

Company Registration No. 4698093
(England and Wales)

THE RECYCLING FUND LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2008

SATURDAY



A5DZD3OV

A31

04/10/2008

269

COMPANIES HOUSE

THE RECYCLING FUND LIMITED

CONTENTS

| | Page |
|---|-------------|
| Company information | 1 |
| Directors' report | 2 - 3 |
| Independent auditors' report to the members | 4 - 5 |
| Income and expenditure account | 6 |
| Balance sheet | 7 |
| Notes and accounting policies | 8 - 11 |

THE RECYCLING FUND LIMITED

COMPANY INFORMATION

Directors

V Cocker
H Etheridge
L Goodwin
S Creed

Secretary

H Etheridge

Registered office

The Old Academy
21 Horse Fair
Banbury
Oxfordshire
OX16 OAH

Company number

4698093

Auditors

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

THE RECYCLING FUND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Principal activities

The company has been established to manage funds for investment in the recycling sector.

Directors

The following directors have held office during the period:

V Cocker
H Etheridge
L Goodwin
S Creed

Results

The results of the company's activities are summarised on page 6. The deficit for the financial year amounted to £44,223 (2007. £354,435)

Parent Company

The Recycling Fund Limited is a wholly owned subsidiary of The Waste and Resources Action Programme (Company Registration No 4125764).

Review of activities

The Company established the Accelerated Growth Fund during the year, 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.

During the year, one loan was made to a company developing a major facility in the paper industry. In view of the potential uncertainty of the completion of the project a provision has been made against this loan

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.

THE RECYCLING FUND LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2008

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

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).

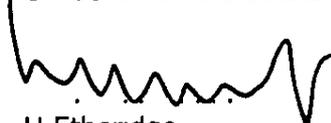
The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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 departures 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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



H Etheridge
Secretary

THE RECYCLING FUND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE RECYCLING FUND LIMITED FOR THE YEAR ENDED 31 MARCH 2008

KPMG LLP

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

Independent auditors' report to the members of The Recycling Fund Limited

We have audited the financial statements of The Recycling Fund Limited for the year ended 31 March 2008 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting

THE RECYCLING FUND LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG W

11/8/2008

KPMG LLP
Chartered Accountants
Registered Auditor

THE RECYCLING FUND LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

| | Note | 2008 £ | 2007 £ |
|---|------|-----------|-----------|
| Incoming resources | | | |
| Grants receivable from parent company | | - | 245,000 |
| Return of funding from Recycling Fund LP | | - | 76,331 |
| Total incoming resources | | - | 321,331 |
| Resources expended | | | |
| Amounts written off investments | 5 | - | (457,211) |
| Provision for termination | 4 | - | (275,000) |
| Provision for bad debt | | (200,000) | - |
| Direct Expenditure | | (200,000) | (732,211) |
| Administration expenses | | (1,327) | (94,883) |
| Operating deficit | | (201,327) | (505,763) |
| Interest receivable | 2 | 218,858 | 209,689 |
| Operating surplus/(deficit) on ordinary activities before taxation | | 17,531 | (296,074) |
| Taxation on surplus/(deficit) on ordinary activities | 3 | (61,754) | (58,361) |
| Deficit for the financial year | 4 | (44,223) | (354,435) |
| Balance brought forward | | 3,810,949 | 4,165,384 |
| Balance carried forward at 31 March | | 3,766,726 | 3,810,949 |

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

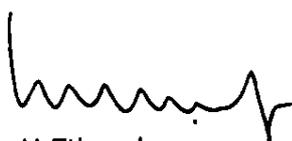
The notes on pages 8 to 11 form part of these financial statements.

THE RECYCLING FUND LIMITED

BALANCE SHEET AS AT 31 MARCH 2008

| | Note | £ | 2008 £ | £ | 2007 £ |
|---|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investments | 5 | | - | | - |
| Current assets | | | | | |
| Debtors | 6 | 123,959 | | 89,524 | |
| Cash at bank and in hand | | <u>3,711,631</u> | | <u>4,184,546</u> | |
| | | 3,835,590 | | 4,274,070 | |
| Creditors: Amounts falling due within one year | 7 | <u>(68,863)</u> | | <u>(463,120)</u> | |
| Total assets less current liabilities | | | <u>3,766,727</u> | | <u>3,810,950</u> |
| Net assets | | | <u>3,766,727</u> | | <u>3,810,950</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 1 | | 1 |
| Reserves | 9 | | <u>3,766,726</u> | | <u>3,810,949</u> |
| | | | <u>3,766,727</u> | | <u>3,810,950</u> |

The financial statements were approved by the Board on 23rd July 2008



H Etheridge
Director

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

THE RECYCLING FUND LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2008

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 & 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 form part of the group. The consolidated financial statements of The Waste & Resources Action Programme, within which this Company is included, can be obtained from the address given in note 8.

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/(deficit) 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

| | 2008 £ | 2007 £ |
|--------------------------|----------------|----------------|
| Bank interest receivable | <u>218,858</u> | <u>209,689</u> |

THE RECYCLING FUND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2008

3. Taxation

a.) *Analysis of charge in period*

Current tax:

| | 2008 | 2007 |
|---|---------------|---------------|
| | £ | £ |
| UK corporation tax at 30% on the Surplus/(deficit) on ordinary activities | 61,754 | 58,361 |
| Total current tax | <u>61,754</u> | <u>58,361</u> |

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

The current tax charge for the period is higher (2007: higher) than the standard rate of corporation tax in the UK (30%, 2007: 30%). The differences are explained below.

| | 2008 | 2007 |
|--|---------------|------------------|
| | £ | £ |
| Surplus/(deficit) on ordinary activities before tax | <u>17,531</u> | <u>(296,074)</u> |
| Current tax at 30 % | 5,259 | (88,822) |
| <i>Effects of:</i> | | |
| Deficit on activities outside the scope of corporation tax | 60,399 | 151,729 |
| Small companies relief | (3,904) | (4,546) |
| Total current tax charge (see above) | <u>61,754</u> | <u>58,361</u> |

4. Deficit for the financial year

| | 2008 | 2007 |
|---|-------------|-------------|
| | £ | £ |
| The deficit for the financial year is stated after (crediting)/ charging: | | |
| Directors' fees | (1,763) | 14,100 |
| Auditors' remuneration | 2,938 | 2,938 |
| Exceptional write-off of loan in the Accelerated Growth Fund | 200,000 | - |
| Exceptional termination costs of the Recycling Fund | - | 275,000 |

The costs of the directors have been absorbed by the parent company, The Waste and Resources Action Programme.

The provision for the write-off of the loan in the Accelerated Growth Fund relates to the write-off of a loan to a third party

The provision for termination relates to the cost of terminating the management agreement with Impax Asset Management.

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

THE RECYCLING FUND LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2008****5. Investments**

| | Other investments |
|------------------------------------|--------------------------|
| | £ |
| Cost | |
| At 31 March 2007 and 31 March 2008 | <u>1,647,610</u> |
| Provisions | |
| At 31 March 2007 and 31 March 2008 | <u>1,647,610</u> |
| Net book value | |
| At 31 March 2007 and 31 March 2008 | <u>-</u> |

6. Debtors

| | 2008 | 2007 |
|--|----------------|---------------|
| | £ | £ |
| Return of funding from Recycling Fund LP | 76,331 | 76,331 |
| Interest receivable | 47,628 | 13,193 |
| | <u>123,959</u> | <u>89,524</u> |

7. Creditors : Amounts falling due within one year

| | 2008 | 2007 |
|-----------------------------------|---------------|----------------|
| | £ | £ |
| Amounts due to parent undertaking | - | 17,126 |
| Corporation tax | 61,754 | 58,361 |
| Other creditors | - | 1,762 |
| Accruals and deferred income | 7,109 | 385,871 |
| | <u>68,863</u> | <u>463,120</u> |

8. Share capital

| | 2008 | 2007 |
|---|-------------|-------------|
| | £ | £ |
| 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> |

THE RECYCLING FUND LIMITED

**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2008**

9. Residual Interest

| | Total Funds £ |
|---------------------------------|--------------------------|
| At 31 March 2007 | 3,810,949 |
| Net outgoing resources for year | <u>(44,223)</u> |
| At 31 March 2008 | <u>3,766,726</u> |

10. Control

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

The Company is a subsidiary of The Waste & 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 & 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.