



Waste & Resources Action Programme

Annual Report
and Consolidated
Accounts for the
year ended
31 March 2015

WRAP's vision is a world in which resources are used sustainably.

Our mission is to accelerate the move to a sustainable resource-efficient economy through re-inventing how we design, produce and sell products; re-thinking how we use and consume products; and re-defining what is possible through re-use and recycling.

Find out more at www.wrap.org.uk

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Reference and Administrative Details

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Company number	4125764
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Our Advisors

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Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law.

Alison Austin OBE
Dr Robert Chilton OBE
Dr Liz Goodwin OBE
Julie Hill MBE (Chair)
Andy Hinton
Maggie Jones (Baroness Jones of Whitchurch)
Jonathan Lea
Robert Longley-Cook
David Palmer-Jones

Executive Committee

Dr Liz Goodwin
Steve Creed
Dr Marcus Gover
Jonathan Lea
Dr Richard Swannell

The Trustees and the Executive Committee make up the key management personnel of the charity.

Chair's Statement

It is a great pleasure and privilege to have been appointed Chair of WRAP in November 2014 in succession to Peter Stone. I want to thank Peter for his leadership of the organisation over the past six years. I also want to pay tribute to the tireless work of trustees and staff in bringing WRAP to this point – a charity with a crucial mission, unrivalled expertise, sound governance and unlimited potential.

This year has been one of considerable change. We registered as a charity, we have refreshed our governance, and we are looking to bring in new skills and expertise. We sadly said goodbye to three trustees – Alan Knight, Jenny Watson and Clare Whelan – and I want to thank them for the outstanding contribution they made, from very different perspectives, to WRAP's mission and high reputation over many years. We have welcomed a new trustee, Robert Longley-Cook. As the CEO of a thriving charity, Robert brings invaluable skills to the Board, and we very much look forward to working with him. Our talented executive always deserve more plaudits and thanks than is possible in a summary report, but one of the greatest pleasures of the year has been the recognition, through an OBE, of Liz Goodwin's dedicated and inspirational leadership of the organisation over the last eight years, as well as her shaping of it well before that.

Some things have not changed. WRAP has been at the forefront of the resource efficiency agenda since it was established in 2000. It continues to be instrumental in shaping the idea of the 'Circular Economy' and providing the evidence that underpins the effort to achieve it. As well as ideas and evidence, WRAP delivers on the ground, acting as a catalyst for change at all levels from local to national, and playing increasingly on an international stage.

In the UK alone, WRAP's work in the last five years has resulted in four million tonnes less waste being produced and nearly 50 million tonnes of carbon equivalent emissions being avoided. WRAP's evidence, insights and guidance have proved invaluable to funders, businesses, local authorities and individuals. But we could not have achieved these gains without the many partnerships and collaborations that have characterised our way of working, and I want to thank all those who have shared our mission and values, joined forces with us or provided us with funding, so that together we are making crystal clear the benefits of a more sustainable, resource secure world.

Now we look to a future that builds on this foundation. We have recently launched our ambitious five year plan to 2020 and called it '*Resource Revolution: Creating the Future*' because we are clear that together, we all need to achieve a step change in resource efficiency if we are to achieve a stable future for mankind.

As a charity, we are able to diversify our funding and the people we work with, but this does not mean that we will value our existing stakeholders any the less. We are proud to have helped to establish Zero Waste Scotland, and continue to work with our colleagues in Scotland, as well as those in England, Wales and Northern Ireland. We are increasingly asked to deploy our expertise outside the UK, and the experience we gain in so doing can only strengthen our work at home. We are adaptable and open-minded, but always focussed on our core mission and values. We are an organisation ready for a key role in shaping the future.

Julie Hill
Chair

Review of the year

It's been another busy, productive year and I'm very proud of how much we and our partners have delivered, examples of which you will see illustrated in the Strategic Report. Delivering real change and action on the ground is what makes WRAP different and I have been keen to ensure we remain focused on delivery whilst developing our longer term strategy to diversify our funding base, grow our international reputation and make progress towards a world where resources are used sustainably.

In parallel with our focus on delivery, WRAP registered as a charity in November 2014. We also established Zero Waste Scotland as a separate entity in July 2014, ensuring operations and programmes all continued to run smoothly throughout the transition. We have made a number of internal structural and operational changes to reflect our change in status and our plans to diversify our funding. We recently moved offices so we now occupy just one building in Banbury (as well as our existing offices in Cardiff and Belfast).

Our plans to deliver change

Actions matter. If we don't tackle the issues we collectively face, the world will be a poorer place and the future for our children, grandchildren and great-grandchildren will be impaired. We have a collective responsibility to address pressing global problems and leave a positive legacy.

WRAP is, always has been and always will be a catalyst for positive environmental action. We work uniquely, and by design, in the space between governments, businesses, communities, thinkers and individuals – forging powerful partnerships and delivering ground-breaking initiatives to support more sustainable economies and society.

WRAP aspires to excellence in everything it does. We focus on being authoritative and knowledgeable and pride ourselves on being independent. We are committed to transforming practices to deliver a more sustainable future for all.

We believe this will be done more rapidly through effective collaboration. Our people are truly our most important asset, and we empower them to deliver to the highest quality through innovation and continuous personal development.

Thinking is evolving fast, shifting from a traditional linear economy (make, use and dispose) to a more resource efficient, more circular economy. WRAP turns thinking into action. We inspire stakeholders who have the power to effect widespread change. Our influence is driven by evidence, insights and skills. We are experts in establishing the facts, getting the right people working collaboratively to agree common goals, then converting ideas into real action and delivery on the ground.

The benefits of doing business differently and changing consumer habits are clear to see. You can't walk into a UK supermarket today without seeing something WRAP has helped to change or improve. From packaging design to better date labels and portion sizes WRAP has helped make these a reality.

It also delivers results. By working with partners, WRAP delivered a 20-fold return on our funding in England between 2010 and 2015.

We have recently published our plans for 2015-2020 *Resource Revolution: Creating the Future*.

Although the 3Rs of reduce, re-use and recycle are widely understood and recycling habits have become ingrained across homes and businesses we now need a radical step change in performance on reducing environmental impact. Our five year plan sets out what we see as the challenges, the opportunities, and what we will do to reduce pressure on the environment and we need your help to do it. Only collective change will allow governments, businesses, organisations and individuals to meet the needs of us all by 2020 and beyond.

WRAP is ideally placed to respond to this fast-developing agenda and our work with forward-thinking stakeholders is now firmly focused on the 3Rs of the future. The 3Rs of the future require us to take a whole lifecycle approach: re-inventing at the design stage, re-thinking a product's use phase and re-defining its end of life.

We all need to adapt to changing circumstances and shifts in the external operating environment. WRAP has taken its own advice. We have taken action to evolve our future by becoming a charity, diversifying our funding base and embracing more new ways of working.

That said, many things about WRAP will remain the same: our mission, our tailored approach, our influential partnerships; ultimately, the dedication of our passionate and expert staff who help ensure positive environmental change happens. WRAP is committed to changing the 'norm' to achieve a more sustainable economic environment in the areas and countries in which we work.

WRAP remains at the forefront of change to deliver a more sustainable world.

Dr Liz Goodwin
Chief Executive

Objectives and Activities

The Waste and Resources Action Programme (WRAP) was established as a not-for-profit company in 2000 and has always operated for the public benefit. In December 2014 WRAP registered as a charity with the Charity Commission. In doing this the Trustees have considered the Charity Commission's guidance on public benefit in reviewing WRAP's aims and objects which are the promotion and encouragement of sustainable¹ resource use by means of:

- the promotion and facilitation of sustainable product design, waste minimisation, re-use, recycling and reprocessing of waste materials and sustainable waste management;
- the provision and encouragement of expertise, knowledge and best practice in relation to sustainable resource use; and
- the improvement of understanding of the waste stream and the opportunities for re-use, recycling and reprocessing.

Vision and Mission

WRAP's vision is a world where resources are used sustainably. Our mission is to accelerate the move to a sustainable, resource-efficient economy through:

- re-inventing how we design, produce and sell products
- re-thinking how we use and consume products
- re-defining what is possible through re-use and recycling

We work in a unique way, building an evidence base and then convening the right people in business, government and the community to work on specific problems, overcoming market failures and coming up with practical solutions that work and make a real difference. While there are many environmental organisations actively engaged in raising **awareness** of resource sustainability issues, WRAP's expertise and focus is in helping organisations and individuals take the journey from **awareness** to **action**. WRAP provides **information**, tools, advice and help to businesses and consumers to make **decisions**, often collectively, that lead to **action**.

WRAP has built its reputation as a trusted interface and convenor between governments, business and communities. WRAP has an extensive network of contacts in key business sectors, often at the executive board level, as well as with senior government policy officials and leading thinkers in academia, think tanks and NGOs. Working in partnership with business sectors, their supply chains and their customers is fundamental to WRAP's success.

The Circular Economy

A key element of our strategic approach is an understanding of the flow of resources around an economy and the benefits of making that economy more 'circular'. The future is about enabling countries, businesses and individuals to move away from the 'design, make, use and discard' model of the linear economy towards a resource-efficient, more circular economy. A 'circular economy' is one in which we keep resources in productive use as many times as human ingenuity

¹ 'sustainable' means 'able to meet the needs of the present without compromising the ability of future generations to meet their own needs'.

can conceive; where we can extract the maximum value from products and materials whilst in use, then recover and recycle resources at the end of each service life.

In the case of the UK, we have developed a vision of a UK economy that has become more circular by 2020². Compared to 2010, this would:

- Use 30 million tonnes less direct material input
- Recycle 20 million tonnes more material
- Produce 50 million tonnes less waste
- Reduce greenhouse gas emissions by over 60 million tonnes CO₂eq

We understand that, in order to become mainstream, sustainable use of resources must be recognised to be not only good for the environment but also to be 'good business'. We have estimated that a 'circular economy' has the potential to generate significant economic benefits for the UK:

- Improve the UK's trade balance by up to £23 billion per year
- Improve business competitiveness by reducing costs by around £52 billion per year
- Increase recycling sector GVA by £2 billion
- In 2015 we published research that showed that a circular economy has the potential to generate 205,000 new jobs by 2030.³

Activities and Sectors

We classify our charitable activities on re-inventing how we design, produce and sell products and on re-thinking how we use and consume products as **Sustainable Consumption and Production**. This is complemented by our work on re-defining what is possible through re-use, remanufacture and recycling in **Waste and Resource Management**. These two principal activities work together to 'close the loop' and deliver a more resource-efficient, more circular economy.

We focus on three of the most resource intensive sectors where we have deep expertise and a track record of strong delivery. These are Food & Drink, Clothing & Textiles and Electricals & Electronics. Together they account for 40% of UK household waste, 80% of the UK water footprint and 25% of UK carbon footprint. Our main areas of activity are:

Research and Evidence

Carefully building and understanding the evidence base is the foundation of all we do. WRAP has a track record of publishing ground-breaking research and evidence. Understanding the market failures and other barriers that prevent the sustainable use of resources enables us to work with our partners to develop practical solutions. Our research is available on our website – www.wrap.org.uk/keypublications.

Collaboration through Voluntary Agreements

Within our chosen sectors, WRAP acts as a catalyst, accelerating change in ways that governments, individual companies or community groups cannot achieve working on their own.

² <http://www.wrap.org.uk/content/wraps-vision-uk-circular-economy-2020>

³ WRAP and Green Alliance (2015) *Employment and the Circular Economy – Job creation in a more resource efficient Britain*

WRAP brokers and supports voluntary agreements between the leading players in these three key industry sectors in order to achieve substantial change. These are the Courtauld Commitment, the Hospitality and Food Service Agreement, the Sustainable Clothing Action Plan and the Electrical and Electronic Equipment Sustainability Action Plan. Each agreement sets challenging and measurable targets which the signatories commit themselves to deliver. WRAP supports signatories with their projects, shares experience and collates, on a confidential basis, detailed information on the progress towards achieving the targets. Progress reports are made during the course of the agreement and a full report is published at the end.

WRAP's Product Sustainability Forum undertakes collaborative research and innovation projects in sustainable consumption and production. WRAP uses its ability to convene and to provide a forum to enable this collaboration to take place.

Campaigns

WRAP has also developed award winning consumer campaigns to help individuals and households; Love Food Hate Waste, Love Your Clothes and Recycle Now. These campaigns provide information and messages that enable households and individuals to make decisions on consumption, waste and recycling. The signatories to our voluntary agreements provide a channel for these messages.

Grant-making

Working closely with our funders, WRAP designs and delivers grant programmes that are tailored to promote and encourage activities in waste prevention, resource efficiency, renewable energy and the sustainability of products and materials. The principal schemes are the Accelerating Reprocessing Infrastructure Development scheme funded by the European Regional Development Fund to support Green Growth in Wales' Resource Management sector, the Welsh Government's Collaborative Change programme which supports local authorities in Wales in improving waste collection and recycling, the Rethink Waste programme, operated on behalf of the Department of the Environment of Northern Ireland and the Innovation in Waste Prevention Fund on behalf of Defra.

- We design grant schemes in consultation with funders and other stakeholders that have clear objectives in terms of outcome and impact. We make available easily accessible guidance and application documents to support all of our grant schemes that detail the aims and scope of the funding on offer.
- Grants are awarded through an open competition process and we ensure our selection process is fair and transparent. Value for money is considered throughout.
- The beneficiaries of the grants we award include small, medium, and large businesses, charities and social enterprises and local authorities. The scale of the support varies from small short term projects to large scale long term capital investments.
- We monitor and evaluate the difference our funding is making and share information on the progress of our programmes and their outcomes within the public domain; on our website, e-newsletters, case studies, and through stakeholder/partner engagement.

Financial Support and Investment

WRAP also provides financial support in the form of loan finance and a lease residual value guarantee scheme to the recycling and reprocessing sector through our trading subsidiary

companies the Accelerating Growth Fund Ltd and eEquip RVG Ltd. The Rural Community Energy Fund and the On Farm Anaerobic Digestion Fund are schemes that provide small grant funding for phase one feasibility studies that, if successful, may lead to loan funding for further development.

Achievements and Performance

Highlights in Sustainable Consumption and Production in 2014/15 include:

Food & Drink

Activity is focussed on delivering against the objectives and targets of the voluntary agreements we have brokered – the Courtauld Commitment phase 3 and the Hospitality and Food Service Agreement – both of which have targets for achievement by December 2015.

- The Courtauld Commitment's Phase 3 first year results showed a 4.5% reduction of the carbon impacts of packaging against a target of no increase. Efforts to prevent food waste led to 80% more food being redistributed. This was from a low base and we are quantifying the extent to which we can help increase this further.
- New targeted insights for the grocery sector highlighted that 2 million tonnes of household food is discarded because it is not 'used in time', half of which is thrown away whole or in unopened packaging, costing around £2.4 billion a year⁴.
- A one-day increase in product life could prevent 250,000 tonnes of food waste in households and the supply chain. Our research showed that by preventing this volume of waste, UK shoppers look at a potential shared saving of up to £500 million⁵.
- Together with Marks & Spencer and Sainsbury's we successfully trialled supplying visible black food trays onto the market and then subsequently collecting them and demonstrating it is possible to recycle them back into trays again. The challenge is now to encourage action across the industry to implement recommendations from the trial.
- We demonstrated how selecting the right potato variety, by considering not only harvest yield but also storage characteristics, optimises efficiency across the whole supply chain.
- The Hospitality and Food Service Agreement (HaFSA) first year results highlighted over £10 million savings by signatories in reducing food waste. An increase of 23% of surplus food was sent for redistribution. There was a CO₂e reduction of 2.5% associated with food and packaging waste, against the overall target of a 5% reduction by the end of 2015 and an increase in the recycling rate for food and packaging waste to 54% against an overall target of 70%. These results mean that we are on track to achieve the Agreement's targets.
- The Hospitality and Food Service team won the Stakeholder Engagement Award at the sector's annual Footprint Awards in May 2014. The Award recognised WRAP's success in signing up more than 200 signatories and supporters to the HaFSA, approximately 25% of the entire UK sector.

⁴ WRAP (2014) *Household Food and Drink Waste: a product focus*

⁵ WRAP (2015) *Reducing food waste by extending product life*

In addition:

- WRAP Cymru provided waste prevention and recycling consultancy support and/or grants to 52 small hospitality, tourism, and food and drink businesses in Wales.
- We shared the results of the Product Sustainability Forum Pathfinder projects at the 'Sustainable Food – Collaboration in Action' seminar. This first seminar brought together Pathfinder partners, including speakers from Sainsbury's, the Co-op and Nestlé Professional.
- The updated and re-designed Product Sustainability Forum Knowledge Base was published. This is our extensive library of key information and insights from the work the Forum has completed over the last few years with the grocery market.
- We reported on our work with signatories to the Federation House Commitment, a voluntary agreement with companies in the food and drinks sector that focussed on water use, which transitioned to an industry-led voluntary agreement, in 2014. It showed a significant reduction in the amount of water used in the manufacture of food and drink. The saving of 1.35M m³ of water not-in-product compared to a baseline of 6.1M m³. The agreement has consistently over-performed, delivering 0.35M m³ more than targeted.⁶

In **Love Food Hate Waste** (LFHW) we launched the '10 cities' initiative with campaigns in major cities across the UK. We spoke to over 15,000 people and received over 3,000 pledges from city dwellers committed to 'Do One Thing Differently' with their own food waste.

- As part of our plan we launched LFHW 'Save More' kitchen skills packs to help people get to grips with budgeting, planning and portioning in the kitchen.
- Five celebrity ambassadors joined the campaign. Actress and director Sunetra Sarker, celebrity chefs Rachael Khoo, James Strawbridge, Richard Fox and Shane Jordan are helping the LFHW team raise awareness of the food wasted in UK homes.
- LFHW provided Jamie Oliver's Friday Night Food Feast with data and insights and supported their filming. Jamie Oliver thanked the campaign by endorsing us online.
- We congratulated Emma Marsh, Head of Love Food Hate Waste, on winning 'Unsung Hero' at the Guardian Sustainable Business awards in April 2015 following a public vote.
- While good progress has been made against all our objectives on reducing food waste there is a risk that, as the UK economy starts to move towards recovery, households pay less attention to food waste than during times of recession. We must work to ensure that the improvements in resource efficiency that have been achieved are not lost.

WRAP also provides support to Local Authorities in introducing effective food waste collection systems and promotes Anaerobic Digestion (AD), a process whereby food waste is converted into renewable energy – methane gas – and whose by-product – digestate – is potentially a valuable source of nutrients for agriculture.

⁶ WRAP (2014) *The Federation House Commitment Progress Report 2014*

- Our annual survey outlined how AD has grown significantly in the UK. Operating sites have increased by 34% and in turn capacity was up by 55%. The resulting employment in the sector increased by 36%.⁷
- Eleven well-attended workshops across England promoted how to improve AD operations and market digestate. Building on earlier feasibility studies, several demonstration projects were supported, highlighting 9 new innovations that will reduce the cost of AD and improve operational efficiencies.
- We released a video to encourage more farmers to use anaerobic digestate as a renewable fertiliser. The video provided practical advice for farmers to maximise the supply of nutrients to grow healthy crops and how this can be balanced with standard fertilisers. It gained far more industry engagement than we had planned for and is now in the top three most viewed WRAP videos.
- Two video case studies featuring the Jubilee Gardens, London and The Llanelli School regeneration scheme, South Wales were released highlighting the benefits of using green waste BSI PAS 100 compost to manufacture quality topsoil to the British Standard for use in construction.
- WRAP played a key role in the review of BSI PAS 110 specification to ensure the updated specification would deliver high quality digestate to meet market requirement.
- Following several years' work and negotiations, Quality Meat Scotland (QMS) has now agreed to remove the restrictions on the application of compost and digestate to land being used to raise QMS assured livestock, opening up new markets for compost and digestate. The new measures do require a higher quality digestate than under the PAS 100 and PAS 110 standards.
- The On Farm AD fund awarded 46 grants to farmers to help them develop finance ready business plans, 11 more than planned. 10 business plans have been completed. The first project to secure finance will be producing biogas at a poultry farm in Norfolk by August 2015.

Textiles & Clothing

Based on the research and evidence that was published in our report *Valuing our Clothes* in 2012 the core elements of our programme are the Sustainable Clothing Action Plan (SCAP), a voluntary agreement with leading clothing manufacturers, brand owners and retailers, and the 'Love Your Clothes' consumer campaign, launched in February 2014. The goals are a 15% reduction in carbon footprint, water footprint and waste to landfill and a 3.5% reduction in waste arising across the whole product lifecycle by 2020.

- Signatories and supporters of the SCAP 2020 commitment continued to grow with 72 UK based organisations committed to reducing the environmental footprint of clothing. This represents over 45% of the UK clothing retail market, slightly below our target of 50%. Growth has been particularly strong in Wales with 18 signatories and supporters. Progress after one year has been positive with interim results shared with signatories and supporters at the SCAP 1 Year On event held in March 2015.

⁷ WRAP (2014) *A Survey of the UK Anaerobic Digestion Industry in 2013*

- As planned, SCAP set up 'The Design for Clothing Life Working Group' which aims to establish a framework for product longevity and develop a business case, guidance and tools of 'Best Practice' for retailers and suppliers to extend the life of garments to reduce clothing waste.
- The SCAP Extending the Life of Clothes design award aimed to develop innovative solutions to create clothes that are wearable for longer. Aimed at students and professional designers in England, interest was high with more than 78 registrations. Publicity for the winner was much higher than expected, reaching over 150,000 on Twitter. The winning designer, Rhiannon Hunt, received £5,000 and the opportunity to progress her work and develop it for a commercial market.

The **Love Your Clothes** campaign continued to grow in line with our ambitions through social media, with 1775 twitter followers and 2700 website users. In addition, SCAP signatories have engaged with the campaign by promoting Love Your Clothes campaign messages to their customers.

- Our Fashion Salvage event in November 2014 targeted fashion bloggers with key behavioural messages around clothing discard and as a result the reach of the Love Your Clothes campaign increased to just short of 500,000 subscribers/followers.
- We also ran a live twitter chat on how to get the most out of the Autumn/Winter wardrobe which achieved 13,217 impressions, 59 retweets and 38 new followers. Our priority for 2015/16 is for the campaign to be taken up more widely by the sector.
- WRAP helped removals company Pickfords in conjunction with Clothes Aid to encourage people to donate approx. 28,000 items of high quality, re-usable clothing in just eight months.
- We engaged with non-clothing and household textiles retailers, brands and the supply chain to review the market and the opportunities within the sector to reduce the environmental footprint of non-clothing textiles. In addition we undertook consumer research on household textiles purchasing, use and discard practices. Taken together, these projects will result in opportunities to reduce the environmental impact of non-clothing textiles.

Electricals & Electronics

We published our core research and evidence in our report *Switched onto Value* in 2013 and launched the Electrical and Electronic Equipment Sustainability Action Plan (esap) in November 2014, with the first wave of 50 signatories. This collaborative action aims to revolutionise the way we buy, use and dispose of electrical items. Esap delivery has focussed on five themes; product durability, minimising product returns, influencing consumer behaviour on product durability and reparability, implementing profitable, resilient and resource efficient business models and gaining greater value from re-use and recycling.

- Specification guidance for Better Appliances was published, providing recommendations to industry on optimum specifications to improve the durability of electrical appliances at key price points. Implementation support has been delivered with leading retailers and manufacturers.
- REBus, an EU Life+ project, has enabled us to start pilots with large and small businesses to explore the resource efficiency and financial benefits of moving towards more circular

business models. Samsung and Argos are amongst those that signed up.

- Further European funding was secured through Horizon 2020, with WRAP a partner in the ProSUM project investigating trends in the availability of secondary raw materials from waste electrical and electronic equipment and the implications for policy and infrastructure investment.
- We were invited by LG Electronics, a founding signatory of esap, to undertake a fact-finding visit to Korea.

Highlights in Waste and Resource Management in 2014/15 include:

A major activity in 2014/15 was the planned refresh of WRAP's Recycle Now campaign. As part of this, the website was re-launched receiving over 1 million visitors and over 1.2 million sessions – over 80% of these are new users.

- Recycle Now's social media channel continues to flourish with 13,000 twitter followers and 12,000 likes on Facebook. The YouTube channel has seen over 600,000 video views.
- The Recycle Now campaign continues to support partners too, with over 4,000 people registered to access the partners' site to use our materials.
- We launched the Recycling Locator – an upgrade of our online tool designed to help make recycling information clearer and more straightforward for householders, so they can easily find out how and where items can be recycled locally.

We continued to provide support to local authorities and the resource management industry.

- We published major new research into the barriers that householders face when recycling at home, in December 2014.⁸ This showed that clearer communication, particularly on the collection of plastic materials and food waste, is key to householders recycling more effectively. To help tackle these and other barriers, we supported 16 local communications projects (worth £476k) with local authorities and their partners covering over 3 million households. These projects were match-funded in both time and money by partners to a value of £534k.
- We completed a series of pilot projects to better understand the barriers people have to recycling food waste and to test different approaches designed to help people to use their services better and recycle all types of food waste. This work involved working with 11 local authorities and the sector more widely to see how these measures can be built into contractual agreements with operators. This work is now being taken forward as part of a new initiative to develop a food waste industry recycling action plan.
- We have updated previous work on the costs and performance of kerbside collection services and published the new data in the form of an on-line tool for local authorities to use.
- New materials were released aimed at encouraging more partnerships between local authorities, waste management companies and third sector organisations to encourage more re-use of products that people no longer want. Seven video case study examples of

⁸ www.wrap.org.uk/content/barriers-recycling-home

partnership working in practise were developed to showcase and promote the findings that partnerships are fundamental to success in establishing more re-use.

- We have worked closely with Defra and the Welsh Government to introduce new regulations that require operators of materials recovery facilities regularly to sample and test the quality of both input and sorted output materials. These are designed to improve both the quality and transparency of information on materials quality.
- WRAP Cymru successfully bid for a place on the Welsh Government's Resource Efficient Wales Framework, used by all public sector bodies in Wales when awarding contracts relating to sustainability and resource efficiency. Subsequently WRAP Cymru – in partnership with the Carbon Trust – won contracts worth over £1 million to deliver the Welsh Government's new Resource Efficient Wales client manager services for businesses and the public sector.
- WRAP Cymru has delivered the Welsh Government's Collaborative Change Programme of grant and other support for Welsh local authorities to develop improved waste collection and recycling. We also established new procurement frameworks to enable Welsh local authorities to procure new collection vehicles and containers. As well as improving the level of recycling, this programme will help councils save £10.7 million per year mainly in collection costs.
- The Accelerating Reprocessing Infrastructure Development (ARID) scheme was launched in autumn 2011 with support from the European Regional Development Fund via the Welsh European Funding Office to support Green Growth in Wales' Resource Management sector. It targets commercial and industrial waste in Wales' Convergence Region, with the aim of diverting this waste from landfill. The scheme provides capital grants to SMEs developing innovative reprocessing facilities, SMEs providing recycling collections services, and SME manufacturers who wish to use recycled content in their manufacturing processes. WRAP has now awarded over 70 grants to SME's in the Wales' Convergence Region under this scheme. The programme outcomes include reducing, re-using or recycling 398,847 tonnes of waste, exceeding the target of 326,220, an equivalent of 243,370 tonnes CO₂eq savings to the environment. The projects awarded have also created 178 new jobs in Wales, more than we expected.
- WRAP Northern Ireland's Waste Prevention through Partnerships Conference was the centre point of 2014's European Week for Waste Reduction (EWWR) in Northern Ireland. It tackled head-on the urgent need for the nation to push harder on waste prevention and recycling to achieve recycling targets.
- WRAP Northern Ireland continued the successful Rethink Waste Fund for councils and third sector organisations, providing funds for infrastructure and capacity growth to increase recycling and re-use. Twenty-six capital projects were funded in 2014-15, enabling councils to increase recycling by 43,000 tonnes and avoiding 104,000 tonnes CO₂eq by 2018. In total the Rethink Waste Fund has awarded £10.1m in grants, providing capacity to divert an additional 130,000 tonnes a year from landfill into recycling and recovery. If this capacity is fully utilised, WRAP NI will have exceeded its targets for diverting biodegradable waste from landfill by 41% and avoiding carbon emissions by 67%.
- At the LARAC Awards, in October 2014, WRAP's Emily Martin won Recycling Officer of the Year and the Waste Regulations Routemap we developed with LWARB and the Waste Network's Co-ordinators was runner up in the New Ideas category.

- In July 2014, for the seventh year running, we published our annual gate fees report. One of our most downloaded reports, it is used by local authorities and waste management companies to understand the complex waste management market.
- WRAP co-ordinated those involved in the plastic packaging supply chain to develop the Plastics Recycling Industry Action Plan to be launched in conjunction with Plastics 2020 in June 2015.
- The Plastic Flow study, published in December 2014, reviewed the quantities of plastic packaging on the market and recycled in 2013. The research supports Defra's work on packaging policy. The project developed various scenarios for future plastic packaging recycling rates to 2020.

The fall in the oil price and consequently in prices for virgin plastic has put significant pressure onto the markets for recycled plastics and threatens to undermine viability. WRAP has been very active in its convening role with the recycled plastic milk bottle industry to help increase understanding on these issues. A number of recycling companies including some recipients of financial support from the Defra funded Mixed Plastic Loan Fund that WRAP operates through its Accelerating Growth Fund subsidiary have encountered financial difficulties. Despite these challenges, for the most part these facilities have remained in production, although in some cases after going through financial restructuring.

Rural Community Energy Fund

WRAP has continued to deliver the Defra and DECC funded Rural Community Energy Fund (RCEF), launched in June 2013. The Fund enjoyed a very successful year in 2014/15 and was featured as a major success in the *Update on the Community Energy Strategy* published by DECC in March 2015. By the end of March 2015 we had supported projects from Cornwall to Cumbria with a potential energy generating capacity of 50 megawatts, comprising:

- 90 applications for stage 1 grants of which 50 rural community renewable energy projects were provided with grants worth £827,000; and
- 3 applications for stage 2 loans which led to the provision of 2 rural community renewable energy projects with loans worth £224,000.

Other research and evidence activity:

- We provided written evidence to the National Assembly for Wales' Environment and Sustainability Committee's inquiry into recycling in Wales.
- We gave evidence at the first House of Commons Environmental Audit Committee inquiry into 'Growing the circular economy'.
- With the Global Commission on the Economy and Climate, we published research which indicated that reducing consumer food waste by 20-50% could save the global economy between US\$120 and \$300 billion per year by 2030⁹.
- Our study *Employment and the Circular Economy – Job creation in a more resource efficient Britain*, published in conjunction with the Green Alliance, highlighted how over 200,000

⁹ WRAP (2015) *Strategies to achieve economic and environmental gains by reducing food waste*

new jobs could be created across Britain from the continued development of resource efficient activity to 2030, such as re-use, recycling, and remanufacturing.

Built Environment

The Built Environment Commitment was announced at the UK's Annual Construction Summit by BIS Minister Michael Fallon. WRAP was instrumental in developing the framework. The UK Contractors Group signed up to the commitment. The 28 members in the group account for a third of UK construction output valued at ~£30bn.

With a lack of further funding from government grants or other sources, WRAP has decided to exit the Built Environment as a priority sector. WRAP has delivered significant impact in improving resource efficiency in the sector driven by our very successful Halving Waste to Landfill voluntary agreement. Much of the evidence base and tools we have developed remain useful and will continue to be made available via our website but we will not be undertaking any new work.

International

We have developed an international reputation for work we have completed on the food and drink supply chain which has attracted and continues to attract international opportunities. These have included:

- Publishing in partnership with the United Nations Environment Programme (UNEP) guidance on the design of programmes targeted at businesses and households to help them prevent food and drink waste;
- A major contribution to the Food Use for Social Innovation by Optimising Waste Prevention Strategies (FUSIONS) manual for measuring food waste in the EU; and
- Partnering with World Resource Institution on its initiative to produce a global standard for measuring food loss and waste.

In Europe we were successful in securing European Commission funding to undertake the Resource Efficient Business Models (REBUS) project which is focussed on piloting new business models that enable business across both manufacturing and service industries to improve their overall resource efficiency.

Evaluation and Impact

At WRAP we place great emphasis on being able to account not just for the outputs of our work but also our impacts on the environment, the economy and more broadly on society. We are committed to using robust evaluation methods that draw on best practice around the world. We aim to comply with the principles set out in UK Government's Magenta Book while recognising the complexity of our context means traditional approaches are not always appropriate.

Our approach starts with understanding programme theory and uses logic maps to provide visual representations. Indicators of success are derived from these maps, making use of a mixture of output, outcome and impact indicators. For each programme, indicators are subjected to a prioritisation process and a handful of key indicators are selected to form a dashboard. This dashboard is subject to regular review and forms the basis of programme reporting.

We have an in-house team of evaluators and also work with a pre-selected group of external evaluation experts. Our team stays in touch with new thinking through active membership of

both the European and UK Evaluation Societies, and we are members of the Defra Network Policy Evaluation Group, making regular contributions to meetings and discussions.

Our evaluation methods are varied and depend on the nature of the programme being investigated. Where possible, we use an experimental design combined with qualitative insight to understand both whether an intervention has worked, and also why and in what respects. Where an experimental design is not possible, perhaps because there are no viable control groups, we use a novel approach that we term our 'impact model' to gather feedback from beneficiaries, applying some consistent factors, including around attribution, to generate best estimates of impact. Our voluntary agreements are designed with monitoring and reporting in mind, and our arms-length in-house evaluation team analyses the data to produce annual impact datasets, accompanied by a thorough internal and external quality assurance process. We also use more innovative methods; for example this year we will be testing a new interactive, evidence-based, consensus-style approach to attributing observed changes in food waste production to WRAP's work on consumer food waste prevention.

In the past WRAP has set itself overall business plan targets expressed in measures such as tonnes of waste diverted from landfill or CO₂eq emissions avoided. However, the resources available have reduced considerably. Total income for on-going activities in 2014/15 at £36.8m compares to £79.9m in 2010/2011 (a reduction of 54%). Income from central government last year was over 40% less than the amount indicated for 2014/15 after the 2010 Spending Review. This has made it more appropriate to focus on value for money received rather than on absolute impact.

During the year we have further developed our evaluation methodology, together with Defra, and have completed a detailed cost benefit analysis of our programmes in England. The evaluation has confirmed positive achievements and a good return on investment; for every £1 of funding on our priority programmes, we leveraged £2 of external contributions and together this investment in resource efficiency of £400 million resulted in benefits to society worth £2.3 billion, an almost five-fold return on total investment and a nearly 20-fold return on the initial funding.

In particular, our core strategies of encouraging business collaboration through voluntary agreements complemented by consumer campaigns show excellent returns.

We are confident that WRAP's programmes and unique approach will continue to deliver excellent value for money for all our funders.

Plans for future periods

We have recently published our plans for 2015-2020 *Resource Revolution: Creating the Future*. The key elements are:

- In Food & Drink we will support the Hospitality and Food Service Agreement and the Courtauld Commitment Phase 3 through to their completion at the end of December 2015. We will produce the final reports on the achievements on both programmes compared to the targets in mid 2016.
- We plan to develop the Courtauld Commitment with a new 10-year plan - Courtauld 2025 - with a broader scope to help increase efficiency across the food system, reducing the resource risks associated with the growth in demand for food and drink. This will include goals for further improvements.

- We will build on the success of the Love Food Hate Waste campaign, aiming to reach more people both in the UK and globally. This will include new ways for people to engage in and support the campaign.
- We also aim to increase the amount of perfectly edible food which is redistributed, ensuring more people in need are fed.
- We plan to conduct research on sustainable healthy diets and are seeking funding and partners for this work.
- WRAP, alongside 26 other EU partners, has been successful in winning a €9 million major European Research project - REFRESH, which will focus on finding new ways of helping European consumers and businesses to reduce food and drink waste and maximise the value from unavoidable food waste. Amongst other things, it will trial Courtauld-style agreements in other European countries.
- In Clothing and Textiles we will focus on delivering the reductions in waste and carbon and water footprints embodied in the Sustainable Clothing Action Plan.
- We will develop the Love Your Clothes campaign.
- In Electricals & Electronics we will work with esap signatories to develop smarter, more resource-efficient products and services aiming to set specific targets as part of the esap agreement.
- In Resource Management we will support the achievement of the objectives for increasing recycling of household waste and packaging that have been set by UK governments. In particular we will work to support an increase in the collection of food waste and its recycling by Anaerobic Digestion.
- The refreshed Recycle Now will continue to help people to recycle and reduce confusion over what can and can't be recycled.
- We have developed a new partnership, Resource London, with the London Waste and Recycling Board (LWARB) to help London boroughs recycle more. Resource London will provide a range of support to London waste authorities helping them to improve the effectiveness of recycling and collection.
- We plan to expand our international work. We are supporting the City of Vancouver in launching a Love Food Hate Waste consumer facing food waste reduction campaign. Going forward we plan to continue working with UNEP on its 10 Year Framework programme, offering support to some of its Flagship Projects which are targeted at improving resource efficiency by better design of products, helping consumers make more informed decisions when purchasing products and providing tools to support businesses making the transition to resource efficiency.
- WRAP has built up a significant knowledge base and practical experience in the design and implementation of waste and recycling collection, management and processing. We will be seeking to share this beyond the UK and into Europe, where many accession countries are working hard to improve their low recycling rates, as well as further afield working through the UK Foreign and Commonwealth Office.

Financial Review

WRAP registered with the Charity Commission in December 2014 and as a result we are required to prepare our accounts under the charity Statement of Recommended Practice (SORP). As it is the first time we have presented our accounts in this form we have decided to adopt the new SORP FRS102 as well as the accounting standard FRS102. As a new charity, we feel that doing this is both efficient and in line with WRAP's long held commitment to transparency and best practice in reporting. There are a number of restatements and reclassifications as a result which are covered in more detail in the notes to the accounts.

On 30 June 2014 our subsidiary company Zero Waste Scotland Ltd ceased to be part of the WRAP Group, with the Scottish Government becoming the sole member of the company. Zero Waste Scotland is treated as a discontinued operation in the Statement of Financial Activities. Scottish Government funding for the Zero Waste Scotland programme amounted to £26.5m in 2013/14 and for the period to 30 June 2014 was £3.9m. Following the separation, WRAP and Zero Waste Scotland continue to cooperate on a number of programmes and the Scottish Government continues to support industry focused voluntary agreements such as the Courtauld Commitment.

WRAP's total income for 2014/15 was £40.7m which compared to £66.3m the previous year. Excluding Zero Waste Scotland, income was £36.8m compared to £39.8m in 2013/14. The reduction is mainly due to reductions in central government grant funding.

The majority, £35.5m, of WRAP's income from charitable activities in 2014/15 was in the form of grants from UK governments and the EU and is classified as restricted income. Unrestricted income from charitable activities amounted to £0.6m (2013/14 £0.3m). Income from other trading activities and investments was £0.6m (2013/4: £0.6m). WRAP's trading subsidiaries contributed all the trading income and the majority of the investment income.

Income and Expenditure is shown for the two principal charitable activities of Sustainable Consumption and Production and Waste and Resource Management. Expenditure in the year on charitable activities was £13.8m on Sustainable Consumption and Production (2013/14 £18.6m) and £20.0m on Waste and Resource Management (2013/14 £20.6m), excluding discontinued activities.

WRAP's subsidiary company the Accelerating Growth Fund Limited (AGF), provides financial support principally in the form of loan finance to enable businesses in the recycling, reprocessing and re-use sectors to develop. AGF is a company limited by shares and is not a charity. The principal loan funds are:

- The Mixed Plastics Loan Fund (MPLF) was established with £3.8m designed to support the development of new capacity to process mixed plastics packaging waste and so divert it from landfill.
- The Anaerobic Digestion Loan Fund (ADLF) is a £6.5m fund to support generating renewable energy in the form of biogas through the diversion of food waste and other organic resources from landfill.
- The On-Farm Anaerobic Digestion Fund was launched with funding of £3m to support farmers in England to build anaerobic digestion capacity to manage their on-farm waste and produce renewable energy.

- 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 Waste Prevention Loan Fund was established with funding of £1.5m to enable organisations to introduce business models and process that make more efficient use of material resources.

The Mixed Plastic Loan Fund was set up with funding from Defra to provide financial support to plastic recycling businesses at start up and in the early stages before they are able to obtain finance from the credit markets. It was established to take on the high commercial risks of providing finance to businesses which are in the very early stages of development. In addition, the fall in the price of oil during 2014-15 and consequently in the price of virgin plastics has put significant pressure on market prices for recycled plastics. During the year, two of the companies to whom the Mixed Plastic Loan Fund had provided finance went into administration. As has been widely reported, ECO Plastics, a major supplier of recycled PET bottles, passed through a pre-pack administration process and the business and assets were sold on as a functioning facility, maintaining supply of this important product. While the administration process has not yet been completed AGF has fully impaired its outstanding loans to ECO Plastics.

The strategy for the Waste Prevention Loan Fund is under review as the opportunities for loan finance to deliver significant impact in the current market are limited and different forms of support are likely to be more effective in the future.

With the expiry of the State Aid exemption for eEquip RVG Ltd's residual lease guarantee scheme on 31 March 2015, this scheme is now closed for new business. The scheme will wind down as the leases guaranteed reach maturity. The longest maturity is to January 2018.

Provisions have been made for impairments to loans receivable, for exposures under the lease guarantees and where residual funds in the Loan Funds may be repayable to the provider of funding when the objectives of the programmes have been achieved.

At 31 March 2015 net current assets were £38.7m (2014: £39.9m) including short term investments of £31.3m (2014: £32.5m). The majority of these investments, £29.1m relate to the subsidiary companies in respect of the Loan Funds and Residual Guarantee scheme described above.

Principal Risks and Uncertainties

The principal risks and uncertainties for WRAP relate to the level of future funding. Working with Governments to deliver programmes that help implement their policies has made us the main delivery organisation working in the UK on the circular economy but we recognise that pressure on public finances means that grant funding from central government has reduced significantly. Grant funding expected from Defra has been reduced further to £13.3m in 2015/16, a 24% reduction from the previous year.

The Government is currently conducting a Spending Review. A full Review by Defra of the programme that WRAP delivers was carried out in 2013 and reached a very positive conclusion on WRAP's effectiveness. This review included an opportunity for stakeholders in business and the wider community to comment and we were pleased that so many stakeholders took the opportunity to endorse our work. During 2014/15 we have worked with Defra on further developing our sophisticated Impact Reporting and Cost Benefit Analysis methodology and have

updated our stakeholder feedback. The outcome of these exercises has been to reconfirm the value of the work we do and the very effective cost benefit relationship. We are confident that we can demonstrate that future grant funding by governments across the UK will continue to represent excellent value for money.

Nevertheless we have continued to sharpen our strategic focus, finally exiting work on the Built Environment, and are actively seeking to diversify the sources of funding for our programmes. Registering as a charity in December 2014 is part of this strategy but it is as yet uncertain how much income we will be able to raise from new sources.

We are keeping tight control of our cost base and made reductions in headcount during the last year while ensuring that we retain our depth of expertise in all the areas that are core to our delivery. We moved our Banbury offices to smaller but more flexible accommodation in May 2015.

Reserves Policy and Going Concern

The unrestricted reserves include £6.9m of designated funds that refer to the reserves of the Accelerating Growth Fund Ltd and which are designated to the activity of that company. Unrestricted undesignated reserves are £3.7m.

Reserves are required to cover working capital requirements when income is received after the expenditure it is to fund has taken place and to cover core operating costs for an interim period when new sources of funding are being developed. The Trustees consider it prudent to hold unrestricted and undesignated reserves equivalent to 6 months of staff and support costs in the charity which are approx. £11.5m pa. The unrestricted and undesignated reserves of £3.7m currently cover between 3 and 4 months of these costs. The trustees plan to increase this cover when trading and investment income allows.

The trustees have reviewed the circumstances of the charity and the group and consider that adequate resources continue to be available to fund activities for the foreseeable future. The Trustees are therefore of the view that the WRAP group is a going concern.

Directors' Report

Structure, governance and management

Governing Document

The Waste and Resources Action Programme (WRAP) is a company limited by guarantee governed by its Articles of Association dated 4 August 2014. WRAP registered with the Charity Commission in England and Wales in December 2014. The liability of the members of the Company is limited to £1 per member.

Organisation

The Board of Trustees, which can have up to 12 members, administers the charity. The Board currently comprises the Chair, two executive directors and seven independent non-executive directors.

The Board is responsible for:

- determining the charity's strategy;

- approving the medium term business plan;
- approving the annual budget;
- monitoring the charity's performance;
- monitoring the business risks; and
- the health and safety issues of the charity.

The Board met five times during the year to 31 March 2015.

The charity applies the relevant principles of good governance in UK Corporate Governance Code as set out below.

- The Board meets regularly.
- There is a clear division of responsibilities between the Chair and the Chief Executive.
- The Board includes a majority of independent non-executive directors.
- There is a formal procedure for the appointment of new directors.
- The Board is supplied in a timely manner with sufficient information to discharge its duties.
- The Board periodically undertakes an evaluation of its effectiveness.
- Directors submit themselves for re-election after a maximum term of 4 years.
- The non-executive directors meet as necessary without the executive directors present.

Executive Committee

The Executive Committee comprises the Chief Executive, Dr Liz Goodwin, and the executives listed on page 5. The Committee is responsible to the Board for day-to-day operations. Individual matters that are novel or contentious are referred to the Board.

Nominations and Remuneration Committee

In view of the size of the Company, it is considered appropriate to combine the roles of the Nominations Committee and Remuneration Committee. The Committee comprises three non-executive directors, currently Julie Hill (Chair, appointed November 2014), Maggie Jones and David Palmer-Jones. The Committee met three times during the year to 31 March 2015. The main responsibilities of the Committee are to:

- establish a procedure for the appointment of trustees and executive directors;
- oversee the process of the appointment of trustees; and
- review the remuneration of the executive directors.

Nominations

The Committee has agreed a procedure for the selection of trustees, which will accord with the following principles:

- Posts will be publicly advertised. The advertisement (and the supporting information for candidates) will make it clear what specialist expertise is required, depending on the need to replace the expertise of the retiring board members, and to take account of any additional requirements.
- The advertisements will make it clear that WRAP is committed to diversity and welcomes applicants irrespective of religion, age, gender, disability or race.
- An independent individual – who is skilled in the making of similar non-executive appointments – will be included on the interview panel.

- The interview panel will proceed by consensus as far as possible, but with no member having a veto.
- Candidates will be provided with a decision as quickly as possible after the interview and information will be made publicly available about the appointments made, which will include any other relevant positions held by those appointed.

During the year the Chair Peter Stone retired at the end of his second term. The Committee ran an open recruitment process for a successor using external consultants, Gatenby Sanderson. Julie Hill was appointed Chair on 19 November 2014. The Board took advice on the remuneration necessary to attract an appropriate person for the role and given the time commitment required. The application to register with the Charity Commission was approved on this basis. A similar open process was run during the year for another trustee with experience in the charity sector, including fundraising and Robert Longley-Cook was appointed to the Board on 1 May 2015.

Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. Non-executive directors of WRAP who have continued as members of the Board have been provided with guidance from our legal advisors on their responsibilities as trustees following WRAP's registration as a charity.

Remuneration

The directors consider the board of directors, who are WRAP's trustees, and the executive committee comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

The Chief Executive and the Chief Financial Officer are also directors of the company and are paid for their executive functions. During the year WRAP registered as a charity. Prior to its registration as a charity non-executive directors were remunerated. Since becoming a charity all the non-executive directors, apart from the Chair, give of their time freely and receive no remuneration.

The main objectives of the Company's remuneration policy are to provide a remuneration package that will attract, retain and motivate individuals of an appropriate calibre. The pay of the executive directors and staff is reviewed annually. The Company benchmarks pay using a leading, commercially available service. An element of pay is variable and relates to performance in the year. It is based on achievement of specific objectives measured between January and December.

Expenses are reimbursed to the extent that they have been incurred wholly, necessarily and exclusively for the purposes of the charity.

Full details of directors' remuneration, expenses and related party transactions are disclosed in notes 11 and 12 to the accounts.

Audit and Risk Committee

The Audit and Risk Committee comprises three trustees, namely Robert Chilton (Chair), Andy Hinton, Clare Whelan (resigned November 2014) and Alison Austin (appointed January 2015). The

Committee met twice during the year ended 31 March 2015, with the external auditors present at both meetings. The Chief Executive and Chief Financial Officer attended all meetings during the year.

The main responsibilities of the Audit and Risk Committee are to:

- monitor the integrity of the financial statements;
- review the charity's internal financial controls and the charity's control and risk management systems;
- make recommendations to the Board on the appointment and remuneration of the external auditors;
- review of the findings of the audit with the external auditors; and
- review the independence of the external auditors.

The Committee considered the changes in the presentation of the accounts that were required since WRAP registered as a charity and decided, as a new charity, it would be both efficient and in line with WRAP's long held commitment to transparency and best practice in reporting, to adopt the Charities FRS102 SORP and the FRS102 accounting standard for the year ending 31 March 2015.

Maintenance of a sound system of internal control

The Board is responsible for the charity's system of internal control and for reviewing its effectiveness. Such a system is designed to minimise the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit and Risk Committee assists the Board in discharging its review responsibilities.

The main features of the charity's risk and control framework are outlined below.

- The charity's Business Plan, including the annual budget, is discussed and approved by the Board. An update on progress and a forecast for the remainder of the financial year is given at each Board meeting.
- Matters needing the Board's attention are clearly defined: financial procedures, procurement procedures and authorisation levels are set by, and any changes approved by, the Audit and Risk Committee. Appropriate reporting procedures have been established.
- Risk assessments are made by staff from across all of the charity's programmes. The results of these assessments are discussed and kept under regular review by the senior management team and reported to the Audit and Risk Committee. A risk register is regularly updated.
- The Chairman of the Audit and Risk Committee reports the outcome of Committee meetings to the Board.
- The charity has established a whistleblowing policy whereby staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Board has reviewed the effectiveness of the charity's systems of internal control for the financial year 2014/15 and up to the date of approval of the annual report and accounts. The charity is committed to the development and enhancement of existing systems of internal control and risk management as appropriate for the charity and its activities.

Risk management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiaries;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Attendance at meetings

Table 1 sets out the number of Board and Committee meetings held during the year, and the attendance of each director. It should be emphasised that this information does not fully reflect the contribution made to the Company's business by many of the directors who have also attended other meetings and events relating to the Company's business during the year.

Table 1: Meetings attended

	Board	Audit Committee	Nominations & Remuneration Committee
Number of meetings held	5	2	3
Alison Austin	5	1/1	-
Robert Chilton	4	1	-
Colin Church	2/2	-	-
Liz Goodwin	5	-	-
Andy Hinton	5	2	-
Maggie Jones	4	-	3
Alan Knight	3/4	-	-
Jonathan Lea	4	-	-
David Palmer-Jones	4	-	3
Peter Stone	2/4	-	1/1
Jenny Watson	3/4	-	2/2
Clare Whelan	4/4	1/1	-
Julie Hill	1/1	-	1/1

The following Directors resigned during the year:

Colin Church 22 August 2014
Jenny Watson 19 November 2014
Alan Knight 19 November 2014
Peter Stone 19 November 2014
Clare Whelan 27 November 2014

Julie Hill joined the Board on 19 November 2014 and was appointed the Chair, replacing Peter Stone. Robert Longley-Cook was appointed to the Board on 1 May 2015.

Relations with stakeholders

The charity regularly consults with its stakeholders and, through a series of stakeholder meetings, their views are taken into account in its business planning process. It welcomes input from its stakeholders on an on-going basis.

Environmental Report

WRAP continues to manage its direct environmental impacts actively through an ISO14001 certified management system. The system recognises the considerable impact that WRAP as an organisation has through its work in supporting resource-efficient practices, recycling and waste minimisation. Overall, the environmental advantages arising from these activities are significantly greater than the environmental footprint of WRAP's own operations. WRAP's activities make an important contribution to making better use of resources and so to reducing greenhouse gas emissions and halting climate change.

As an organisation, WRAP endeavours to ensure that the process of delivering activities as well as operations has an environmental risk that is as low as possible while increasing the benefit it delivers.

WRAP monitors a broad range of the environmental aspects of its activities to identify ones with the highest impact. These aspects are subsequently controlled through appropriate methods. Indicators reviewed include aspects of its projects and its direct impacts through materials consumed, waste arisings, energy consumption and travel (both business and commuting).

There were a number of structural changes at WRAP during 2014/15 which have resulted in a significant decrease in greenhouse gas emissions over this period. WRAP's emissions for 2014/15 were 475 tonnes CO₂eq, which is a 36% drop on 2013/14 figures and is the lowest level of emissions for WRAP since 2004. The establishment of a separate organisation, Zero Waste Scotland, as well as other structural changes at the other WRAP offices have contributed to this change in figures.

Where impacts cannot be eliminated they are minimised where possible. WRAP's greenhouse gas emissions are offset through a carbon offset arrangement. This arrangement also offsets carbon emissions resulting from delegates travelling to WRAP organised events, where travel details have been provided.

Health and Safety Report

Providing a safe and healthy environment for all of our employees, service partners and temporary workers, as well as any members of the public who might be affected by our work, is paramount.

We set high standards and maintain good health and safety awareness across the business. This is achieved by providing relevant health and safety training and guidance underwritten by robust health and safety procedures. These are overseen by a pro-active health, safety and environment (HSE) committee. Monthly HSE reports are cascaded to all employees by the senior management team and all employees are encouraged to put forward suggestions for improvements to the HSE committee which meets monthly.

We report all accidents and incidents no matter how small. As a result of our learnings from previous incidents and accidents, in 2014/15 our accident rate reduced by 50%. These accidents were all superficial, meeting one of our health and safety business objectives. Having no accidents remains our challenging but ultimate objective.

Employment policies

The Group operates a programme to inform and educate all staff on matters of a Company nature by means of briefings, seminars and individual training.

Employees are involved on a regular basis in discussions related to their specific interests and staff are encouraged to take an active interest in all aspects of the Company's performance.

The Group actively encourages applications from all suitably qualified applicants, regardless of religion, age, gender, orientation, disability or race. All employees receive necessary assistance with initial training courses and once employed, performance management and personal development meetings help in developing a career plan so as to ensure suitable opportunities for everyone. Arrangements are made where possible for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Waste & Resources Action Programme for the purposes of company law) are responsible for preparing a trustees' annual report including the Strategic Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and Charity SORP FRS102. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report including the Strategic Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and

- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Trustees

Julie Hill
Chair

3 July 2015

Independent Auditor's Report to the Members of the Waste & Resources Action Programme Limited

We have audited the financial statements of Waste and Resources Action Programme Limited for the year ended 31 March 2015 set out on pages 34 to 52. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- or we have not received all the information and explanations we require for our audit.

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altius House
1 North Fourth Street
Milton Keynes
MK9 1NE

13 July 2015

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2015

	Note	Unrestricted 2015 £'000	Restricted 2015 £'000	Discontinued operations 2015 £'000	Total 2015 £'000	Total 2014 £'000
Income from:						
Charitable Activities:						
<i>Sustainable Consumption and Production</i>	3	209	15,252	-	15,461	18,571
<i>Waste and Resource Management</i>	3	406	20,271	-	20,677	20,624
<i>Zero Waste Scotland</i>	3/14	-	-	3,967	3,967	26,493
Other Trading Activities	4	198	-	-	198	180
Investments	5	419	-	-	419	458
Total Income		1,232	35,523	3,967	40,722	66,326
Expenditure on:						
Charitable Activities:						
<i>Sustainable Consumption and Production</i>	6	172	13,583	-	13,755	18,007
<i>Waste and Resource Management</i>	6	151	19,833	-	19,984	20,537
<i>Zero Waste Scotland</i>	6/14	-	-	3,967	3,967	26,493
Other Trading Activities	6	248	-	-	248	131
Total Expenditure		571	33,416	3,967	37,954	65,168
Net Income / (Expenditure)		661	2,107	-	2,768	1,158
Taxation on surplus on ordinary activities	8	(88)	-	-	(88)	(103)
Net movement in funds	22	573	2,107	-	2,680	1,055
Total funds brought forward	22	10,006	457	-	10,463	9,408
Total funds carried forward	22	10,579	2,564	-	13,143	10,463
Restricted funds	22	-	2,564	-	2,564	457
Designated funds	22	6,906	-	-	6,906	6,501
Undesignated funds	22	3,673	-	-	3,673	3,505

The statement of financial activities includes all gains and losses recognised in the year. The comparative figures for 2014 are analysed in Note 2 to the accounts.

The notes on pages 38-52 form part of the financial statements. The Group is made up of the Charity the Waste and Resources Action Programme and its subsidiaries the Accelerating Growth Fund Ltd, eEquip RVG Ltd and WRAP Enterprises Ltd. The subsidiary Zero Waste Scotland has been deconsolidated from 30 June 2014 and is shown as discontinued operations in the financial statements.

Consolidated Balance Sheets as at 31 March 2015

	Note	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Fixed assets					
Tangible	13	113	200	113	150
		113	200	113	150
Current assets					
Debtors due after more than one year	15	1,810	3,070	-	-
Debtors due within one year	16	5,794	4,323	5,713	5,895
Short term investments	17	31,325	32,496	2,158	3,047
Cash at bank and in hand		11,094	17,740	9,730	10,235
		50,023	57,629	17,601	19,177
Creditors: Amounts falling due within one year	18	(11,301)	(17,767)	(11,213)	(16,466)
Net current assets		38,722	39,861	6,388	2,711
Total assets less current liabilities		38,835	40,061	6,501	2,861
Creditors: Amounts falling due after more than one year	20	-	(45)	-	(45)
Provision for liabilities and charges	21	(25,692)	(29,554)	(986)	(825)
Net assets		13,143	10,463	5,515	1,991
Reserves:					
Restricted Funds	22	2,564	457	2,564	-
Unrestricted Funds:		10,579	10,006	2,951	1,991
Designated funds	22	6,906	6,501	-	-
Undesignated funds	22	3,673	3,505	2,951	1,991
Total Reserves		13,143	10,463	5,515	1,991

Approved by the trustees on 3 July 2015 and signed on its behalf by

Julie Hill, Chair of trustees on behalf of the trustees

The notes on pages 38-52 form part of the financial statements.

Consolidated cashflow statement for the year ended 31 March 2015

	Note	Group 2015 £'000	Group 2014 £'000
Cash flows from operating activities			
Net cash provided by/ (used in) operating activities	(i)	(8,119)	(3,760)
Cash flows from investing activities			
Interest from investments		445	440
Proceeds from sale of property, plant and equipment		6	4
Purchase of property, plant and equipment		(46)	(152)
Capital grants received		-	152
Net cash provided by (used in) investing activities		405	444
Taxation		(103)	(125)
Net cash provided by (used in) financing activities		1,171	(14,663)
Cash and cash equivalents in the reporting period		(6,646)	(18,104)
Net funds brought forward		17,740	35,844
Net funds carried forward at 31 March	(ii)	11,094	17,740
(i) Reconciliation of operating surplus to operating cash flows			
Net income for the reporting period		2,350	199
Adjustments for:			
Depreciation charges		83	107
Provisions for liabilities and charges		(3,862)	(379)
Release of capital grant		5	(107)
Profit on disposal of fixed assets		(7)	(4)
Decrease / (increase) in debtors		(221)	1,008
Decrease in creditors		(6,467)	(4,584)
Net cash (outflow)/ inflow from operating activities		(8,119)	(3,760)
Analysis of cash and cash equivalents			
		2015 £'000	2014 £'000
Available for charitable use		9,730	10,235
Unavailable for charitable use		1,364	7,505
Total cash and cash equivalents		11,094	17,740
(ii) Analysis of net funds			
	1 April 2014 £'000	Cashflow £'000	31 March 2015 £'000
Cash at bank and in hand	17,740	(7,817)	11,094

Notes to the accounts for the year ended 31 March 2015

1. Basis of financial statements and accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. This represents early adoption of the Charities SORP and FRS 102. The date of transition is 1 April 2013 and the end of the last reporting period presented in the entity's most recent annual financial statements under its previous reporting framework is 31 March 2014.

WRAP meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.1 Basis of consolidation

The Charity is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the Charity financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- 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; and
- No transactions or balances with entities which are wholly-owned within the group are disclosed.

The Charity is exempt under the Companies Act 2006 s408 from the requirement to present its own profit and loss account.

1.2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report within the Trustees' Report. The financial position of the Group, its cash flows and liquidity position are also described in the Strategic Report and the financial statements. As highlighted in the financial statements, the Group meets its day-to-day working capital requirements through grants and other funding. Whilst the current economic and political conditions may create uncertainty over the level of future funding, the Trustees have reviewed the Group's committed funding, obligations and reserves and have concluded that the Group is able to meet all its liabilities as they fall due. The Trustees therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Income

Revenue grants are credited to the statement of financial activities in the period in which the funding is receivable. Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the income is deferred. Investment income is included in the statement of financial activities when receivable. Grant income is either restricted or unrestricted, depending on the conditions attached to the grant. Income received from the sale of goods and services is recognised in the financial statement in the year in which the good is sold or the service provided.

1.4 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, it is probable that settlement will be required and the amount of the obligation can be measured reliably. The Charity is registered for VAT due to income generated by some activities and accordingly expenditure excludes any recoverable VAT.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. The support costs to be attributed to programmes are established with reference to the proportion of staff working directly on project based activities.

Fundraising costs relate to the costs incurred by the group and charitable company in raising funds for the charitable work.

Governance costs are the costs associated with the governance arrangements of the charitable company.

Notes to the accounts for the year ended 31 March 2015 (continued)

These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the organisation's activities.

1.5 Grant Making

Grants payable are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not as accrued as expenditure.

1.6 Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

1.7 Taxation

WRAP is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The subsidiary trading companies make qualifying donations of all taxable profit to the charity.

Taxation has been provided for in the accounts for the financial year on the interest income earned by the Group, reflecting WRAP's previous taxation liability, as WRAP only registered as a charity in December 2014.

1.8 Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund together with a fair allocation of management and support costs. Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1.9 Tangible fixed assets

Depreciation is provided on all fixed assets at rates calculated to write-off the cost of each asset evenly over its expected useful life, as follows:

Fixtures and fittings:	20% on cost
Office equipment:	33% on cost
Motor vehicles:	33% on cost

Project assets are evaluated on an individual basis and written-off over the life of the project.

1.10 Pension costs

Pension costs represent the costs of providing defined contribution retirement benefits under personal pension arrangements and are charged as incurred.

1.11 Provisions

Provisions are made for potential losses and include potential obligations to repay unused grant funds to the ultimate grant provider, for which amounts are not currently known.

1.12 Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

1.13 Short term investments

Short term investments represent bank deposits under which access to cash is restricted for up to 100 days from the date of the deposit.

Notes to the accounts for the year ended 31 March 2015 (continued)

1.14 Debtors

Debtors are recorded at their recoverable amount. This constitutes the present value for long term debts, the time value of money having been deemed immaterial.

1.15 Transition policy

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The impact of any adjustments on transition is shown in note 25 to the accounts. The Company is referred to as the Charity throughout the accounts.

2. Statement of Financial Activities – analysis of 2014 comparative figures

	Unrestricted 2014 £'000	Restricted 2014 £'000	Discontinued 2014 £'000	Total 2014 £'000
Income and endowments from:				
Charitable Activities:				
<i>Sustainable Consumption and Production</i>	142	18,429	-	18,571
<i>Waste and Resource Management</i>	177	20,447	-	20,624
<i>Zero Waste Scotland</i>	-	-	26,493	26,493
Other Trading Activities	180	-	-	180
Investments	458	-	-	458
Total Income	957	38,876	26,493	66,326
Expenditure on:				
Charitable Activities:				
<i>Sustainable Consumption and Production</i>	60	17,947	-	18,007
<i>Waste and Resource Management</i>	65	20,472	-	20,537
<i>Zero Waste Scotland</i>	-	-	26,493	26,493
Other Trading Activities	131	-	-	131
Total Expenditure	256	38,419	26,493	65,168
Net Income / (Expenditure)	701	457	-	1,158
Other - Tax	103	-	-	103
Transfer between funds	-	-	-	-
Net movement in funds	598	457	-	1,055
Total funds brought forward	9,408	-	-	9,408
Total funds carried forward	10,006	457	-	10,463

Notes to the accounts for the year ended 31 March 2015 (continued)

3. Income from Charitable Activities

	Unrestricted £'000	Restricted £'000	Discontinued £'000	Total £'000	2014 £'000
Grants from Central Government	51	19,535	-	19,586	25,755
Grants from Devolved Administrations	77	13,188	3,967	17,232	35,619
Grants from the EU	-	2,653	-	2,653	3,041
Total Gov't Grant Income	128	35,376	3,967	39,471	64,415
Other income	487	147	-	634	1,273
Total	615	35,523	3,967	40,105	65,688

4. Trading income

	2015 £'000	2014 £'000
Short term investments in recycling sector	198	40
Provision of residual value guarantees	-	140

5. Income from investments

	Unrestricted 2015 £'000	Restricted 2015 £'000	Unrestricted 2014 £'000	Restricted 2014 £'000
Bank interest receivable	419	-	458	-

6. Expenditure

	Sustainable Consumption and Production £'000	Waste and Resource Managmt £'000	Trading Costs £'000	Discon'd Operatns £'000	Governance Costs £'000	Support Costs £'000	Total 2015 £'000	Total 2014 £'000
Staff costs	4,667	3,616	62	583	210	1,537	10,675	14,909
Contracted services	6,341	4,583	81	1,976	109	1,976	15,066	31,976
Lease guarantees	-	-	105	-	-	-	105	19
Grants awarded	707	9,993	-	1,408	-	-	12,108	18,264
	11,715	18,192	248	3,967	319	3,513	37,954	65,168
Governance costs	170	149	-	-	(319)	-	-	-
Support costs	1,870	1,643	-	-	-	(3,513)	-	-
Total	13,755	19,984	248	3,967	-	-	37,954	65,168

Notes to the accounts for the year ended 31 March 2015 (continued)

7. Grants Awarded

Organisation	Sustainable Consumption & Production £'000	Waste & Resource Management £'000	Discontinued Operations £'000
Newtownabbey Borough Council	-	977	-
Fermanagh & Omagh District Council	-	937	-
Dumfries and Galloway Council	-	-	746
Bryn Recycling Ltd	-	623	-
Gwynedd Council	-	600	-
Belfast City Council	-	590	-
Wrexham Council	-	475	-
Derwen Plant Company Ltd	-	432	-
Strabane District Council	-	317	-
Neath Port Talbot Council	-	300	-
City of Edinburgh Council	-	-	230
Larne Borough Council	-	204	-
Cookstown District Council	-	191	-
Dungannon and South Tyrone Borough Council	-	187	-
Down District Council	-	157	-
Williams a Williams Cyf	-	150	-
Derry City Council	-	125	-
Fenestration Recycling Company Ltd	-	122	-
Somerset Waste Partnership	-	113	-
Merthyr Borough Recycling Centre Ltd	-	108	-
Falkirk Council	-	-	104
Nolan Recycling Ltd	-	99	-
MDS Recycling Ltd	-	97	-
Natural UK Ltd	-	95	-
East London Waste Authority	-	74	-
Aberdeenshire Council	-	-	70
Calderdale Metropolitan Borough Council	-	69	-
Torbay Council	-	69	-
Armagh City and District Council	-	61	-
Westminster City Council	-	59	-
Parc Gwynfryn Recycling Centre	-	59	-
Habitat for Humanity Northern Ireland	-	59	-
Rotherham Metropolitan Borough Council	-	57	-
East Belfast Mission	-	52	-
Gateshead Council	-	51	-
Inverclyde Council	-	-	50
Newry and Mourne District Council	-	50	-
Remaining grants awarded	707	2,434	208
Total	707	9,993	1,408

The average value of the remaining grants awarded was £13,958. The grants were principally awarded under the following schemes: ARID, Rethink Waste, Collaborative Change, London and Zero Waste.

Notes to the accounts for the year ended 31 March 2015 (continued)

8. Analysis of support costs

	2015 £'000	2014 £'000	Basis of Allocation
Finance	489	649	Across all heads
Information Technology	766	793	Across all heads
Office	768	908	Across location heads
Human Resources	517	595	Across all heads
Procurement, Legal and Grants	367	528	Across delivery heads
Executive Office	606	744	Across delivery heads
Total	3,513	4,217	
Governance costs	2015 £'000	2014 £'000	
Staff	210	280	
Audit	28	26	
Professional fees	81	-	
Total	319	306	

Professional fees include advice on registration as a charity in 2014/15.

9. Taxation on surplus on ordinary activities

Taxation has been provided on interest income as in previous years, as WRAP only registered as a charity in December 2014.

a) Analysis of charge in the period

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Current tax				
UK corporation tax at 20% (2015), 20% (2014) on the surplus for the year on ordinary activities				
- Current tax on income for the period	88	103	6	8
Total current tax	88	103	6	8

Notes to the accounts for the year ended 31 March 2015 (continued)

b) Factors affecting tax charge for the period

The current tax charge for the period is lower for the Group (2014: lower) and for the Company (2014: lower) than the standard rate of corporation tax in the UK of 20% (2014: 20%). Taxation is only payable on the interest income earned by the Group. The differences are explained below:

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Surplus before tax on ordinary activities	2,768	1158	3,524	693
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015), 20% (2014)	554	232	705	139
Effects of:				
Non-taxable income	(466)	(129)	(699)	(131)
Current tax charge for the period	88	103	6	8

10. Net income for the financial year

	Group 2015 £'000	Group 2014 £'000
Net income for the financial year is stated after charging:		
Operating leases – land and buildings	166	326
Depreciation of tangible fixed assets	83	107
Forex losses	43	-
Auditor's Remuneration		
Audit of these financial statements (including £28,000 (2014 £26,000) for the audit of the parent company and £6,000 (2014 £6,000) for the subsidiaries)	34	39
Non-audit fees paid to auditors		
Other assurance services	5	7
Tax advisory services	9	5
Other financial services	6	11

11. Employees

	Group 2015	Group 2014	Charity 2015	Charity 2014
The average number of staff and directors was:				
Banbury	153	184	153	184
Scotland	-	67	-	67
Wales	23	16	23	16
Northern Ireland	4	3	4	3
	180	270	180	270

The above calculation for 2015 excludes Scotland staff transferred on 30 June 2014. Staff based in Banbury work on programmes for all funders.

Notes to the accounts for the year ended 31 March 2015 (continued)

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Wages and salaries	8,680	12,325	8,680	12,325
Social security costs	890	1,240	890	1,240
Other pension costs	858	1,142	858	1,142
Other staff costs	247	202	247	202
	10,675	14,909	10,675	14,909

Redundancy costs	2015 £'000
Redundancy	128
Termination	18

Costs are recognised once notice of redundancy has been given and are fully funded at balance sheet date.

The gross pay for individual members of staff who were employed for any part of the year was in the following bands:

	2015	2014
Emoluments		
£60,000 - £69,999	13	14
£70,000 - £79,999	1	2
£90,000 - £99,999	2	2
£110,000 - £119,999	3	4
£130,000 - £139,999	1	1
£180,000 - £189,999	1	1

Remuneration of Directors

The remuneration of the directors for the year to 31 March 2015 was as follows:

	Salary £'000	Benefits £'000	Performance Related Pay £'000	Total 2014/15 £'000	Total 2013/14 £'000
Executive					
Liz Goodwin	166	1	21	188	188
Jonathan Lea	122	1	12	135	132

In addition the Charity made defined contributions to pension schemes and other pension related payments in respect of executive directors as follows.

	2014/15 £'000	2013/14 £'000
Liz Goodwin	27	27
Jonathan Lea	13	14

Expenses reimbursed to the executive directors amounted to £5,904 (2014: £5,675) and to non-executive directors £4,003 (2014: £2,652).

Notes to the accounts for the year ended 31 March 2015 (continued)

The executive directors have service contracts which are terminable by the Charity and the individuals at six months' notice.

The remuneration of the non-executive directors for the year to 31 March 2015, which related to the period prior to the Company registering as a charity, was as follows:

	Fees 2014/15 £'000	Fees 2013/14 £'000
Alison Austin	7	14
Alan Knight (Resigned 19/11/14)	7	14
Robert Chilton	7	14
Colin Church (Resigned 22/08/14)	-	-
Andy Hinton	7	14
Maggie Jones	7	14
David Palmer-Jones	7	14
Peter Stone (Resigned 19/11/14)	20	50
Jenny Watson (Resigned 19/11/14)	7	14
Clare Whelan (Resigned 27/11/14)	7	14
Julie Hill - Chair (Appointed 19/11/14)	12	-

None of the non-executive directors has a service contract.

The key management personnel are the Trustees and the Executive committee (listed on page 5). The total employee benefits paid to key management personnel was £847,000 (2014: £910,000).

Remuneration of Chair

Julie Hill was appointed Chair following an open recruitment process. Her remuneration is £35,000 per annum. The Board took advice from recruitment consultants on the level of remuneration necessary to attract an appropriate person given the time commitment required. The application to register with the Charity Commission was approved on this basis.

Expenses totalling £9,001 were reimbursed in the year to 6 Trustees, as follows:

Travel	7,524
Subsistence	1,205
Professional fees	272

12. Related party transactions

The Charity has taken advantage of the exemption contained in FRS 102 and has not disclosed transactions or balances with entities which are wholly-owned within the group. The Charity had transactions in the normal course of business with organisations in which WRAP trustees had an interest as detailed below. Julie Hill is an Associate of Green Alliance and Alison Austin has been appointed to the Green Alliance Board of Trustees with effect from July 2015. Clare Whelan was a member of the Lambeth Borough Council.

Director	Organisation	Total value	Amount outstanding as at 31 March
Alison Austin	Green Alliance	£79,393	£0
Julie Hill	Green Alliance	£79,393	£0
Clare Whelan	London Borough of Lambeth	£10,439	£0

Notes to the accounts for the year ended 31 March 2015 (continued)

13. Tangible fixed assets

	Fixtures and fittings £'000	Office equipment £'000	Motor vehicles £'000	Projects £'000	Group total £'000
Cost					
At 1 April 2014	316	1,135	12	189	1,652
Additions	-	46	-	-	46
Disposals	-	(11)	(10)	-	(21)
Discontinued	-	(100)	-	-	(100)
At 31 March 2015	316	1,070	2	189	1,577

Depreciation					
At 1 April 2014	314	938	11	189	1,452
Charge for the year	1	81	1	-	83
Eliminated on disposals	-	(9)	(10)	-	(19)
Discontinued	-	(52)	-	-	(52)
At 31 March 2015	315	958	2	189	1,464

Net book value					
At 31 March 2015	1	112	-	-	113
At 1 April 2014	2	197	1	-	200

	Fixtures and fittings £'000	Office equipment £'000	Motor vehicles £'000	Projects £'000	Charity total £'000
Cost					
At 1 April 2014	316	1,033	12	189	1,550
Additions	-	46	-	-	46
Disposals	-	(9)	(10)	-	(19)
At 31 March 2015	316	1,070	2	189	1,577

Depreciation					
At 1 April 2014	314	886	11	189	1,400
Charge for the year	1	81	1	-	84
Eliminated on disposals	-	(9)	(10)	-	(19)
At 31 March 2015	315	958	2	189	1,464

Net book value					
At 31 March 2015	1	112	-	-	113
At 1 April 2014	2	147	1	-	150

Notes to the accounts for the year ended 31 March 2015 (continued)

14. Fixed asset investments

Fixed asset investments represent the value of the share capital in The Waste & Resources Action Programme's three trading subsidiaries, which are all registered in England and Wales. The share capital of each of the above three companies is £1.

	Group 2015 £	Group 2014 £	Charity 2015 £	Charity 2014 £
Market value at the start and end of the year	-	-	3	3
Historic cost at the end of the year	-	-	3	3

	% holding
Subsidiary undertakings and principal activity	
WRAP Enterprises Limited Dormant Company reg. no. 4217608	100
Accelerating Growth Fund Limited Provision of funding for investments in the recycling and re-use sectors Company reg. no. 4698093	100
eEquip RVG Limited Provision of residual value guarantees in the recycling sector Company reg. no. 4952392	100

Following agreement with the Scottish Government, the Scottish Government became the sole member of Zero Waste Scotland Ltd, a company limited by guarantee on 30 June 2014. The results at the date of transfer are included in the Statement of Financial activities. Net assets at the date of transfer were £0, as shown below. As control had been transferred prior to the balance sheet date, the net assets of ZWS are not included in the subsidiary summary below.

Balance sheet of Zero Waste Scotland at 30th June 2014	£'000
Fixed Assets	43
Current Assets	3,987
Total Assets	4,030
Current Liabilities	(3,980)
Long Term Liabilities	(50)
Total Liabilities	(4,030)
Net Assets	0

The results for the year of the subsidiary companies at 31 March 2015 amount to:

	Income (£'000)	Expenditure (£'000)	Donation (£'000)	Net income (£'000)
WRAP Enterprises Limited	-	-	-	-
Accelerating Growth Fund Limited	573	168	-	405
eEquip RVG Limited	13	162	-	(149)

Notes to the accounts for the year ended 31 March 2015 (continued)

	Total assets (£'000)	Total liabilities (£'000)	Funds remaining (£'000)
WRAP Enterprises Limited	-	-	-
Accelerating Growth Fund Limited	31,266	24,360	6,906
eQuip RVG Limited	1,445	723	722

15. Debtors due after more than one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Other debtors	1,810	3,070	-	-
	1,810	3,070	-	-

Other debtors relate to loans outstanding in Accelerating Growth Fund Limited.

16. Debtors due within one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Grants receivable	3,180	751	3,180	751
Amounts due from Group undertakings	-	-	136	3,085
Other debtors	2,592	3,534	2,375	2,032
Prepayments	22	38	22	27
	5,794	4,323	5,713	5,895

17. Short term investments

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Bank deposits	31,325	32,496	2,158	3,047

Short term investments represent bank deposits at a number of High Street banks, under which access to cash is restricted for up to 100 days. Such investments are made principally by subsidiaries where funds provided for the loan funds and to cover liabilities under the residual value guarantee scheme are held on deposit pending allocation. These funds (2015: £29,167, 2014: £29,449) are not available for use by the Charity.

18. Creditors: Amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Corporation tax payable	88	103	6	8
Other taxes and social security	418	648	418	648
Amounts due to Group undertakings	-	-	-	20
Other creditors	6,565	8,342	6,566	8,337
Accruals and deferred income	4,230	8,674	4,223	7,453
	11,301	17,767	11,213	16,466

Notes to the accounts for the year ended 31 March 2015 (continued)

19. Deferred Income

	£'000
At 31 March 2014	3,143
Additions	851
Releases	(1,634)
At 31 March 2015	2,630

Additions relate to grants and contracts where payment has been made but performance conditions have not yet been satisfied. These monies will be repaid if the performance conditions are not satisfied in the future. Releases relate to grants awarded in prior years where performance conditions have now been satisfied during the year.

20. Creditors: Amounts falling due after more than one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Capital grants				
Brought forward	-	45	-	45
Received during the year	-	-	-	-
Released to income and expenditure for the year	-	(45)	-	(45)
	-	-	-	-

21. Provision for liabilities and charges

	WRAP £'000	eEquip £'000	AGF £'000	ZWS £'000	Total £'000
At 1 April 2014	825	714	27,753	262	29,554
Additions	276	3	-	-	279
Releases	(115)	-	(3,764)	-	(3,879)
Discontinued	-	-	-	(262)	(262)
At 31 March 2015	986	717	23,989	-	25,692

The provisions in WRAP represent the directors' best estimates of the future costs of liabilities relating to operational activities including dilapidations on the rented properties and the cost of monitoring the performance of capital and other grant schemes after completion. Refer to Note 24 for indications of expected timing of expiry of property leases.

The AGF provision represents the obligation to repay funding for certain loan schemes back to the grantor should the programme be terminated. This is not expected to occur in the coming year.

The eEquip provision represents the directors' best estimate of the Company's liability to pay any residual guarantees on recycling equipment leased by third parties. It is expected that this activity and hence the requirement for a provision will continue for up to three years.

Notes to the accounts for the year ended 31 March 2015 (continued)

22. Movement in Funds

	At start of year £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At the end of year £'000
Restricted Funds					
Sustainable Consumption and Production					
Core Programmes	284	13,689	12,799	-	1,174
Rural Community Energy Fund	-	1,563	785	-	778
Waste and Resource Management					
Core Programmes	173	15,968	15,732	-	409
ARID	-	2,303	2,293	-	10
Collaborative Change-Wales	-	2,000	1,807	-	193
Total Restricted Funds	457	35,523	33,416	-	2,564
Unrestricted Funds					
Designated Funds	6,501	573	168	-	6,906
Undesignated Funds	3,505	659	491	-	3,673
Total Unrestricted Funds	10,006	1,232	659	-	10,579
Total Funds	10,463	36,755	34,075	-	13,143

In addition to restricted funding for its core programmes in Sustainable Consumption and Production and in Waste and Resources Management, WRAP has received restricted funding to operate the Rural Community Energy Fund, the Accelerating Reprocessing Infrastructure Development (ARID) scheme and the Collaborative Change programme. The reserves in Accelerating Growth Fund Limited are designated by the Trustees to support the activities of the company, namely providing loan finance to the recycling and reprocessing sector.

23. Analysis of group net assets between funds

	Restricted £'000	Designated £'000	General Funds	Total £'000
Tangible fixed assets	113	-	-	113
Investments	-	-	-	-
Net current assets	2,451	6,906	3,673	13,030
Net assets at year end	2,564	6,906	3,673	13,143

Notes to the accounts for the year ended 31 March 2015 (continued)

24. Financial commitments

The Company had conditional commitments of £3,300,212 at 31 March 2015 (2014: £18,082,423) in respect of project funding expected to be provided during the year to 31 March 2016. These commitments will be funded by Government grants.

	Land and buildings £'000	Other £'000	2015 Total £'000	Land and buildings £'000	Other £'000	2014 Total £'000
Annual lease commitments						
Expiring within 1 year	233	-	233	252	-	252
Expiring between 2 - 5 years	354	-	354	447	-	447
Expiring after 5 years	-	-	-	-	-	-
	587	-	587	699	-	699

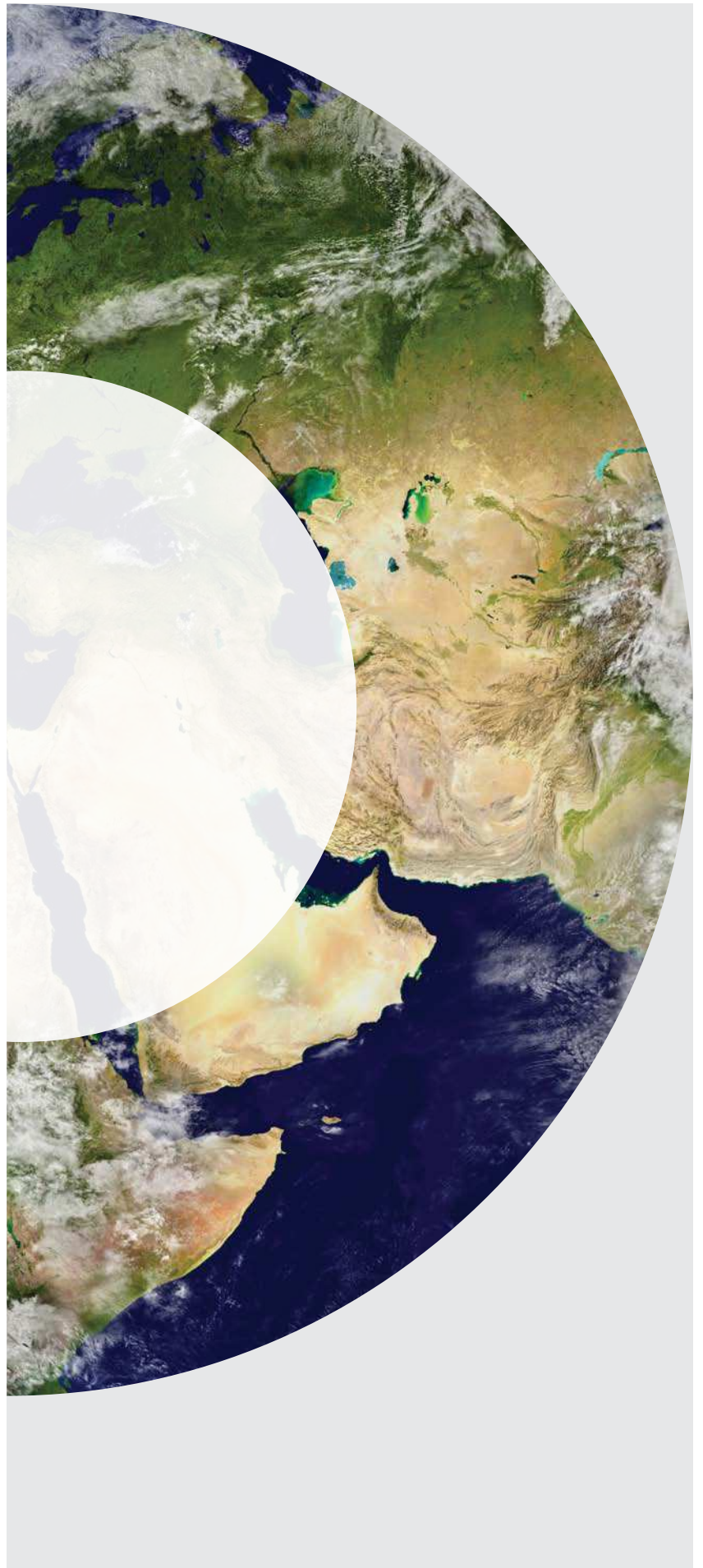
25. Impact of transition to FRS 102

The impact of any adjustments on transition, including the restatement of comparative items, as the result of applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 is shown below.

	Unrestricted 2014 £'000	Restricted 2014 £'000	Total 2014 £'000	Unrestricted 2013 £'000	Restricted 2013 £'000	Total 2013 £'000
Funds under previous GAAP	9,961	-	9,961	8,102	-	8,102
Adjustments:						
Holiday pay provision	-	-	-	(62)	-	(62)
Restatement of accruals and deferred income	-	457	457	1,263	-	1,263
Restatement of capital reserve	45	-	45	105	-	105
Funds restated under FRS 102	10,006	457	10,463	9,408	-	9,408

	Unrestricted 2014	Restricted 2014	Total 2014
Reconciliation of income and expenditure:			
Net income under previous GAAP	553	-	553
Adjustments:			
Restatement of accruals and deferred income	-	457	457
Capital reserve release	45	-	45
Net income restated under FRS 102	598	457	1,055

Holiday pay has been provided for under the requirements of FRS102. Accruals and deferred income and the capital reserve have been restated as this is the recommended treatment of these items under the Charities SORP FRS102.



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