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For immediate release

## **Taxman backs Cotswolds recycling project with 50% relief scheme**

Community R4C, a small Community Benefit Society in Stroud, Gloucestershire, has been approved for the Treasury's Seed Enterprise Investment Scheme. The scheme is "designed to help small, early-stage companies raise equity finance". It offers 50% tax relief on individual investments in qualifying enterprises.

This means a taxpayer investing £1,000 in an SEIS company may claim a reduction on their previous year's tax bill of £500 as an immediate refund from HMRC. Once their investment has been in place for 3 years, investors may withdraw the original figure (funds permitting), thus making a net gain of £500.

Community R4C's *Trash to Treasure* share offer is raising funds to support circular economy and waste education projects in Gloucestershire. The first of these is a recycling plant alternative to a controversial planned incinerator in the district. The share offer's initial target of £30K has already been met and a stretch target of £50K applied – see [tinyurl.com/cr4cshares](http://tinyurl.com/cr4cshares). The project has been backed by over 100 investors including a number of celebrities - actor Jeremy Irons, environmentalist and writer Jonathon Porritt CBE and journalist chef Hugh Fearnley-Whittingstall (see [crowdfunder.co.uk/user/hughfw/](http://crowdfunder.co.uk/user/hughfw/)).

Sue Oppenheimer of Community R4C said "This project is all about doing the right thing with our waste and avoiding valuable resources going up in smoke - but to be able to offer a significant tax advantage to investors at the same time is the icing on the cake. There's a kind of poetic justice to it as well: the incinerator was approved by central government against huge local opposition and overturned a unanimous planning refusal. Now the same government is financially supporting us to create a new flexible model of treating waste that will make incineration obsolete."

Ends

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## EDITOR'S NOTES

### 1 About CommunityR4C

CommunityR4C is a Community Benefit Society registered in 2016. Its objectives are:

*The protection and preservation of the environment for the public benefit by: (a) the promotion of waste reduction, re-use reclamation, recycling, use of recycled products and the use of surplus; (b) advancing the education of the public about all aspects of waste generation, waste management, waste recycling and the resource circular economy; and (c) the promotion of such other activities and initiatives that contribute to and stimulate the development of a local resource circular economy.*

Community R4C aims to create local economic, social and environmental value by mobilising public support for RR4C (a privately funded commercial company with whom we have a contract) to build and operate an advanced recycling facility, returning savings and other financial benefits to CR4C and the local community.

Watch our animation here:

<https://www.youtube.com/embed/kf3ljfYKZg4>

### 2 About SEIS

#### Overview from HMRC

The Seed Enterprise Investment Scheme (SEIS) is designed to help small, early-stage companies raise equity finance by offering tax reliefs to individual investors who purchase new shares in those companies. It complements the existing Enterprise Investment Scheme (EIS) which offers tax reliefs to investors in higher-risk small companies. SEIS is intended to recognise the particular difficulties which very early stage companies face in attracting investment, by offering tax relief at a higher rate.

SEIS applies for shares issued on or after 6 April 2012. The rules have been designed to mirror those of EIS as it is anticipated that companies will go on to use EIS after an initial investment under SEIS.

#### Income Tax reliefs

Income Tax relief is available to individuals who subscribe for qualifying shares in a company which meets the SEIS requirements, and who have UK tax liability against which to set the relief. Investors don't need to be UK resident.

The shares must be held for a period of 3 years, from date of issue, for relief to be retained. If they are disposed of within that 3 year period, or if any of the qualifying conditions cease to be met during that period, relief will be withdrawn or reduced.

Relief is available at 50% of the cost of the shares, on a maximum annual investment of £100,000. The relief is given by way of a reduction of tax liability, providing there is sufficient tax liability against which to set it. A claim to relief can be made up to 5 years after the 31 January following the tax year in which the investment was made.

### 3 About the Community Share Scheme

[www.crowdfunder.co.uk/trash-to-treasure-community-r4c-3](http://www.crowdfunder.co.uk/trash-to-treasure-community-r4c-3)

Investment in Community R4C supports the aims of the business, ie to stimulate a local circular economy – the short term by providing a viable alternative to incineration for the treatment of Gloucestershire waste. An investment in CR4C is an investment which will deliver benefits to the wider community, including non-members. The Company is offering subscription in the form of withdrawable shares, called Community Shares. The minimum individual subscription is £100.

'Community shares' is a term used to describe non-transferable, withdrawable share capital in an asset-locked entity; a form of equity unique to society legislation. Shareholders have the right to withdraw their share capital, subject to the terms and conditions stated in the society's rules and share offer document. They

cannot sell or transfer their shares to a third party in order to achieve a capital gain from their investment in share capital.

<http://communityshares.org.uk/resources/handbook>

#### **4 The R4C Recycling Plant**

The recycling plant will use the latest MBHT (mechanical, biological and heat treatment) technology to extract valuable material such as plastics, glass and precious metals from the Gloucestershire's residual or 'black bag' waste. It is calculated that 92% of it can be usefully recovered or recycled instead of incinerating the untreated waste or sending it to landfill.

The MBHT plant will be commercially funded and operated and, after community investors have been repaid, a share of all profits from the plant will revert to CommunityR4C to fund a 'community chest' to be used for local projects. The plant is expected to be operational in 2018.

The R4C recycling plant will be operational in 2018 and will put the valuable resource in residual or 'black bag' waste at the centre of a sustainable circular economy for Gloucestershire. Best in class waste treatment technology provided under a free community licence will recover valuable materials such as metals, glass and plastics and produce >90% biomass fuel pellets. No more than 8% of treated waste will remain for disposal by landfill or incineration.