

# ANCOM Inc. Loan Licence to Occupy (LLtO)

Take the example of a single student bed in an ensuite Motel Room.

## RENTING in very simple terms – not considering Staff, Rates, Electricity etc

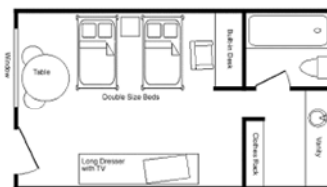
Assume the capital value of this room is \$40,000

So. The capital value of one bed is \$20,000

So. The continuing Capital value of that one bed for one night =  $\$20,000 / 365 =$  Say \$55/night

That \$55 bed must earn at least 30% return on capital every night of the year (\$16.50/night) to be financially viable for the business of owning, managing and paying for the interest on borrowings to pay for the bed.

**This student pays rent** for their bed for 365 nights each year  $365 \times \$16.50 =$  **\$6,023 Gone each year in rent.**



(Not drawn to scale)



*\$6,023 rent burnt each year on renting the bed*

## PURCHASE LLtO in very simple terms – not considering Staff, Rates, Electricity etc

Assume the capital value of this room is \$40,000

So. The capital value of one bed is \$20,000

So. The continuing Capital value of that one bed for one night =  $\$20,000 / 365 =$  Say \$55/night

**This student purchases** the LLtO for \$20,000. This gives him the right to occupy that bed for 365 nights every year he owns the Licence = **NO RENT but minor maintenance fees - Staff, Rates, Electricity etc.**

At the end of his stay at college he can sell his Bed LLtO to another student at the current market rate through the ANCOM membership. ANCOM takes a small resale fee. If the bed has been well cared for and membership well promoted by the student, **most of the \$20,000 will go back to the student regardless of how long he stays in college.** There may even be capital gain.



(Not drawn to scale)



*Most, if not all, of the capital goes back to the student on sale to another student.*

## THE SAME ARRANGEMENT APPLIES TO USE OF ALL THE ANCOM COMMUNITY ASSETS FOR MEMBERS WHO INVEST IN LLtO.

Each ANCOM Community asset has a LLtO bed night or day use capital value calculated as above for the bed.

Each investor member has a LLtO ledger in ANCOM administration where the daily use value is deducted from the ledger as the Assets are used.

This LLtO Ledger is returned to the original amount on the anniversary of the investment for ongoing use in the next year.

The Member's LLtO can be added to or deducted from or sold to other members as required through ANCOM administration. Minor accounting fees are charged.



(Not drawn to scale)