



The Locks Inn Community Pub
SUPPLEMENTARY BUSINESS PLAN AND SHARE OFFER
June 2022

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1. Executive Summary

Background

The Locks Inn, Geldeston was purchased by a private group of local individuals on 4 November 2020 after very short notice of closure and immediate advertisement for sale by auction within a month. Under threat from buyers seeking alternative uses for the building, the community had to act very quickly to raise the funds to buy the pub and preserve its iconic status, reputation for great, locally sourced beer, its candlelit setting and historic traditions of providing a wide and popular range of entertainment, from live music to traditional folk dancing.

The pub was successfully purchased on the day of the auction and subsequent action was taken to form a Community Benefit Society to own and run the pub, which was deemed of significant local historical importance. A time-limited offer to purchase community shares was launched and successfully raised the maximum £600,000. The private individuals' loans were repaid, leaving a balance, after the costs of purchase, for the projects required to repair, renovate and make-good the pub and its environs.

Since re-opening the pub has attracted crowds in the garden in summer and a comprehensive range of year-round events and activities.

2. Purpose of the Investment

This Supplementary Business Plan details our proposal to raise funds through a Supplementary Community Share issue to cover the costs of two specific projects:

1. To connect the pub to the mains sewage system. This is absolutely essential for the future of the pub.
2. To replace the use of diesel with a tank-based Liquified Petroleum Gas (LPG) system. This switch will enable us to eliminate bottled gas that is currently used for cooking and water heating and to switch to an LPG generator for electricity generation while the solar power is not sufficient.

This Business Plan is an extension to The Locks Inn Community Pub Limited (TLICP) main [business plan](#) and the two documents should be read together to gain a full understanding of TLICP project.

3. Capital Requirements

- a. Connection to Mains Sewerage: The current septic tanks are not fit for purpose and need to be replaced to bring the sewerage system up to standard. Without a fully compliant sewage disposal system TLICP will cease to exist as a pub. The initial [business plan](#) outlined the estimated capital costs for the entire renovation and repair of TLICP to be £170,000, including the new sewerage plant and a reserve of £40,000 for pub refit and repairs. However, because of the speed in which the community had to act to secure the freehold of the pub and thereby preserve it and its historical and iconic status, there were many unknowns. At the time the best estimate to install a new sewage treatment system, as required to conform with Environment Agency regulations, was £50,000.

The preferred option for the upgrade of the sewerage system is to install new tanks at TLICP with macerator and pump systems, which will pump the waste through a 50mm pipe to feed

in to the main Anglian Water Sewer at Station Road, Geldeston. Planning permission has already been granted for this project.

The alternative, and originally planned, solution was to install an on-site, above ground sewerage treatment plant. This is a three-tank system and would involve a significant land grab from either the pub car park or the pub garden resulting in a loss of land, which the pub can ill afford - parking is at a premium and the whole garden is needed during the summer months. The second serious issue with an on-site sewerage treatment plant is the extreme seasonal variation in the loading. A large tank would be required to cater for the peak summer load and this would not function well in the very quiet winter season. Any failure in a sewerage system can lead to build up of H₂S gases meaning specialist personnel would be required to maintain these systems.

Other problems with a sewerage plant are relatively high maintenance in terms of sludge removal and general care.

Finally, it is far easier to make the preferred option flood resilient.

For these reasons all parties involved in the planning stage agree that the pump off site solution is the most economically and environmentally sound option.

The capital required is £122,000.

b. LPG Tank Construction and Installation

An important part of the main [business plan](#) is to maximise the use of renewable energy and minimise the need for fossil-based fuels, especially diesel, which is currently required to power the generator. TLICP is seeking to reduce the effect of using fossil fuels by replacing diesel with LPG. TLICP currently uses a significant amount of bottled LPG for kitchen appliances and for water heating. However, the most cost-effective long-term LPG solution is to install an LPG tank – the cost of tank gas is half the cost of bottled gas. The tank construction groundwork and installation will allow for a significant reduction in costs over the long term.

We have already purchased a lithium-ion battery system capable of running the pub at peak power for around 6 hours (80% charge). Currently this is charged using the diesel generator and during peak times reduced the generator run time to around 45%. Around 4kw solar panels installed on the roof have now been interfaced to the power system further reducing the generator run time and should provide significant savings on the fuel costs quoted below. We have plans to install further solar panels in the future. A more efficient, cleaner burning and quieter LPG generator would undoubtedly reduce the carbon requirements for energy generation at TLICP.

The kitchen currently relies on bottled LPG gas and by installing an LPG gas tank we can run all gas (kitchen, flat and generator) from this tank. This will negate the need for diesel, reduce our fuel delivery requirements, further reducing the carbon footprint and save a significant amount of money.

The capital required is £30,000

4. The Supplementary Community Share Offer

The supplementary community share offer is needed because the costs of repair and renovation of the pub far exceeded expectations. Please see section 5.

- a. Target: This is a time-bound Community Share Offer open to anyone wishing to become a shareholder. Our target of £150,000 would cover the cost of connecting to mains sewage, the LPG tank construction and installation and associated and unforeseen costs.
- b. Offer Period: The offer opens on 21 June 2022 and closes on 21 September 2022, or when the maximum is reached, or as determined by the Management Committee. Applications will be accepted at the Management Committee's discretion.

On receipt of the funds, it is envisaged that the works will take 6 to 8 months.

- c. Maximums and Minimums: The minimum fundraising target from this share offer is £50,000 and the maximum is £150,000. The rules regarding community shares – including the minimum age and nominal value and the minimum and maximum investment allowed by one member can be viewed on our website.
- d. Financial Returns

- d.i. Sewerage

It currently costs £1,020 per annum to empty the current sewage tank. The annual charges once connected to mains sewerage will be £450 + VAT. But it should be noted that the sewage connection is about ensuring the future of the pub and that any financial savings are secondary to this.

- d.ii. LPG Tank construction and installation project:

The cost of red diesel is circa £1.35 per litre and increasing in line with regular diesel costs. This is significantly increasing the generator fuel costs and will continue to increase throughout the year. In addition, the kitchen and accommodation run on bottled LPG, at a cost of £0.79 per litre, whereas filling a tank would cost £0.38 per litre – half the cost. At current usage, seven 47 kg bottles are required each fortnight, costing £546. Tank based LPG would cost half that at £273* per fortnight – a significant saving.

However, to accommodate the LPG tank a significant amount of groundwork is required, including strengthening the bridge nearest the pub – totalling £30,000.

At current usage rates, the annualised usage of red diesel is 16,421 litres, costing a minimum of £22,168. By converting to tank-based LPG the cost would be £7,098 per annum (*£273 x 26). As such, we would save £15,070 per annum, thereby, taking just over 2 years to amortize the construction and installation cost and thereafter, make a considerable continued annual saving.

- e. Tax Relief: We fully expect that this share issue will qualify for tax relief under the Enterprise Investment Scheme (EIS). The income tax relief of 30% means that if you invest £1,000 (for example) you will be entitled to a £300 offset against your income tax bill. Of course, this only works if you have paid that much tax but there are options to spread over more than one tax year. The tax rebate is easy to apply for even for those who are on PAYE.
- f. Track Record – Financials for 2021/2022 trading. The attached Management Report for the trading period 1 May 2021 to 30 April 2022 reflects the following.

f.i. Of the £322,000 total sales, a gross profit (GP) of 51% was achieved. There were various factors impacting the sales, the Cost of Sales and the GP. Covid significantly impacted on trading because of the need to provide table service for an extensive period, because many people were unwilling or unable to go out and because the pub had to close briefly during peak season due to staff Covid cases. The shortage of qualified chefs/cooks meant we relied on one chef to be able to plan and provide for meals and given the circumstances this was a significant achievement. Notwithstanding, food sales would have been higher for 3 reasons:

- Additional staff would have resulted in longer food service hours.
- A more extensive menu would have been available.
- The Sunday food service had to be outsourced to food service vans. as one chef could not work seven days a week. Although the pub received a percentage of the food service van sales, it was significantly less than being able to provide our own menu items. This season all food served has been “in-house”.
- Outside BBQs have now been introduced to supplement the kitchen at peak times. These significantly increase both capacity and revenue. The BBQs during the early bank holiday weekends in 2022 have been mainly run by volunteers and this is set to continue.
- It is anticipated that GP in 2022/23 will increase to 56% when none of these restrictions apply and 60% in 2023/24 when further impact on savings can be made.

f.ii. The first year of trading required extensive investigation into the source of electricity. The desired option of connecting to the grid was some 5 times more expensive than estimated – at £500,000; set at this level to effectively deter us from proceeding. The original plan was also to replace the old and malfunctioning generator. The alternatives proved very expensive – to be able to provide service we had to lease a generator and batteries, whilst we investigated the options – this led to a very high equipment leasing cost for the year, which won’t be needed for next or subsequent years, **costing £26,128.63**. Similarly, this was reflected in the high light and heat costs of **£25,727.16** – now we have connected the solar panels to the generator we will benefit from the savings of the LPG project. Repairs and Maintenance was also high and also not to be repeated – **costing £11,932.49**.

These three elements cost a total of £63,788.28 or 61% of total expenses before wages. For 2022/23 this is expected to reduce to 25% or less. The total salary and wages were also inflated because of the number of staff required, for example, to provide table service.

f.iii. Although we received £20,885.83 in grants, this is not reflected in the trading operating profit.

Conclusion: The ability to increase sales, especially through increased food offerings and hours, much reduced equipment leasing, light & heat and repairs and

maintenance costs, TLICP will return a positive trading operating profit from year 2 onwards.

5. Why the Supplementary Share Offer is Necessary

The supplementary community share offer is needed because the costs of repair and renovation to the pub far exceeded expectations. Because of the very short timescale between becoming aware that the pub was closing and the date of the sale by auction, there was no time to arrange an in-depth survey or investigation. Various professionals were able to provide best-estimates of what would be required to repair and renovate the pub and to comply with the Environment Agency requirement to install a new sewage system. The Business Plan financials were based on limited historical financial data and the best-estimates prior to deciding the maximum required for the initial share offering. In short, once works proceeded, much more was revealed than was initially thought to be required.

It very quickly became evident that only superficial work had been done to the fabric of the building for several decades. Although the use of volunteers has saved money in many areas, certain jobs can only be tackled by professionals. The serious flooding over Christmas 2020 necessitated significant changes in the electric system to ensure all points were well above worst anticipated future flood levels and the main bar area to be re-rendered with breathable lime render. An initial small roofing job to replace two lead valleys revealed two thirds of the roof required re-felting and the main chimney re-built to prevent the serious number of further leaks identified. More money was spent on the refurbishment of the toilet block and kitchen than initially anticipated as it was deemed sensible to ensure the longevity of these essential facilities.

The establishment was historically powered by an old diesel generator with lead acid battery back-up. It soon became evident that the batteries were unusable and the generator was in poor condition requiring frequent engineer call-out, often leaving the pub without power. The option to connect the pub to the national grid was investigated but found to be prohibitively expensive. The decision was made to rent, in the short term, a generator and modern battery with inbuilt power management system. The rental cost for the battery was high but it enabled us to monitor our power requirement. Once we had established the power requirements a bespoke battery system was commissioned and purchased. This resulted in the generator run time reducing to around 30% during the winter months rising to 45% after the pub returned to summer hours and full kitchen operation. Owning the battery means we can add other power sources such as solar to further reduce the carbon based energy generation. 4kw potential of solar have been installed and are providing energy which has reduced generator run time although we do not yet have enough data to fully quantify the results. To further increase the efficiency of this system it is proposed to replace the generator with an LPG generator which is cleaner burning and quieter. Having a single LPG gas tank would allow us to service the kitchen, managers' accommodation and the generator from a single source thus reducing the number of fuel deliveries and further cutting our carbon footprint.

Also, as mentioned, the quotes for the sewerage option were higher than anticipated for the reasons given, plus, the recent increases in red diesel, resulted in a shortfall to cover the sewerage project and the logic of the LPG project.

Appendix:

1. Supplementary Community Share Offer
2. Financials:
 - a. Profit & Loss.
 - b. Balance Sheet

SUPPLEMENTARY COMMUNITY SHARE OFFER

1. Introduction

The huge amount of community support for the idea of running this iconic venue as a community pub enabled sufficient funds to be raised in a necessary very short time-scale to purchase the pub and save it for the community as they know and remember it. Having formed a Community Benefit Society¹ to own and run the pub we are proud to report a very successful first year of trading, despite Covid restrictions still being prevalent, especially during what would be the peak trading summer months. We are ready to improve on the pub, make it more cost efficient and as such are now ready for you to get involved.

¹ Registered with the Financial Conduct Authority under the terms of the Cooperative and Community Benefit Societies Act 2014, register number 8526 and the registered office is 2 Yarmouth Road, Hales, Norfolk, NR14 6SP.

Please read this Business Plan and Appendix in conjunction with the original Business Plan and Share Offer document (available on our website – www.thelocksinn.com) - and consider whether you are able to support the project through this share offer. Investments are welcome from £50 to £50,000.

As a member you will not only own your own share of The Locks Inn Community Pub (TLICP) but also have a say in its running and maintain its future as the best pub in the world!

TLICPs constitution is set out in its Rules (please see www.thelocksinn.com), based on the Plunkett Foundation's Model Rules for Community Ownership and is run as a not-for-profit organisation. Any surplus generated by it must be used either to further the business through reinvestment or distributed to community organisations within its community.

The assets of the Society are, by law, subject to an 'Asset Lock'. This restriction on the use of surplus means that should the business be sold any residual surplus remaining after any debts have been repaid and all the members' share capital has been refunded must be transferred to one or more of the following: another prescribed community benefit society, a community interest company, a charity, a registered social landlord.

2. The Supplementary Community Share Offer

This is a time-bound Community Share offer to raise money to connect with mains sewage and LPG tank installation and is open to anyone wishing to become a shareholder.

The minimum fundraising target from this share offer is £50,000 and the maximum is £150,000.

Our target of £150,000 would cover the cost of both projects and allow for some working capital to allow for unforeseen incidentals.

If we do not raise the minimum target, it will be clear that there is not enough support to justify the project and share subscription money will be returned. However, we have already received many pledges to purchase shares as many people missed the deadline for the initial share offering.

The offer opens on 21 June 2022 and closes 21 September 2022 or when the maximum is reached, or as determined by the Management Committee. Applications will be accepted at the Management Committee's discretion.

Individuals (aged 16 years and over), companies and organisations can apply for membership by subscribing for shares. Shares have a nominal value of £50 and the minimum investment is one share. We encourage you to buy as large a number of shares as you can!

Each investor will have one vote regardless of the number of shares they buy. The maximum investment by one member is 1,000 shares. This is to avoid control of the project being deemed to sit with a small number of investors and is in line with best practice in the sector.

If the share offer is oversubscribed the Management Committee reserves the right to refuse part or all of an application for shares.

Community Shares do not go up in value, but they may go down.

You should be aware that this share offer is unregulated and not subject to the Financial Services and Markets Act 2000. Additionally, there is no recourse to the Financial Compensation Scheme nor to the Financial Ombudsman. This investment should be viewed as an investment in your community. Community Shares behave very differently from ordinary shares. Community Shares cannot be sold or transferred (except on death or bankruptcy), but may be withdrawn from the society after three years on application to the Management Committee, which at its discretion will repay the nominal amount of the shares to be withdrawn, subject to the conditions specified in the rules.

The Management Committee will have the authority to refuse a withdrawal request if it would endanger the viability of the Society. If it is not possible to repay at that time requests will be held in a queue.

No dividends are paid on Community Shares. For the first three years it is anticipated that profits will need to be reinvested in the fabric of the pub, but in subsequent years we hope to be able to pay interest to our shareholders. This would be subject to the agreement of shareholders at the AGM.

This share issue will qualify for tax relief under the Enterprise Investment Scheme ('EIS'). Please see paragraph 4e in the Business Plan above.

If for whatever reason TLICP is sold, shareholders would be repaid their investment after repayment of all debts. Any resulting surplus would be paid to a charitable or community body.

It is important to note the value of the shares will not increase. The only financial benefit for members is any interest paid annually and any initial tax relief that may be obtained. As TLICP benefits from limited liability, the maximum that an investor could lose is the amount of the original investment.

The Business Plan and the Society's Rules can be viewed on our website www.thelocksinn.com and can be requested from the Company Secretary. You can join the project and help improve the future of the pub and help reduce costs by subscribing for shares and becoming a member. If you are unsure whether to invest or not it is recommended that you consult with a professional advisor.

3. Our Continued Mission and Projected Benefits to the Community

Our vision remains for the TLICP to be one the fairest, greenest and most democratically run community pubs anywhere, benefiting the residents of the Waveney Valley and surrounding areas by being an important social amenity secured for present and future generations. The pub already provides employment and youth training opportunities for local people and will continue to do so. We will preserve the traditions behind its iconic status, and serve the needs of the local and wider community.

AIMS and VALUES

A pub:

- Genuinely owned by the community, with a diverse and representative mix of owners
- That encourages community involvement in local events and to set its direction and values
- That is fully inclusive, family friendly, promotes social cohesion and addresses isolation for a dispersed rural community
- With a strong commitment to local and independent sourcing for food and drink
- That utilizes its unique location in the Broads National Park to act as a focal point for environmental education
- That provides a welcoming space for musicians and music lovers to enjoy a wide range of music, including traditional music, local bands and inclusive music sessions
- That provides a venue available for locals to hire, such as for weddings
- That provides a venue for local artists to exhibit their work, and for local theatre productions and storytelling events
- That is financially viable for the long term
- Offering a range of well-kept beers, ales, lagers and ciders including vegan and gluten free options alongside a good range of wines, spirits and soft drinks, teas and coffees
- That provides good wholesome food, priced to be accessible to all members of the local and wider community, and that caters for all diets
- That actively promotes sustainable transport by encouraging visitors on bikes, on foot, by canoe and the Big Dog Ferry. Visitors will also be welcomed by other modes of course!

4. Financial Considerations and Projections

As described at paragraph 3a in the main body of the Business Plan above, the septic tank needs to be replaced to bring the sewerage system up to standard. The preferred option is to install new tanks with macerator and pump systems that feed the main sewer at Station Road, Geldeston, for which planning permission has been granted. The alternatives were considered inappropriate and not viable, for the reasons given above. The capital required is £122,000.

As described in full at paragraph 3b in the Business Plan above, an important main aim of the original [business plan](#) was to maximise the use of green energy and minimise the need for fossil-based fuels, especially red diesel, the current source of fuel to power the generator. This remains the case. By replacing red diesel with LPG to power the generator, it would not be viable to continue to use bottled LPG; the most cost-effective long-term LPG solution is to install an LPG tank – halving the unit cost of LPG. Alongside the tank LPG TLICP has installed 4kw solar panels, to help charge the lithium-ion battery system, which alone can run the pub at peak power for around 6 hours and have interfaced to the power system. Combined this will lead to a major reduction in the generator run time, providing significant savings on the fuel costs. With the planned installation of further solar panels in the future, TLICP will fulfil its green energy aims, as described in detail at para 3b above. The capital required is £30,000

The Community Share issue aims to raise a maximum of £150,000 to cover the above costs and to ensure that there is a reserve available for unforeseen incidentals. The Community Share issue will be supplemented by grants and loans as required.

Full detailed financial projections are included below.

5. Management of The Locks Inn Community Pub

Community Benefit Societies are run on a democratic basis through a Management Committee, whilst each member has a single vote. The pub is run on a daily basis by the pub managers, who report to the Management Committee. The pub is run for the benefit of the community and the Management Committee are all volunteer shareholders and do not gain financially from the society.

If you would like to get involved, please do let us know. TLICP Management Committee comprises of up to 10 people with 8 places currently filled. Interested members can put themselves forward at the AGM, when members vote to elect the Management Committee for the following next year. TLICP's first AGM will be held on 10th September, 2022.

Members of the current Management Committee are listed below

- Graham Elliott (Chair)
- Pauline Midwinter (Secretary)
- Louisa Yallop (Treasurer)
- Brian Medd-Sygrove
- Eric Wareham
- Nicky Elliott
- Christine Pinsent
- Richard Midwinter

We also have three working groups that are made up of a combination of the above Committee members, plus additional people with relevant expertise and enthusiasm. These working groups report to and support the work of the Management Committee and pub managers. The three working groups are:-

- Finance & Admin - for shares, accounts, grants.
- Buildings & Infrastructure - for building repairs and enhancement, drainage, energy.
- Events & Business Development - for events, publicity and social media

Thank you so much for reading this Business Plan and Share Prospectus Appendix.

6. Frequently Asked Questions

Why should I buy Shares? - TLICP needs your investment to help be able to provide a fully compliant sewage disposal system and ensure the long-term future of the pub. The installation of the LPG tank will enhance the TLICP green credentials and also reduced the running costs, which in turn help protect the viability of the pub.

Is this a good business proposition? - TLICP is financially sustainable, the tank gas installation will further improve the finances. Financial projections for the next 2 years are based on the actual performance last year, which was a success despite the continued restrictions due to Covid through the busy summer months. TLICP has proven to be a success.

Who are the people behind TLICP and what do they stand to gain? - The Management Committee currently consists of a group of local residents whose details are given above and in the original business plan. They care positively about the future of the Locks Inn. Members of the Management Committee will also be investing in this share issue. They have no personal financial interest in the project, above and beyond their own investment in shares. They have contributed a large amount of time to the project so far, at no cost to TLICP.

My shares give me voting rights? Yes. A Community Benefit Society is an open and democratic organisation. One Member receives one vote on issues determined by shareholders, irrespective of how many shares that member has purchased.

Who runs the pub and makes the day-to-day decisions about the business? The Management Committee oversees the business, whilst the 2 experienced managers run the pub business. The employment contract sets out the obligations and responsibilities of the managers and TLICP (the employer). There is open and regular dialogue between the managers and the Management Committee; the managers attend each MC meeting and provide a managers' report.

Can I get my money back? - You will be unable to withdraw your shares for the first three years after purchase. Thereafter you will need to give at least three months' notice of your wish to withdraw shares. Shares can neither be sold nor transferred to someone else. Withdrawals must be funded from surplus generated by the business or from new share capital raised from members. The MC may decline requests for withdrawals depending on the long-term interests of the society, its need to maintain adequate reserves, and TLICP's commitment to community benefit.

Can I make a profit on my capital investment? - No. TLICP is a Community Benefit Society (CBS), which means that no individual can make a capital gain from their investment. If the assets of the CBS are sold for a profit, any surplus after costs and expenses must be applied to other community causes in the local area. Shareholders can be repaid their initial investment and may receive a modest interest on their capital, but this is not primarily an investment for capital gain.

What happens if TLICP fails? - Should the underlying business fail, all assets, including the freehold of the land and building, would be sold and the proceeds of the sale (after paying any creditors) divided between the shareholders up to the value of their shares. Any overage payable on a disposal of the property will be paid along with any other creditors. You might receive the full value of your shares back or you might lose part or all of your investment. However, you should remember that this is an investment underpinned by freehold property.

What redress do I have if the business fails and I lose the value of my shares? - This share offer is first and foremost an investment in your community. The investment is unregulated and not covered by the Financial Services and Markets Act 2000. There is no right of access to the Financial Services Compensation Scheme nor to the Financial Ombudsman.

Will I receive interest from my shares? - The rate of interest to be paid in any year is to be approved by resolution of the Members at the Annual Members' Meeting, and shall not exceed 5% or 2% above the base rate of the Bank of England whichever is the greater. The payment of interest will be subject to the business generating sufficient surplus. Under current tax rules, interest will be paid gross and it will be each Member's responsibility to declare such income to HMRC if appropriate.

Interest will not be paid for the first 3 years and, in the case of any investments made after the initial share offer period, only once the investor has held shares for 3 years.

Will my investment be eligible for tax relief? - Yes, this share issue will benefit from tax relief under the EIS scheme. Please see paragraph 4e in the business plan above and/or please visit:

<https://www.gov.uk/government/publications/enterprise-investment-scheme-income-tax-reliefhs341-self-assessment-helpsheet/hs341-enterprise-investment-scheme-income-tax-relief-2020>

How can I purchase shares in TLICP? - To buy shares in TLICP and take part in this exciting opportunity, please complete the attached Application Form and return it to the address shown.

If I want more information, whom should I contact?

Graham Elliott
01502 714661
077 3334 8811
members@thelocksinn.com

APPLICATION FORM

If you wish to purchase shares in The Locks Inn Community Pub (TLICP) and become a member of the Society, please complete the online form at www.thelocksinn.com or complete the form below and return it to:

The Secretary, The Locks Inn Community Pub, 2 Yarmouth Road, Hales, Norfolk NR14 6SP

Name :

Address:

.....

.....

Email address:

Phone number(s):

For corporate bodies, provide details of a nominee

Shares cost £50 each. The minimum investment is 1 share = £50. The maximum investment is 1000 shares = £50,000 Value of shares you wish to purchase: £

Tick the box if you are a UK taxpayer and wish to claim tax relief on your investment under the EIS scheme [see FAQs above]:

☐

Tick the box if you are already a shareholding member: If you are an existing shareholder, the maximum number of shares you can hold from all share issues is 1000 shares = £50,000

☐

Payment is separate from this application should be made either:

- by cheque payable to "The Locks Inn Community Pub Limited". Please enclose your cheque with this application; OR
- by direct transfer to TLICP's bank account, as follows:

Account Name: **The Locks Inn Community Pub Limited**

Sort Code: **60-15-31** (NatWest bank)

Account Number: **77889452**

Reference: **"Your name"**

☐

Please tick the box to confirm payment has been made directly to our account

By requesting to purchase shares, I agree to my name, address, phone number(s), email address (where applicable) and the number of shares I wish to purchase being held on a computer database. I understand this information will be used for the purpose of maintaining a register of members as required by the rules of TLICP and for posting of notices regarding the activities of TLICP. This information will not be passed to third parties.

I confirm I am 16 years or older:

Signed:

Date:

It is important to read the share prospectus before deciding to buy shares.

Appendix 2 – Financials

2a Profit & Loss

	May to April	2021/2022	2022/2023	2023/2024
	£	£	£	£
Revenue				
Takings		330,421	419,027	481,881
			-	-
Cost of Sales			-	-
Purchases		159,337	201,133	231,303
Gross Profit		171,084	217,894	250,578
EXPENSES				
Advertising	3,156.00		3,156	3,472
Bank charges	3,343.91		3,400	3,740
Charitable donations	20		-	-
Cleaning and waste	6,240.02		5,160	5,676
Entertaining	8,281.04		9,109	10,020
Equipment leasing	26,128.63		8,880	9,768
Insurance	4,695.14		4,930	5,423
Legal and professional fees	725		725	798
Light and heat	25,727.16		22,750	25,025
Loan interest	3,614.74		3,615	3,976
Motor running expenses	75.92		-	-
Office expenses, repairs & maintenance	1,174.62		800	880
Rates	2,116.44		2,116	2,328
Rent	100		-	-
Repairs and maintenance	12,425.28		3,900	4,290
Staff training	520		520	572
Stationery, printing & office supplies	1,042.44		1,042	1,147
Subscriptions	2,035.82		2,036	2,239
Sundry expenses	1,635.17		1,799	1,979
Telephone	667.86		668	735
Uncategorised Expense	603.03			-
Uniform	80.96		81	89
Wages and salaries	4,057.32		4,260	4,686
Employer NIC	524.77		525	577
Managers salaries	45,669.86		45,670	50,237
Pension contributions	1,139.42		1,139	1,253
Wages	74,662.99		67,197	73,916
Total Wages and salaries	126,054.36		118,791	138,660
Total Expenses	231,062.03		193,478	220,815
Net Operating Income	-59,978.30		24,415.61	29,762.02
Depreciation				
Fixture & Fittings	3,913		4,596	4,182
Kitchen Equipment	2,889		3,478	6,260
Plant	10,046		34,042	27,834
Loan interest	3,615		2,100	806
Interest Payable to Members	0		0	0
Share Withdrawals	0		0	0
	-			-
Total Expenses and Costs	80,441	- 80,441	- 19,800	9,320
Balance				
Other Income				
Donations		52	50	50
Rent		4,400	4,800	4,800
Grants		20,886	15,000	15,000
Net Profit before Managers' Bonus		- 55,103	50	10,530
Managers' Bonus				2,106
Employer's NI on Bonus				291

Adjusted Net Profit before Tax		- 55,103	50	8,424
Corporation tax		0	0	0
Profit after tax		- 55,103	50	8,424

2b – Balance Sheet

May to April	2021/2022	2022/2023	2023/2024
	44,681	45,046	45,412
Fixed Asset			
Tangible assets			
Fixtures and Fittings	35,222	41,866	37,684
Kitchen Equipment	34,779	31,301	25,041
Plant and Equipment	113,960	139,918	112,084
Property	461,850	563,850	563,850
Total Tangible assets	645,812	776,935	738,659
Total Fixed Asset	645,812	776,935	738,659
Total Cash at bank and in hand	12,070	10,306	38,300
Stock Asset	18,330	19,000	20,000
Total Current Assets	18,330	19,000	20,000
Net current assets	30,400	29,306	58,300
Total Current Liabilities	5,148	5,000	5,000
Total Creditors: amounts falling due within one year	5,148	5,000	5,000
Net current assets (liabilities)	25,252	24,306	53,300
Total assets less current liabilities	671,064	801,241	791,959
Creditors: amounts falling due after more than one year			
More Than A Pub Loan	37,579	17,706	0
Total Creditors: amounts falling due after more than one year	37,579	17,706	0
Total net assets (liabilities)	633,485	783,535	791,959
Capital and Reserves			
Ordinary share capital	602,100	752,100	752,100
Retained Earnings	65,474	31,385	31,435
Profit for the year	-34,089	50	8,424
Total Capital and Reserves	633,485	783,535	791,959