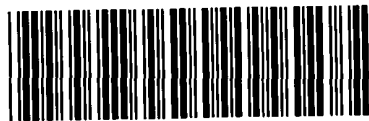


**Company Registration No. 4698093
(England and Wales)**

ACCELERATING GROWTH FUND LIMITED

**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2018**

THURSDAY



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COMPANY INFORMATION

Directors

S Creed
M Gover
J Hill
P Maddox
G Prior (14th September 2017)

Secretary

G Prior (15th May 2017)

Registered office

2nd Floor
Blenheim Court
19 George Street
Banbury
OX16 5BH

Company number

4698093

Auditor

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

Bankers

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

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

The company provides financial support and investment to organisations, principally SMEs, who are investing in or changing to 'circular economy' business models. The scope includes re-use, recycling, reprocessing and renewable energy. There are two principal funds:

- The Rural Community Energy Fund (RCEF) 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 June 2013.
- The Circular Economy Investment Fund which is a £10m fund.

Operating surplus before tax for 2017/18 was £168k compared to £213k in the previous year. Net losses on investments for the year were £50k (2017: £14k gain). Provision has been made to gift the surplus before net loss on investment for the year to the parent company.

During the year, £4,000k of retained earnings was invested in a combination of listed equities, cash products and other investments with the aim of preserving their value in real terms and returning additional investment income over the medium term.

At 31 March 2018 net current assets were £22,342k (2017: £26,564k) including short term investments of £21,349k. Provisions have been made for impairments to loans receivable. Provision is also made where residual funds in the Loan Funds may be repayable to the provider of funding when the objectives of the programmes have been achieved. After these provisions the net assets were £6,387k compared to £6,437k last year.

Directors

The following directors have held office during the period:

S Creed (resigned 30th April 2018)
M Gover
J Hill
P Maddox
G Prior

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 is 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 is 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

On behalf of the Board



.....

Julie Hill
Director

11 June 2018

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

Opinion

We have audited the financial statements of Accelerating Growth Fund Limited ("the company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

B. J. Stapleton 27 June 2018

**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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Income			
Fee income		72,914	84,816
Costs recovered from loan recipients		-	900
Loan recovery		6,356	47,745
Total income		<u>79,270</u>	<u>133,461</u>
Resources Expended			
Direct expenditure		<u>(19,286)</u>	<u>(49,373)</u>
Administration expenses		<u>(3,314)</u>	<u>(4,560)</u>
Operating surplus/(deficit)		<u>56,670</u>	<u>79,528</u>
Interest receivable	2	<u>111,664</u>	<u>133,134</u>
Operating surplus before taxation		168,334	212,662
Net (loss)/ gains on investments		(49,624)	13,996
Taxation on surplus on ordinary activities	3	-	-
Surplus for the financial year		<u>118,710</u>	<u>226,658</u>
"Gifting of annual surplus to WRAP"		(168,334)	(212,662)
Dividend paid		-	-
Total comprehensive income/(expenditure) for the period		<u>(49,624)</u>	<u>13,996</u>
Balance brought forward		<u>6,436,763</u>	<u>6,422,767</u>
Balance carried forward at 31 March		<u>6,387,139</u>	<u>6,436,763</u>

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

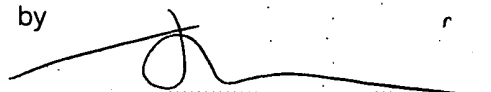
The notes on pages 9 to 13 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	5	4,387,934	353,283
Current assets			
Debtors due after more than one year	6	-	80,716
Debtors due within one year		-	-
Short term investments	7	21,348,723	24,086,915
Cash at bank and in hand		1,183,680	2,645,434
		<u>22,532,403</u>	<u>26,813,065</u>
Creditors: Amounts falling due within one year	8	<u>(190,721)</u>	<u>(248,994)</u>
Net current assets		22,341,682	26,564,071
Total assets less current liabilities		26,729,616	26,917,354
Provision for liabilities and charges	9	<u>(20,342,476)</u>	<u>(20,480,590)</u>
Net assets		<u>6,387,140</u>	<u>6,436,764</u>
Capital and residual interest			
Called up share capital	10	1	1
Residual interest	11	<u>6,387,139</u>	<u>6,436,763</u>
		<u>6,387,140</u>	<u>6,436,764</u>

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

The financial statements were approved by the Board on 11 June 2018 and signed on its behalf by



Julie Hill
Director
Company Registration No. 4698093

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	PROFIT AND LOSS ACCOUNT	TOTAL
	£	£
Balance at 1 April 2017	6,436,763	6,436,763
Result for the financial year	118,710	118,710
Donation under Gift Aid to parent undertaking	(168,334)	(168,334)
Total comprehensive (expenditure)/income for the period	(49,624)	(49,624)
Balance carried forward at 31 March 2018	6,387,139	6,387,139

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.

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018

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 6 to 13 and which have been prepared under the historical cost convention and in accordance with FRS 102, the financial reporting standard applicable to the United Kingdom and the Republic of Ireland (August 2014). The functional and presentational currency is sterling.

Under FRS 102.12 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a qualifying entity and its 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 102 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. The company has applied the following exemption available under FRS 102 in respect of certain disclosures for the company financial statements: the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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. Statutory information

Accelerating Growth Fund Limited is a company limited by shares, registered in England and Wales, registration number 4698093. The company's principal activity is the provision of funding for investments in the recycling and re-use sectors.

1.2. Income

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

1.3. Expenditure

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

1.4. Interest income

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

1.5. Investments

Listed investments are stated at market value on the balance sheet date. Unlisted 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.

1.6. Debtors

Debtors are loans receivable less any provision for impairment.

1.7. Cash

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

1.8. 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

	2018 £	2017 £
Bank interest	111,664	122,354
Loan interest	-	10,780
Total Interest	<u>111,664</u>	<u>133,134</u>

3. Taxation

It is the company policy that taxable profits made by AGF are donated to WRAP under "Gift Aid". The directors consider this arrangement will remain in place for the foreseeable future. As a result of this payment, there is no liability to corporation tax.

a) Analysis of charge in period

Current tax:

	2018 £	2017 £
UK corporation tax at 20% (2017: 20%) on the surplus on ordinary activities		
- Current tax on income for the period	-	-
--Credit for prior period	-	-
Total current tax	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2017: lower) than the standard rate of corporation tax in the UK (20%; 2017: 20%). The differences are explained below:

	2018	2017
	£	£
Surplus on ordinary activities before tax	168,334	212,662
Current tax at 20% (2017: 20%)	33,667	42,532
<i>Effects of:</i>		
Deficit/(surplus) on activities outside the scope of corporation tax	(11,334)	(15,906)
Current tax charge for the period before donation	22,333	26,626
Donation under Gift Aid to parent undertakings	(22,333)	(26,626)
Prior year tax provision release	-	-
Total tax charge for the period	-	-

4. Result for the financial year

	2018	2017
	£	£
The surplus for the financial year is stated after charging:		
Auditor's remuneration – audit of these financial statements	2,000	2,850

No director received any remuneration during the year.

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

5. Investments

	2018	2017
	£	£
Fair value at the start of the year	353,283	-
Additions at cost	4,167,289	353,283
Impairment	(75,000)	-
Net gain/(loss) on change in fair value	(57,638)	-
	4,387,934	353,283
Fair value at the end of the year	4,387,934	353,283
Historic cost at the end of the year	4,520,572	353,283

Investments comprise:

	2018	2017
	£	£
Listed investments (UK)	1,298,100	
Listed investments (outside the UK)	1,268,891	
Unlisted shares in UK registered companies	445,572	353,283
Property investments	170,054	
Cash and cash equivalents	1,175,889	
Other investments	29,428	
	4,387,934	353,283

6. Debtors due after more than one year

	2018	2017
	£	£
Third party loans	-	80,716

7. Short term investments

	2018	2017
	£	£
Bank deposits	18,326,388	21,072,919
Financial assets designated as fair value through P&L account	3,022,335	3,013,996
	21,348,723	24,086,915

Bank deposits are held at a number of High Street banks, under which access to cash is restricted for up to 100 days. Financial assets are funds invested in Royal London Asset Management.

8. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Amounts due to parent undertaking	186,721	244,144
Accruals and deferred income	4,000	4,850
	190,721	248,994

9. Provision for liabilities and charges

	£
Balance at 1 April 2017	20,480,590
Additions	106,441
Utilisation	<u>(244,555)</u>
Balance at 31 March 2018	<u>20,342,476</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 of credit to the Income and Expenditure Account is included in administrative expenses.

The utilisation is due to impairment of loans.

10. Share capital

	2018 £	2017 £
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>

11. Residual interest

	£
At 1 April 2017	6,436,763
Net (outgoing)/incoming resources for the year	<u>(49,624)</u>
At 31 March 2018	<u>6,387,139</u>

Residual interest is the amount found by deducting all of the entity's liabilities from all of the entity's assets.

12. Ultimate parent company

The ultimate parent company is The Waste and Resources Action Programme, a company limited by guarantee and a registered charity (no. 1159512).

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.

