

LOVE WORKS

cooperative

LOANSTOCK OFFER



THE LOANSTOCK OFFER

Period of Offer: 7th December 2019 to 7th March 2020

Target amount: £10,000

Minimum loan: £100

Maximum loan: £2,000

Length of investment: 3 or 5 years

Contact:

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 <https://loveworkscoop.com>



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About Loveworks

Loveworks Co-operative Limited (Loveworks) is a worker-owned enterprise in North Belfast. Our operations include an artisan bakery/café/catering service, gardening & landscaping service, and a bike repair workshop.

We want to generate dignity and wellbeing for people: for our workers, and for the community we are part of, by giving workers the right to decide the best way forward, and by supporting a vibrant, family-based community. We want to create a welcoming and inclusive working environment that sustains livelihoods, healthy relationships, and provides a place of belonging.

We want to create a pathway of progression for our workers, which empowers them to overcome barriers like having a criminal record, addiction problems, poor mental health, and/or housing issues.

We are Richard, Michael, Leo, Justin, Ryan, Sebastian, and Otto. We care about what we do.



It helps me to find a release from personal stress due to personal issues outside of work... I have got help with applying for tax credits and managing my money better.... I have been helping our youngest member get off benefits, and using my contacts to help us source a van and develop our website.... I was able to resolve a dispute I had with another member at our monthly members meeting. **Loveworks Worker**



I feel respected and enjoy coming to work... I recently became self-employed and am learning to communicate better to the team... I have been able to take responsibility for opening and closing the bike workshop and dealing with customers on my own. **Loveworks Worker**



Workers' cooperative offers opportunities to develop skills and creativity...gain confidence in developing new skills, (and) are allowed to learn through experience and experimentations. Craftmanship, skills, and the attention to the value of the products they provide appear as key to fostering pride as well (as) a connection to the project. Because of the centrality of care and therapeutic economics as much as financial security, all members have said that Loveworks is more than just a job... they refer to it as a sense of family, a rewarding experience, a sense of purpose and belonging, or a sense of gratitude.

Ellie Perrin, PhD Cooperative Researcher

Why are we looking for investment?

Our café/bakery team's income stream has largely come from our weekly pop-up café event at the Macrory Centre on Saturdays. While this has been very successful, we are limited in our ability to develop this further at this venue.

In recent weeks, the 174 Trust, a local charity and partner, have asked us to take on the lease of their café space from January 2020. We are delighted at the prospect of having a permanent café space from which to provide a daily service to the local community. We also believe that our ethos and values resonate and compliment that of the 174 Trust. While we feel up to the new challenges such a venture will bring, we cannot do it on our own. We are reaching out to supporters locally, and further afield, to support us financially to help us establish the Loveworks Café & Bakery at the 174 Trust.

We will be open Monday to Saturday and in addition to our freshly baked bread that you can still pre-order, we want to offer excellent coffee and new dishes at the new place.

We need £10,000 of which we will use £6,000 to purchase a new coffee machine and £4,000 to purchase much needed additional equipment such as a second oven, mixers, and more bannetons.

As a newly established worker co-operative would be challenging to raise the money from traditional banking. That's why we are offering loanstock to all our supporters. The investment is only open to people, societies and companies who are actively part of the community of interest supporting co-operative principles, co-operative ownership and the Loveworks vision and mission.

This loanstock issue provides a great opportunity for people who want to invest in a way that makes a difference. The investment offers both a social and a financial return – transforming lives by creating a thriving community in North Belfast.

What is loanstock?

Loanstock is practically an unsecured, fixed-term and fixed-interest loan.

Loanstock is non-transferable. It cannot be sold on, or transferred from one person to another. In event of the loanstock holder dying then the loanstock held by him/her would form part of his/her estate and can be inherited by his/her successors along with his/her other assets.

Loanstock confers neither voting rights nor any control over Loveworks Worker Co-operative. We are offering loanstock for a term of 3 or 5 years and at interest rates chosen by the loanstock holder and ranging from 0% to 2% per year. As we are a worker co-operative creating employment for people who needed, we offer this loanstock as an opportunity for those who share our vision to help us make it a reality and see a social return on their investment, and not just a financial one. **Choosing a lower interest rate offers us more support.**

The capital is repaid in full at the end of the term. Early repayment is possible at the discretion of Loveworks. Loveworks can also choose to repay loanstock at any time. **You will receive a loanstock certificate with the amount you hold.**

The interest on loans is calculated and compounded (i.e. added to the loan) annually and paid as a lump sum at the end of the term. For example, a 5-year loan of £200 offered at 1% interest would earn £10.20 in interest, which would be paid at the end of 5 years along with the £200 capital.

The minimum loanstock holding for any individual is £100 and the maximum loanstock holding is £2,000.

An application form with instructions on how to apply to purchase loanstock, and terms and conditions of loanstock is included at the end of this document. Please note that you can apply for more than one loanstock issue with different interest rates.

Are there financial risks involved?

We are confident, based on our financial forecast (available on request), that Loveworks growth plans are viable. However, please be aware that loanstock is treated as an unsecured loan and therefore carries an element of risk.

We have been running a pop café for the past year in the McCrory Centre and all the skills and knowledge we have accumulated would be put at good use when we will manage the new facility. However, we cannot guarantee that we would be able to repay all or any loanstock in the event of insolvency or otherwise.

You should also be aware that Loveworks is not considered to be conducting (or authorised to be conducting) regulated activities by the Financial Conduct Authority, and investors therefore have no right of complaint to the Financial Ombudsman or recourse to the Financial Services Compensation Scheme. Therefore, the money you pay for your loanstock is not safeguarded by such a scheme or any dispute resolution scheme.

Please consider the risks of investing in Loveworks carefully and, if needed, seek independent advice.

Benefits of investing in Loveworks

- An ethical/social investment – with a financial return by way of interest if you choose to receive it
- An investment that can transform lives
- An investment that may match your own social aims and values
- An opportunity to be a catalyst for changing the way that employment is provided and the way we live
- Opportunity to be part of an innovative community wealth building project in our local area.
- Opportunity to support the development of Loveworks services eg. Enabling the bakery cafe to be open Mon-Sat instead of just Saturday morning.

Loanstock Terms and Conditions

1. Interest

Interest shall be paid at the rate specified in the relevant application form. Interest will be paid at the end of the term of the loan specified in the relevant application form. Interest is calculated and compounded on the loanstock each year on the 1st April, meaning it is added to the loanstock balance so will earn additional interest in subsequent years. Interest is paid gross and you are responsible for declaring it to the tax authorities. No amount of interest less than £1 shall be credited. Interest shall be rounded down to the nearest £1 for these purposes.

2. Repayment

Loanstock will be repaid in full after the number of years specified in the relevant application form. Loveworks may repay loanstock at any time at its discretion, including interest due up to that point provided the following conditions apply:

- a. a written application stating the amount requested to be repaid is sent to Loveworks together with the loanstock certificate.
- b. repayment will normally be made within the following periods of time after receipt of notice:
 - up to £500, 1 month
 - £501 up to £1,500, 2 months
 - £1,501 up to £2,000, 3 months
- c. where part of the loanstock only is repaid, a new certificate for the outstanding amount shall be issued to the holder.

3. Repayment on default

Repayment of any loanstock is due in full immediately if Loveworks:

- a. is in breach of these terms and conditions with regard to that loanstock;
- b. is overdue on any interest payment in respect of that loanstock by 21 days or more
- c. Loveworks 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 the members of Loveworks.

4. General

- a. All loanstock applications are accepted at the discretion of Loveworks.
- b. These terms and conditions shall not give the holder any rights to attend meetings or participate in any way in the management of Loveworks
- c. These terms and conditions shall not in any way be affected by the holder becoming or ceasing to be a member of Loveworks.
- d. Loanstock is non-transferable (i.e. it cannot be sold on to another person)
- e. Loveworks will issue a loanstock certificate to fully paid-up loanstock holders. We aim to issue the certificate within three months from closing date.

Application for loanstock of Loveworks Co-operative Limited

Issue of unsecured loanstock maturing (**please circle one**) 2023 2025

I wish/ my organisation wishes to apply for pounds of loanstock (minimum £100 max £2,000) in Loveworks Co-operative Limited at (**please select one**)

0% 0.5% 1% 1.5% 2% annual rate of interest on the terms and conditions described in this offer.

Name	
Address	
Postcode	
Phone numbers	
Email	

If the applicant is an organisation, please also provide

Organisation's Name	
Position held	

I confirm that:

- I support the objects of the Co-operative
- I am 18 years old or older
- I/we have read the offer document (including the risk factors set out in this document) and above terms and conditions and I/we accept them.
- I understand that the Board of Directors may reject my application, and not obliged to tell me why it has been rejected and that the board may conduct such checks as necessary to comply with money laundering regulations
- I agree to all the information disclosed being held on a computer database in compliance with EU General data Protection Regulations (GDPR). I understand that this information will be used by Loveworks only and will not be passed to third parties.

Signature:	Date:
Payment: I wish to pay by <input type="checkbox"/> cheque <input type="checkbox"/> bank transfer	
Bank transfer should be made to Loveworks Co-operative's bank : Sort code 95-06-79 and Account no. 30132993	
Cheques should be made payable to Loveworks Co-operative Limited and crossed a/c payee only	

Please send your completed application form with your payment by the deadline of **7th February 2020** to the Loveworks Cooperative, 1 Jellicoe Park, Belfast BT15 3JZ.

Thank you for your support!





Loveworks Co-operative Limited

We are a registered society under the Co-operative and Community Benefit Societies Act (NI) 2016

Registration No. IP000431