

<i>Where is the money coming from?</i>	Target
Bond issue	£250,000*
Share issue	£100,000
Government grant	£364,921
Company funds	£35,590
Total	£750,511

*Target reached on 29 February 2016



4. Our offer to you

We are offering for sale 667 Ordinary Shares at £150 each.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Income	£391,340	£530,195	£616,873	£668,507
Profit before Tax	£4,654	£6,698	£58,806	£81,066
Capital Employed	£210,682	£216,557	£217,326	£200,127
Return on Capital Employed	2.2%	3.1%	27.1%	40.5%
Profit after Interest & Tax	£4,654	£6,698	£58,806	£70,307
% Returned to Shareholders	0%	0%	0%	10%*
Dividend per share	£0	£0	£0	£4.38*
Return on Investment on each share (assuming £150 purchase price)	0%	0%	0%	2.92%*

* Figures for 2015 dividends are what the Board is recommending to Shareholders at the AGM on 20 March 2016. Up till now Shareholders have decided each year to re-invest 100% of any profit into the business. The Board is recommending that in the future, if the Company reaches its targets, 80% of profit after tax is re-invested, 10% is put into a staff welfare and development pot and 10% is allocated to dividends to reward investors for their support and provide a reasonable financial return on their investment.

Better than the Banks

Currently Moneysupermarket's featured 'market-leading' savings product is a two-year fixed rate cash ISA which earns 2% AER. Invest with us and **beat the best rates in the market, as well as putting your money to good use for the local community too.**

5. The Enterprise Investment Scheme (EIS)

The Big Lemon has applied to HMRC to register this share offer under the Enterprise Investment Scheme (EIS). The application takes 4-6 weeks so we should know by the end of March if our registration has been successful.

The EIS offers investors tax incentives as long as the shares are 'new', full-risk ordinary shares, paid in full at the time of issue, and held for a minimum of three years. Investors can benefit from Income Tax relief, Capital Gains Tax exemption, Loss relief and Capital Gains Tax deferral relief. Further information on the EIS is available on the [Government website](#).



6. *Is my investment safe?*

No investment is 100% secure, and even the biggest banks can fail. Having said that, The Big Lemon has been growing steadily over the last few years, consistently improving its performance and resilience year on year. The following table shows the last four years' financial performance, with each year better than the one before, and last year being our best yet!

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Income	£391,340	£530,195	£616,873	£668,507
Cost of Sales	£295,996	£442,984	£453,506	£449,667
Gross Profit	£95,344	£87,211	£163,367	£218,840
Overheads	£90,690	£80,513	£104,561	£148,341
Profit	£4,654	£6,698	£58,806	£70,499

7. *Will you help us make Brighton & Hove a healthier city?*

We have just finished a very successful fundraising campaign which raised £250,000 through a community bond issue. This is very exciting indeed and means that we will be able to get two zero-emission electric buses to run on our services in Brighton & Hove. In order to raise enough money to take full advantage of the Low Emission Bus Scheme and get three zero-emission, zero-carbon electric buses on the road in Brighton & Hove we are aiming to raise a further £100,000 through a share issue.

We are currently offering shares for sale at £150, with full voting rights. As of 31 December 2015 we had 1604 subscribed members, making each share worth 1/1604 of our business. This values the business at £240,000 – a conservative estimate by most standards considering the earnings of the last couple of years, but one that acknowledges the pioneering approach and the fact that the majority of our profit will always be invested in service improvements. We believe these shares represent both an attractive investment proposition *and* the opportunity to join a movement – the social enterprise movement – focussed on creating a better world.

If you are interested in investing in The Big Lemon please fill out the Application Form below or online at www.thebiglemon.com/electric, and we will process your application within 14 days.



Application Form

Full Name	
Postal Address	
Post Code	
Email Address	
Telephone Number	
Number of Ordinary Shares requested	
Are you applying under the EIS (see above)?	
Please tell us why you would like to invest in The Big Lemon	
Please tell us how you heard about our investment opportunity	

If you are applying for shares under the Enterprise Investment Scheme we will acknowledge receipt of your application and hold your details until we receive confirmation of our registration from HMRC.

If you are not interested in the EIS and would like to apply for shares straight away please enclose a cheque payable to "The Big Lemon CIC" for £150 for each share and return the form to The Big Lemon CIC, Protran House, Boundary Road, Brighton, BN2 5TJ.

Alternatively you can arrange a BACS transfer to credit the account of The Big Lemon CIC, held at The Co-operative Bank, sort code 089299, Account Number 65237737. Please include your name as a reference.

Upon receipt of your funds we will issue a share certificate within 14 days. Your share certificate will be dated the date of receipt of your funds.

The Big Lemon does sell shares to businesses, only to individuals. We reserve the right to refuse investments and we do not need to give a reason.

The Big Lemon does not give financial advice and you are advised to seek independent financial advice on your investments.

The Big Lemon CIC is Registered in England & Wales, Number 06045786

Registered Office: Protran House, Boundary Road, Brighton BN2 5TJ. Telephone: 01273 681681