

**Company Registration No. 04698093
(England and Wales)**

ACCELERATING GROWTH FUND LIMITED

**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2019**



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COMPANY INFORMATION

Directors	Steve Creed - resigned 30 April 2018 Julie Hill Marcus Gover Peter Maddox Gareth Prior – resigned 21 September 2018 Philippa Foster – appointed 20 March 2019
Secretary	Gareth Prior - resigned 21 September 2018 Philippa Foster – appointed 5 February 2019
Registered office	2nd Floor Blenheim Court 19 George Street Banbury OX16 5BH
Company number	4698093
Auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
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
Investment Managers	Brewin Dolphin Ltd 12 Smithfield Street London EC1A 9LA

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities and review

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.

The most significant activity during the year was the winding up of the Rural Community Energy Fund (RCEF) grant in February 2019. At the point of wind up there was a remaining balance of £10,600k held in short term investments; £9,000k of this was repaid to Defra in year, accounting for the majority of the reduction in short term investments of £9,379k; £1,500k was moved to creditors to be repaid to Defra in 2019/20, accounting for the increase in creditors from £191k to £1,603k, and the balance of £100k has been retained to fund the outstanding loans. In recognition of the fulfillment of our obligation to repay the unspent funds for the RCEF to Defra, the provision has been reduced accordingly to £9,868k (2018 £20,342k).

In terms of on-going activity, provisions are made for impairments to loans receivable. Additionally, where residual funds in the Circular Economy Investment Fund may be repayable to the provider of funding when the objectives of the programmes have been achieved, then a corresponding provision is made.

Operating surplus before tax for 2018/19 was £173k compared to £168k in the previous year. Net gains on investments for the year showed an improvement at £25k (2018: losses £50k). Provision has been made, in accordance with the deed of covenant, to gift the surplus before net loss on investment for the year to the parent company.

Directors and their interests

The following directors have held office during the year:

Steve Creed - resigned 30 April 2018

Marcus Gover

Julie Hill

Peter Maddox

Gareth Prior - resigned 21 September 2018

Philippa Foster – appointed 5 February 2019

All directors hold their shares on trust for The Waste and Resources Action Programme (WRAP), a company limited by guarantee and a registered charity.

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

The directors are responsible for preparing the directors' annual report including 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 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 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 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 accounting 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in operation.

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 auditor 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 auditor is aware of that information.

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 also responsible for safeguarding the assets of the company 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Pursuant to Section 487 of the Companies Act 2006, Sayer Vincent LLP has been appointed as the auditor and has expressed its willingness to continue in that capacity.

The Directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved by the Directors on 10 June 2019 and signed on their behalf by

Julie Hill
Director



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

We have audited the financial statements of Accelerating Growth Fund (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The directors' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report.

We have nothing to report in respect of the following matters in relation to which 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, set out in the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

Fleur Holden (Senior statutory auditor)

19 June 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
		£	£
Income			
Fee income		12,828	72,914
Loan recovery		-	6,356
Total income		<u>12,828</u>	<u>79,270</u>
Expenditure			
Direct expenditure		(36,658)	(19,286)
Gross (deficit)/surplus		(23,830)	59,984
Administration expenses		(23,275)	(3,314)
Operating (deficit)/ surplus		<u>(47,105)</u>	<u>56,670</u>
Interest receivable	2	220,351	111,664
Operating surplus on ordinary activities		173,246	168,334
Net gains/(loss) on investments		25,250	(49,624)
Operating surplus before taxation		198,496	118,710
Taxation on surplus on ordinary activities	3	-	-
Total comprehensive income		<u>198,496</u>	<u>118,710</u>
Retained Earnings			
Retained earnings brought forward at the beginning of the year		6,387,139	6,436,763
Total comprehensive income for the year		198,496	118,710
Gift aid distribution to parent charity		(185,370)	(168,334)
Retained earnings carried forward at the end of the year		<u>6,400,265</u>	<u>6,387,139</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.

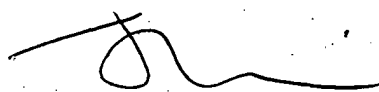
**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
Fixed assets			
Investments	5	4,730,498	4,387,934
Current assets			
Short term investments	6	11,970,139	21,348,723
Cash at bank and in hand		1,170,474	1,183,680
		<u>13,140,613</u>	<u>22,532,403</u>
Creditors: Amounts falling due within one year	7	<u>(1,602,675)</u>	<u>(190,721)</u>
Net current assets		11,537,938	22,341,682
Total assets less current liabilities		16,268,436	26,729,616
Provision for liabilities and charges	8	<u>(9,868,170)</u>	<u>(20,342,476)</u>
Net assets		<u>6,400,266</u>	<u>6,387,140</u>
Capital and residual interest			
Called up share capital	9	1	1
Retained earnings		<u>6,400,265</u>	<u>6,387,139</u>
		<u>6,400,266</u>	<u>6,387,140</u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

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

The financial statements were approved by the Board on 10 June 2019 and signed on its behalf by



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Julie Hill
Director
Company Registration No. 04698093

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2019****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 FRS 102, the Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland (September 2015) and with the Companies Act 2006. The functional and presentational currency is sterling.

Under FRS 102 1.12 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 10. 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. The Directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

1.1. Statutory information

Accelerating Growth Fund Limited is a company limited by shares, incorporated in England and Wales, registration number 04698093. The registered office address is 2nd Floor, Blenheim Court, 19 George Street, Banbury, OX15 5BH. The company's principal activity is the provision of funding for investments in the recycling and re-use sectors.

1.2. Income

Fee Income receivable are credited to the Statement of Income and Retained Earnings 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

Bank interest and investment income is credited to the Statement of Income and Retained Earnings in the period in which it is receivable.

1.5. Investments

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

1.8. Short-term investments

Short term investments include bank deposits under which access to cash is restricted for up to 100 days from the date of the deposit and other deposits held by Fund Managers. Cash held in 32-day notice accounts are treated as short-term investments as they are held for investment purposes.

1.9. Creditors

Short term creditors are measured at the transaction price.

1.10. 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

	2019 £	2018 £
Bank interest	128,287	96,449
Investment income	92,064	15,215
Total Interest	<u>220,351</u>	<u>111,664</u>

3. Taxation

It is the company's policy that taxable profits made by AGF are distributed 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. Deeds of covenant have been prepared to allow the subsidiary trading companies to make qualifying donations of all taxable profit to the charity.

a) Analysis of charge in period

Current tax:

	2019 £	2018 £
UK corporation tax at 19% (2018: 19%) on the surplus on ordinary activities		
- Current tax on income for the period	-	-
--Credit for prior period	-	-
Total current tax	<u>-</u>	<u>-</u>

3. Taxation continued**b) Factors affecting the tax charge for the current period**

The current tax charge for the period is lower (2018: lower) than the standard rate of corporation tax in the UK (19%; 2018: 19%). The differences are explained below:

	2019 £	2018 £
Surplus on ordinary activities before tax	173,246	168,334
Current tax at 19% (2018: 19%)	32,917	33,667
<i>Effects of:</i>		
Deficit/(surplus) on activities outside the scope of corporation tax	2,309	(11,334)
Current tax charge for the period before donation	35,226	22,333
Distribution under Gift Aid to parent undertakings	(35,226)	(22,333)
Prior year tax provision release	-	-
Total tax charge for the period	-	-

4. Result for the financial year

	2019 £	2018 £
The surplus for the financial year is stated after charging:		
Auditor's remuneration – audit of these financial statements	2,520	2,000

No director received any remuneration during the year.

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

5. Investments

	2019 Listed £	2019 Unlisted £	2019 Total £
Fair value at the start of the year	2,766,382	445,572	3,211,954
Additions at cost	932,510	328,832	1,261,342
Disposal proceeds	(83,907)	-	(83,907)
Net gain/(loss) on change in fair value	22,867	-	22,867
	3,637,852	774,404	4,412,256
Cash held by investment broker pending reinvestment	318,242	-	318,242
Fair value at the end of the year	3,956,094	774,404	4,730,498

5. Investments continued

	2018	2018	2018
	Listed	Unlisted	Total
	£	£	£
Fair value at the start of the year	-	353,283	353,283
Additions at cost	2,825,393	167,289	2,992,682
Impairment		(75,000)	(75,000)
Net gain/(loss) on change in fair value	(59,011)	-	(59,011)
	<u>2,766,382</u>	<u>445,572</u>	<u>3,211,954</u>
Cash held by investment broker pending reinvestment	1,175,980	-	1,175,980
Fair value at the end of the year	<u>3,942,362</u>	<u>445,572</u>	<u>4,387,934</u>

Investments comprise:

	2019	2018
	£	£
Listed investments (UK)	2,251,212	1,468,063
Listed investments (outside the UK)	1,386,640	1,268,891
Unlisted shares in UK registered companies	774,404	445,572
Cash and cash equivalents	318,242	1,175,980
Other investments		29,428
	<u>4,730,498</u>	<u>4,387,934</u>

6. Short term investments

	2019	2018
	£	£
Short term investments	<u>11,970,139</u>	<u>21,348,723</u>

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.

7. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Operational creditors	1,514,692	-
Amounts due to parent undertaking	83,963	186,721
Accruals and deferred income	4,020	4,000
	<u>1,602,675</u>	<u>190,721</u>

8. Provision for liabilities and charges

	£
Balance at 1 April 2018	20,342,476
Additions	-
Utilisation	<u>(10,474,306)</u>
Balance at 31 March 2019	<u>9,868,170</u>

This represents the obligation to repay residual funding for the Circular Economy Investment Fund 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 Statement of income and retained earnings is included in administrative expenses.

9. Share capital

	2019	2018
	£	£
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. Ultimate parent company

The ultimate parent company is The Waste and Resources Action Programme, a company limited by guarantee (no. 4125764) 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 and from the Charity Commission. The company distributes available profits to its parent undertaking.