

**Company Registration No. 4698093
(England and Wales)**

ACCELERATING GROWTH FUND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014



ACCELERATING GROWTH FUND LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2
Directors' report	3 - 4
Independent auditor's report to the members	5 - 6
Income and expenditure account	7
Balance sheet	8
Notes and accounting policies	9 - 13

ACCELERATING GROWTH FUND LIMITED

COMPANY INFORMATION

Directors

P Stone
S Creed
L Goodwin
M Gover
J Lea

Secretary

J Lea

Registered office

The Old Academy
21 Horse Fair
Banbury
Oxfordshire
OX16 OAH

Company number

4698093

Auditor

KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Bankers

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Barclays Bank plc
Barclays House
PO Box 1500 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Royal Bank of Scotland
St Andrew's Square
Edinburgh
EH2 2AD

Lloyds Bank plc
Faryners House
25 Monument Street
London
EC3R 8BQ

ACCELERATING GROWTH FUND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

The company manages funds for investment to support the recycling and re-use sectors.

The company has been provided with funding, principally by Defra via its parent company the Waste and Resources Action Programme, to operate a number of loan funds. Residual funding is ultimately repayable to the Government funder when the objectives of the loan funding programmes have been achieved.

The principal loan funds are:

- The Anaerobic Digestion Loan Fund (ADLF), a £10m fund that offers direct financial support to organisations that are interested in building AD capacity in England in order to provide digestate of sufficient quality for a variety of UK markets and to generate renewable energy in the form of biogas through the diversion of food waste and other organic resources from landfill. The aim is to support 300,000 tonnes of annual capacity by the end of 2015.
- The Mixed Plastics Loan Fund (MPLF) is a £3.8m fund designed to support the development of new mixed plastics capacity in England. The fund aims to support 100,000 tonnes of annual capacity to divert mixed plastics packaging from landfill by the end of 2015.
- The Rural Community Renewable Energy Loan Fund (RCREF) was established with the objective of providing funding to rural communities to conduct feasibility studies into renewable energy schemes. The scheme was set up with funding of £15m in March 2013 and launched in May 2013.
- The Waste Prevention Loan Fund (WPLF) was established with funding of £1.5m to enable organisations to introduce business models and processes that make more efficient use of material resources.

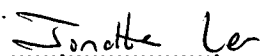
The funds provide financial support to businesses at start up and in the early stages before they are able to obtain finance from the credit markets. The principal risks relate to the high commercial risks of lending to businesses which are in the very early stages of development.

New loans of £1,545k have been made during the year.

During the year one of the companies that the Accelerating Growth Fund Ltd had provided finance to, Re PET Limited, went into administration and the assets have been sold on as a functioning reprocessing facility. The equity investment of £275,000 has been impaired and the outstanding loan of £102,086 has been written off.

Total loans outstanding on the 31 March 2014 were £3,991k.

On behalf of the Board



J Lea
Director

ACCELERATING GROWTH FUND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

Directors

The following directors have held office during the period:

P Stone

S Creed

L Goodwin

M Gover

J Lea

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



J Lea

Director

ACCELERATING GROWTH FUND LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2014

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

ACCELERATING GROWTH FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCELERATING GROWTH FUND LIMITED

We have audited the financial statements of Accelerating Growth Fund Limited for the year ended 31 March 2014 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACCELERATING GROWTH FUND LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCELERATING
GROWTH FUND LIMITED (continued)
FOR THE YEAR ENDED 31 MARCH 2014**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

B. J. Stapleton 15 July 2014

Benjamin Stapleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

ACCELERATING GROWTH FUND LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
Incoming resources			
Grant from parent company		-	15,000,000
Fee income		39,660	25,282
Total incoming resources		<u>39,660</u>	<u>15,025,282</u>
Resources expended			
Direct income /(expenditure)		<u>666</u>	<u>(7,653)</u>
Administration expenses		<u>(8,266)</u>	<u>(15,000,707)</u>
Operating surplus		<u>32,060</u>	<u>16,922</u>
Interest receivable	2	<u>401,878</u>	<u>472,877</u>
Operating surplus on ordinary activities before taxation		<u>433,938</u>	<u>489,799</u>
Taxation on surplus on ordinary activities	3	<u>(92,428)</u>	<u>(113,490)</u>
Surplus for the financial year	4	<u>341,510</u>	<u>376,309</u>
Balance brought forward		<u>6,159,965</u>	<u>5,783,656</u>
Balance carried forward at 31 March		<u>6,501,475</u>	<u>6,159,965</u>

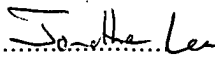
There are no deficits or surpluses for the period other than those reflected above. All activities are continuing.

The notes on pages 9 to 13 form part of these financial statements.

ACCELERATING GROWTH FUND LIMITED**BALANCE SHEET
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
Fixed assets					
Investments	5		-		275,000
Current assets					
Debtors due after more than one year	6	3,070,321		2,432,255	
Debtors due within one year	7	931,058		742,148	
Short term investments	8	27,111,256		12,507,756	
Cash at bank and in hand		3,746,785		18,935,297	
		<u>34,859,420</u>		<u>34,617,456</u>	
Creditors: Amounts falling due within one year	9	(604,521)		(116,490)	
Net current assets			34,254,899		34,500,966
Total assets less current liabilities			34,254,899		34,775,966
Provision for liabilities and charges	10		(27,753,422)		(28,616,000)
Net assets			<u>6,501,476</u>		<u>6,159,966</u>
Capital and residual interest					
Called up share capital	11		1		1
Residual interest	12		6,501,475		6,159,965
			<u>6,501,476</u>		<u>6,159,966</u>

The financial statements were approved by the Board on June 2014 and signed on its behalf by


J Lea
Director

Company Registration No. 4698093

The notes on pages 9 to 13 form part of these financial statements.

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2014

1. Basis of financial statements and accounting policies

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 7 to 13 and which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of The Waste and Resources Action Programme, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly-owned within the group. The consolidated financial statements of The Waste and Resources Action Programme, within which this Company is included, can be obtained from the address given in note 12.

These accounts have been prepared on the going concern basis, which assumes the Company will continue to trade without significant curtailment for the foreseeable future. Confirmation has been received from The Waste & Resources Action Programme, that it will provide such support as Accelerating Growth Fund Limited requires to enable it to meet its liabilities as and when they fall due for a period not less than one year from the date of approval of these financial statements.

1.1 Income

Revenue grants receivable are credited to the Income and Expenditure Account in the period in which the funding is receivable.

1.2 Expenditure

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation.

1.3 Interest Income

Loan interest income is credited to the Income and Expenditure Account in the period in which it is receivable.

1.4 Investments

Investments are stated at cost less provision for impairment. Cost includes management fees and contributions to due diligence costs which are written off as incurred.

1.5 Debtors

Debtors are loans receivable less any provisions for impairment.

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2014

1.6 Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

1.7 Taxation

The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

2. Interest receivable

	2014	2013
	£	£
Bank interest	180,485	193,179
Loan interest	221,393	279,698
Total Interest	<u>401,878</u>	<u>472,877</u>

3. Taxation

a.) Analysis of charge in period

Current tax:

	2014	2013
	£	£
UK corporation tax at 23% (2013:24%) on the surplus on ordinary activities		
- Current tax on income for the period	92,428	113,490
Total current tax	<u>92,428</u>	<u>113,490</u>

b.) Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK (23%; 2013: 24%). The differences are explained below.

	2014	2013
	£	£
Surplus on ordinary activities before tax	433,938	489,799
Current tax at 23% (2013: 24%)	99,806	117,552
<i>Effects of:</i>		
Surplus on activities outside the scope of corporation tax	(7,378)	(4,062)
Current tax charge for the period	<u>92,428</u>	<u>113,490</u>

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2014

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

4. Surplus for the financial year

	2014	2013
	£	£
The surplus for the financial year is stated after charging:		
Auditor's remuneration - audit of these financial statements	3,000	3,000

No director received any remuneration during the year.

There were no employees in either the current or previous financial years.

5. Investments

Cost	Other investments £
At 1 April 2013 and 31 March 2014	<u>275,000</u>
Provisions	
At 1 April 2013	-
Impairment	<u>(275,000)</u>
At 31 March 2014	<u>(275,000)</u>
Net book value	
At 31 March 2014	-
At 1 April 2013	<u>275,000</u>

The investment relates to a holding of 75 shares representing 20% of the ordinary shares of Re PET Limited.

During the year Re PET Limited went into administration.

The equity investment of £275,000 has been impaired.

ACCELERATING GROWTH FUND LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2014****6. Debtors due after more than one year**

	2014	2013
	£	£
Third party loans	<u>3,070,321</u>	<u>2,432,255</u>

7. Debtors due within one year

	2014	2013
	£	£
Third party loans	920,700	704,398
Interest receivable	10,358	37,750
	<u>931,058</u>	<u>742,148</u>

8. Short term investments

	2014	2013
	£	£
Cash deposits	<u>27,111,256</u>	<u>12,507,756</u>

Short term investments represent bank deposits placed under which access to cash is restricted for up to 100 days from the date of the deposit

9. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Amounts due to parent undertaking	509,089	-
Corporation tax	92,432	113,490
Accruals and deferred income	3,000	3,000
	<u>604,521</u>	<u>116,490</u>

10. Provision for liabilities and charges

	£
Balance at 1 April 2013	28,616,000
Utilisation	(862,578)
Balance at 31 March 2014	<u>27,753,422</u>

This represents the obligation to repay residual funding for certain loan schemes back to the grantor should the programme be terminated. This is not expected to occur in the coming year. Any provision charge to the Income and Expenditure Account is included in administrative expenses.

The utilisation is due to impairment of loans and the payment of administration expenses in relation to the RCREF loan fund, as per the funding agreement.

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2014

11. Share capital

	2014 £	2013 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

12. Residual interest

	Designated funds £
At 1 April 2013	6,159,965
Net incoming resources for the year	<u>341,510</u>
At 31 March 2014	<u>6,501,475</u>

Residual interest is the amount found by deducting all of the entity's liabilities from all of the entity's assets. The designated funds relate to grant income earmarked in conjunction with funding bodies against specific expenditure programmes in subsequent periods.

13. Ultimate parent company

The ultimate parent company is The Waste and Resources Action Programme, a company limited by guarantee.

The company is a subsidiary of The Waste and Resources Action Programme, a company incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by The Waste and Resources Action Programme. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, South Glamorgan, CF14 3UF.