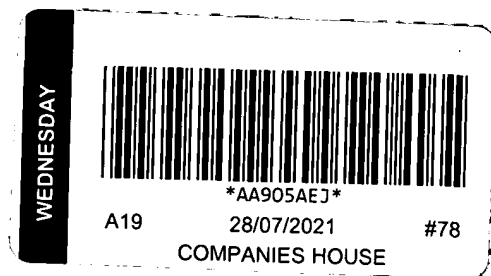


**Company Registration No. 04698093
(England and Wales)**

ACCELERATING GROWTH FUND LIMITED

**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2021**



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COMPANY INFORMATION

Directors

Julie Hill
Marcus Gover
Peter Maddox – resigned 9th December 2020
Sarah Chapman
Susan Corbett – appointed 16th December 2020
Claire Shrewsbury – appointed 16th December 2020

Secretary

Philippa Foster – resigned 16 March 2020
Paul Suller – appointed 13th May 2020

Registered office

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

Company number

04698093

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

Royal London Asset Management
55 Gracechurch Street
London
EC3V 0RL

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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. The principal fund is the Circular Economy Investment Fund which is a £10m fund.

Investment income at £115k is £58k lower than 2019/20. Income from the Brewin Dolphin investment decreased by £8k to £98k but bank interest reduced by £50k to £17k reflecting the very low interest rates available during the year.

Operating surplus before tax for 2020/21 was £10,061k compared to £103k in the previous year. This resulted from the release of the £10m provision during the year. Previously, the provision was made as the future AGF strategy was unclear, and any residual funds in the Circular Economy Investment Fund may have been returned to Defra. Following a strategic review there is now more clarity on the establishment of a perpetual mixed motive portfolio and therefore the provision has been released. This was approved by the Board.

Net gains on investments for the year were £4,090k compared to a £296k loss in 2019/20. This has resulted largely from the revaluation of unlisted shares in Sicut, £3,380k and a £605k gain on the Brewin Dolphin portfolio.

Provision has been made, in accordance with the deed of covenant, to gift £99k, the surplus on ordinary activities before tax to the parent company. In addition AGF has distributed £5,357k to WRAP, this was £2m cash and £3,357k of the Brewin Dolphin portfolio which was transferred in specie. The remaining portfolio of £859k, has been distributed in early 2021/22. The purpose of this distribution was to contribute to an ESG focused financial investment fund within WRAP managed by Rathbones Greenbank.

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.

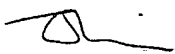
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Pursuant to Section 487 of the Companies Act 2006, Sayer Vincent LLP has been re-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 30 June 2021

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 Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Accelerating Growth Fund Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the directors' annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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; and
- 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' annual 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the company from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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)

7 July 2021

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 2021**

	Note	2021	2020
		£	£
Total income		-	-
Expenditure			
Direct expenditure		(56,304)	(39,489)
Gross deficit		(56,304)	(39,489)
Administration expenses		10,002,322	(30,167)
Operating surplus/(deficit)		9,946,018	(69,656)
Interest and dividends receivable	2	115,364	172,963
Operating surplus on ordinary activities		10,061,382	103,307
Net gains/(loss) on investments		4,090,129	(295,508)
Operating surplus/(loss) before taxation		14,151,511	(192,201)
Taxation on surplus on ordinary activities	3	-	-
Total comprehensive income/(expenditure)		14,151,511	(192,201)
Retained Earnings			
Retained earnings brought forward at the beginning of the year		6,079,418	6,400,265
Total comprehensive (expenditure)/income for the year		14,151,511	(192,201)
Gift aid distribution to parent charity		(98,620)	(128,646)
Distribution of reserves		(5,357,428)	-
Retained earnings carried forward at the end of the year		14,774,881	6,079,418

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

The notes on pages 10 to 14 form part of these financial statements.

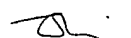
BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021	2020
		£	£
Fixed assets			
Investments	5	5,964,261	5,039,923
Current assets			
Short term investments	6	8,351,635	10,525,100
Cash at bank and in hand		584,563	641,745
		<u>8,936,198</u>	<u>11,166,845</u>
Creditors: Amounts falling due within one year	7	<u>(125,577)</u>	<u>(168,313)</u>
Net current assets		8,810,621	10,998,532
Total assets less current liabilities		14,774,882	16,038,455
Provision for liabilities and charges	8	-	(9,959,036)
Net assets		<u>14,774,882</u>	<u>6,079,419</u>
Capital and residual interest			
Called up share capital	9	1	1
Retained earnings		14,774,881	6,079,418
		<u>14,774,882</u>	<u>6,079,419</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 10 to 14 form part of these financial statements.

The financial statements were approved by the Board on 30 June 2021 and signed on its behalf by



.....
Julie Hill
Director
Company Registration No. 04698093

Accelerating Growth Fund Limited

**NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2021**

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 8 to 14 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). 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. The Directors consider that there are no material uncertainties about the company's ability to continue as a going concern based on a cash balance at the year-end of £8.9m.

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 circular economy.

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

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

1.4. Investments

Listed investments are stated at fair value on the balance sheet date. Costs including management fees and contributions to due diligence costs are written off as incurred. Unlisted investments are included at their fair value if this can be quantified accurately otherwise they are included at cost less impairment. Where a company has raised a further round of investment, the fair value of the investment held is based on the latest value of the company's shares. Any change in valuation is taken to the Statement of Income and Retained earnings.

1.5. Debtors

Debtors are loans receivable less any provision for impairment.

1.6. Cash

Cash comprises cash in hand, and deposits repayable on demand or with an original term of less than 30 days.

1.7. Short-term investments

Short term investments include notice accounts and deposits with an original term of 30 days or more.

1.8. Creditors

Short term creditors are measured at the transaction price.

2. Interest and dividends receivable

	2021 £	2020 £
Bank interest	17,451	66,939
Investment income	97,913	106,024
Total investment interest and dividends receivable	<u>115,364</u>	<u>172,963</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. A deed of covenant has been prepared to allow the Company to make qualifying donations of all taxable profit to the Charity.

a) Analysis of charge in period

Current tax:

	2021 £	2020 £
UK corporation tax at 19% (2020: 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>

b) Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2020: lower) than the standard rate of corporation tax in the UK (19%; 2020: 19%). The differences are explained below:

	2021 £	2020 £
Surplus on ordinary activities before tax	10,061,382	103,307
Current tax at 19% (2019: 19%)	1,911,663	19,629
<i>Effects of:</i>		
Surplus /(deficit) on activities outside the scope of corporation tax	(1,892,925)	4,426
Current tax charge for the period before donation	18,738	24,055
Distribution under Gift Aid to parent undertakings	(18,738)	(24,055)
Total tax charge for the period	-	-

4. Result for the financial year

	2021 £	2020 £
The surplus for the financial year is stated after charging:		
Auditor's remuneration – audit of these financial statements	2,580	2,520

No director received any remuneration during the year.

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

5. Investments

	2021 Listed £	2021 Unlisted £	2021 Total £
Fair value at the start of the year	3,501,933	1,395,620	4,897,553
Additions at cost	57,716	329,436	387,152
Disposal proceeds	(4,033,249)	-	(4,033,249)
Net gain on change in fair value	605,006	3,380,496	3,985,502
	131,406	5,105,552	5,236,958
Cash held by investment broker pending reinvestment	727,303	-	727,303
Fair value at the end of the year	858,709	5,105,552	5,964,261

5. Investments continued

	2020 Listed £	2020 Unlisted £	2020 Total £
Fair value at the start of the year	3,637,851	774,404	4,412,255
Additions at cost	1,031,290	621,216	1,652,506
Disposal Proceeds	(881,695)	-	(881,695)
Net loss on change in fair value	(285,513)	-	(285,513)
	<u>3,501,933</u>	<u>1,395,620</u>	<u>4,897,553</u>
Cash held by investment broker pending reinvestment	142,370	-	142,370
Fair value at the end of the year	<u>3,644,303</u>	<u>1,395,620</u>	<u>5,039,923</u>

Investments comprise:

	2021 £	2020 £
Listed investments (UK)	-	1,812,279
Listed investments (outside the UK)	131,406	1,600,754
Unlisted shares in UK registered companies	5,105,552	1,395,620
Cash and cash equivalents	727,303	142,370
Other investments	-	88,900
	<u>5,964,261</u>	<u>5,039,923</u>

6. Short term investments

	2021 £	2020 £
Short term investments	<u>8,351,635</u>	<u>10,525,100</u>

Short term investments are deposits held at Lloyds and Barclays banks and funds invested in Royal London Asset Management.

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts due to parent undertaking	122,337	165,793
Accruals and deferred income	3,240	2,520
	<u>125,577</u>	<u>168,313</u>

8. Provision for liabilities and charges

	£
Balance at 1 April 2020	9,959,036
Additions	81,691
Utilisation	<u>(10,040,727)</u>
Balance at 31 March 2021	<u><u>-</u></u>

The provision represented the possibility of repaying surplus funding for the Circular Economy Investment Fund back to Defra should the programme be terminated. This is no longer expected to occur based on a perpetual MMI (Mixed Motive Investments) strategy approved by the Board. The strategy is to retain a circular economy investment fund that will be further invested in funds and SMEs that are aligned with WRAP's charitable objective. The credit to the Statement of income and retained earnings is included in administrative expenses.

9. Share capital

	2021	2020
	£	£
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. Post balance sheet events

The Brewin Dolphin portfolio of £859k held by AGF at the 31 March 2021 was fully transferred to Rathbones Greenbank by the 6th May 2021.

11. 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.