



emerge

EMERGE Recycling

Community Benefit Society FCA no. 8239

Annual Report and Financial statements

For the year ended 31st March 2023



EMERGE Recycling Limited
Directors' Report and Unaudited Financial Statements
For The Year Ended 31 March 2023

Contents

	Page
Society Information	1
Directors' Report	2—13
Accountant's Report	14
Revenue Account	15
Balance Sheet	16
Statement of Changes in Equity	17
Notes to the Financial Statements	18—21
The following pages do not form part of the statutory accounts:	
Detailed Revenue Account	22—23

EMERGE Recycling Limited
Society Information
For The Year Ended 31 March 2023

Directors

Lucy Danger
Gareth Jones
Andrew Chicken
Brigit Egan
Jayrissa Thompson
Matthew Jack
Shirley Jones
Helen Gorton
Jez Tweed
Mike Taylor

Secretary

Lucy Danger

Society Number

8239

Registered Office

Maynard House
New Smithfield Market
Manchester
M11 2WJ

Accountants

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

EMERGE Recycling Limited
Society No. 8239
Directors' Report For The Year Ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors

The directors who held office during the year were as follows:

Lucy Danger	
Glynn Oakley	Resigned 12/10/2022
Gareth Jones	
Stuart McBain	Resigned 12/10/2022
Andrew Chicken	
Brigit Egan	
Jayrissa Thompson	
Matthew Jack	Resigned 24/05/2023
Shirley Jones	
Helen Gorton	
Jez Tweed	
Mike Taylor	Appointed 12/10/2022

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Society law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under society law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In 2022-23, we successfully raised £214k through our first Share Offer, thanks to the commitment of 112 individuals and businesses. Consequently, we invested in infrastructure and renewed our focus on customer service and business performance in the changing market-place. We continued to strive for resource efficiency, whilst maximising reuse and recycling for our customers and supporting EMERGE's Group values. We broadened our business model to include more wood reuse and upcycling through our growing enterprise, Touch Wood. Our company strapline 'the more we take, the more we give' is more relevant than ever as more individuals and businesses pursue genuine sustainability by reducing their environmental impact at the same time as contributing to local, social value.

Strategic Overview

EMERGE Recycling entered its official 25th year in May 2022! We are very proud to have been inspiring change by rescuing valuable resources and improving lives in local communities for more than a quarter of a century.

As pioneers in our field, we continue to be the go-to organisation for people's waste recycling and reuse needs in Greater Manchester and beyond, giving new life to valuable resources, supporting companies and organisations to reduce their impact and create more sustainable communities.



We make it easy for our customers and partners, whatever sector they operate within, to reduce, reuse and recycle – delivering and embedding lasting change in materials management practice together with their staff, whilst ensuring essential compliance and audit requirements are fully met.

When you work with us, not only do we ensure valuable resources are reused, upcycled or recycled, but we always endeavour to do so in the most efficient and sustainable way possible.

Investment for Growth

During this financial year, EMERGE Recycling continued to contend with fall-out from the pandemic plus the challenges of wider socio-economic factors, high inflation and significantly increased operational costs. To counter these impacts, in addition to the recycling plant and equipment, we invested in a Commercial Director and additional business growth roles which have boosted our activities and income, creating opportunities to engage in partnership with Manchester City Council, large corporates like Amazon, ISG, Willmott Dixon and equally importantly, local community groups and schools.



Our investment in recycling plant and equipment began to generate modest returns. Our challenge is to continue to fill the capacity we've created with more material volume. More space in our depot, a bigger bin truck and better shredding and baling equipment are all contributing to our growth plan.



We built the foundation for expanding our processing capabilities in Maynard House, installing our Recycling Depot in to 'Unit B' at the rear end of the building at a cost of £204k. The new operation has now bedded in, significantly improving health and safety having created a separate, dedicated entrance for our staff, customers, fleet and suppliers; crucially, also the systems enabling security compliance (ISO9001 & BSEN15713).

The image left shows baled paper and cardboard in Unit B along with stacks of ply-board which are being held in stock and sold for reuse.

Here is the bin truck we purchased thanks to our shareholders... A great advert for all our services!

The bin-lifting capacity provided has gradually begun to be filled as we strive to expand the rounds; we also have the facility to weigh individual bins, to assist customers with waste reduction initiatives.

In addition to growing our confidential document shredding throughput, we now have literally tonnes of capacity for cardboard, metal, plastics and potentially, IT equipment.



In May 2022, we moved Touch Wood from its previous dark, cold, cramped units over to Units F26-30, opposite Maynard House. It took several months to begin to make best use of this space as we reorganised whilst simultaneously expanding our upcycling activities through commissions and timber sales.

It has proved well worth the time and effort to create a much improved workshop space for our team and customers, as well as giving us a decent sized yard to store more wood for resale.

Performance

Our activities continue to be driven by EMERGE Group's vision, to work hard and make our world a better place creating positive long term impacts. Our shared mission, together with our sister charity, EMERGE 3Rs, was brought to life this year, through a series of 'values' workshops with our colleagues in which we considered the behaviours we hope to expect from our staff and volunteers. Working together we seek to make a real difference by:

- Rescuing valuable resources
- Inspiring change
- Improving Lives

As a Community Benefit Society, EMERGE Recycling offers benefit to the wider community through our provision of sustainable waste management services, also by managing and repurposing redundant wood and supporting volunteers through training and employability.

Blended office and home working seemed to have become a new way of life and our business model was forced to adapt accordingly. During COVID inevitably our income dropped by 45% and only recovered to 87% in 2022-23. This, combined with ongoing reductions in many customer accounts due to remote working, has significantly impacted upon our operational economies of scale.

Demand from our existing customers remains steady and we have devised a dynamic focused sales and marketing plan with various campaigns and initiatives underway to support the ongoing recovery in order to win new business in 2023-24. We began developing a plan for proactive customer retention and growth in 2022, including a targeted approach to key sectors and building on existing and prior years' relationships within Education, Housing Associations and Construction.

Meanwhile, we made efficiencies in our other rounds, enabling us to take on collections in Liverpool, thanks to FRC/Bulky Bobs. Our services across Manchester and Liverpool have continued to gradually 'grow back'.



Our efforts around IT and waste electrical collections were bolstered as Material Focus (campaign title Recycle Your Electricals) agreed to extend our funding due to the reduction in activities possible during COVID.

We took part in a series of community events attending markets, festivals and a range of locations to engage the public in bringing their redundant equipment for reuse and recycling. Here's volunteer Tom helping on a stall.

Social Impact

EMERGE Recycling

EMERGE Recycling continues to generate significant social impact for individuals and communities across Greater Manchester. In 2022/23 it created approximately £402,480 of social value, based on every £1 invested in EMERGE Recycling, generated around £1.17 of additional social value. This is

represented by the jobs created, the apprenticeships supported, the volunteers who give their time and dedication to the organisation, the ongoing training and personal development provided by EMERGE Recycling as well as the savings made by diverting 627 tonnes of paper, cardboard and other dry recyclables from going to landfill¹. This saved the equivalent of 596 tonnes of CO2.

Touch Wood

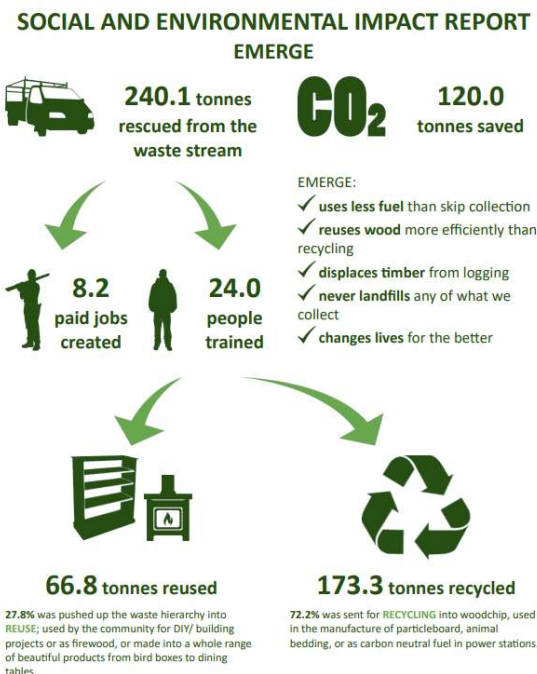
Our Partnership with National Community Wood generated 240 tonnes of wood rescued in 2022/23 saving 120 tonnes of CO2. Our local wood collections for the first time out performed our national work due to our Amazon project by rescuing over 400 tonnes of wood from around Greater Manchester and the North West.

Where does wood waste come from?

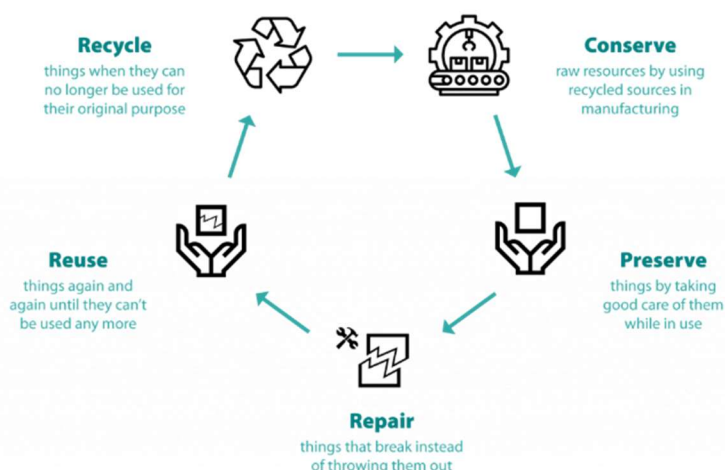
In 2020 the UK generated around 4.5 million tonnes of waste wood. This wood comes from a number of different sectors, including construction, demolition, manufacturing and wood processing. In addition, households produce huge quantities of waste wood that end up at local Council-run recycling centres and of course, waste pallets by the million and a large quantity of wooden packaging waste are produced right across every sector of the economy.

Where does waste wood go?

Until NCWRP and its partners got involved, much of this ended up in landfill – a shameful way of dealing with a potentially valuable resource, where it just rots and releases methane and other gasses that contribute to climate change. Thankfully over the last 20 years' things have changed and in 2020 around 4 million tonnes of waste wood was recycled. The best thing that can happen to waste wood, like any resource, is that it is reused and Touch Wood reuse waste timber.



MOVING TOWARDS A CIRCULAR ECONOMY BY REUSING MATERIALS WITH COMMUNITY WOOD RECYCLING



Touch Wood is also a part of something bigger: As well as being a national charity, 'Community Wood Recycling' represents a nationwide network of social enterprises like EMERGE, that collect and reuse waste wood in the most environmentally beneficial way whilst creating jobs and training for disadvantaged people. In 2021, the combined network achieved the following:

Rescued	Recycled	Reused	Saved
23,952	14,256	9,696	12,000
tonnes of wood from the waste stream	tonnes of wood waste	tonnes of wood waste	tonnes of CO ₂

¹ Extrapolated from The Connectives EMERGE Recycling's Social Impact Report, 2021. Copies available from our office.

One of the highlights from 2022/23 was when we partnered with Willmott Dixon to build a new sheltered workshop for the Petrus Housing - Incredible Edibles – Homeless people transitioning into homes. The Rochdale Project (PIER) PIER provides meaningful activity for homeless people to improve their health and wellbeing, helping them to engage with the wider community and enabling them to gain skills and experience.

We were delighted to be invited by Willmott Dixon to use reclaimed timber to build a structure for such a worthwhile project. We were able to work with the volunteers at PIER to design the benches for the workshop, giving them a chance to make their own contribution. The finished workshop is a real team effort, every member of the Touch Wood team contributed to this job, and everyone involved can be very proud of what they have created.



Our People

We were very sad to say goodbye to Carlton Gayle, long term Workshop Supervisor, having started with us as a volunteer. Carlton's lovely manner, impressive work ethic and high level of carpentry skills positively impacted upon everyone in the wider EMERGE Group, customers and suppliers alike.

Lucky for Touch Wood, Chris Tun, another long term volunteer and member of staff, stepped up, enabling us to continue run an effective wood workshop and timber yard. We maintained staffing levels with Chris, Declan Coppock, Adam Green and Neal working hard to increase the workshop productivity and quality of our products. Touch Wood managed to increase volunteer hours by 23% with the help of our wonderful volunteering department.

We are hugely grateful to Glynn Oakley and Stuart McBain, both of whom served for many years as Non-Executive Directors on our Board and who stood down in October 2022. On a positive note, Mike Taylor, Commercial Director agreed to join the board at the AGM, bringing many years of sales, marketing and strategic account management experience gained in large corporates and academia.



Stephen McHale was promoted to Recycling's Operations Manager assuming line management responsibilities for many of the operational staff. This enabled Gareth to step away from day-to-day operations and assist in overseeing operations at a more strategic level to drive efficiencies and performance in line with our Share Offer commitments.

In 2022/23 we also invested in an additional business development role, Luca Cicchelli, who supported Mike in the office 4 days a week, helping to increase local wood collections and grow the



number of corporate and community commissions being 'hunted' and successfully converted. Luca brings a creative aspect to the team with his technical drawing and architecture expertise, customers respond very well to his illustrations, especially when designing outdoor places, a market we are looking to exploit in the coming year.

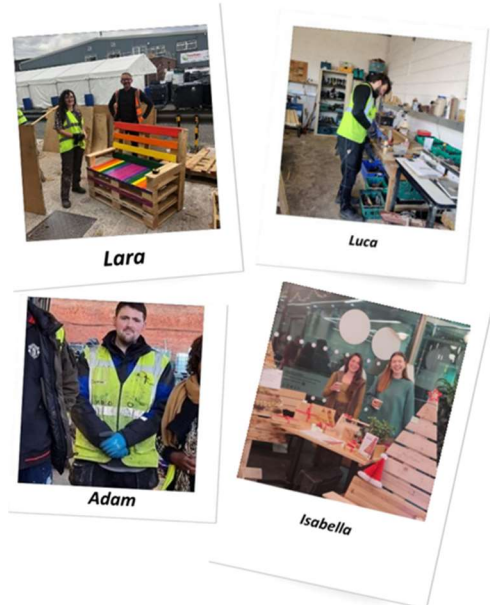
Left: Luca with our Treasurer, Shirley, her partner and their new cat home!

Volunteering, Work Experience & Employability

During 2022, we were delighted to be a partner in One Manchester's Green Jobs Scheme which provided funding for five traineeships in Touch Wood, for 6 months. This enabled us to train and engage the young job-seekers in on-the-job experience and gain accredited qualifications in joinery skills and forklift truck driving. the Green Jobs Scheme was an unanticipated cost however, we gained a grant to pay for trainees, therefore there was a net benefit.

Given the quality and ambition of the trainees we took on, we decided to retain the majority of them in a range of roles, from joiner/carpenter in the Touch Wood workshop, to Customer Account and Business Development Coordinator.

In the year Touch Wood had the benefit of 23 volunteers who gained training and work experience; Recycling had 2 volunteers working on the waste electrical project. Together they contributed 915 hours 😊



Financial Performance

By managing costs as tightly as we could, investing in and working hard to sustain and develop our income streams in 2022/23, we broadly mitigated the financial effects caused by the downturn and wider economic challenges. Compared with our Share Offer Business Plan, here are the results:

	Share Offer		Actuals		Achieved
	22/23		22/23		22/23
	£ '000		£ '000		%
Income					
Material Sales	103		103		100%
Recycling Services	632		447		71%
Wood Workshop	93		243		261%
Grants & Other income	0		78		
Total	828		871		105%
Expenditure					
Direct Costs	531		585		110%
Indirect Costs	270		297		110%
Other Costs	0		21		
Total	801		903		113%
Surplus/Deficit	27		-32		

Disappointingly we finished the year with a loss due to the overall increase in costs and less income than we originally planned for, in our Recycling Services. However, thanks to the support we gained through the Community Share Offer, our balance sheet position was £181,589.

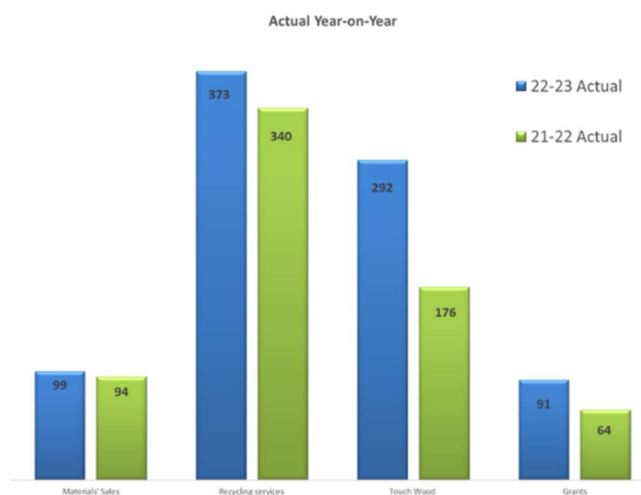
EMERGE's Recycling Services achieved a 9.7% increase in turnover compared to the previous year whilst Touch Wood made a huge increase in income and activities, thanks to a major one-off project of £148k, resulting in a first-time cost-centre profit, as well as operating on a full-cost recovery basis.

In terms of expenditure, we committed to the Real Living Wage for lowest paid team members in 2022/23 and going forward, to year on year enhancements, also meeting inflationary increases for all wages as far as feasible. We are fully committed to maintaining this support to staff; undoubtedly this contributed in part, towards the 16% overall increase in our direct salary costs in the period.

Notably, equipment and repairs were up by 42% compared to the previous year; insurance and depreciation costs increased by 30% and 25% respectively, whilst external contracts (subcontractors and waste disposal) were up 16%. Indirect costs of an additional 32% reflect our commitment to EMERGE's new HQ building and the inherent opportunities for the Group to grow and thrive as well as the increased costs of our new Business Development team.

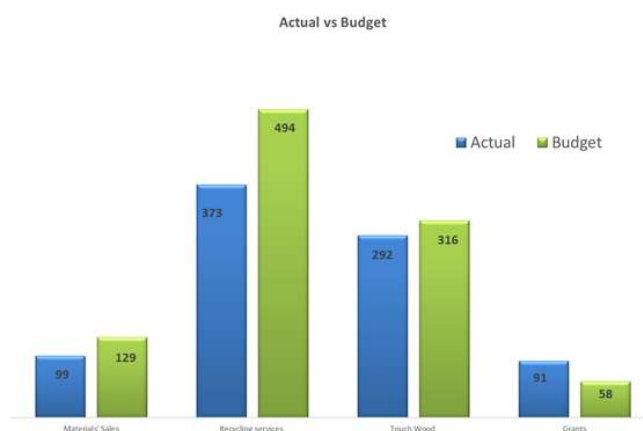
Income highlights:

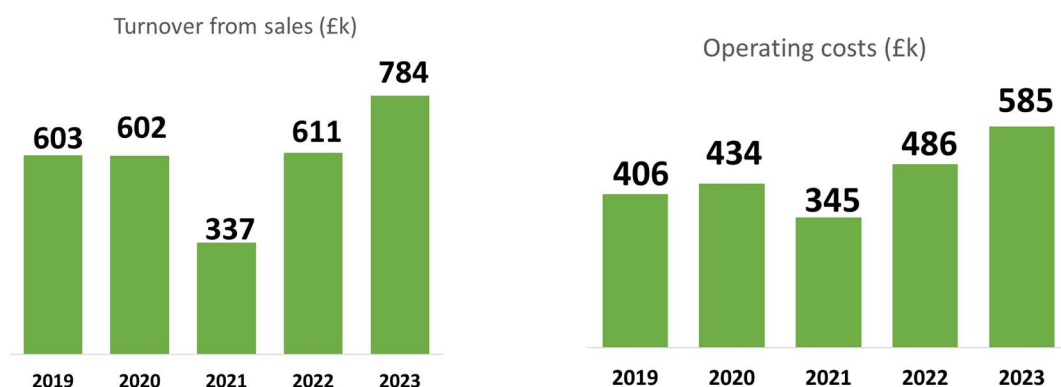
- Touch Wood (workshop and collections) generated an impressive increase in revenue from £176k last year to £292k, hence 66% growth - the workshop increased by 132%.
- A disappointing reduction in wood collections through NCWRP were fortunately made up by local wood collections in this period.
- Grants significantly contributed to turnover, increasing to £91k, 42% more than 2021/22.
- Material sales were affected by lower volumes than hoped for, albeit we saw an increase of 5.3% in income compared to 2021/22.



Expenditure:

- Wages – 15% overrun against budget; Touch Wood major project costs in part (funded).
- Vehicle overheads - various failures due to ageing fleet and consequent rentals, partially resolved as bin truck purchased.
- Overall costs increased by 32%, biggest culprits other than wages were depreciation, insurance, external contracts and indirect costs.





The turnover position for Recycling remains healthy with a 28% increase on sales excluding grant income during 2023 with a focus on broadening the customer base. Operationally Recycling and Touch Wood are in a solid position to grow and develop in line with increased sales.

Fixed Assets:

The increase in fixed assets reflects the purchase of new equipment, following our community share offer, mainly for recycling's operations, some Touch Wood equipment and the move into Maynard House.

	31/03/2023 £	31/03/2022 £	
FIXED ASSETS			
Tangible Fixed Assets	250,286	38,375	552%
Net Book Value	<u>250,286</u>	<u>38,375</u>	

Future Plans

In the coming year we plan to recover our position enhancing our income generation by creating momentum through customer retention, customer referrals and upselling as well as securing new business. We will also be concentrating on controlling operating costs, resource deployment and the wider general business efficiencies to improve profitability.

Our target sector approach to new business will ensure we are investing our time and effort into the right opportunities in the right locations.

The future is bright for REAL Recycling. Anecdotally, we are receiving feedback from customers who are challenging their current waste providers who collect mixed recycling bins and general waste bins in the same vehicle yet they maintain 'everything is recycled'! Our source-

segregation model has always insisted on 'clean stream' recycling giving us an excellent opportunity to leverage the 3Rs philosophy and encourage our customers to genuinely save costs by reducing waste wherever possible.

Touch Wood will continue to strive for growth in timber collections, timber sales and product



commissions. We will focus on improving productivity whilst also improving the quality of our products. Our new wood yard has given us the capacity for storage of high volumes of external timber, this coming year we also will maximise the use of our internal storage by improving our inventory systems and stock control.

We plan to build on the successful increase this year in building outdoor areas for customers. The Kellogg's and Petrus projects have given us the experience to learn additional skills and gain a greater understanding of the outdoor build risks and opportunities.

With Gratitude to our Supporters, Customers, Staff & Volunteers

An enormous thank you to all our shareholders for supporting our Community Share Offer. Huge thanks to our customers for their loyalty and for using our services, from EMERGE Recycling and Touch Wood. Special thanks for specific help to Colin & Kerrie (Belsize Garage), Brian Skeer (BS Diesels), Jez Culley (JRC Plant), Dave and all the team at HDM Engineering, all our merchants; Glynn Oakley & Recycle My Office, Concept Management, Catherine Grayson, FSquared.

Thanks also to Anne Woolhouse & Resonance (SESF), Co-ops UK, Material Focus and the WEEE fund, GMCVO & Access to Growth Fund, to CAF for supporting volunteering & employability, One Manchester and the Kickstart programme. Also to our auditors Third Sector Accountancy for their advice and support throughout the year.

Touch Wood would like to make a special mention to the following, for their support across the year and ongoing: Kellogg's, The University of Salford, Steve Hannon Manchester City Council (The Town Hall project), Axminster Tools, Lyndon Scaffolding, ISG and Amazon, GMCA, Salford Foundation, The Proud Trust (LGBTQ Centre Manchester), Mark Irwin & Interspan Freight, the National Community Wood Recycling Project, the Manchester Peoples History Museum. Also a big thank you to ENVA our local wood recycling partners.

None of this would be possible without our staff, volunteers and Board of Directors, thank you for all your hard work, loyalty, time and commitment, each and every one.

Risk report

Effective risk management underpins the future success of Recycling and goes hand in hand with our growth strategy. Ensuring that risk management operates within the risk appetite set by the Board and is supported by a robust risk management process that ties into our commitment to ISO 9001, BSEN 15713, BSIA (British Security Industry Association) membership and Safe Contractor accreditation.

Principal risks

The principal risks are those risks that the Board and Executive committee feel are key to the survival of Recycling and are monitored closely to ensure they do not materialise or to mitigate impact and adapt to change if required.

Principal risks reflect the most fundamental risks to which Recycling is exposed. There will be some risks that are taken where the risk is reduced with mitigating controls, other risks are inherent to the way the business works and some risks the business will not tolerate within the risk appetite framework.

The assessment of principal risks is informed by current macro political, economic and environmental factors.

Principal Risk	Impact	Mitigation
Health and Safety in workplace	Moderate	<ul style="list-style-type: none"> • Health and Safety sub-committee regularly meet • Appointment of a Group wide and company specific Health and Safety Officer to oversee and resolve issues. • Clear Health and Safety policy with employee training and awareness programme • RAMS in place for all activities and reviewed as needed, regularly. • Equipment and systems in place, maintained, checked regularly and monitored appropriately.
Safeguarding for Staff, Volunteers, Beneficiaries and Customers	Moderate	<ul style="list-style-type: none"> • External professional advice where necessary, including contract with Work Nest, HR advisors • Clear Safeguarding policy with employee training and awareness programme • Knowledge and experience of supervisors to ensure compliance
People – Attraction, Succession and Retention	Major	<ul style="list-style-type: none"> • Recruitment of driver collectors (particularly Class 2 HGV) - a skills shortage in the UK, partially due to Brexit, has led to a 15-30% increase in wage expectations. • Regular team meetings to flush out issues, mitigate • Staff training and induction programme • Development of a dedicated people function and surrounding policies
Income Generation	Major	<ul style="list-style-type: none"> • Our client base downsizing or moving to managed premises where costs are lower/fixed with recycling & waste management included in their service charge – identify new sectors and opportunities, ongoing • Monthly review of Financial Position • Oversight of Finance sub-committee • Budget ownership and control with the management team and key staff • Ensuring there is a mixed income stream • Development of reserves to cover a period of costs
Business Resilience to ensure continued operations	Moderate	<ul style="list-style-type: none"> • Regular reviews of internal systems • Steering Groups approach to project management utilising Board expertise • Clear Health and Safety policies • Staff training and awareness • Availability of both new & good quality second-hand vehicles - due to a combination of global supply chain issues and businesses looking to retain vehicles beyond their 'normal' operating lives.
Macro-economic factors	Moderate /Major	<ul style="list-style-type: none"> • Availability of Timber – with margins in the construction industry being squeezed due to the price of material, in particular timber, soaring Quantity Surveyors are scrutinising

		<p>rescued timber leaving site via the National Builder's Collection Scheme run by NCWRP. This has led to a reduction in both the volume & quality of the material we received impacting both collection fees and wood sales at the Touch Wood Workshop.</p> <ul style="list-style-type: none"> • Monthly review of Management Accounts • Regular horizon scanning of the macro-economic environment • Maintain good relations with key stakeholders including customers • Awareness of the environment including new / emerging competitors
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Strategic and emerging risks

These are forward looking risks where the likelihood and impact are difficult to quantify and the risks have not yet crystallised. These risks change annually and are updated according to the operational environment.

Risk	Definition
Further variants of a SARS-COVID virus	The impacts from further mutations of the existing virus and/or further viruses leading to global remediation.
Regulatory and/or Legal change	Regulatory or legal developments may adversely impact EMERGE.
Political and Economic change	Changes in the macro-economic environment to which EMERGE is exposed including a new Government with a different focus and direction
Competitive environment	Emergence of new players in the market.
Technology advancements	Risks that arise from operating in a technology driven world including cyber-crime and system outages.

On behalf of the board



Lucy Danger

Director

Date 20 / 12 / 2023

**EMERGE Recycling Limited
Accountant's Report
For The Year Ended 31 March 2023**

Independent reporting accountant's report to the Directors on the unaudited accounts of Emerge Recycling Limited

We report on the accounts for the year ended 31 March 2023 set out on pages 15 to 21.

Respective responsibilities of the committee of management and the independent reporting accountant

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for year ended 31 March 2023 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 March 2023 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Signed

Third Sector Accountancy Limited

Date 20 / 12 / 2023

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

EMERGE Recycling Limited
Revenue Account
For The Year Ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER		871,101	692,276
Cost of sales		(585,484)	(486,313)
GROSS SURPLUS		285,617	205,963
Administrative expenses		(297,433)	(200,312)
OPERATING (DEFICIT)/SURPLUS		(11,816)	5,651
(Deficit)/surplus on disposal of fixed assets		(5,952)	137
Interest payable and similar charges		(14,709)	(4,873)
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(32,477)	915

The notes on pages 18 to 21 form part of these financial statements.

EMERGE Recycling Limited
Balance Sheet
As At 31 March 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	4		741		1,187
Tangible Assets	5		249,390		37,186
			250,131		38,373
CURRENT ASSETS					
Stocks	6	18,961		8,001	
Debtors	7	189,819		174,514	
Cash at bank and in hand		42,686		76,112	
		251,466		258,627	
Creditors: Amounts Falling Due Within One Year	8	(206,028)		(215,840)	
NET CURRENT ASSETS (LIABILITIES)			45,438		42,787
TOTAL ASSETS LESS CURRENT LIABILITIES			295,569		81,160
Creditors: Amounts Falling Due After More Than One Year	9		(113,980)		(40,273)
NET ASSETS			181,589		40,887
RESERVES					
Called up share capital	11	214,630		41,451	
Revenue Account		(33,041)		(564)	
MEMBERS' FUNDS			181,589		40,887

The notes on pages 18 to 21 form part of these financial statements.

For the year ending 31 March 2023 the society was entitled to disapply the requirement to have its financial statements for the financial year audited. The members passed a resolution in general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board on 20 / 12 / 2023 and signed on their behalf by:

A R Chicken

 (Andrew Chicken, Director)

Shirley Jones

 (Shirley Jones, Director)



 (Lucy Danger, Director & Secretary)

EMERGE Recycling Limited
Statement of Changes in Equity
For The Year Ended 31 March 2023

	Share Capital	Revenue Account	Total
	£	£	£
As at 1 April 2021	9	(1,479)	(1,470)
Profit for the year and total comprehensive income	-	915	915
New shares issued to members	41,442	-	41,442
As at 31 March 2022 and 1 April 2022	41,451	(564)	40,887
Loss for the year and total comprehensive income	-	(32,477)	(32,477)
New shares issued to members	173,180	-	173,180
Members' shares cancelled	(1)	-	(1)
As at 31 March 2023	214,630	(33,041)	181,589

EMERGE Recycling Limited
Notes to the Financial Statements
For The Year Ended 31 March 2023

1. General Information

EMERGE Recycling Limited is a community benefit society, limited by shares, registered with the FCA (Financial Conduct Authority) in the United Kingdom, registered number 8239. The registered office is Maynard House, New Smithfield Market, Manchester, M11 2WJ.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

The financial statements are presented in GBP and values are rounded to the nearest pound.

2.2. Going Concern Disclosure

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the society's ability to continue as a going concern.

2.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services, and grants receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Grants

Grants are recognised in income in an appropriate manner that matches them with the expenditure towards which they are intended to contribute. Grants for immediate financial support or to cover costs already incurred are recognised immediately in the revenue account. Grants towards general activities of the entity over a specific period are recognised in the revenue account over that period. All grants in the revenue account are recognised when all conditions for receipt have been complied with. Grants received before conditions are complied with are shown on the balance sheet as liabilities.

2.4. Intangible Fixed Assets and Amortisation - Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the separable net assets. It is amortised to revenue account over its estimated economic life of 2 years.

EMERGE Recycling Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

2.5. Intangible Fixed Assets and Amortisation - Other Intangible

Website development costs are amortised to the revenue account over the estimated useful economic life of the website, at 33% per annum using the reducing balance method.

2.6. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	4-33% reducing balance method
Motor Vehicles	20-25% reducing balance method

2.7. Leasing and Hire Purchase Contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the society. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the revenue account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the revenue account as incurred.

2.8. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

3. Average Number of Employees

Average number of employees, including directors, during the year was: 22 (2022: 16)

4. Intangible Assets

	Goodwill	Other	Total
	£	£	£
Cost			
As at 1 April 2022	14,300	2,940	17,240
As at 31 March 2023	14,300	2,940	17,240
Amortisation			
As at 1 April 2022	14,300	1,753	16,053
Provided during the period	-	446	446
As at 31 March 2023	14,300	2,199	16,499

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EMERGE Recycling Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

Net Book Value

As at 31 March 2023	-	741	741
As at 1 April 2022	-	1,187	1,187

5. Tangible Assets

	Equipment	Motor Vehicles	Total
	£	£	£
Cost			
As at 1 April 2022	67,379	63,201	130,580
Additions	163,384	80,279	243,663
Disposals	(1,873)	(15,947)	(17,820)
As at 31 March 2023	228,890	127,533	356,423
Depreciation			
As at 1 April 2022	50,106	43,288	93,394
Provided during the period	10,338	9,942	20,280
Disposals	(1,648)	(4,993)	(6,641)
As at 31 March 2023	58,796	48,237	107,033
Net Book Value			
As at 31 March 2023	170,094	79,296	249,390
As at 1 April 2022	17,273	19,913	37,186

6. Stocks

	2023	2022
	£	£
Finished goods	18,961	8,001
	18,961	8,001

7. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	169,658	161,377
Prepayments and accrued income	1,573	13,024
Other debtors	18,588	113
	189,819	174,514

EMERGE Recycling Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

8. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Net obligations under finance lease and hire purchase contracts	-	1,990
Trade creditors	96,599	95,753
Bank loans and overdrafts	11,021	9,691
Other loans	27,411	4,396
Net wages	7,086	15,197
Taxation and social security	38,200	54,177
Pension Contribution Payable	781	896
Accruals and deferred income	24,930	33,740
	<u>206,028</u>	<u>215,840</u>

9. Creditors: Amounts Falling Due After More Than One Year

	2023	2022
	£	£
Bank loans	26,359	37,168
Other loans	87,621	3,105
	<u>113,980</u>	<u>40,273</u>

10. Obligations Under Finance Leases and Hire Purchase

	2023	2022
	£	£
The future minimum finance lease payments are as follows:		
Not later than one year	-	1,990
	<u>-</u>	<u>1,990</u>
	<u>-</u>	<u>1,990</u>

11. Share Capital

	2023	2022
	£	£
Members' shares	10	11
Community shares	214,620	41,440
	<u>214,630</u>	<u>41,451</u>

Member shares have a nominal value of £1 and are non-transferable shares which are withdrawable at the discretion of the board. The shares confer membership of the society, and entitle the member holding shares to a vote at the Annual General Meeting, on the basis of one member, one vote. Interest may be paid on the shares at the discretion of the board. In the event of the society being wound up, shareholders are only entitled to repayment of their shares (assuming sufficient funds are available) and not to any distribution of the residual assets.

12. Capital Commitments

	2023	2022
	£	£
At the end of the period	-	78,200

The society had capital commitments contracted for but not provided in these financial statements as noted above.