

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

ACCELERATING GROWTH FUND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

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ACCELERATING GROWTH FUND LIMITED

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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
Altus House
One North Fourth Street
Milton Keynes
MK9 1NE

Bankers

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

ACCELERATING GROWTH FUND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011.

Principal activities

The company manages funds for investment to support the recycling sector.

Directors

The following directors have held office during the period:

P Stone
S Creed
H Etheridge (resigned 30th June)
L Goodwin
M Gover
J Lea (appointed 1st July)

Results

The results of the company's activities are summarised on page 6. The surplus for the financial year amounted to £27,156 (2010: £1,513,065).

Review of activities

The Company operates the Accelerating Growth Fund, whose aims are to make interventions in businesses in the recycling and reprocessing sector to enable such businesses to further develop. Such interventions are made on the basis that, if successful, they will generate a return to the Company. The Company made a short-term loan in 2009 to a plastics reprocessing company who were in financial difficulties following a fire. This loan was repaid in May 2011. On 28 October 2010, the company also acquired a 20% share in Re PET Ltd, a company developing food grade sheet from recycled plastics, for the thermoforming market as part of a financial support package.

Additional funds totalling £5.1m were made available via The Waste and Resources Action Programme, the Company's parent company, to expand the company's lending capacity.

Disclosure of information to auditors

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.

ACCELERATING GROWTH FUND LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2011

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).

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.

On behalf of the Board


J Lea
Director

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 2011 set out on pages 6 to 11. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB'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 APB's website at

www.frc.org.uk/apb/scope/private.cfm.

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 2011 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ACCELERATING GROWTH FUND LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2011**

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 10 August 2011

B J Stapleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altus 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 2011

	Note	2011 £	2010 £
Incoming resources			
Grant from parent company		5,185,000	1,615,000
Fee income		38,000	3,750
Total incoming resources		<u>5,223,000</u>	<u>1,618,750</u>
Resources expended			
Direct expenditure		<u>(68,911)</u>	<u>-</u>
Administration expenses	8	<u>(5,188,597)</u>	<u>(20,891)</u>
Operating (deficit) / surplus		<u>(34,508)</u>	<u>1,597,859</u>
Interest payable		(30)	-
Interest receivable	2	<u>78,466</u>	<u>76,273</u>
Operating surplus on ordinary activities before taxation		43,928	1,674,132
Taxation on surplus on ordinary activities	3	<u>(16,772)</u>	<u>(161,067)</u>
Surplus for the financial year	4	<u>27,156</u>	<u>1,513,065</u>
Balance brought forward		<u>5,575,327</u>	<u>4,062,262</u>
Balance carried forward at 31 March		<u>5,602,483</u>	<u>5,575,327</u>

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

The notes on pages 8 to 11 form part of these financial statements.

ACCELERATING GROWTH FUND LIMITED

BALANCE SHEET AS AT 31 MARCH 2011

	Note	2011	2010
		£	£
Fixed assets			
Investments	5	175,000	-
Current assets			
Debtors	6	2,371,233	1,883,610
Cash at bank and in hand		<u>8,314,283</u>	<u>3,772,340</u>
		10,685,516	5,655,950
Creditors: Amounts falling due within one year	7	<u>(73,032)</u>	<u>(80,622)</u>
Total assets less current liabilities		10,787,484	5,575,328
Provision for liabilities and charges	8	<u>(5,185,000)</u>	-
Net assets		<u>5,602,484</u>	<u>5,575,328</u>
Capital and residual interest			
Called up share capital	9	1	1
Residual interest	10	<u>5,602,483</u>	<u>5,575,327</u>
		<u>5,602,484</u>	<u>5,575,328</u>

The financial statements were approved by the Board on 9 August 2011 and signed on its behalf by



J Lea
Director

Company Registration No. 4698093

The notes on pages 8 to 11 form part of these financial statements.

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2011

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 11 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 11.

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. Income received in advance is carried forward as deferred income. Capital grants receivable are treated as deferred credits and credited to the Income and Expenditure Account over the estimated useful life of the assets.

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 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.

1.4 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.

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2011

2. Interest receivable

	2011 £	2010 £
Bank interest receivable	<u>78,466</u>	<u>76,273</u>

3. Taxation

a.) Analysis of charge in period

Current tax:

	2011 £	2010 £
UK corporation tax at 28% (2010:28%) on the surplus on ordinary activities		
- Current tax on income for the period	16,772	16,069
- Adjustments in respect of prior periods	-	144,998
Total current tax	<u>16,772</u>	<u>161,067</u>

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

The current tax charge for the period is higher (2010: lower) than the standard rate of corporation tax in the UK (28%; 2010: 28%). The differences are explained below.

	2011 £	2010 £
Surplus on ordinary activities before tax	<u>43,928</u>	<u>1,674,132</u>
Current tax at 28% (2010: 28%)	12,300	468,757
<i>Effects of:</i>		
Adjustment to tax charge in respect of prior periods	-	144,998
Surplus on activities outside the scope of corporation tax	9,662	(447,460)
Small companies relief	(5,190)	(5,228)
Current tax charge for the period	<u>16,772</u>	<u>161,067</u>

4. Surplus for the financial year

	2011 £	2010 £
The surplus for the financial year is stated after charging:		
Auditor's Remuneration - audit of these financial statements	3,075	2,938

No director received any remuneration during the year.

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

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2011

5. Investments

	Other investments
	£
Cost	
At 1 April 2010	-
Additions	175,000
At 31 March 2011	<u>175,000</u>
Provisions	
At 1 April 2010	-
Amount utilised	-
At 31 March 2011	<u>-</u>
Net book value	
At 31 March 2011	<u>175,000</u>
At 1 April 2010	<u>-</u>

The fixed asset investment represents the acquisition on 28 October 2010 of 47 shares in Re PET Limited. This represents a holding of 20% of the ordinary shares of the company. AGF does not have any voting rights on the Board of Re PET Limited.

6. Debtors

	2011	2010
	£	£
Return of funding from Recycling Fund LP	-	7,531
Third party loans	564,911	246,250
Amounts due from parent undertaking	1,787,873	1,615,000
Interest receivable	18,449	14,829
	<u>2,371,233</u>	<u>1,883,610</u>

7. Creditors : Amounts falling due within one year

	2011	2010
	£	£
Loans payable	48,808	-
Amounts due to parent undertaking	-	61,402
Corporation tax	16,772	16,069
Accruals and deferred income	7,452	3,151
	<u>73,032</u>	<u>80,622</u>

ACCELERATING GROWTH FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2011

8. Provision for liabilities and charges

	£
Balance at 1 April 2010	-
Additions	5,185,000
Balance at 31 March 2011	<u>5,185,000</u>

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

9. Share capital

	2011 £	2010 £
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>

10. Residual interest

	Designated funds £
At 1 April 2010	5,575,327
Net incoming resources for the year	<u>27,156</u>
At 31 March 2011	<u>5,602,483</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.

11. 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.