

Registration number: 04847732

Advantage Early Growth Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Ballards LLP
Chartered Accountants
Oakmoore Court
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

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COMPANIES HOUSE

Advantage Early Growth Limited
Company Information

Directors	Mr R Barnsley Mr M Maton Mr T S Powell Mr J M Rankin
Registered office	Redroofs Berrington Road Tenbury Wells WR15 8EN
Auditors	Ballards LLP Chartered Accountants Oakmoore Court 11c Kingswood Road Hampton Lovett Droitwich Worcestershire WR9 0QH

Advantage Early Growth Limited
Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

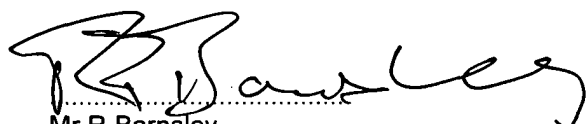
Advantage Early Growth Limited
(Registration number: 04847732)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	596,028	1,353,684
Current assets			
Debtors	5	33,034	19,559
Cash at bank and in hand		<u>357,913</u>	<u>390,950</u>
		390,947	410,509
Creditors: Amounts falling due within one year	6	<u>(9,725)</u>	<u>(13,461,280)</u>
Net current assets/(liabilities)		<u>381,222</u>	<u>(13,050,771)</u>
Total assets less current liabilities		977,250	(11,697,087)
Creditors: Amounts falling due after more than one year	6	<u>(14,015,786)</u>	<u>-</u>
Net liabilities		<u>(13,038,536)</u>	<u>(11,697,087)</u>
Capital and reserves			
Profit and loss account		<u>(13,038,536)</u>	<u>(11,697,087)</u>
Total equity		<u>(13,038,536)</u>	<u>(11,697,087)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 4 July 2018 and signed on its behalf by:


 Mr R Barnsley
 Director

Advantage Early Growth Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Redroofs
Berrington Road
Tenbury Wells
WR15 8EN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements have been prepared on a going concern basis. Under the terms of the funding the company has received for capital investments and operating expenditure, the amounts will be repayable from realised surpluses on the disposal of investments. In the event of there being insufficient funds at the end of the project the loan (to the extent that it is unpayable) included in creditors will be deemed non repayable. The project is due to end on 31 December 2019

Given the above, the directors have considered it appropriate to prepare the financial statements on a going concern basis. However, these matters do indicate the existence of a material uncertainty which may cast doubt on the company's ability to continue as a going concern. The financial statements do not contain any adjustments that may arise if this basis is not appropriate.

Audit report

The Independent Auditors' Report was unqualified. The audit report included the following emphasis of matter:

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made within note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's liabilities exceeded its total assets by £13,038,536 at 31 December 2017. These conditions, along with the matters explained in note 2 to the financial statements, indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

The name of the Senior Statutory Auditor who signed the audit report on 4 July 2018 was James Syree ACA, who signed for and on behalf of Ballards LLP.

Advantage Early Growth Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Advantage Early Growth Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2016 - 2).

4 Investments

	2017 £	2016 £
Investments in subsidiaries	2	2
Investments	596,026	1,353,682
	<u>596,028</u>	<u>1,353,684</u>

Subsidiaries

Cost or valuation

At 1 January 2017	<u>2</u>
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Carrying amount

At 31 December 2017	<u>2</u>
At 31 December 2016	<u>2</u>

Advantage Early Growth Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Unlisted investments	£
Cost	
At 1 January 2017	3,743,835
Disposals	<u>(494,006)</u>
At 31 December 2017	<u>3,249,829</u>
Provision	
At 1 January 2017	2,390,153
Provision	772,656
Eliminated on disposals	(494,006)
Reversal of provision	<u>(15,000)</u>
At 31 December 2017	<u>2,653,803</u>
Carrying amount	
At 31 December 2017	<u>596,026</u>
At 31 December 2016	<u>1,353,682</u>

5 Debtors

	2017	2016
Note	£	£
Trade debtors	11,721	10,800
Owed by related parties	<u>21,313</u>	<u>8,759</u>
Total current trade and other debtors	<u>33,034</u>	<u>19,559</u>

Advantage Early Growth Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Trade creditors		2,083	10,704
Taxation and social security		665	800
Other creditors		<u>6,977</u>	<u>13,449,776</u>
		<u>9,725</u>	<u>13,461,280</u>
Due after one year			
Loans and borrowings	7	<u>14,015,786</u>	<u>-</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	7	<u>14,015,786</u>	<u>-</u>

Advantage Early Growth Limited
Notes to the Financial Statements for the Year Ended 31 December 2017

7 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Other borrowings	<u>14,015,786</u>	<u>-</u>
	2017 £	2016 £
Current loans and borrowings		
Other creditors	<u>-</u>	<u>13,445,776</u>

Included in loans and borrowings above is a repayable capital grant from the Department of Business, Innovation and Skills of £4,945,000 (2016: £4,945,000) together with accrued interest of £5,125,172 (2016: £4,555,162). Under the terms of the offer letter from the Small Business Service, funding for capital investment and the operating expenditure of the company will be repayable from realised surpluses from the disposal of investments. The project is due to end on 31 December 2019, and to the extent of there being insufficient assets to discharge the liabilities it is deemed non-repayable.

Also included in loans and borrowings above is a capital grant from the European Regional Development Fund of £3,945,614 (2016: £3,945,614) which is interest free. As any future maturity amount is likely to be less than the initial grant paid due to the current value of the investments, this grant has not been valued using the effective interest rate method. The project is due to end on 31 December 2019. The amounts realised from the sale of the investments are intended to be reinvested as an evergreen fund and are not repayable.

Both loans were shown as current creditors rather than non-current creditors last year as negotiations to extend the project end date from 31 December 2015 to 31 December 2019 were concluded after the date the audited accounts were signed.