

MAKE A MATERIAL DIFFERENCE

...IN THE HEART OF
GREATER MANCHESTER

Powered by



EMERGE Recycling has been awarded the Community Shares Standard Mark for this Share Offer. This accreditation is awarded by the Community Shares Unit to offers that meet national standards of good practice.

For more information about community shares, the Standard Mark and the Unit go to: www.communityshares.org.uk

CONTENTS

INTRODUCTION

4

AT A GLANCE

6

OUR MISSION

WHO WE ARE

10

OUR FAMILY, OUR SHARED VISION

14

WHAT WE DO

18

SENIOR TEAM & DIRECTORS

WHY WE NEED YOU

24

THE PLAN TO MAKE A MATERIAL DIFFERENCE

29

WHY SHOULD YOU INVEST?

34

TIMELINE

THE DETAIL

38

FINANCIAL PROJECTIONS

42

RISK MANAGEMENT

HOW IT WORKS

48

EMERGE'S SHARE OFFER

Return on your Investment

Social Investment Tax Relief

Match Investment Potential

How to Invest

52

WHAT NEXT? HOW TO INVEST?

AT A GLANCE

EMERGE Recycling is a Community Benefit Society. We are offering Community Shares in the company for purchase by individuals and organisations who support our mission. This is a unique opportunity to invest in pioneering reuse and recycling for social

good, by helping us develop our longstanding business and deliver a revitalised business strategy over the next three years. Investors become members with voting rights.

Shares are offered 15th February – 3rd May 2022.

MINIMUM INVESTMENT: £200

MAXIMUM INVESTMENT: £30,000*

INTEREST: UP TO 4%

INTEREST PAYABLE: SEPTEMBER 2025

MINIMUM TARGET: £140,000

MAXIMUM TARGET: £300,000

TO ENABLE THE SHARES TO QUALIFY FOR SOCIAL INVESTMENT TAX RELIEF (MORE DETAILS ON PAGE 50), THE COMMUNITY SHARES CANNOT BE WITHDRAWN BEFORE 1ST APRIL 2025.

*The maximum will be 10% of the total shares issued, up to a maximum of £30,000, and additional monies will be returned at the point of issue. Please read this document and our Business Case carefully, including our Application form and the Terms and Conditions section, before making a decision to invest.

EMERGE are pleased to confirm that we have received assurance from HMRC that shares in our share offer will qualify for SISR (social investment tax relief). This means individuals can benefit from 30% income tax relief on the amount invested (subject to your personal tax position)

GET INVOLVED!

#SHAREEMERGE

www.emergerecycling.co.uk/share-offer

OUR
MISSION:
THE MORE
WE TAKE,
THE MORE
WE GIVE

AS WE APPROACH A NEW NORMAL OF POST-PANDEMIC BRITAIN, IT'S WORTH TAKING STOCK OF THE ECONOMY WE'RE TRYING TO REBUILD.

Resource use has tripled in the last 50 years, yet 90% of the materials we use are still discarded. Perfectly reusable and recyclable waste is piling up, not just in landfills but into natural environments, contributing to many of the global environmental crises we face. We cannot continue where we left off before the pandemic.

EMERGE Recycling was founded in 1996 in the heart of Greater Manchester and in 2019 we became a Community Benefit Society or 'Ben Com' with a new vision, mission and strategy. We strive to make the 'real 3Rs' – waste reduction, recycling and reuse – second nature. As a social enterprise, we pioneered source-separated household and commercial recycling solutions and today are one of the best known names in the city region for quality waste management services.

Unlike other waste companies, our activities are defined not by what's most profitable, but by our ethos – being resource efficient, supporting our local communities and protecting the planet. Our simple strapline is 'the more we take, the more we give'. The more material we source for reuse and recycling, the more we can give back to the local people in jobs, skills and supporting the important work of our fellow charity, EMERGE 3Rs.


Although COVID-19 was very challenging, exciting things are now happening. We have secured a long lease for a bigger, better building to operate the EMERGE Group from, still located on New Smithfield Market. Maynard House will provide us with an exemplary 'carbon neutral' HQ, offering opportunities to expand our operational capabilities and deliver much more. It will enable us to push forward into the post-pandemic world with more ambition, purpose and drive than ever before.

I invite you to join EMERGE Recycling on this exciting journey towards a sustainable, resourceful future. Join our efforts to conserve valuable resources by buying shares in our social enterprise and investing in our growth plan, so we can make a bigger difference in Greater Manchester – reusing and recycling more, creating more jobs, providing more training and pioneering more projects to promote the real 3Rs.

Thank you!



Lucy Danger,
Chief Executive



"FOLLOWING SOME TIME UNEMPLOYED, I TOOK PART IN AN EMERGE BACK-TO-WORK TRAINING PROGRAMME. AFTER A PERIOD OF VOLUNTEERING, I WAS TAKEN ON PART-TIME TO ASSIST IN THE TOUCH WOOD WORKSHOP. I'VE DONE MANY JOBS IN THE PAST INCLUDING WORKING FOR MYSELF, BUT I NEEDED THE STABILITY OF BEING IN A PAID POSITION AND HADN'T HAD ANY SUCCESS UNTIL THEN. WHILST AT EMERGE, I'VE GAINED MY FORK-LIFT LICENCE AND REFRESHED LOTS OF MY FORMAL TRAINING AS A CARPENTER. THE NEXT STEP IS TO GAIN AN IOSH HEALTH & SAFETY CERTIFICATE TO FULFIL MY PROMOTION TO TOUCH WOOD WORKSHOP SUPERVISOR."

CARLTON GAYLE

EMERGE - MAKE A MATERIAL DIFFERENCE



WHO
WE ARE

OUR FAMILY, OUR SHARED VISION

WHILST EMERGE RECYCLING SUPPORTS THE OBJECTS OF ITS FELLOW CHARITY, EMERGE 3RS, AS A COMMUNITY BENEFIT SOCIETY, IT IS A STAND-ALONE LEGAL ENTITY, OWNED BY ITS MEMBERS.

Our shared vision is to create a world where the real 3Rs are second nature. A society where people don't go hungry, where people cherish and innately value all resources.

As a Community Benefit Society, EMERGE Recycling is also its own individual legal entity, owned by its members. This means that we have the best of both worlds. The benefit of 25 years' worth of knowledge and experience, but an independence that enables us to be owned by our members and the wider community, bringing new skills, experience and energy.

This is crucial to the success of EMERGE Recycling, and also to our long term vision of engaging as many people as possible in creating a more sustainable society where resource use is optimised and the damage caused by humans is limited.

When you invest in EMERGE Recycling, you become a member of our 'society' (a Community Benefit Society is also known as a 'Society for the Benefit of the Community'). Our members are drawn from the wider community of Greater Manchester and the surrounding regions, or they have

an interest in this area. We count on our members to support our objectives and take an active interest in the operation and development of the business.

We encourage members to participate in our general meetings, including the AGM, where you have the right to stand for, and also vote to elect the Board of Directors and make decisions, such as whether to pay interest to shareholders. Members can be individuals aged 16 or over, or organisational representatives. We have no provision for joint membership; however, we do make provision for nomination rights, in the case of shares purchased as gifts.

The composition of our Board of Directors includes one representative appointed or nominated by EMERGE 3Rs, our fellow charity. More information can be found on all this and more in EMERGE Recycling's Rules and in our Application Form for withdrawable shares including Terms & Conditions, available on our website.

EMERGE Recycling runs Touch Wood whilst EMERGE 3Rs (fellow charity) runs FareShare Greater Manchester.

These two, separate legal entities together with their activities make the EMERGE Family. Our Volunteering &

Employability Programmes enrich all of our work, offering people opportunities to play a part in achieving the shared mission.



EMERGE RECYCLING

A Society for the Benefit of the Community (otherwise known as a 'Ben Comm' or Community Benefit Society), it is a social enterprise.

EMERGE 3RS

A registered charity, it is also a social enterprise.

EMERGE 3RS VOLUNTEERING & EMPLOYABILITY PROGRAMMES



Reclaimed wood upcycling initiative run by EMERGE Recycling. Works in partnership with the National Community Wood Recycling Project (NCWRP).



Surplus, in-date food sharing initiative run by EMERGE 3Rs. Works in partnership with FareShare UK (FSUK).

By investing in EMERGE Recycling you are, by extension, supporting all of these crucial charitable activities, as well as helping our waste recycling and wood reuse operations be the best they can be.



🌐 www.emerge3rs.co.uk
f @emerge3rs
🐦 EMERGECycling

EMERGE 3RS

EMERGE 3Rs is an environmental charity which promotes the idea and practice of resource conservation and environmental protection through waste reduction, re-use, recycling services and repurposing redundant and reclaimed products.

All our activities are underpinned by volunteering and employability programmes; we help long-term unemployed people gain skills and qualifications to assist their return to work, also providing rewarding experience for students, those who are on long term sick, retired people and corporate volunteer teams.



🌐 www.faresharegm.org.uk
f @faresharegm
🐦 FareShareGtrM

FARESHARE GREATER MANCHESTER

FSGM helps to fight food poverty and hunger and alleviate unnecessary food waste by capturing surplus, in-date foodstuff from industry and sharing it with community groups, schools and charities across Greater Manchester, East Cheshire and the High Peak, who in turn support families and individuals facing hardship.

Set up in 2008 by EMERGE 3Rs, FSGM is a kind of social franchise, run according to the standard operating model of our national partner, FareShare UK. By providing food cheaply, beneficiaries save funds to spend on other essential items, ultimately helping to overcome the impacts of poverty in the medium term. A veritable army of volunteers assist the staff team in this process.



🌐 www.touchwood.org.uk
f @emergetouchwood
🐦 EMERGEwood

TOUCH WOOD

EMERGE set up Touch Wood in 2012 in conjunction with the National Community Wood Recycling Project (NCWRP) to collect unwanted construction wood waste. Volunteers assist in reclaiming and repurposing the wood in return for formal training and work experience.

Through Touch Wood, we collect redundant wood from customers across GM, reusing it where possible in the production of upcycled products, which are sold through our shop on New Smithfield Market.

LEAVE

BEHIND

OPERATING FROM NEW SMITHFIELD MARKET IN EAST MANCHESTER, EMERGE HAS 25 YEARS' EXPERIENCE SUPPLYING WASTE MANAGEMENT SERVICES TO A VARIETY OF CUSTOMERS, ACROSS ALL SECTORS.

EMERGE Recycling is an award winning social enterprise. Operating alongside our fellow charity, EMERGE 3Rs, together we promote sustainable resource management through the 'real 3Rs' ethos of reduce, reuse, recycle. We blend high quality commercial waste and recycling services with work that contributes to a truly sustainable future for our wider community, particularly wood reuse and surplus food management.

Commercially, we deal with a broad and growing range of materials, paper and confidential documents, cardboard, glass, metal, toner cartridges, wood and waste electrical equipment including ICT, plastic packaging and polythene. Income from our services supports the work of EMERGE 3Rs (more on that below), so our customers are not only reducing their environmental impact and tackling climate change, but also helping people in need in Greater Manchester.

DID YOU KNOW?

EMERGE

STANDS FOR EAST
MANCHESTER ENVIRONMENT
& RESOURCES GROUP EMERGE

COMMERCIALLY, WE DEAL WITH A BROAD AND GROWING RANGE OF MATERIALS



Paper



Confidential Data



Cardboard



Glass



Metal



Wood



Toner Cartridges



Waste electrical
equipment
including ICT



Plastic packaging



Polythene



Food Waste



Textiles & Shoes



Office Furniture

**“USING THE EMERGE FAMILY OF SERVICES
HAS ENABLED US TO SIGNIFICANTLY REDUCE
OUR CARBON FOOTPRINT, IMPROVE OUR
ENVIRONMENTAL AWARENESS WHILST
RECEIVING A COST-EFFECTIVE AND REALLY
EFFICIENT SERVICE. ALL THIS FROM
A SOCIALLY RESPONSIBLE ORGANISATION
WHICH IS HELPING TO CHANGE LIVES AND
SAVE THE PLANET! WHAT’S NOT TO LIKE!”**
**IAIN LINSDELL, HEAD TEACHER,
POPLAR STREET PRIMARY SCHOOL**

EMERGE SOCIAL & ENVIRONMENTAL IMPACTS 2019-20:

800
TONNES

OF PAPER AND CARD WERE
COLLECTED AND PROCESSED

PROVIDING

£593,288

OF SOCIAL RETURN ON
INVESTMENT*

(*CALCULATED BY THE
CONNECTIVES, SROI ADVISORS)

1,169
TONNES

OF CO2 EMISSIONS

WERE AVOIDED COMPARED
TO LANDFILL. THIS WAS
EQUIVALENT TO THE
CARBON SEQUESTERED BY

432,852
TREES

433 TONNES

**OF WOOD
COLLECTED**

FROM CONSTRUCTION SITES



33%

**OF THE WOOD
WAS REUSED.**



SENIOR TEAM & DIRECTORS

The Senior Team meet monthly to discuss key issues arising, review progress and KPIs. Our Chief Executive Lucy supports Managing Director, Gareth, who oversees the operational side of the business; also Head of Development for Touch Wood, Mike whose focus is on

sales, projects and partnership development and Jay who manages our finances. Gareth has overall responsibility for compliance along with health and safety; he leads the team and delivers board decisions. More information on our wider team can be found in the Business Case.



**LUCY
DANGER**

Chief Executive & a Founding Member

Lucy has driven the EMERGE Group from inception to its position as a leading NW Social Enterprise and trusted supplier of commercial waste and recycling services. In 1996 she led EMERGE to pioneer household recycling services in Manchester and Trafford, utilising proven good

practice with advice from leading schemes in the UK. She has many years' experience of securing loans and managing a wide range of other financial mechanisms involving multiple stakeholders in order to progress social, environmental and economic outcomes locally.



**JAYRISSA
THOMPSON**

Finance Controller & an Executive Director

Jay is a qualified Management Accountant with over 5 years' experience at Finance Director level within the EMERGE Group. Over the last 14 years, since joining EMERGE as Financial Administrator, she has developed an excellent working knowledge of charity accounting and

managing the 'triple bottom line', whereby social, environmental and economic purpose are all counted. Jay is committed to coaching her small team to ensure tight credit control and financial accuracy across all aspects of their crucial work.



**GARETH
JONES**

Managing Director

With 16 years' experience within EMERGE in Quality Management, Vehicle, Environmental, Health and Safety Compliance systems, Gareth is very well qualified to direct EMERGE's Recycling & Waste Management Operations. Responsible for EMERGE's critical

infrastructure including ISO systems, he leads on ICT support for the Group. NEBOSH qualified, he is also the Group's Health & Safety Officer. He is a Fellow of the School for Social Entrepreneurs.



**MIKE
TAYLOR**

Touch Wood Head of Development

Mike's experiences within the corporate banking, healthcare and education sectors over 25 years are now being channelled into growing EMERGE Recycling and Touch Wood by creating mutually beneficial partnerships

in GM to deliver social value to our communities. Mike is driven by his personal ambition to contribute directly to ending food and furniture poverty and help local people back into work.



**ELIZABETH
LAUDER**

EMERGE 3Rs' Volunteering & Employability Manager

With a long track record working in the Community & Voluntary Sector, Liz previously worked for many years in the retail sector. Liz' interest and expertise is in HR and personnel development which she consistently demonstrates with great skill and diplomacy

in recruiting, supporting and providing appropriate on-the-job training and then progression development and routes into work for EMERGE's work placements and volunteers who come from all walks of life.

NON-EXECUTIVE DIRECTORS

Directors meet bi-monthly to discuss strategic issues and oversee financial and due diligence. Directors are all volunteers and as such, none of the Directors receive any remuneration for their activities

in attending board meetings, and actions arising out of those meetings, except for three of the current Directors (Lucy, Gareth and Jay) who work full time and are remunerated accordingly.



Chair of the Board

Jez Tweed has 25 years' community and public sector experience supported by an Environmental Master's degree along with Business Management and other professional qualifications. He established and ran Calderdale's successful Energy Future partnership supporting it in reaching its 2020 carbon reduction ambition and

founding Calderdale Community Energy, a Community Benefit Society fostering local community energy projects. Jez is now the lead officer for Sustainability and Climate Change at Trafford Council developing a range of Carbon reduction policy and strategy initiatives targeting net zero by 2038.



EMERGE Recycling Treasurer

A qualified Accountant with 20 years' experience in small to medium sized businesses and currently working in Financial Services. Shirley has worked in many roles in accountancy including reporting, business

partnering and risk management. Based in South Manchester, she started her career nursing but changing direction following the completion of a business degree. Shirley also volunteers as both a Scout and Girl Guide Leader.



One of the country's leading environment and sustainability professionals and recipient of the 2017 Young Environmentalist of the year, Matthew is a chartered environmentalist working for a world leading multinational consultancy, as European Sustainability Lead.

Since 2019 Matthew has served on the Trustee Board of the Chartered Institution of Water and Environmental Management (CIWEM) and was appointed to serve as the institution's Junior President for 2021/22. Born and bred in Manchester, he joined EMERGE as a NED in 2020.



**ANDY
CHICKEN**

Trained as a quantity surveyor, Andy spent 24 years in public sector culminating in running the Repairs and Maintenance Service at Bury MBC where he was responsible for 9,000+ social homes, managing a multimillion-pound budget, tendering for and carrying out various works. After a spell as Regional Managing Director for a Venture Capital

company, Andy started Project Energy, helping clients reduce the costs and carbon emissions from their commercial buildings. Andy has been instrumental in shaping the refurbishment work at Maynard House including leading on tendering where needed, such as heating and solar panels.



**HELEN
GORTON**

Helen is a highly respected Project, Production & Stage Manager in the arts and events industry, roles include Production & Operations Manager for

Manchester International Festival, Walk the Plank and many other festivals and theatres across the UK.



**BRIGIT
EGAN**

Managing Director and Owner of Oakridge Training & Consulting, Brigit has 25+ years of experience in key areas of Leadership Development, Business Strategy and Planning, Change Management and Team Development. Brigit held

several Board Executive positions at a range of companies and NGOs including 17 years Chair experience for the Chair of the Institute of Directors Manchester, Chair of Common Purpose North West Advisory Board and Vice Chair of Business in the Arts.



**GLYNN
OAKLEY**

Glynn is an experienced entrepreneur and EMERGE's partner on all office furniture reclamation which he undertakes for multinationals and charities alike. Founder of Recycle My Office, Glynn's initiative has literally rescued thousands of desks, chairs and a multitude of items, from the highest quality through to general

stationery. Glynn specialises in ergonomic office layouts, but equally, logistics, operations, HR management, finances and partnership development. An accomplished inventor, Glynn experienced the highs and lows of this line of work before settling down for many years in a local authority as major events coordinator.



**STUART
MCBAIN**

A FMAAT qualified Accountant, Stuart McBain has owned and operated his own accountancy firm since 1993. His passion to promote alternate and sustainable energy lead him to become the first person to drive around the

entire coast of Britain in a 100% electric car in 2017; later the same year he drove around the coastal ring road in Iceland. In 2022 he will drive the entire coast of Australia charging the car off grid.

"CDL HAS BEEN A CORPORATE CLIENT OF EMERGE RECYCLING FOR MANY YEARS; THEY HAVE HELPED US MANAGE OUR ENVIRONMENTAL IMPACT, CONSTANTLY DEVELOPING THEIR SERVICES. WE ALSO SUPPORT TOUCH WOOD AND FARESHARE, WITH FUNDING AND EMPLOYEE VOLUNTEERING, AS WE CAN SEE THE IMPACT OUR CONTRIBUTIONS MAKE IN HELPING INDIVIDUALS, FAMILIES AND THE WIDER COMMUNITY.

I AM DELIGHTED TO INVEST PERSONALLY IN EMERGE'S FUTURE, THROUGH THIS COMMUNITY SHARE OFFER, CONFIDENT THAT IT WILL ASSIST THEIR LONG TERM VISION AND PROVIDE SOCIAL BENEFITS AND FINANCIAL RETURNS FOR INVESTORS LIKE ME. IT IS A WIN-WIN SITUATION; A VIRTUOUS CIRCLE IN THESE CHALLENGING AND UNCERTAIN TIMES."

MELISSA JOHNSON, FIRST INVESTOR

EMERGE - MAKE A MATERIAL DIFFERENCE

A woman with brown hair, smiling, wearing a blue hard hat with the CDLO logo and a high-visibility yellow safety vest over a patterned shirt. She is holding a set of blueprints. The background is a blurred outdoor construction site with trees and a fence.

**WHY WE
NEED YOU!**

THE PLAN

TO MAKE A MATERIAL
DIFFERENCE

EMERGE RECYCLING HAS A COMPELLING BUSINESS CASE, BASED ON THE FUNDAMENTAL AMBITION TO RESCUE UNWANTED AND REDUNDANT MATERIALS FROM DISPOSAL. WE HAVE A PROVEN TRACK RECORD OF RESILIENCE AND INNOVATION AND OPERATE IN A STABLE MARKET PLACE WITH SOLID RELATIONSHIPS BUILT OVER 25 YEARS.

Now we need you to help us give back more, quite literally. To invest in equipment and processes to enable a higher volume of materials' throughput; in vehicles that meet Greater Manchester's new Clean Air Zone; in fit for purpose, zero-carbon facilities that EMERGE, our members, our customers and the wider community can be proud to use; and in upgrading our systems so we can maximise efficiency, take more and give more back.

In summary, your investment will help us to:

- Process more material (especially paper, card, plastic and redundant computers) from existing and new customers so that we can meet our mission, to generate more profit in order to give back;
- Employ more staff and engage more trainees, from East Manchester and further afield;
- Engage more customers and partners and help people implement the real 3Rs in everything they do, thereby reducing climate change and carbon impacts;
- Demonstrate that social enterprise and ethical business can be successful and offer a model to inspire others.

WE SEEK TO RAISE
OUR TARGET OF

£300K

EMERGE Recycling has a proven track record of utilising financial investment for positive ends. As such, we've paid out a huge amount of interest to lenders over the years. Converting to a Community Benefit Society allows us to overcome this by securing patient capital, from our wider community, and repay the debt over time.

This is what we're asking you to help us with: By buying our shares, for a minimum investment of £200, up to a maximum of £30,000, you may get a return for 4% interest, to be paid annually, from 2025 (after the initial 3 years). Please see 'Our Share Offer' section below for more details and the Terms & Conditions in our Application Form.

We aim to repay the community shares over 8 years, with 20% repaid annually from 2024/25; repayments will be financed through our trading activities. Our up-to-date financial forecasts estimate a net profit in 2024/25 of £49,531, before tax (based on achieving the target level of investment set through our community share offer) which will in turn help to grow our team, develop services and invest in future developments.

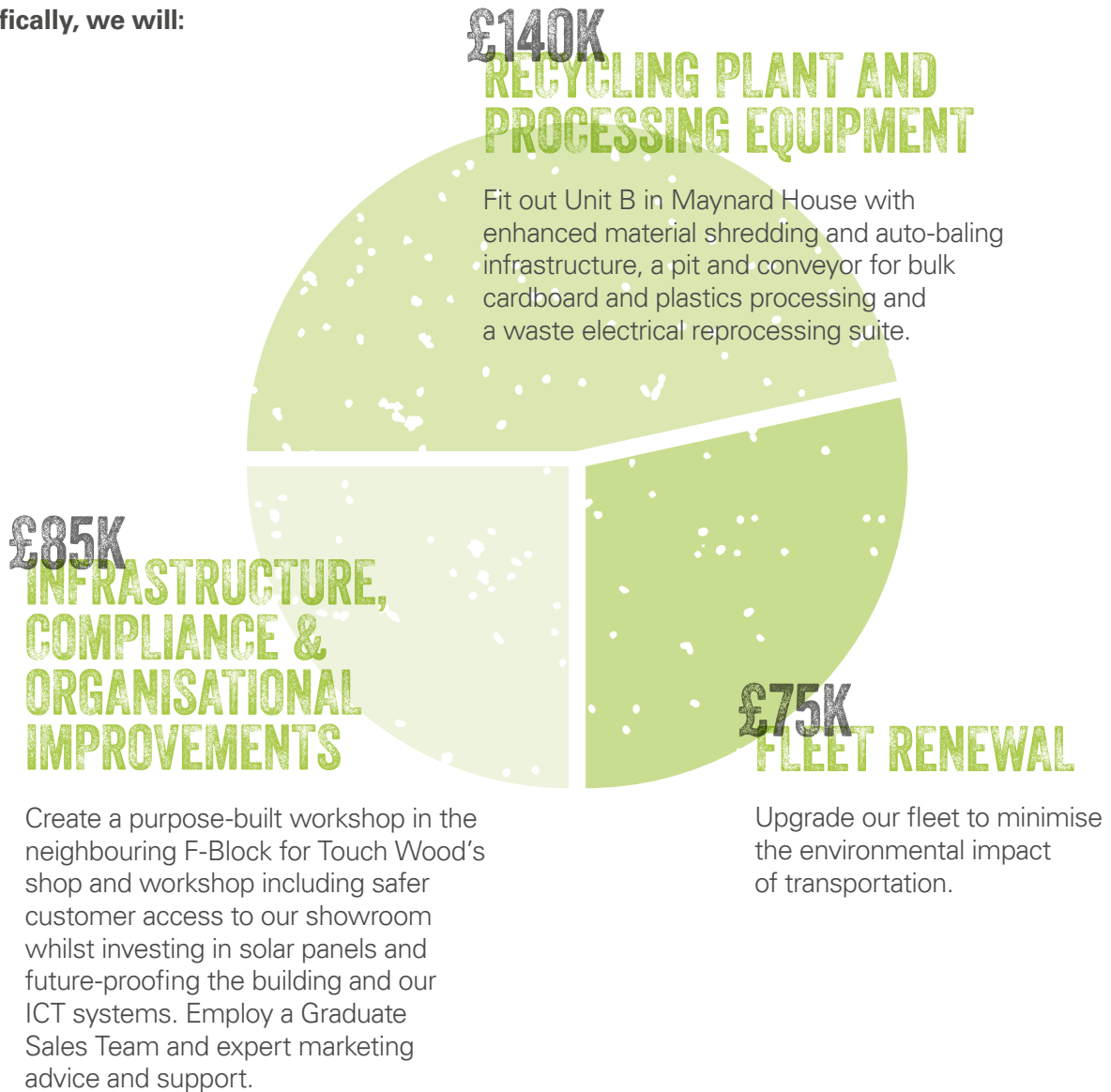
The opportunity for supporters to invest via community shares is really important to us, enabling ownership and engagement by our stakeholders across Greater Manchester and Liverpool. It allows those who support our mission to apply to purchase shares and become an active, voting member of our organisation.

Your investment will provide the critical means for EMERGE Recycling to deploy a proactive Graduate Sales Team together with expert marketing support, to convert Greater Manchester and Liverpool businesses, to compete and win more tenders and broaden and strengthen our customer base.

Our upgraded infrastructure, in the refurbished, exemplary HQ, Maynard House, with its state-of-the-art facilities, will offer an ever more persuasive rationale for businesses and organisations to buy our waste, reuse and recycling services and will enable us to accept a far greater volume of material. This will help to generate higher profit margins and ultimately achieve the scale needed for longer term financial sustainability.



Specifically, we will:



DID YOU KNOW?

EMERGE RECYCLING HAS SUPPLIED
WASTE AND RECYCLING SERVICES
FOR OVER

25
YEARS

**WHY
SHOULD
YOU
INVEST?**



**IF EMERGE'S SHARE OFFER IS
SUCCESSFUL, AND ENABLES US
TO DEVELOP, IT WILL PRODUCE
THE FOLLOWING BENEFITS:**

THE BENEFITS TO OUR LOCAL COMMUNITY

- More opportunities for local people to get involved in waste reduction, reuse and recycling activities directly by accessing our services, e.g. dropping off their waste materials for reuse and recycling such as waste electrical and electronic equipment, card, plastics, etc.
- Support the ongoing provision, by our fellow charity, of a community hub (Maynard House) with events, training and cookery facilities;
- Access to high quality training and volunteering, whereby participants can gain work experience and qualifications to enhance their job prospects and potentially gain employment within EMERGE. At a time when stress and uncertainty has led to a sobering increase in the number of people dealing with poor mental health, it shows how providing support to move on from these challenges has become an increasingly important aspect of our work.
- Continued access to Touch Wood for reclaimed timber, better choice and very competitive prices.

THE BENEFITS FOR WIDER SOCIETY AND THE PLANET

- By capturing more material for reuse and recycling, we will be reducing the environmental impact of the waste saved from less sustainable disposal routes and the attendant pollution caused.
- By providing genuine 'real recycling', ensuring that the destination of materials is environmentally safe and compliant, people can be confident that they are 'doing the right thing' and this will reduce cynicism and help drive positive actions on carbon reduction by more people;
- More 'clean' materials sent to well respected local reprocessors with proven track record; Low waste miles, highly levels of traceability. We pride ourselves on extremely low levels of contamination which assists in the production of high quality finished product for UK markets.
- 'Green' Jobs – Living Wage Employer: By sustaining secure employment for our staff team, there will continue to be a 'multiplier' effect in the local and the wider economy, as employees spend their wages; this will grow in time, as we create new jobs;
- We will be able to train more people for real and meaningful jobs and provide good working conditions which give participants pride, purpose and raised aspirations;
- Real 3Rs and Carbon Literacy Training.

THE BENEFITS FOR YOU (THE INVESTOR)

- Membership of, connection with and pride in being part of a local movement for wider positive change with a focus on saving valuable materials, through the services and activities run by EMERGE. In turn, you will be playing your part in helping to reduce and mitigate the negative impacts of climate change.
- Confidence that your money is proactively supporting the realities of EMERGE Recycling, a well-established, respected social business and local brand, to gain the capacity to collect and process more material for recycling and reuse, safeguard jobs and create new ones. And through our work, change lives for the better, whilst continually adding more social and environmental value.
- Know that by investing your funds, the value will be matched by others and by the efforts of our team.
- By underpinning our work, in turn you will be supporting EMERGE 3Rs, helping to rescue good food and redistribute it to individuals and families in need, helping to support job seekers and others who volunteer who gain meaningful experience and enhanced skills and knowledge.
- 4% interest on your shares potentially, from September 2025.
- Member news, members-only events and a warm welcome to visit at other times.
- A say at our Annual General Meeting and eligibility to stand as a Director.
- Involvement in shaping the future of our pioneering work.
- Your shares may qualify for Social Investment Tax Relief (see p50), allowing you to reclaim up to 30% of what you invest against your income tax (conditions apply).

DID YOU KNOW?

TOUCH WOOD

REUSED
33%

OF THE 430 TONNES OF WOOD
WE COLLECTED IN 2019/20

EMERGE - MAKE A MATERIAL DIFFERENCE





TIMETABLE

THE CLOCK IS TICKING AND WE ARE READY TO HIT THE GROUND RUNNING!

Our contractors, HDM, are booked to commence works in March 2022 because we have to move out of our current depot by April. A deposit has been paid thanks to the commitment of our early investors. Our share offer has been delayed due

to COVID19, however, we've diligently taken stock and set in place contingencies (please see risk section) to reassure everyone involved, in order to be able to execute the following plan of action:

15TH FEB 2022

Launch EMERGE Community Share Offer together with a dynamic marketing plan

MARCH 2022

Work commences to fit out Unit B, Maynard House & recruitment for Graduate Sales roles

4TH APRIL 2022

EMERGE Recycling's operations goes live at Unit B, Maynard House

APRIL 2022

7.5t Lorry procurement underway; various building improvements are completed and garden created

3RD MAY 2022

EMERGE's Community Share Offer closes

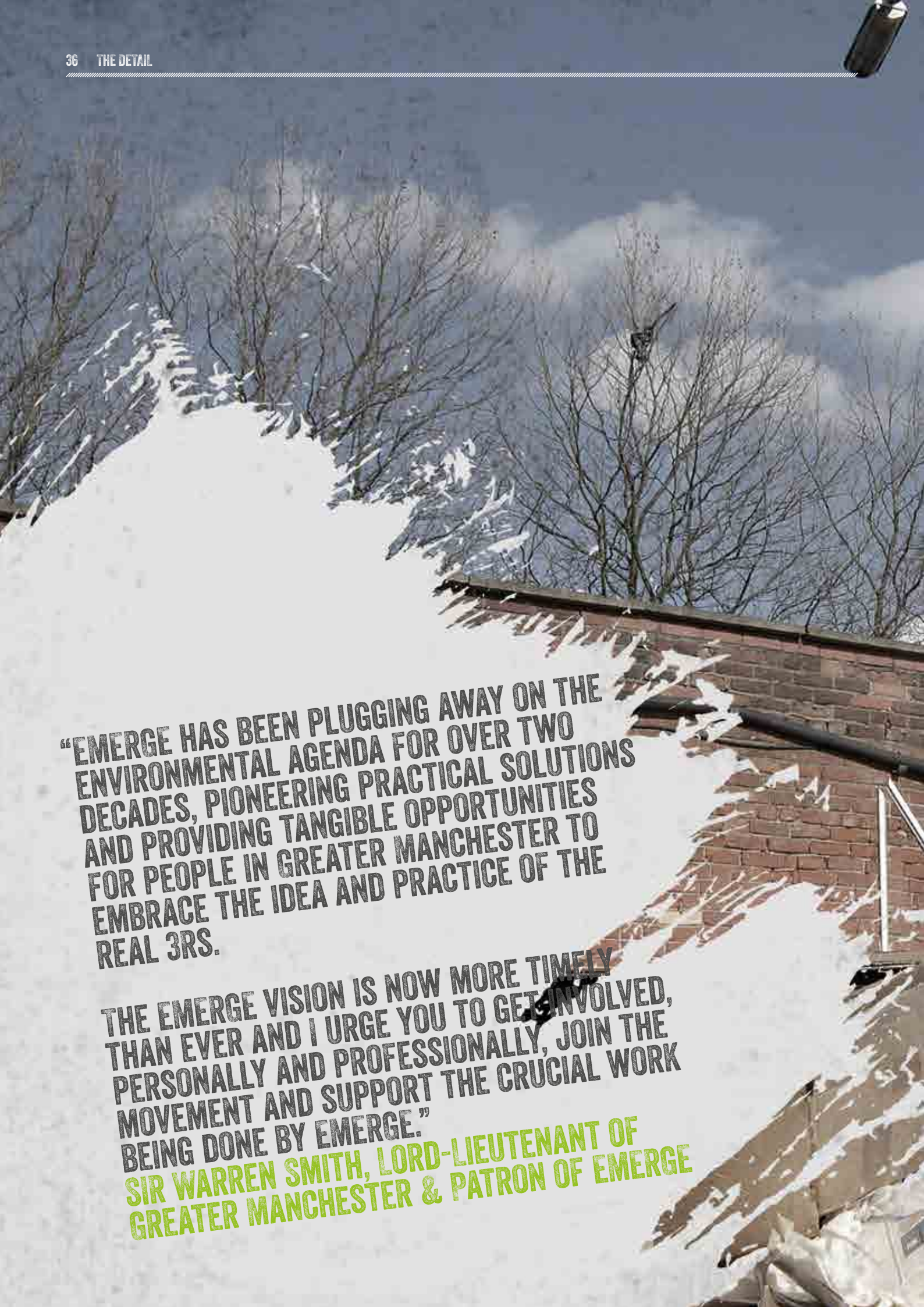
JUNE 2022

Digitisation development of our ICT and integration of database systems

JULY 2022

Commence the process of securing ISO27001

LE



"EMERGE HAS BEEN PLUGGING AWAY ON THE ENVIRONMENTAL AGENDA FOR OVER TWO DECADES, PIONEERING PRACTICAL SOLUTIONS AND PROVIDING TANGIBLE OPPORTUNITIES FOR PEOPLE IN GREATER MANCHESTER TO EMBRACE THE IDEA AND PRACTICE OF THE REAL 3RS.

THE EMERGE VISION IS NOW MORE TIMELY THAN EVER AND I URGE YOU TO GET INVOLVED, PERSONALLY AND PROFESSIONALLY, JOIN THE MOVEMENT AND SUPPORT THE CRUCIAL WORK BEING DONE BY EMERGE."

SIR WARREN SMITH, LORD-LIEUTENANT OF GREATER MANCHESTER & PATRON OF EMERGE

EMERGE - MAKE A MATERIAL DIFFERENCE

A man with grey hair and glasses, wearing a dark blue polo shirt and a high-visibility yellow-green safety vest, is smiling as he holds a large, crumpled white plastic bag. He is standing over a large pile of flattened cardboard boxes and other debris. In the background, there is a brick wall and bare trees under a blue sky with some clouds. The overall scene suggests a recycling or waste management activity.

THE DETAIL

FINANCIAL PROJECTION

**FOLLOWING CONVERSION TO A COMMUNITY BENEFIT SOCIETY
EMERGE RECYCLING IS BUILDING AND DEVELOPING ITS BUSINESS
MODEL TO ACHIEVE INCREASED SCALE, EFFICIENCY AND
PROFIT IN ORDER TO FUTURE-PROOF THE ORGANISATION AND
ULTIMATELY INCREASE ITS POSITIVE IMPACTS.**

EMERGE Recycling has a proven track record of utilising financial investment for positive ends, growing and developing our business model and innovating all the while. We have borrowed money to grow EMERGE Recycling and as such, we've paid out a huge amount of interest to lenders over the years. Converting to become a Community Benefit Society allows us to overcome this cycle by securing capital from our wider community at a lower rate of interest and re-invest this saving in further growth opportunities.

The last two years have been extremely challenging however, with a sharp reduction in sales due to the pandemic and a necessary but unwelcome need to secure other forms of income, including grants. Thankfully, we have been very lucky to be able to apply and get support from a number of funders. In this context, it has been difficult to make financial projections. Based on a relatively positive upturn in 2021/22, we are now pleased to present our Profit and Loss Projections for 4 years (including this financial year, April 2021 - March 2022), on the following page.

NS

DID YOU KNOW?

IN MANCHESTER ALONE, THE
VALUE OF THE CONFIDENTIAL
WASTE MARKET IS OVER

£25M!

PROFIT & LOSS PROJECTIONS

Based on our current community shares investment target of £300,000

	2021/22	2022/23	2023/24	2024/25
	£ '000	£ '000	£ '000	£ '000
REVENUE	644.7	827.7	953.8	1,099.5
REVENUE GROWTH	96%	28%	15%	15%
EBITDA*	19.8	62.1	76.5	80.4
EBITDA* MARGIN	3%	7%	8%	7%
FINANCIAL EXPENSES	-2.4	-1.5	-0.9	-0.5
DEPRECIATION & PROFIT ON DISPOSAL **	-13.5	-44.1	-33.8	-30.4
TAXATION	0.0	0.0	0.0	-8.8
GRANTS AND DONATIONS	15.6	0.0	0.0	0.0
NET SURPLUS/ (DEFICIT)	2.4	26.7	41.8	40.8
PROFIT MARGIN	0%	3%	4%	4%

*EBITDA – Earnings before interest, taxation, depreciation, and amortisation

**Depreciation includes the profit/loss on sale of fixed assets

Please note this table shows earned income only; any grants or internal recharges have been omitted.

The table (left) shows the future projections for the next four years with increased profit and profit margin over the timeframe. Income growth is projected to increase at a faster rate than expense growth therefore producing costs of 33% of income on average over the financial forecast.

EBITDA is a recognised measure of profitability. It strips out the cost of debt but also the cost of any capital investments making it easier to compare companies. Future projections show that the revenue growth is healthy and achievable. During 2020/21, because of COVID, sales were significantly depressed therefore the 96% 'growth' in the table for 21/22 is misleading because it really just illustrates our recovery. In 2022/23 we see further recovery, compared with the year before (so it appears a lot less, though in fact is steady compared with the original baseline of 19/20, pre-COVID). The following two years are showing steady growth.

Further financial projections alongside income and expenditure analysis can be seen in the finance section of the accompanying business plan.

For more information, please see our business plan.

DID YOU KNOW?

THE UK'S E-WASTE MARKET IS LIKELY TO GROW UNTIL 2038 BY

14%
PER YEAR



RISK MANAGEMENT

THIS DOCUMENT AND THE ASSOCIATED BUSINESS PLAN CONTAIN FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES.

The Society's actual results and operations could differ materially from those anticipated in such forward-looking statements as a result of many factors including the risks faced by the Society which are described in this section and elsewhere in these documents.

These statements and the assumptions that underlie them are based on the current expectations of the Board and are subject to a number of factors, some of which are beyond their control. As a result, there can be no assurance that actual results will not differ significantly from those summarised in this document.

The Board has developed a comprehensive risk assessment and risk management strategy, the full table can be found in our Business Plan. The main risks we believe are as follows, although this should not be regarded as an exhaustive or complete statement of all potential risks:

- **Loss of key personnel:** to mitigate this risk we have recently taken on new people and are working to ensure that skills and knowledge are duplicated within the organisation. We are embarking upon a comprehensive training programme to ensure that essentials are shared around the organisation.
- **No growth in recycling or wood sales:** our research indicates that the waste collection market has stagnated somewhat during the pandemic. The main constraint on sales in the last year was uncertainty due to COVID, hence our new sales plan is very modest whilst taking a new approach by engaging graduates, based on the success of partners in Scotland.
- **Financial failure and insolvency:** Even in a profitable business it is possible to fail through lack of cash, as more working capital gets tied up in debtors and stock. This danger is being addressed by our marketing plans, ongoing grant applications and this share issue.



CONTINGENCIES

On a very positive note, we have already received £30k from two early investors, 10% of our target for this share offer. Our top priority is to fit out Unit B so that EMERGE Recycling can move in, therefore, as an absolute minimum we need to raise £140k. If we are unsuccessful in securing the minimum from this share offer, we would need to secure £110k from another source, such as GMCVO's Access to Growth Fund which we are applying to,

as a backup plan. Other items will wait or be funded through, for example, asset finance (trucks, solar panels) or until we have generated the funds to progress them (ICT improvements, additional improvements to our facilities). As with most investments, not making them has consequences and our overall business growth will be slower and more 'bumpy' if we cannot progress with this plan.

ASSET LOCK

Our constitution contains a statutory asset lock which cannot be removed by a members' resolution and which restricts the ability of the Society to use or deal with its assets other than for the benefit of the community. In particular:

- The only payments which can be made to members are the value of withdrawable share capital or interest on withdrawable share capital;
- The Society's assets cannot be transferred except to another organisation whose assets are similarly protected.

DISSOLUTION

In the unlikely event of the company being wound up, in accordance with our Terms & Conditions, no shares may be repaid until all creditors have been repaid.

EMERGE - MAKE A MATERIAL DIFFERENCE





“WE’VE ENCOURAGED OUR CONTRACTORS TO ALIGN THEIR SOCIAL VALUE COMMITMENTS VIA EMERGE BY DONATING WOOD AND OTHER MATERIALS. EMERGE DOES A GREAT JOB OF UPSKILLING AND TRAINING LOCAL PEOPLE; THESE ELEMENTS OF SOCIAL VALUE SUPPORT THE CITY’S ASPIRATIONS TO DEVELOP MORE SUSTAINABLE COMMUNITIES. THEY ARE A PROVEN, VETTED COMPANY, LOCALLY BASED AND LOOKING AFTER MANCHESTER ORGANISATIONS SO WE DON’T NEED TO TAKE RECYCLING OUT OF THE AREA TO GET IT PROCESSED. OUR CARBON REDUCTION TARGET FOR 2038 IS SUPPORTED BY USING THIS LOCAL ORGANISATION – I ONLY WISH WE HAD AN EMERGE EQUIVALENT FOR EVERYTHING WE ARE TRYING TO ACHIEVE IN MANCHESTER.”

**WESTLEY ROBINSON, MANCHESTER CITY COUNCIL,
TOWN HALL PROJECT**

EMERGE - MAKE A MATERIAL DIFFERENCE

A photograph of a worker in a high-visibility yellow shirt operating a green and grey forklift in a warehouse. The forklift is carrying a large, damaged cardboard box. The worker is looking down at the box. The background shows the interior of a warehouse with a concrete floor and a metal structure.

HOW IT WORKS

EMERGE'S SHARE OFFER

**THE SHARES WE ARE OFFERING FOR PURCHASE
ARE REFERRED TO AS COMMUNITY SHARES. COMMUNITY
SHARES ARE SHARES ISSUED FOR A COMMUNITY PURPOSE.**

The concept has been developed through a joint initiative of Locality and Co-operatives UK with support from the Department for Communities and Local Government and the Cabinet Office. For more information, please see www.communityshares.org.uk.

This is a time bound share offer starting on 15th February 2022, with a deadline for share applications by 3rd May 2022 (subject to extension, depending whether we have made our target). We are offering 270,000 shares of £1 each – because £30,000 has already been committed. Shares will be allocated on a first come first served basis, and any excess will be repaid.

We will apply any and all investment efficiently, as proposed in this share offer, even if we secure less than the full amount of the target. We intend to use the funds and issue share certificates, in tranches, during the share offer period.

Our share offer is exempt from regulation by the Financial Services and Markets Act 2000 (FSMA) because EMERGE Recycling is a Community Benefit Society, and therefore does not require authorisation by the

Financial Conduct Authority. If the business fails, you have no right of complaint to the Financial Ombudsman or the Financial Services Compensation Scheme. Prospective investors are advised to read, in addition to this document, the accompanying Business Case and the “Terms and Conditions” in our Application Form, downloadable from our website.

As the whole of your investment could carry a risk, please consider it carefully in the context of the complete share offer document and associated business plan, and if needed seek independent advice from an independent financial adviser duly authorised under FSMA or from another appropriately authorised independent financial adviser. The content of this document has not been approved by an authorised person within the meaning of FSMA.

The Society and the Board accept responsibility for the information contained in this document. To the best of the knowledge of the Society and the Board (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its substance.

RETURN ON YOUR INVESTMENT

We are looking to attract investor members who support the purpose of EMERGE Recycling rather than those seeking financial returns. As such, the level of return is designed to be the minimum sufficient to attract and retain the investment.

Our financial modelling indicates that we will potentially be able to pay up to 4% interest on members' shares from the financial year 2025/6, following our AGM in September 2025 and dependant on performance in 2024/25.

For example:

4% x £200 =

£8P.A

4% x £1000 =

£40P.A

4% x £10k =

£400P.A

SOCIAL INVESTMENT TAX RELIEF

EMERGE are pleased to confirm that we have received assurance from HMRC that shares in our share offer will qualify for SISR (social investment tax relief). This means individuals can benefit from 30% income tax relief on the amount invested (subject to your personal tax position). For example, if you invest £1,000 in shares, you should get a tax refund of £300. To claim the refund, you need to have paid enough tax (£300 in this example), either in the current tax year, or in the current tax year and the previous tax year taken together. The refund can be claimed in the current tax year by amending your PAYE code.

These shares can be repaid at par. However, to qualify for SISR, the shares cannot be repaid for 3 years starting from the date of issue. If they are repaid before that date, then the tax refund must also be repaid. SISR is not available to employees of EMERGE Recycling.

MATCH INVESTMENT POTENTIAL

We are applying for support from the Community Shares Booster Programme, which is funded by Power to Change and run by the Community Shares Unit. Under this programme up to £25,000 may be available to match applications for shares from the public. This means that for every pound invested by individuals, another pound will be invested in matched shares up to the maximum of the Booster investment. Due to the timings of our plan and COVID

challenges, we have been delayed but we are quietly confident about this opportunity due to the support given to us by Power to Change during the pandemic. If successful, the match shares will be held by Co-operatives UK, a partner in the Community Shares Unit, and will be subject to the same terms and conditions as other EMERGE Recycling members, except for its right to withdraw share capital, which will be restricted to a pro-rata amount.

HOW MUCH CAN I INVEST?

For an individual investor the minimum investment is £200 and the maximum is £30,000 (or 10% of the total shares issued). An investment of this type carries risks and you may lose the value of your investment, so please do not invest more than you can afford to lose.

WHAT NEXT?

HOW TO
INVEST?

THE TIME IS NOW! JOIN EMERGE RECYCLING AND OUR MOVEMENT FOR POSITIVE CHANGE, TO EXPAND WASTE MINIMISATION, REUSE AND RECYCLING IN THE MANCHESTER AND LIVERPOOL AREAS AND MAKE A TANGIBLE REDUCTION IN CLIMATE CHANGE AND CARBON THROUGH MATERIAL CONSERVATION.

WHAT ARE THE NEXT STEPS?

- 1.** Complete EMERGE Recycling's Community Shares Application Form
- 2.** Choose your method of payment from our options
- 3.** Submit or send back your form and make your payment
- 4.** We will confirm we have received your application and your payment
- 5.** We will issue you with your shares at the end or potentially during our share offer
- 6.** We will keep in touch regularly, by email, and also send your VIP invitation to our Grand Opening of Unit B, when completed and our official 25th birthday in 2023!

**WHEN YOU ARE READY TO INVEST, PLEASE
GO TO OUR DEDICATED WEBSITE PAGE
AND DOWNLOAD OUR APPLICATION FORM.**

To apply, please read all our information including our terms and conditions and our governing document, available on our website at www.emergerecycling.co.uk/share-offer

Please do not invest with us without considering the full information available.

INVESTING ON BEHALF OF CHILDREN

Investors in this share offer may hold shares on behalf of somebody under the age of 16. If you wish to invest on behalf of a child, then you can do this at the end of your application process. Due to the minimum age restriction in our rules requiring people to be 16 or over to make an investment, you should also use the online nomination form.

**FOR FURTHER INFORMATION INCLUDING
FAQS, PLEASE GO TO:**

WWW.EMERGERECYCLING.CO.UK/SHARE-OFFER

**OR CONTACT EMILY OR LUCY,
EMERGE RECYCLING, MAYNARD HOUSE,
NEW SMITHFIELD MARKET, M11 2WJ.**

TEL

0161 223 8200 **OPTION 2**

or [07917 237527](tel:07917237527) or please email shares@emergerecycling.co.uk



GET INVOLVED!

#SHAREEMERGE

www.emergerecycling.co.uk/share-offer

For EMERGE Recycling Terms & Conditions - please
see our application form for withdrawable shares

