

# AGM - 2024



As we approach our 100<sup>th</sup> anniversary, this year at the AGM we will be proposing and conducting a once in a generation vote, it is important that you understand what we are voting on and make your vote count. The AGM for City Cabs will be held this year on the 9<sup>th</sup> December. This will be at the Riady lecture theatre at Napier University and full notice will be sent in advance of the meeting.

The wider Taxi market that City Cabs operate in has materially changed over the past 20 years, app companies have become prevalent, access to alternative suppliers is readily available, and buying a position for a large fee is no longer possible.

Many of us long term members paid significant prices to buy a membership, thus giving us a say in the company by way of a vote but has never had an actual value linked to the business in any way (much like plate values). At this moment in time, membership at City Cabs is not a share in the business. Our memberships do not have any real value, for example if the company generated a profit, as members we have never had a way to access this money.

This has also led to previous committees having no real need or interest in reducing costs, running the business efficiently, or generating a profit. As you may realise from the current low price on radio dues, City Cabs is now profitable, and the current committee work hard on ensuring our business is as efficient as possible. However, as members, you will never see any reward for that growth in the value of the company.

This is your money, and we believe that the drivers who have been building the company deserve to have a way to retain this value. Currently if you leave City Cabs after 20 or 30 years of service, you leave with nothing. However, we believe that drivers who work hard to build our company deserve to gain from any growth in the company. Similarly, any new driver who works hard for the next 20 years deserves to see some reward if the company is in a healthier place.

The committee believe we have a solution for this problem, and we will vote on this at the AGM.

We will have a vote on moving our Association from a company limited by guarantee with members to one limited by shares and distributing shares to our current membership. We will be giving current members free shares up to the value of £2,000 in the company. We have generated a profit over the last few years and are about to post record annual profits in our accounts, we can use this generated profit to ensure free shares to our current members.

Over the next few weeks, we will produce more information on this to ensure you are fully informed of every variable in this change and make an informed decision when you vote. There will be 1,925 shares issued, and each member will receive up to 4 shares. 1 share in the company for each full year you have been a member (up to the 4 max). You will not pay for these shares however you are able to sell them back to the company at £500 per share if you wish.

There will be a lot to discuss and take in over the coming weeks, this change will offer our company a whole range of positives in terms of growing our fleet, purchasing vehicles from current members looking to retire, and rewarding our members with a financial pay off when retirement does come around. We believe this will be of great value to our members and will reward us all for looking after the companies interests long term.

We will still maintain our basic principles of one member, one vote, and our fleet having a say and opportunity to object to any new shareholders joining our ranks. This will be written in to the articles to ensure that it remains into the future. This is a very exciting time to be involved with City Cabs and moving us from members of the company to actual shareholders will be positive for all. This change will ensure future committees are looking at making us as profitable as possible.

The more profitable we are both in terms of fares being covered and the business behind this, the more we all benefit. Shareholdings will be available to all our drivers, bringing both drivers and members together as shareholders. Drivers will be able to go on the list of people looking to buy shares and will be able to be involved in the future of our company.

As we said earlier, this is a once in a generation vote. Please come seek us out and ask any questions you have. We will be sending out more information to the fleet over the coming weeks to ensure everyone understands this change in full and make an informed vote when the AGM comes around.

Kind regards,  
The Committee