



Our vision is that by 2030 every community in the UK has access to affordable, sustainable transport, using zero-emissions vehicles powered by renewable energy and owned by the local community



Investment Prospectus February 2018



*Brighton & Hove Business of the Year 2016
Most Sustainable Business – Sussex Business Awards 2017*



1. Executive Summary

The Big Lemon is a social enterprise running sustainable transport services in and around Brighton & Hove. We run local bus services and private hire coaches for a variety of events, as well as day trips and holidays, coaches to music festivals and a programme of Sunday walks.

Our values are Sustainability, Community and Empowerment; and we aim to run our services in the most sustainable way possible, with maximum engagement from the community. Through our services we seek to empower people in the community to get around in an enjoyable, sustainable way; and we run our business with maximum engagement from our team to create the best possible workplace and enable our team to give the best possible experience to our passengers.

We launched our first bus service in 2007, running three vehicles on biodiesel from recycled waste cooking oil collected from local restaurants. By doing this we have saved over 1800 tonnes of CO₂ from going into the atmosphere. However, although the carbon reductions from using biodiesel are huge, there are still other pollutants that are harmful and we are now on a mission to eliminate our emissions altogether.

In 2017 we launched the UK's first solar-powered bus, and now have two in service running on our public bus routes in Brighton & Hove. This year our aim is to complete the transition to electric so all our buses used on public routes in Brighton & Hove are zero-emissions vehicles powered by renewable energy.

In this goal we are very lucky to have the support of the Department for Transport and Brighton & Hove City Council. We have received funding for over half of what we need, and it is up to us to raise the rest. So we are launching a community bond issue of £405,000 to enable us to buy three brand new electric buses, with a fourth bus being converted from diesel to electric. There is a 3 year bond and a 5 year bond and both are secured on the new buses. The minimum investment is £100.

Investment per bond	£100	£100
Period	3 Years	5 Years
Return on investment	4% pa	5% pa
Interest per bond over the period	£12	£25
Closing date for applications	30-Apr-18	30-Apr-18



2. Introduction

The Big Lemon Community Interest Company was founded in 2007 following a conversation between childhood friends Tom Druitt and Graeme Simpson about how the corporate bus operators were failing communities. Tom and Graeme thought there must be a better way, and Tom organised a public meeting in a Brighton pub to explore alternatives that would be more community focussed and offer affordable, more sustainable travel choices.

Our mission is to enable everyone to get around their community in an affordable, enjoyable and environmentally-sustainable way.

As a Community Interest Company, we are owned by members of the local community and our assets belong to the community in the same way as those of a charity.

Our first service was the 42X between Falmer and Brighton Station, using three buses running on recycled waste cooking oil from local restaurants. Our depot was the corner of a lorry park in Southwick and our office was Tom's kitchen table.



Our service quickly became popular with passengers, and our drivers soon gained a reputation for giving a friendly, personal service. Over the next few years we increased our services, moved to a proper depot near Brighton Marina and started offering coach hire, music festival transport, waste cooking oil collection and a programme of Sunday Walks.

Since our launch in 2007 over four million passenger journeys have been made on The Big Lemon. We have driven over 2 million miles, putting over a thousand tonnes of waste cooking oil to good use, and saving over 1800 tonnes of CO2 emissions in the process.



Over the last two years we have been working on a project to turn our buses electric. The environmental benefits of using biodiesel from waste cooking oil are huge, with an average 86% reduction in CO2 emissions. However there are still tailpipe emissions, and these do of course contribute to poor air quality in urban areas.

The quality of the air we breathe in Britain's towns and cities is a national scandal. A report by the Royal College of Physicians in 2017 assessed particulate levels in 51 UK towns and cities and found 44 of them, including Brighton & Hove, had air which the World Health Organisation considers "too dangerous to breathe". According to Brighton & Hove City Council's Air Quality Action Plan (October 2015) air pollution is linked to 175 premature deaths in the city every year.

The Big Lemon believes buses have a big role to play in solving the UK's air quality crisis and in 2016 we launched a campaign to go electric. We raised £250,000 through a community bond issue, bought two mid-life diesel buses and converted them to electric. With the help of the M&S Community Energy Fund, 172 crowdfunding supporters and over 1500 voters, we also raised enough money for a 21kW solar array on our depot roof, enough to power our offices and workshops and the two electric buses. The first one launched last April, with the second one joined it in July. Both buses have proved a hit with passengers and drivers alike, offering a much quieter, smoother, more comfortable ride.



Last autumn The Big Lemon won contracts for additional local bus services, so we now operate routes 16, 47, 52, 56, 57 and 66, serving the communities of Portslade, Hangleton, Patcham, Hollingbury, Woodingdean, Ovingdean, Rottingdean and Saltdean. These services provide



connections to Seven Dials, Brighton Station and the city centre, London Road, Fiveways, Kemptown, the Hospital and Brighton Marina. Our goal is to run all of these services with electric buses, which means we need at least four more. Now we have tried the technology and know it works, the next challenge is to raise the money required for the vehicles.

In total, the funding required for four electric buses is just over a million pounds. However we have been very lucky with our efforts to raise funding for the vehicles, with Brighton & Hove City Council committing £114,000 from their Clean Bus Fund for another electric bus conversion, and the Department for Transport committing £513,000 towards the purchase of three brand new electric buses. To take advantage of these funds we have to raise the remaining £405,000.

In order to do this we have launched a three year bond at 4%, and a five year bond at 5%. The minimum investment is £100, and interest will be paid annually. The buses will be offered as security on all investments.

We have a strong team of committed people led by Founder and Chief Executive Tom DrUITT and supported by an active Board of Directors with over 70 years of business experience between them. Our day-to-day operations are led by our Management Team, committed to The Big Lemon's values of community, sustainability, and empowerment, and many of whom have been with the Company since the very early days. And our services are provided by an engaged and committed team of the best of Brighton & Hove's bus and coach drivers.



The Big Lemon is accredited with international quality standard ISO9001, and sustainability standard ISO14001. We are a Living Wage employer, and have won a number of accolades in recent years including the *Green Business Award* and *Award for Innovation* at the 2016 Brighton & Hove Independent Business Awards, the *Best Place to Work*, *Best Green Business* and *Business of the Year* at the Brighton & Hove Business Awards 2016, *Environmental Social Enterprise of the Year* at the UK Social Enterprise Awards 2016 and *Most Sustainable Business* at the Sussex Business Awards 2017.

3. The Problem

The UK is suffering an air quality crisis. 44 UK towns and cities (including Brighton & Hove) have air that exceeds legal limits on pollution, and poor air quality is associated with 40,000 preventable deaths in the UK each year (*Every Breath We Take, Royal College of Physicians, February 2016*).



The picture above was taken from the top of Edward Street in Brighton, looking west, in November 2015. Normally the North Laine area is visible behind the red car but on that day the pollution was so thick it was like a cloud had descended on the city centre. According to the *Royal College of Physicians_report*, 175 premature deaths in Brighton & Hove are associated with air pollution.

The most polluted street in the city, North Street, has more than double the legal concentration of nitrogen oxide, and 62% of this is from buses (*Brighton & Hove City Council Air Quality Action Plan, October 2015*). Four of our six public bus routes pass through North Street, so making these buses electric will have an immediate positive effect.

6th January 2017

Urgent action needed as air pollution soars at Brighton hotspots

Neil Vowles



Air pollution in North Street continues to exceed EU safe standards despite considerable investment in the low emission zone.

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Most popular	Most commented
1	Have-a-go hero throws pub board to stop man running from police in city centre
2	Brighton man sells KFC bargain buckets at a whopping £100 each during crisis

4. The Solution



Our second solar-powered bus in North Street, Brighton

If we were to run all our six public routes on electricity this would make a huge positive impact to air quality in the city:

Tailpipe emissions by route (Euro 5 diesel)	Carbon dioxide (CO ₂ kg/yr)	Carbon monoxide (CO kg/yr)	Hydro-carbons (HC kg/yr)	Nitrogen Oxides (NO _x kg/yr)	Particulates (PM kg/yr)
16	43,292	22.43	10.32	8.08	0.22
47	126,582	65.59	30.17	23.61	0.66
52	81,878	42.42	19.52	15.27	0.42
56	106,347	55.10	25.35	19.84	0.55
57	26,463	13.71	6.31	4.94	0.14
66	24,469	12.68	5.83	4.56	0.13
All routes	409,032	212	97.5	76.3	2.12
Electric	0	0	0	0	0
Saving per year	409,032	212	97.5	76.3	2.12

5. *Our experience to date*

The Big Lemon has been running two electric buses on our routes since last summer. Each bus has a capacity of 133kWh and does 100 miles on one charge, over a ten hour period. The buses are charged direct from a 21kWh solar array on the roof of the bus depot, taking 6.5hrs to charge from zero to full. When the buses are not on charge, the energy from the solar array powers the offices and the workshop, and any excess goes into the grid.



On the whole, the first six months has been a success. The technology works, the buses are very popular with drivers and passengers alike, and crucially the performance figures quoted by the manufacturer have indeed been realised on the ground. However, there have also been key learnings that we must factor into our planning going forward.

The main lesson is that everything takes much longer than people think. Our first two buses were delivered about 8 months late, and much of this was due to the realisation that the initial retrofit specification couldn't be done because it would put too much weight on the front axle. Now, however, batteries are smaller and lighter than they were even a couple of years ago, so future retrofits will be able to pack more power in the same space without over-burdening the axles.

The second lesson is that the buses need to be more service-ready. The hardware and cabling looked beautifully neat when the buses arrived, but after a couple of months hard labour in the wind and rain, dodging potholes and kicking up dirt and grit off the roads for ten hours a day, wires started wearing and coming loose, water crept in where it shouldn't have, and a couple of fuses blew. These are all things that can be rectified, but next time the build needs to be bomb-proof.

6. Next Steps

Now we have two working prototypes, the next step is to electrify the rest of the bus fleet. Our peak vehicle requirement on our public bus routes is six, so we need four more electric buses to run all services on electric. One will be another retrofit funded by the Clean Bus Fund (learning the lessons above!) and the other three will be brand new 138kWh Optare Solo electric buses. We have been awarded £513,000 from the Department for Transport's Low Emission Bus scheme – as long as we raise the rest ourselves.

<i>What do we need to get four more electric buses?</i>	Cost
One 218 kWh Magtec retrofit @£114,000	£114,000
Three Optare Solo 138 kWh electric buses @£289,000	£867,000
Charging infrastructure	£51,000
Total	£1,032,000



<i>Where is the money coming from?</i>	Target
Clean Bus Fund	£114,000
DfT Low Emission Bus Scheme	£476,000
Bond issue	£405,000
Company funds	£37,000
Total	£1,032,000

7. The Team

The Board

Chair: Fred Harrison

Following a career in shipping Fred took early retirement and became a volunteer with The Big Lemon in 2008. Since then he has been played a central role in The Big Lemon's development, supporting Tom and the team with his wealth of experience and practical approach to problem-solving. Fred also plays a key role in motivating the team to perform at their best, and championing the organisation in the wider community.

Chief Executive: Tom Druitt

Tom has always had a keen interest both in environmentalism and in mobility, and a specific interest in public transport from an early age. Growing up in rural Sussex, Tom was acutely aware of the effect of the Beeching cuts to the railway network, his own village being a victim of the cuts. When he left school Tom's classmates wrote in the yearbook that Tom would one day be 'Transport Minister'.

Tom studied Philosophy, Politics and Economics at the University of Stirling and then moved to Brighton to take a management post at a rehabilitation centre for adults with acquired brain injury. After three years there he was ready for a new challenge and set up The Big Lemon with childhood friend Graeme Simpson following a public meeting about buses in Brighton in 2006. Tom is a qualified Transport Manager, holding the Certificate of Professional Competence in Passenger Transport. He is also a Fellow of the Royal Society of Arts and a Councillor on Brighton & Hove City Council.





Mitali Mookerjee

Mitali Mookerjee is the MD of a medium-sized software company in Leeds. A childhood friend of founders Tom and Graeme, Mitali has been a shareholder for a number of years and joined the Board in 2016. Despite the distance and her already busy schedule, Mitali has played a very active role in the organisation, both in the mechanics of getting business intelligence to the Board's fingertips and in developing the vision. Mitali also has a keen interest in staff wellbeing and team development and is always looking for ways we can become a better employer and enable all our team reach their potential.

Neil Brooks

Neil has been a bus driver at The Big Lemon since 2008, and on the Board since 2010. Neil's day job is driving the 52 bus, but he also drives our coaches for private hire and special events, and leads our Sunday Walks. Neil plays an active role on the Board, 'keeping it real' and ensuring the first-hand experience of the driving team is at the heart of our decision-making.

Ron Tanner

Ron is a business coach with a lifetime of experience in many different businesses and has been involved in The Big Lemon since the early days, coaching Tom for a number of years, and more recently taking up a position on the Board. Ron is an all-rounder with insights and experience in every aspect of running a business, but his main focus is on building capability and long-term value in the organisation.





The Management Team

CEO: Tom Druitt

Tom is responsible for the organisation health of The Big Lemon and its culture, strategy and resources. Tom leads the Management Team in the delivery of services, customer care and staff development and is ultimately responsible for the quality of our services, the management of our resources, and the wellbeing of our staff team.

Finance and Sustainability Manager: Anna Fisher

Anna joined The Big Lemon in 2015 after a career spanning more than 15 years in finance, followed by a degree in Environmental Science. Anna had been on a couple of Big Lemon walks and responded to a call on Facebook looking for some temporary help with a backlog of administration. However, Anna soon became a full time family member due to her passion for sustainable transport and a strong belief in The Big Lemon vision. Her other interests include wildlife watching, growing mushrooms and is currently undertaking an MSc in Sustainable Food and Natural Resources at the Centre for Alternative Technology in Mid Wales.

Development Manager: Kelly Dibbert

Kelly is an experienced project & events manager in all sectors with a passion for sustainable transport and making a difference in her community. At university in 1993 Kelly analysed car and bus fumes as part of her chemistry degree; and, disappointed by the toxic results and determined to do something about it, Kelly joined The Big Lemon in 2016 to work towards a world where all transport is emission-free. Kelly is responsible for projects, events, outreach, community engagement, our website and social media channels and is regularly out and about in the community sharing our experience and learning from others working in social enterprise.



Visit to Hisbe, the rebel supermarket, as part of our Social Enterprise Tour for Social Enterprise Day 2017



Bus Services Manager: Mark Bennett

Mark joined The Big Lemon as a bus driver in 2014 and quickly became a key member of our team. Always cheerful and keen to help in any situation, Mark became the one others looked to for support in the delivery of our services and in 2016 Mark took responsibility for the provision of our bus services. Mark has built up a good relationship with our major customers and our passengers and is responsible for the recruitment, training, mentoring and supervision of our bus drivers.

Coach Services Manager: Ryan Wrotny

When Ryan was 13 he came to the depot with his dad and asked if he could join the company as an investor. He had read in the local paper that we were looking for investment, and saved enough money to buy a share. He then regularly came to the depot to help out, washing buses with Tom at the weekends and helping out in the office during the week after school. When he was 16 he announced to Tom that he was going to work at The Big Lemon full time when he left school and told Tom to come up with a budget and a job description. Impressed by his proactive approach to grasping opportunity, Tom gave Ryan a job as an Office Administrator and taught him what he needed to know. Now, almost ten years on from his first visit to the depot, Ryan is a qualified Transport Manager (International) with experience in almost every area of the organisation. Ryan manages the coach side of the business, including private hire, day trips, music festival coaches, rail replacement services and coaches for *Brighton & Hove Albion* match days.

Engineering Manager: Phil Wollington

Phil joined The Big Lemon as a bus driver in 2009 with 20 years' experience in the bus & coach and haulage industries. Quickly taking a leadership role, Phil was our Day Supervisor for a number of years, supervising the delivery of our University bus services. Since 2016 Phil has taken responsibility for the vehicles and equipment, looking after our fleet of 22 buses and coaches and making sure they are all regularly inspected and maintained to the highest standards.



8. Our offer to you

We are offering a £405,000 community bond in tranches of £100, with a 3yr option at 4% per annum and a 5yr option at 5% per annum. Interest will be paid annually for the term of the bond.

For example if you invest £100 today with the 5yr option, then each year you will earn £5 interest. At the end of the five years we will give you your £100 back, with your fifth interest payment of £5. Your total earnings will be £25, with the added satisfaction of having made something amazing happen on the streets of Brighton & Hove.

Investment	Gross interest	Total investment	Annual interest	Final payment	Total earned
£100/3yrs	4%	£100	£4	£104	£12
£1000/3yrs	4%	£1000	£40	£1040	£120
£100/5yrs	5%	£100	£5	£105	£25
£1000/5yrs	5%	£1000	£50	£1050	£250



Security

All investments are secured against the value of the vehicles, which means if the worst happens, we sell the vehicles and use the money to repay our bond-holders back. The minimum requirement

from the Government is that we keep the vehicles for three years; obviously we want to keep them much longer than that (their useful working life is 8-10 years), but it's good to have the option.

Option	Minimum investment	Annual interest rate	Interest paid annually	Security
3 Yr Bond	£100	4%	Yes	Yes
5 Yr Bond	£100	5%	Yes	Yes

Better than the Banks

Currently Moneysupermarket's **best available** fixed rate 3yr bond has a rate of 2.25%, and the best 5yr bond has a rate of 2.51%, but both require a minimum investment of £1000. But the most important thing? With the banks, you have no idea what they're doing with your money, but with us you know exactly what we're doing with it, and you can even enjoy the result for yourself, every day!



Is my investment safe?

No investment is 100% secure, and even the biggest banks can fail. However as you can see from the chart below, The Big Lemon has been growing steadily over the last few years, improving its performance and resilience year on year.

	2013	2014	2015	2016	2017
Turnover	£530,186	£615,873	£668,507	£832,014	£985,969
Profit (before tax)	£6,698	£58,806	£70,499	£100,169	£105,295
Shareholders' Funds	-£114,078	-£55,107	£21,909	£148,947	£240,951

Moreover, with the bond secured on the new buses there is an extra level of security.

How do we pay the money back?

Running electric buses is a huge amount cheaper than running with either diesel or biodiesel so although the vehicles are much more expensive than a conventional bus, the savings over the life-time of the vehicle are substantial. On average, for every day we use one of our electric buses instead of a diesel bus, we save £80 in fuel. That's £480/week, or £25,000/year. Even if we allow the bus to be off the road one day a week for maintenance it's still a saving of £20,000 a year. The maintenance costs are also less for electric vehicles as there are not as many moving parts, and the new buses come with a 5 year warranty. This all means that at the very least our savings are £20,000/year, and could be as much as £40,000/year. Over a five year period this amounts to at least a saving of £100,000 on each bus, which amounts to £400,000.





Will you help us make Brighton & Hove a healthier place to live?

Across the UK, air pollution and congestion blights our cities, communities are losing their bus services, and climate change is beginning to be felt all around us. Big business has failed to address the challenges we face, and it is up to us to make a difference through the work we do in our communities.



We are on a mission to enable every community in the UK to have access to affordable, sustainable transport using zero-emission vehicles run on renewable energy and owned by the local community by 2030. With the Clean Bus Fund and the Low Emission Bus Scheme we have a huge opportunity to make this happen in Brighton & Hove, and use the experience we gain here to help make this happen across the country.

The Big Lemon is offering a fantastic investment opportunity, with better rates than any bank, and the opportunity to see your investment make a real difference to your local community.

Investment per bond	£100	£100
Period	3 Years	5 Years
Return on investment	4% pa	5% pa
Interest per bond over the period	£12	£25
Closing date for applications	30-Apr-18	30-Apr-18

Thank you for your support!

Tom Druitt FRSA
Founder & Chief Executive, The Big Lemon CIC