



## **Union Taxis Ltd loanstock**

Application Form – December 2013 to February 2014

Issue of £30,000 Unsecured Loan Stock maturing (please circle) 2016 or 2018

I / We (Name in Full) Please use Block Capitals

.....

Of (Address in Full) Please use Block Capitals

.....

.....

Wish to apply for ..... pounds of loanstock (loanstock is issued in units of £100, minimum subscription of £100) from Union Taxis Ltd, at a **0%, 1%, 2%, 3% or 4%** rate of interest (*please circle the rate you would prefer your investment returned at*).

I / We have read and agree to the conditions overleaf. A cheque payable to **Union Taxis Ltd** for the sum of £..... is enclosed with this form.

Signature (s)

.....

Date:

.....

Please send this form and cheque to:

**Eoin Davey, Secretary, Union Taxis Ltd, 218 Springfield Road, Belfast, BT127DR**

**To pay via BACS: Sort Code: 08 92 99, Account no: 6569911350, Account Name: Union Taxis Ltd**

*Union Taxis Ltd, is incorporated under the Industrial and Provident Societies Act (Northern Ireland) 1969. Reg Number IP 403. Registered Office 218 Springfield Road, Belfast, BT12 7DR*

# Invitation to Invest **In Belfast's First Taxi Workers Co-operative**



## Introduction

**Union Taxis** shall be the first democratically run, **Workers Co-operative Taxi Service** to be established in Belfast. We are in the process of establishing a workers co-operative within the taxi industry to address bad practice and employment injustices that permeate the local taxi market.

We are inviting you to make an ethical investment in an initiative that shall represent a pioneering new approach to the problems blighting the local taxi market. Our emergence as a Taxi Co-op is set against a backdrop of legislative change brought forward by the Department of Environment's, Road Transport Licensing Driver & Vehicle Agency In November 2012. The new regulations, when fully implemented, will have significant impact on current work practices within the taxi industry and provide us with the impetus for creating positive change through the founding of a new workers co-operative.

## Founder members

**Eoin Davey**, Secretary, has worked in the private taxi market for the past 7 years, previous to this he held union positions of Branch Chair, Branch Secretary and Industrial Representative within CWU N.I. No1 Branch, Postal Workers.

**David Gargan**, Treasurer, has worked as a Belfast Public taxi driver as well as private taxi driver for some 8 years, before that he was Branch Chair and Area Distribution Representative within the CWU N.I. No1 Branch, Postal Workers.

**Brendan McGivern**, Chairman, who has been working as a member of WBTA for the past 15 years or more and who currently serves on the governing committee of that association.

**Stephen Nolan**, Board member, who works at Trademark, the anti-Sectarian unit of the ICTU and is also a member of Cooperative Alternatives, a development body which gives advice and support to cooperative development.

## The Problems

Our aims are to set about addressing the many problems that blight the local taxi market:

- Taxi dispatch staff being paid well below the minimum wage, in some cases, as little as £3 an hour, without any sick pay or holiday entitlement.
- Oversaturation of the local taxi market impoverishes local drivers and serving to maximise the depot owners' profits.
- Oversaturation leads to taxi drivers needing to work longer hours which in turn can present dangers to the public if a driver has worked 12, 16 or 18 hour shifts.
- When a taxi drivers car is off the road due to mechanical failure, they are not earning money, in some cases for weeks yet they are still charged depot rents by the owners. This can force taxi drivers into considerable financial hardship.

- There is no recognised trade union presence within the local private taxi industry. Past attempts to organise unions within the private taxi industry have met with strong opposition from private depot owners.

## Our Solution

### A Workers Co-operative Taxi Service

We believe that one solution to the problems that blight the local private taxi industry is the formation of a Workers Co-operative Taxi Service. The founding members are local, former trade unionists who have founded Union Taxis as a viable, ethical alternative.

## How will a Workers Co-operative Taxi Service transform the local private taxi industry?

Simply put, Union Taxis is intent on transforming the local private taxi industry by introducing a wide range of measures which shall benefit its members as well as our community and stakeholders. Such measures will include:

- Paying staff above the living wage
- Developing policy of wage parity throughout our co-operative
- Restricting the number of drivers to sustainable levels of workload
- Providing security of employment and access to depot vehicles
- Democratically electing our board of directors each year
- Becoming the first unionised taxi service in Northern Ireland
- Creating a **Community Social Fund** Investing a percentage of our profits in our community

## What you will be investing in?

We are asking for investment towards raising £30,000 needed for start up costs to make our concept of a Workers Taxi Co-operative a reality within the community. You can invest by taking out **loanstock** which we are legally entitled to issue as a registered Industrial Provident Society. Individuals and organisations can take out loanstock of £100 to a maximum of £5000 which is repayable over 3 or 5 years at interest of up to 4% (see details below). Of course we'd rather you invested because you supported the project rather than for the interest. This investment will allow us to:

- Purchase 2 wheelchair accessible taxis
- Install radio dispatch equipment
- Acquisition of Taxi Operator's Licence
- Advertise and grow our market share of business
- Fit out our rented premises
- Provision of working capital

## What is Loanstock?

As an Industrial and Provident society, we have the right to borrow money in the form of loanstock. In much the same way banks and building societies have fixed term deposits, co-operatives issue loanstock for 3 or 5 years. Individuals may lend up to £5,000 and the minimum will be £100.

## How it works

This issue is open from 1st December 2013 until 28th February 2014. During this time you or your organisation can apply for loanstock and pay the money by cheque or directly into our account after which a loanstock certificate will be issued to you.

On the anniversary of the closing date, interest will be paid to lenders at rate chosen by you of 0%, 1%, 2%, 3%, or 4%, by BACS payment to the account from which the money came, or a nominated account in their name.

**Interest will be paid each year until the final year of the loanstock when the interest and the original investment will be repaid. It's a stock, not a share**

## What is the risk?

In plain English, this is an unsecured loan. It is not secured against our business but the money is set aside from revenue streams accrued from profits made which shall cover the interest and repay the loanstock at the end of the agreed term.

## Acknowledgement

Union Taxis would like to extend their gratitude to North Belfast Housing Co-operative Ltd for the assistance in developing this loanstock application.

*"This is a great example to other cashed starved areas of how we can keep our hard earned cash in our communities. Securing regular annual funding from Union Taxis Co-operative Community Social Fund shall be a great help to us. It will provide more stability in the club and help with the expenses and day to day running costs."*

**John Conlon - Head Coach  
St John Bosco Amateur Boxing Club**



## Union Taxis Ltd Loanstock Conditions

### 1. Interest

Interest shall be paid on the loanstock at the annual rate specified on the certificate.

### 2. Payment of Interest

The interest shall be calculated on the 30th June each year. Interest shall be credited to each lender and paid to their nominated account by BACS. In the case of loanstock repaid in full as described in 3(2) below, with the outstanding interest to the date of repayment shall be added to the principal amount outstanding. Interest is paid gross and you are responsible for declaring it to the tax authorities.

### 3. Repayment of loanstock

(1) The loanstock shall be repaid in full on the closing date 1st November of the year selected (2016 or 2018).

(2) Union Taxis Ltd. may at its discretion, accept applications for early repayment of loanstock subject to the following conditions:

(a) A written notice stating the amount requested to be repaid should be sent to the Secretary of the Co-operative together with the loanstock certificate

(b) Repayment of loanstock will normally be made within the following periods of time after proper notice has been received, £200 to £100 – two months, £1001 to £3000 – three months, £3000 plus – four months

(c) Union Taxis Ltd shall always give priority to applications from persons who are members of Union Taxis Ltd in repaying loanstock.

(3) Where only part of the amount outstanding under a loanstock certificate is being repaid, Union Taxis Ltd shall issue to the lender a new loanstock certificate in respect of the principle amount outstanding to the lender.

### (4) Repayment on Default

Union Taxis Ltd shall pay the loanstock in full immediately if Union Taxis:

(a) Is in breach of these conditions, or

(b) Is overdue any payment by 21 days or more, or

(c) Passes a resolution for winding up or goes into liquidation or has an administrative receiver appointed over any of its assets or has an administration order made against it or an effective instrument of dissolution is made by members of Union Taxis Ltd.

### 5. General

(1) These conditions shall not give any lender any rights to attend meetings or participate in any way in the management of Union Taxis Ltd, other than those they would have as a member or director of Union Taxis Ltd, if s/he has such status.

(2) Loanstock may be transferred by the lender with the consent of Union Taxis Ltd.