



Annual Report & Consolidated Accounts

2017/18

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Annual Report and Consolidated Accounts for the year ending 31 March 2018

Reference and Administrative Details

The Waste and Resources Action Programme

Charity number 1159512
Country of registration England and Wales

Company number 4125764
Country of incorporation United Kingdom

Registered office 2nd Floor
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Trustees

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

Sue Corbett
Marcus Gover (CEO)
Julie Hill MBE (Chair)
Anne Jenkin (Baroness Jenkin of Kennington)
Robert Longley-Cook
Jim Oatridge OBE
Marc Stephens
Sophie Thomas

Executive Committee

Marcus Gover
Peter Maddox
Gareth Prior
Richard Swannell
Helen Hannah

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

Our Advisors

Auditors	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE
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Bankers	Barclays Bank PLC 25 High Street Coventry Warks CV1 5RE Lloyds Bank PLC Faryners House 25 Monument Street London EC3R 8BQ
Investment Managers	Brewin Dolphin Ltd 12 Smithfield Street London EC1A 9LA

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Foreword from the Chair of Trustees

This year has seen sustainability rise rapidly up the public agenda, both in the UK and internationally. TV programmes such as Hugh's War on Waste and Blue Planet 2 have brought issues of unsustainable consumption to life as never before. Globally, the UN Sustainable Development Goals are providing a focus for governments and businesses to tackle the key challenges the world is facing, including pollution, scarcity of resources, and food waste.

WRAP has been a huge contributor to this increased awareness, and the expertise and evidence built by WRAP over nearly two decades in operation are now at the forefront of efforts to find solutions. This year, with our many partners and collaborators, the organisation has continued to deliver change at scale. We have fought waste across the whole food chain by revolutionising food date labelling and launching our new, targeted consumer messages. We have announced the UK Plastics Pact – a trailblazing initiative to create a sustainable plastics packaging system for the UK, capitalising on our leadership position in plastics and our strong track record in creating collaborative solutions with business. We are working with governments around the world to develop food waste strategies aligned with the very challenging UN Sustainable Development Goal 12.3 – to halve per capita food waste by 2030.

This has also been a challenging year for WRAP. We have not been immune to the funding challenges faced by many organisations and businesses in our sector, especially those with material government funding. At the same time that our core funding has been reduced, the challenges we face are as difficult as ever: reducing food waste is a complex problem where progress is hard-won; and meeting the UK's ambitious recycling targets requires sustained and targeted effort. During the year we took the difficult but necessary decision to reduce our headcount and restructure the organisation to enable a tighter focus on our critical activities, audiences and stakeholders to make best use of our reduced funding.

This restructure consolidated our strengths and established a global division to drive our increasing international work, but it also meant saying goodbye to valued colleagues who have contributed to WRAP's work over many years. I want to thank them wholeheartedly for everything they have done. The Trustees are proud of the exemplary professionalism and dedication of everyone at WRAP during this change and believe that we are now positioned to be even more successful in future, enabling us to fulfil our mission at an ever-larger scale.

There is still a lot of important work to be done and there is a great opportunity to capitalise on the gathering momentum to tackle issues such as food waste, recycling and reducing the impact of plastics on the environment. WRAP will continue to play a leading role in the UK while growing its presence internationally, working with governments, businesses and citizens to deliver change. Thank you to my fellow Trustees, to all of the WRAP team, and to our many collaborators and stakeholders, for taking us ever forward.

Julie Hill
Chair

Chief Executive's Overview

As the Chair highlights, this has been a year of significant achievements and significant challenges.

Our 2015-2020 strategic plan, *Resource Revolution: Creating the Future* sets out how we want to work towards our vision of a world where resources are used sustainably. This Annual Report looks at the progress we made in the financial year 2017-18 towards delivering that plan, highlighting achievements and challenges.

We have made some really great strides forward. For example:

- We announced a new holistic initiative, the UK Plastics Pact which will help turn the tide on the growing issue of plastic waste and create a plastic system where plastic is valued and doesn't pollute the environment.
- We convened roundtables in London, Belfast and Cardiff to discuss the issues, challenges and opportunities resulting from China's restrictions on imported waste. We reported back to the UK governments on the steps industry is taking in response.
- Leading food manufacturers such as Hovis, Tulip, Cranswick Country Foods, ABP Food Group and The Federation of Bakers joined Courtauld Commitment 2025, our ambitious voluntary agreement to drive sustainability across the food system.
- Food date labelling guidance developed by WRAP, FSA and Defra, designed to reduce food waste is being adopted by UK supermarkets.
- Signatories to our Sustainable Clothing Action Plan (SCAP) have reduced the carbon emissions associated with their clothing by over 10 per cent.
- Our report *Valuing our Clothes: The Cost of UK Fashion* indicated that the way people care for their clothes is changing. These changes in behaviour have helped to cut 700,000 tonnes CO₂e from UK emissions, each year and kept 50,000 tonnes of clothing out of residual waste.
- Wales recorded its highest ever household waste recycling rate this year at 64 per cent and is now the third best recycling nation in the world.
- Providing specialist support to the resource management sector in Wales has resulted in over 150,000 tonnes of waste diverted from landfill and more than 173,000 tonnes of CO₂e avoided.
- Alongside the World Resources Institute we published our second assessment of the world's progress toward achieving UN Sustainable Development Goal Target 12.3 on behalf of the Champions 12.3 network.
- Love Food Hate Waste, our food waste campaign, is now used in 9 countries around the world.

In other areas, such as increasing household recycling in England and making further reductions in household food waste in the UK, there is much more to do, and we need to catalyse further change through collaborative work with partners.

The organisational redesign caused inevitable disruption and I am grateful to all of the colleagues involved – those directly affected and across the wider organisation – for their commitment and professionalism. These changes mean that we are fit for the future and have a clear focus for delivering change through our generation of evidence, our exceptional convening power among governments and businesses, our creative citizen behaviour change campaigns and our ability to evaluate our impact. I believe in WRAP's continuing ability to deliver change at scale in the coming years.

Marcus Gover
Chief Executive

Strategic Report

Introduction

What is WRAP?

Our mission is to accelerate the move to a sustainable, resource-efficient economy through:

- Re-inventing how we design, produce and sell products through product and process innovation and supply chain collaboration.
- Rethinking how we use and consume products through consumer campaigns and enabling collaborative change by businesses.
- Re-defining what is possible through recycling and re-use through market and infrastructure development and improved collections.

How does WRAP work?

WRAP is not-for-profit, working with governments, businesses and citizens to create a world where resources are used sustainably. We work by building an evidence base and then convening the right people in business, government and the community to tackle specific problems, overcoming market failures and coming up with practical solutions that make a real difference. We provide information, tools, advice and help to businesses and consumers to make decisions that lead to action.

- **Research, evidence, advocacy and technical support**
Developing an evidence base is the foundation of all we do. We have a track record of publishing ground-breaking research. Understanding market failures and other barriers that prevent the sustainable use of resources enables us to work with our partners to develop solutions that work in practice.
- **Facilitating collaborative action and voluntary agreements**
We act as a catalyst, accelerating change that governments, individual companies or community groups cannot achieve alone. We broker and support voluntary agreements among the leading players in the industry sectors in order to achieve change. We agree challenging and measurable targets which members of our agreements commit to deliver.
- **Designing, creating and managing citizen campaigns**
We develop campaigns that help citizens to make decisions on consumption, waste and recycling, including Recycle Now, Recycle for Wales, Love Food Hate Waste and Love Your Clothes. Our campaigns are based on research and insight, and are communicated to citizens both directly and via our partners in businesses, local authorities and charities.
- **Evaluating our impact**
We place great importance on accounting for the outputs of our work and our impacts on the environment and the economy.

WRAP

FOOD AND DRINK

Our ambition

Our extensive knowledge makes us the go-to organisation for food waste prevention. We are a founding member of the Champions 12.3 network, a global coalition driving the delivery of UN Sustainable Development Goal 12.3 – to halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains by 2030.

We are enabling the UK to achieve UN Sustainable Development Goal 12.3 by 2030 through Courtauld 2025, our ambitious ten-year collaborative action plan to cut waste and greenhouse gas emissions associated with food and drink in the UK by at least one-fifth per capita in ten years.

Our citizen food waste prevention strategy focuses on catalysing change through partner action. We are joining up with like-minded people and organisations to create nationwide action to help people cut food waste in the home, maintaining a clear focus on the most wasted food products and the people who generate the most waste.

Our impact

1. Delivering change via voluntary agreements

Courtauld 2025: Foundations for change

This year, we welcomed 23 new signatories to the Courtauld Commitment 2025 including Ocado, Hovis, ISS UK, Accor Hotels UK & Ireland, Tulip, Cranswick Country Foods, ABP Food Group, The Federation of Bakers, the Scotch Whisky Association and the British Meat Processors Association, the Rivers Trust, and the Welsh Local Government Association. 167 organisations from farm to fork are now engaged in Courtauld 2025 in total. Our online review of the first 12 months of Courtauld 2025 outlines how WRAP has created sector-wide collaboration and set the groundwork for change. For more information see <http://courtauldreview.wrap.org.uk>

Working collectively to tackle water stress

On World Water Day, 22 March 2018, WRAP together with partners WWF and the Rivers Trust, announced a new Water Ambition. Businesses signed up to Courtauld 2025 committed to act to tackle water stress and improve water efficiency by 2025. There will be an initial focus on six UK projects in areas identified by the Rivers Trust as critical to sourcing key foods such as fresh produce, dairy and crops. WWF will expand the scale of the work into specific international regions with water risks.

Dr Conor Linstead, Freshwater Specialist at WWF: "There are very few examples of whole sectors coming together to work collectively on water challenges in shared sourcing areas. Our experience of working with businesses on water has shown that this level of scale-up – to whole sectors – is essential if we are to successfully protect our freshwater resources and ecosystems into the future, because no one business can tackle the issue alone."

Your business is food

In November 2017, we launched Your Business is Food: Don't Throw It Away, a campaign designed to help businesses boost profits by wasting less food. We developed campaign materials for two priority audiences – hospitality and food service businesses, and food and drink manufacturers. The materials feature a simple three-step process outlining how kitchen staff and site managers can easily identify, measure and put a cost on the food their business is wasting, providing a focus for action. Both campaigns were developed and delivered in close collaboration with our Courtauld Commitment partners with the materials being downloaded 820 times since launch.

WRAP wins waste reduction award

In May 2017, WRAP were the proud winners of the Footprint Award for Waste Management and Reduction in recognition of the achievements made under the Hospitality and Food Service Agreement (HaFSA). The final results of HaFSA showed that, during the lifetime of the Agreement (2012-2015), 24,000 tonnes of food was prevented from being thrown away, and the redistribution of surplus food doubled to 760 tonnes. Footprint Awards honour the achievements of organisations who work in the area of sustainability and responsible business practice in the food service and hospitality supply chain.

2. Using our evidence and expertise to drive change

Parliamentary Committee praises WRAP's work on food waste

In April 2017, the Environment, Food and Rural Affairs (EFRA) Select Committee published the report of their Inquiry into Food Waste in England on Sunday 30 April. Among their recommendations, they commended WRAP's work in this area saying: "We welcome the work that has been done by WRAP in the last decade, and strongly believe that the research, advice and information provided by the organisation is invaluable."

Millions could be saved by tackling food waste on farms

A report on Food Waste in Primary Production published by WRAP in September 2017 revealed some startling figures about levels of food waste on farms. Our research showed that over £30m worth of wonky, diseased or surplus lettuce and strawberries were thrown out at the farm gate in 2015, amounting to around 48,000 tonnes of food. The waste was largely the result of inaccuracies in forecasting, produce not meeting product specifications, and pest and disease damage. The report highlighted the significant financial, environmental and efficiency benefits of tackling food waste in primary production. BBC Radio 4's *Farming Today* covered the story.

WRAP calls time on confusing food date labels

A third of the UK's two million tonnes of annual household food waste can be traced to confusion over food date labels. New guidance, published by WRAP in November 2017, and produced in association with the Food Standards Agency (FSA) and Defra, set out to prevent edible food going to waste by outlining best practice in the choice and application of date labels and storage advice. The guidance includes a call for the freezing Snowflake icon to be used more widely for foods which can be frozen, and introduces a new Little Blue Fridge icon for foods which should be kept chilled or benefit from being kept in the fridge. WRAP's Richard Swannell and Helen White spoke to BBC and ITV lunchtime and evening news about the guidance, and the BBC's Environment Correspondent Roger Harrabin covered the news on BBC Breakfast, online and on the *Today* programme. The materials have been downloaded over 7,000 times since publication.

UK Environment Minister, Dr Thérèse Coffey said: "This new guidance will make packaging much clearer for consumers, saving them money and reducing waste. I encourage all food businesses, large and small, to use this guidance to help them put the right date mark on food and help to guide people on the refrigeration and freezing of products which are crucial to reducing the amount of edible food thrown away."

Lidl introduces best practice storage advice

WRAP's evidence suggests that the majority of chilled foods would last around three days longer if fridge temperatures were lowered from 7°C to 4°C. We worked with Lidl to introduce best practice storage advice on its fresh produce range, including introducing the little blue fridge icon to encourage customers to refrigerate most fresh produce at temperatures below 5°C. The potential annual UK savings resulting from lowering fridge temperatures and refrigerating these foods, taking into account the additional energy use, are around £200 million with a net reduction of around 210,000 tonnes CO₂e. Lidl is also trialling 'journey of food' messaging on its fresh produce and bakery ranges to bring to life the relationship between food waste and environmental impacts. WRAP is supporting Lidl to monitor and evaluate the activity with a view to demonstrating the business case for scaling this approach.

Slaughterhouses could save hundreds of thousands of pounds annually

In April 2017, we published the next in our series of *Whole Chain Resource Efficiency* reports. The report on *Tackling Hotspots in the Beef Value Chain* focusses on improving efficiency, generating better returns and tackling environmental impacts in beef supply chains. Working with a number of businesses, we found that there are opportunities to both improve efficiency and generate better returns for all parts of the supply chain, all of which can be achieved without compromising commercial performance. *The Meat Trade Journal* picked up on the report and detailed the £240,000 potential savings abattoirs could access through efficient practices and the estimated greenhouse gas savings farms could achieve.

New food waste reduction fund

In December 2017, the UK Government's Department for Environment, Food and Rural Affairs launched a new £500,000 fund for charities to support the redistribution of quality surplus food to people in need, throughout England. The Food Waste Reduction Fund, administered by WRAP, supports local projects to increase redistribution in communities. The £500,000 fund is open to organisations who redistribute food, and to charities who receive and share food with people in need. Latest evidence shows that 47,000 tonnes of surplus food were re-distributed in 2015, and WRAP estimates there is potential for this to increase fourfold by 2025.

Principles of food waste measurement

Measurement is critical to reducing the amount of food that goes to waste across the supply chain. Through WRAP's work with international organisations including the World Resources Institute, Champions 12.3, United Nations Environment,

and the United Nations Food and Agriculture Organization, there is now high level clarity on what to measure and how to report on it.

Building on this, WRAP and IGD (the Institute of Grocery Distribution) worked with a range of business representatives to publish three key principles of food waste measurement. WRAP is now working with industry trade bodies and businesses to disseminate the principles, including the 26 Tesco suppliers who have committed to reporting their own food waste by September 2018. The European Commission's Platform on Food Losses and Food Waste newsletter featured a lead article from WRAP's Andrew Parry on the subject.

3. Delivering change via citizen campaigns

Winning the food waste fight

Marcus Gover's keynote speech at the RWM Conference in September was a rallying call to join WRAP in the food waste fight, as he announced a new phase in the organisation's consumer food waste prevention strategy. The new phase focuses on catalysing change through partner action, and bringing a more targeted approach to food waste prevention in the UK. WRAP's CEO called for all local and national networks of like-minded people and organisations to join WRAP, and be part of joined up nationwide action to help citizens cut food waste in the home, with a clear focus on the most wasted food products and the people who generate the most waste.

Lonely foods

In June, Love Food Hate Waste launched Lonely Foods – a humorous campaign, focusing on partnering lonely leftover foods with their perfect partner to make new, tasty dishes. The four-week digital campaign was primarily aimed at 18-34 year olds in urban areas across England and Wales, the group our research suggests are responsible for wasting the most food. Popular bloggers Vix Meldrew, Poppy Loves and Katie Pix helped us to spread the word, and the campaign generated over 450,000 engagements in the form of video views and link clicks.

Cooking up commonly wasted food

In November, WRAP hosted a Leadership Summit on food waste prevention with a number of key retailers, brands and food service providers. Delegates enjoyed the truly interactive event where they cooked their own amazing three course lunch using ingredients, such as chicken and bread which are high up on the list of items that citizens commonly waste. A menu of opportunities to work together on fighting food waste was discussed to help support delivery of the citizen food waste strategy.

Save our spuds!

The humble spud is one of the most demanded food items in Britain, with 730,000 tonnes bought by households every year. Unfortunately, nearly half of those bought end up in the bin. Love Food Hate Waste's autumn Save Our Spuds! campaign aimed to raise awareness of the scale of the potato waste problem, its impact on the environment and on our pockets. Three videos were produced and promoted across Facebook and Instagram, covering tips for storing potatoes, what to do with sprouting potatoes, and looking at the journey of potatoes from farm to plate. Social media content resulted in over 300,000 engagements, while Aldi, Fareshare, Able & Cole and Hubbub supported the campaign using our #SaveOurSpuds hashtag.

Give a cluck!

As the Christmas season came to a close, our Love Food Hate Waste campaign asked citizens to "give a cluck" about poultry waste. Every year in the UK, 86 million chickens are thrown away uneaten – that's the equivalent of three chickens per second. We set out to change this by encouraging citizens to plan ahead and freeze poultry to avoid waste. Throughout January, we posted tips helping people to make the most of the poultry they buy. Over 600,000 people viewed campaign video content, and the story was covered by *The Times*, *Daily Mail* and *Mail Online*, as well as by *Talk Radio* and the *London Live* TV Channel. A flurry of bloggers got behind the cause and in Wales, Minister for Environment, Hannah Blythyn endorsed the Give a Cluck Campaign during a festive visit to Iceland Food's head office. Further afield, our Love Food Hate Waste licensees in Australia and New Zealand also got involved in the campaign.

Make Toast Not Waste

Brits were urged to Make Toast Not Waste as Love Food Hate Waste figures disclosed that UK citizens waste 24 million slices of bread per day. Alongside these shocking figures, a consumer poll of UK adults aged 18-34, commissioned by Love Food Hate Waste, showed that almost seven in ten respondents admit to throwing away bread on a weekly basis, while one in four admit to knowing you can freeze bread, but don't do it. The campaign reached over 690,000 by encouraging citizens to freeze bread and make toast straight from frozen, enjoying it in many different ways at all times of day, and was covered by Steve Wright's afternoon show on BBC Radio 2.

4. Looking ahead

For the coming year, changing citizen behaviour around food waste remains a huge challenge. We plan to tackle this through targeted behaviour change interventions which we will pilot and scale in partnership with trade bodies, retailers and manufacturers. We will also collaborate through the Courtauld Commitment 2025 to scale up technical changes such as altering packaging and portion sizes, and continue to work with signatories to the Commitment to increase the impact of our food date labelling work. We will build on our work to standardise food waste measurement, encouraging businesses to measure their food waste in a robust way that is in line with international standards.

SUSTAINABLE PRODUCTS

Our ambition

Our work on sustainable products focuses on re-inventing how we design, produce and sell products through product and process innovation and supply chain collaboration; and rethinking how we use and consume products through consumer campaigns and enabling collaborative change by businesses.

The Sustainable Clothing Action Plan (SCAP) is our award-winning, industry-wide initiative to reduce the environmental impact of the UK's clothing sector. SCAP brings together leading clothing companies to work together to reduce the carbon, waste and water footprints of clothing. We help organisations to communicate with citizens about how they care for, repair and recycle their clothing through our Love Your Clothes campaign; and internationally, we are creating a circular approach to fashion across Europe through the European Clothing Action Plan (ECAP), an EU LIFE funded project.

We partner with businesses in the electrical and electronics industry to identify opportunities for business growth through adopting sustainable business practices which put the lifecycle of products and customer experience at their heart; and through our leadership of the EU LIFE funded REBus project, we champion the use of resource-efficient business models which can deliver significant economic and environmental benefits.

Our impact

1. Delivering change via voluntary agreements

Sustainable Clothing Action Plan progress

Since launching the SCAP in 2013, WRAP has worked closely with major clothing designers, brands, manufacturers, retailers, fashion houses and re-use and recycling organisations to drive forward more sustainable production and buying practices, and increase textiles re-use and recycling. SCAP membership grew quickly and now accounts for more than half of the UK clothing market. Midway through the agreement, signatories had made significant improvements; reducing carbon by 10.6 per cent; water by 13.5 per cent and waste across the product lifecycle by 0.8 per cent per tonne of clothing. That's enough water to fill 23,000 bath tubs (or nearly three Olympic sized swimming pools) per tonne of clothing.

2. Using our expertise and evidence to deliver change

Electricals industry could realise £ billions in financial benefit

Consumer appetite for circular business models such as take back schemes is growing, presenting the electricals industry with the opportunity to use resources more sustainably and realise £4.4 billion, prevent one million tonnes of waste and save 14 million tonnes in CO₂e, according to research we published in July 2017. WRAP looked at consumer attitudes to the way people buy, consume and discard their electrical products as part of its report, *Switched on to Value: Powering Business Change*. The report, which highlights consumer behaviour as a major determinant in the lifecycle impacts of electrical and electronic products, has been downloaded around 500 times since July and was covered in a special edition of BBC Radio 4's *Costing the Earth*.

Landfill falls out of fashion

Also published in July, WRAP's report, *Valuing our Clothes: The Cost of UK Fashion* found that the way people care for their clothes is changing. Since WRAP first highlighted the environmental impact of UK clothing in its pioneering 2012 report, the amount of clothing discarded in residual waste had fallen by approximately 50,000 tonnes. The current estimate of clothing going into household bins has dropped from 350,000 tonnes in 2012 to 300,000 tonnes in 2015, a reduction equivalent in weight to more than 300 Jumbo Jets. As a nation, we now tend to launder our clothes at lower temperatures; turning the heat down from 40 to 30 degrees. The regular use of tumble-dryers and ironing has also fallen. These combined changes in behaviour have helped cut approximately 700,000 tonnes CO₂e from UK emissions, each year. The report has been downloaded nearly 3,000 times and was featured on Talk Radio, Classic FM, in the *Guardian*, *The Times*, *Daily Mail* and *Daily Telegraph*, as well as key trade publications *Eco Textiles*, *Just Style* and *Drapers*.

Sustainable clothing guide

Extending the life of clothes by nine months would reduce carbon, water and waste footprints by 4-10 per cent. In June 2017, WRAP published a *Sustainable Clothing Guide*, which sets out how to design, produce, and sell sustainable clothing that lasts longer, and that can easily be repaired and re-used. We encouraged designers and product technologists within brands and retailers to use this guide as part of their daily work to embed durability at the product design and development stages. The Guide has been downloaded around 800 times, and partners including Marks & Spencer have fed back on how valuable it is.

UK attitudes and behaviours towards clothing

Our *Consumer Clothing Survey*, published in December 2017, looked at people's attitudes and behaviours around buying, using, and disposing of clothing. It shows that there is a significant gap between people's intentions and their actions when it comes to the sustainability of clothing. 74 per cent of people say they want clothes that are made to last, but only 63 per cent actually look for this when they are shopping. 29 per cent of people say they want clothing that is ethically produced, but this drops to 23 per cent when customers are out shopping. Our aim is to help close this intention-action gap through the work we do with retailers and brands, and through our consumer campaign, Love Your Clothes.

3. Delivering change internationally

REBus pilots provide snapshot of what could be achieved on a large scale

The potential to adopt innovative new business models on a large scale was highlighted by a series of case studies published by the WRAP-led REBus project. To date, REBus, the EU LIFE funded partnership project, has published 31 case studies from organisations in the UK and Netherlands, featuring work with organisations including Samsung UK, demonstrating how they have created more profitable, resilient and resource-efficient business models (REBMs). A report published by WRAP on *Extrapolating Resource-efficient Business Model Potential across Europe* outlined how large-scale adoption of similar business models could deliver substantial economic and environmental benefits.

Increasing recovery of critical raw materials

The EU LIFE funded Critical Raw Material Closed Loop Recovery project, led by WRAP, is investing in trials exploring novel ways of boosting the collection and recovery of critical raw materials (CRMs) from household waste electrical and electronic equipment (WEEE). In December, the project announced that the five trial partners of the project, RecyclingBoerse, Asekol, Axion Consulting, Re-Tek, and Ecodom, had completed the initial collection stage of the trials, with significant amounts of devices such as smart phones, laptops and personal computers collected. Materials collected are now being tested to recover critical raw materials, with a full evaluation of the collected materials being undertaken to demonstrate reuse potential and amount that is recovered from different methods used. The remaining recovery trials will be completed in 2018, with policy and infrastructure recommendations to be developed shortly afterwards.

New research shows environmental impact of clothing industry in Europe

Research carried out by WRAP as part of the European Clothing Action Plan (ECAP) found that the environmental impact of clothing in Europe is very high. Six million tonnes of clothing were consumed in 2015, presenting a huge opportunity to introduce less wasteful practices across the life cycle. The report, published in December 2017 and entitled *Mapping Clothing Impacts across Europe: The Environmental Cost*, shows how ECAP can help to reduce this environmental impact, and inspire change across Europe.

Highlighting the environmental impacts of workwear

Also published via ECAP this year, a report on *Embedding Circular Procurement in Purchasing of Workwear* explores the opportunities and barriers to sharing and implementing circular procurement principles to workwear across Europe. It also analyses the role of EU procurement National Action Plans and Green Public Procurement criteria in supporting ECAP's mission, and examines the potential for other methods, such as policy, economics, procurement and capacity building, to deliver the benefits of more circular workwear products.

4. Delivering change via citizen campaigns

Love Your Clothes video content

Our Love Your Clothes campaign produced 13 new films and step-by-step stain removal, creative crafts, capsule wardrobe and pre-loved clothing guides in both English and Welsh targeting priority audience segments. The new videos were developed drawing on digital insights from existing content. They are all accompanied by a short teaser video with subtitles for social media, designed to draw viewers to click through to the full video. The full-length videos were viewed more than 20,000 times between April 2017 to March 2018. We made the PDF how-to guides available to partners free via the WRAP Resource Library, along with other materials including posters, clothing best buy guides, infographics and web banners.

Clothing collections for Cancer Research UK

After last year's success, Love Your Clothes joined forces with Tesco to drive clothing collections for Cancer Research UK. They encouraged the public to donate unwanted clothing across 200 Tesco stores. Tesco promoted the campaign in store, at till points, and in their publications. The six-week campaign saw over 5,500 bags collected, raising over £100,000 for Cancer Research UK.

Decluttering and donating

In September 2017, Love Your Clothes sponsored a pledge on the Do Nation website encouraging people to declutter their wardrobe and donate unwanted clothes to charity, or if they're past their best, to recycle them. By entering the number of items of clothing people pledged to donate, they could see how much CO₂ could be saved and be entered into a prize draw. For the three months of our sponsorship, 590 pledges were received resulting in a potential saving of 12,174kg of CO₂. As part of its decluttering campaign, Love Your Clothes partnered with clothing collector ClothesAid to distribute approx. 1 million leaflets to households encouraging people to clear out their wardrobes. The campaign increased collections by more than 24,400kg.

WRAP's sustainable electricals series launches with Guardian Sustainable Business

Over the summer, we partnered with Guardian Sustainable Business to produce a series of articles that shone a light on sustainability challenges and opportunities for the electrical and electronic equipment sector. Six articles looked at subjects such as how smart technology could propel us to a more resource efficient world which was viewed more than 8,500 times, and how retailers are putting circular economy strategies to the test. The final article featured a quiz testing people's knowledge of sustainable electricals. The complete series achieved over 29,000 views.

5. Looking ahead

This year, we will continue to work with our SCAP partners to encourage retailers and brands to switch to more sustainable fibres, as well as influencing the use of more efficient production processes by their suppliers. The main changes we want to see are: sourcing cotton from more sustainable production; adoption of lower impact dyeing processes; and additional savings from newer fibres and eco-efficient process improvements in the supply chain. Through ECAP, we will test new actions for the future such as fibre to fibre recycling which could have a large impact on clothing sustainability.

RESOURCE MANAGEMENT

1. Delivering change via collaborative action plans

Turning the tide on plastic waste

In January 2018, we announced a new holistic initiative, the UK Plastics Pact, which will help turn the tide on the growing issue of plastic waste. The ambitious UK initiative will involve collaborative action and commitment by businesses, industry, governments, local authorities, NGOs, media and society at large, to re-define what is possible and create a plastic system that works – a circular economy where plastic is valued and doesn't pollute the environment.

The initial focus is on plastic packaging, specifically: eliminating unnecessary and problematic single-use plastic packaging; making sure all plastic packaging is reusable, recyclable or compostable; increasing recycled content in plastic packaging to drive demand for recycled material; and impassioning and enabling citizens to play their part in reducing plastic packaging waste and litter.

This is the first in a series of national implementations of the Ellen MacArthur Foundation's New Plastics Economy initiative, and was trailed in Defra's 25-year Environment plan.

Dame Ellen MacArthur, said: "Creating a circular economy for plastics amounts to a huge opportunity for the economy as well as providing a longer-term benefit for the environment. Achieving it will require close collaboration and significant commitment from industry, government, and society at large. We are delighted to work with WRAP to help unleash such collaboration here in the UK, as a first national implementation initiative of our global New Plastics Economy initiative."

Collecting more food waste

In November, the Food Waste Recycling Action Plan (FWRAP) published its first annual report, providing a progress update on the five themes within the plan: developing the business case; optimising food waste capture; communicating with householders and commercial food waste producers; ensuring quality as well as quantity; and making contracts work. Highlights from year one included the completion of the work on a Cost Benefit Analysis Tool and the creation of new industry guidance designed to support AD (anaerobic digestion) operators in meeting the challenges of handling collected household food waste. The FWRAP homepage had over 5,000 unique visitors in the first year, and the Action Plan was downloaded over 1,000 times.

Greater consistency in household recycling

In 2016, WRAP published the Framework for Greater Consistency in Household Recycling in England which sets out a vision for greater consistency in household recycling. As part of the Framework's Five-point Action Plan, WRAP committed to support a group of local authorities to evaluate the local business case for adopting the consistency framework. In November 2017, we published a summary of the pilot projects we carried out looking at the local business case for adopting common service profiles. Seven groups of local authorities were recruited for the pilots, and the outputs of the review helped inform an ongoing programme of support for local authorities considering changes to their service provision.

Andrew Bird, Head of Recycling and Fleet Services at Newcastle-Under-Lyme Borough Council, said of the pilots: "Working with WRAP on a pilot for testing the business case for consistency at a local level has been highly effective for the Staffordshire Waste Partnership, particularly in how to look at shaping our collective services moving forward. The in-depth work undertaken has provided us with invaluable information upon which we can make properly informed decisions to improve the efficiency of our services and raise levels of recycling."

2. Delivering change via citizen campaigns

Recycle Week trends at #1 on Twitter

Kicking off on 25 September 2017, Recycle Week – the annual celebration of recycling from WRAP's Recycle Now campaign – brought to life some of the amazing transformations that different materials can take when they are recycled. Each day of Recycle Week focused on a different material, with animations showing what everyday items get recycled back into. Now in its fourteenth year, Recycle Week attracts supporters from across the recycling supply chain and this year's sponsors included The Co-op, Currys PC World, John Lewis, the Ocado Foundation and Wilko – each offering prizes for competitions that ran throughout the week.

The week started in style with #RecycleWeek trending at #1 on Twitter in the UK and our animations were viewed over 700,000 times during the course of the campaign. WRAP's Linda Crichton appeared on Sky News bulletins and Recycle Week was covered in the *Telegraph*, the *i*, *Metro* and *Yahoo News*, in addition to almost 200 local media outlets, four BBC

regional radio channels, and ITV News regional programmes. Jackie Bailey and Stephanie Campbell were at Defra HQ for the launch, prompting a visit from the Secretary of State Michael Gove who endorsed the campaign.

New hard-hitting plastics campaign from Recycle Now

In the wake of the BBC's screening of Blue Planet 2 in February 2018 Recycle Now unveiled a series of hard-hitting digital images and messages aimed at encouraging consumers to recycle more and prevent plastic waste from damaging the environment. Called "Plastic Planet", the campaign focused on the sheer volume of plastic in the environment and called upon consumers to close the 'plastic gap' which sees only 58 per cent of plastic bottles currently recycled in the UK, despite 99 per cent of local authorities collecting bottles at kerbside. The campaign reached around 10 million people on social media and drove Recycle Now's social media engagement rates up by 800%. To date, there have been over 1,300 downloads of the Plastic Planet assets by partners from the WRAP Resource Library. The RSPB supported the campaign tweeting our assets to their 290K+ followers.

Two million householders use Recycling Locator

For householders who are not sure if, how or where they can recycle an item, Recycle Now's Recycling Locator offers a convenient solution. People can just put in their postcode and the answer pops up. The Recycling Locator, which is available for organisations to embed on their own websites under licence, is now being used by 78 partners, including retailers and local authorities, and has been used by around 2 million users this year.

Over 500 Schools Enter Home Recycling Challenge

Over 500 schools entered the Home Recycling Challenge with nearly 16,000 children completing worksheets at home with their parents to encourage household recycling. To support the Challenge, we made a huge range of resources on recycling available for Key Stage 1 and 2 teachers. The winning school for the Home Recycling Challenge, Polesden Lacey Infant School, received a surprise visit from Children's TV presenter, Maddie Moate, who fronted the campaign and presented the school with a cheque for the £1,000 prize money. 45% of households said they started to recycle more as a result of taking part.

One bin is rubbish. Sort it out.

A new Recycle for London campaign launched in November focused on in-home storage. The 'One bin is rubbish – sort it out' campaign encouraged Londoners to sort out a second bin or equivalent at home to put their recycling in. The campaign started with digital activity, with print and online Christmas adverts following in December. A toolkit was created for partners, and grant funding made available for priority boroughs to use key assets and spread the message more widely. The campaign was the first to adopt a re-formulation of the Recycle Now brand, changing the logo to read "London recycles" instead of "Recycle for London". 32% of Londoners have seen the campaign and recall its key message. More than half who have seen the campaign have changed behaviour – either by getting a second recycling bin or changing how they recycle, or both.

Bathroom recycling made easy

March 2018 saw the launch of a Recycle Now campaign to make recycling from the bathroom the norm. The campaign aimed to highlight bathroom items that can be recycled as well as suggesting easy ways to store recycling in the bathroom. The campaign reached 1.6 million people through a targeted Facebook advertising campaign, and posted shareable content on Facebook, Twitter and Instagram. Dunelm supported the campaign on their social media accounts and donated a prize for a competition.

3. Delivering change via innovation and investment

Litter innovation fund supports smart bins

In August, UK Environment Minister Dr Thérèse Coffey announced the creation of a new Litter Innovation Fund. The Fund, administered by WRAP, of £450,000 is designed to support community projects to tackle littering. The money will support the development of new innovation and approaches for tackling litter, from behavioural research for better positioned bins and recycling points so more people throw their rubbish away, to digital technology such as apps and smart bins that can text alerts to rubbish collectors when they are full, stopping litter from spilling out on to the streets. The initial round of funding is now complete. Over 200 expressions of interest were received, and 14 organisations were awarded grants.

Realising economic and environmental benefits from renewable energy

WRAP has been delivering the Rural Community Energy Fund (RCEF) since 2013. The main aims of the fund are: to promote rural growth and job creation; to help communities to maximise the income generating potential of renewable energy and put this to work for the communities; and to increase the use of renewable energy. To date, over 133 Grants have been awarded with a total value of over £2 million, with 100 organisations having now completed their feasibility studies. Ninety-three projects have undertaken activity to a value of over £1.5 million. Community groups have

independently raised over £6 million to progress schemes. A conservative estimate is that installed projects are generating electricity or heat to support the equivalent of nearly 16,000 households per year, and this number is set to rise as projects progress.

4. Delivering change via evidence and expertise

Tackling China waste import restrictions

In July 2017, China notified the World Trade Organization that it intended to forbid the import of 24 kinds of solid wastes by the end of 2017, including eight categories of plastics waste, unsorted mixed papers and eleven types of textile waste. To support the UK Government, the Welsh Government and the Northern Ireland Assembly and industry to tackle this challenge, in December we held roundtables in London, Belfast and Cardiff, at which participants discussed the issues, challenges and opportunities resulting from the new restrictions. We drew up actions and reported back to governments on the steps industry is taking in response. WRAP has been monitoring the impact of the China ban closely since the roundtables including regular discussions with government, local authorities, agencies and industry.

Reforming producer responsibility for packaging

To support the design of a more sustainable plastics economy, the framework underpinning recycling needs to drive the right kinds of behaviours, for example through reform of the packaging producer responsibility regulations, and specifically through making changes to the Packaging Recovery Note (PRN) system, which shows that a company has met their obligations to fund the recycling and recovery of packaging waste as required by the UK Packaging Waste Regulations. Secretary of State Michael Gove invited WRAP to lead an industry consultation on these reforms and agree a set of recommendations to be put forward to Government. We did this through a series of facilitated cross-sector discussions in February and March 2018, consulting with close to 200 organisations.

Informing circular economy policy

We completed detailed analysis of how recycling would need to develop to meet the proposed targets in the EU Circular Economy Package (CEP), which is likely to set the scene for waste and resource management in Europe for the next decade, although it is not yet confirmed what will be brought into Defra's forthcoming Resources and Waste Strategy.

Ladislav Tvaruzek, Economic Advisor - Resources and Waste Evidence, Defra said, "The overall CEP project has been instrumental in significantly developing our evidence base on the achievability of 2030 municipal recycling targets, cost implications to relevant sectors, and it formed a basis for the assessment of key environmental impacts. We very much appreciate the amount of work that WRAP developed over the lifespan of this project and highly commend their level of sectoral expertise."

5. Looking ahead

Our priority continues to be increasing the household recycling rate in England, where the A Framework for Greater Consistency will guide our interventions. We will increase the capture of food waste and plastics by improving recycling service provision and by communicating effectively with householders via Recycle Now. There will be an additional focus on urban areas, where our partnerships in London, Manchester and other cities will be important. We will also provide economic and technical support to Defra Policy as part of their new Resources and Waste Strategy.

We will launch the UK Plastics Pact with partners who can help us to create a sustainable plastics packaging system for the UK. Once the initial goals and governance have been established, we will provide technical and design support to businesses to reduce non-recyclable packaging placed on the market, we will deliver innovation projects that address hard-to-recycle plastics and establish a campaign to encourage citizens to play their role on reducing leakage of plastics to the environment.

WRAP CYMRU

1. Delivering change via national programmes of work

Extra cash for Welsh recycling

In February 2018, the Welsh Government announced it was adding £7.5 million to the fund which provides grants for local authorities to boost their recycling. Environment minister Hannah Blythyn (pictured) announced the extra cash under the Collaborative Change Programme (CCP), delivered by WRAP, on a visit to Merthyr Tydfil's recycling depot at Pentrebach. The latest statistics on recycling rates put Wales 12 percentage points above England. Depending on the measurement criteria used, this puts Wales second in Europe and third in the world.

Delivering economics and environmental benefits

WRAP Cymru's Sustainable Resource Management programme provided specialist support to the resource management sector to increase the collection of source segregated commercial and industrial waste, technical expertise to manufacturers to increase the use of recycled materials in their products, and procurement support to the public sector to transition to a circular economy and drive market demand for sustainable products. This support will result in over 150,000 tonnes of waste diverted from landfill, more than 173,000 tonnes of CO₂e avoided and the creation of 39 new jobs in Wales.

2. Delivering change via voluntary agreements

Minister encourages sign up to Courtauld during festive visit

Hannah Blythyn, the Welsh Government's Minister for Environment, visited Courtauld 2025 signatory Iceland Food Limited at their head office just before Christmas 2017, to hear their plans to tackle waste in the supply chain. During the visit, arranged by WRAP Cymru, the Minister praised WRAP's work including Love Food Hate Waste's Give a Cluck campaign as well as Courtauld 2025, saying, "I would encourage other companies across Wales to sign up to the Courtauld agreement."

IKEA textiles take-back service

The IKEA textile take-back service, piloted in the Cardiff store, gives the public the opportunity to bring in any unwanted textiles – from clothing to soft furnishings – to be re-used, repaired or recycled by the YMCA for the benefit of the local community. WRAP Cymru support for the scheme, provided through the EU LIFE funded REBus project included: working with IKEA to help develop the business model and prepare the outline business case to set up service; supporting the IKEA team with research, communications and messaging including facilitating partnerships with the YMCA, Sustainable Studio and Neath Port Talbot Woman's Aid; and assisting with developing the metrics to measure the progress of the service over time.

3. Delivering change via consumer campaigns

Recycled Beats get Festival Number 6 rocking

Recycle for Wales' Recycled Beats campaign rocked up at Portmeirion for Festival No 6, to engage the audience with recycling by raising awareness of the energy savings when products are made from recycled materials. Angela Spiteri appeared on primetime BBC and ITV Wales news, and the campaign was also featured on BBC online and Welsh language Radio Cymru.

Run, refuel, recycle

Building on the learnings of the two previous Run Refuel Recycle campaigns, Recycle for Wales led on the delivery of the third Run Refuel Recycle campaign, delivered through a partnership with Brecon Carreg and Run4Wales for the 2017 Cardiff Half Marathon. The aim was to engage with the runners, spectators as well as people in Wales that have an interest in running, and encourage them to think differently about how they dispose of their waste - both at the event and at home. Key messages focused on the energy impact of recycling plastic bottles and banana peels, and working towards Wales becoming the world's champion recycler as the key messages. A post-race survey completed revealed that almost 70 per cent of runners said that the campaign made them re-think about how they dispose of plastic bottles and 64 per cent said that the campaign made them re-think about how they dispose of food waste.

Inspiring staff and students to love their clothes

This year, Love Your Clothes ran employee engagement campaigns with several organisations based in Wales. These included clothing collection drives, alteration and repair sessions with: Legal & General in Cardiff as part of their Staff Wellbeing Day which resulted in 106kg of clothes being donated to RSPCA Llys Nini; Companies House in Cardiff which resulted in 408kgs of clothes being donated to Tŷ Hafan; and three Cardiff Council offices. 1,735kgs of clothes was donated to YMCA Cardiff.

We also worked with the University of South Wales to run a staff and student engagement campaign to raise awareness of the clothes that go to landfill every year. We organised a clothing collection drive in four of the campuses and held clothes upcycling workshops. As part of the University's Employability Week, students taking creative industry courses refashioned some of the donated clothes to sell at a pop-up shop, raising almost £100 for Tŷ Hafan, who also received 250kg donated clothes.

4. Looking ahead

Our priorities in Wales are to increase the household recycling rate working towards a target of 70 per cent by 2020, and to further reduce food waste (a national target is under discussion). Progress on household recycling in Wales is very strong and it is on track. Citizens are recycling circa 1 million tonnes per year but there remains another 0.2 million tonnes of recyclable material in residual waste bins. Our immediate challenge is to divert half of that from landfill. Recycling and re-using textiles and waste electricals will also be important in Wales. Bespoke collaboration with Welsh local authorities will support this work, and we will also work closely with Welsh small and medium-sized enterprises to reduce supply chain and hospitality food waste.

WRAP NORTHERN IRELAND

Northern Ireland records highest ever household recycling rate

Northern Ireland recorded its highest ever household waste recycling rate at 51.5 per cent. Statistics released by the Department of Agriculture, Environment and Rural Affairs (DAERA) showed that household recycling increased by over three percentage points for the period July to September 2017. This compared to 48.4 per cent for the same period in 2016. The amount of waste sent for landfill also decreased from 33.4 per cent in 2016 to 29.5 per cent in 2017. WRAP Northern Ireland has worked closely with local authorities in Northern Ireland to increase household recycling, with a particular focus on food waste collections.

Study finds 55 per cent of household residual waste can be recycled

WRAP completed a study of the composition of household waste collected at the kerbside in Northern Ireland. This strategic research was completed for DAERA. The overall waste composition was determined, looking at individual material capture rates and what was set out for recycling or composting. The extent to which recyclable or compostable materials were being disposed of in the residual waste stream was assessed and the study found that 55 per cent of the contents of the residual waste bin was made up of waste types that could commonly be recycled at the kerbside.

Looking ahead

Our priority in Northern Ireland is to maintain the 2017 upward trend in household recycling to reach a consistent rate of 50% by 2020. We will provide continued support to Northern Ireland government on recycling, targeting the remaining 25 per cent of food waste and 55 per cent of recyclable materials in residual bins. We will support policy development and collaborate closely with an active local authority recycling communications network.

INTERNATIONAL

Our ambition

As a trusted partner of governments, businesses and NGOs around the world, WRAP uses its expertise and evidence to create shared vision and tailored, targeted programmes that help deliver sustainability goals.

We are a founding member of the Champions 12.3 network, a global coalition driving the delivery of UN Sustainable Development Goal (SDG) 12.3 – to halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains by 2030.

We also work with countries, regions and cities to increase recycling rates and to re-define how we re-use and recycle materials. Our future plans align this work more closely with the delivery of UN Sustainable Development Goal 12.5 – to substantially reduce waste generation through prevention, reduction, recycling and reuse.

1. Using our expertise and evidence to drive change

Roadmap to achieve UN Sustainable Development Goal Target 12.3

In September, WRI (World Resources Institute) and WRAP published their second assessment of the world's progress toward achieving UN Sustainable Development Goal Target 12.3 on behalf of the Champions 12.3 Network - a coalition of executives from governments, businesses, international organisations, research institutions, farmer groups, and civil society. The report sets out a roadmap to achieving the target and evaluates global progress to date by countries and companies.

As part of the international launch of the report, WRAP's Peter Skelton represented WRAP at the special meeting of SDG Champions in New York, while in the UK Richard Swannell spoke with *The Grocer*. Marcus Gover wrote a blog for the *Huffington Post* and featured in a short video outlining how the new roadmap will help direct global action over the next thirteen years. The release was covered by the *New York Times*.

Marcus Gover, Chief Executive of WRAP, said: "The report we co-authored with WRI shows we are moving in the right direction, but we need to build momentum quickly. We need action from everyone from governments, businesses, NGOs and us all in our homes: uniting in the food waste fight. It is also essential that developing nations get the financial support they need to tackle food loss and waste. We have gathering impetus, and now we have something which could help navigate us all to our destination. There is no time to lose."

New developments on food loss and waste

In March 2018, we opened discussions with The World Bank on the importance of food loss and waste initiatives. WRAP presented the concept of a 'Food Smart City' to 150 delegates at The World Bank's Agriculture and Food Forum and participated in a debate on the importance of tackling food loss and waste globally.

Supporting EU food waste measurement

From 2020, the EU will require all Member States to measure and report on food waste. As members of the EU Platform on Food Loss and Waste, and its Methodology Working Group, WRAP is working with The Directorate-General for Health and Food Safety (DG SANTE) on the development of a cost-effective but reliable approach for Member States to measure and report on food waste. Part of our work has been to ensure that the EU approach is aligned with the global Food Loss and Waste Standard. Member state governments will be required to report on national food waste at a sector level, and voluntary agreements could be a powerful source of data to enable this.

Four national frameworks for action

In June, the EU-funded REFRESH project, led by WRAP, published a report documenting the progress made with four National Frameworks for Action in Germany, Spain, Hungary and the Netherlands to tackle food waste along the whole supply chain. Highlights included: Spain has created a cross-border supply chain project, quantifying the amount of peaches and nectarines lost along the supply chain, and are identifying waste hotspots to tackle; the Netherlands launched a new initiative called 'United against food waste' led by The Circular Economy in Food Task Force (TCEF), which forms part of the Dutch national agenda to halve food waste by 2030, in line with UN Sustainable Development Goal 12.3; progress has been made on setting a baseline figure in Hungary, with the Deputy Secretary of State demonstrating their support by circulating a food waste measurement questionnaire to all Platform members; and Germany is progressing with measurement, with the Federal Ministry actively involved to see where they can assist in mitigating some of the challenges.

Online community to tackle food waste in EU

On 16 October 2017 (World Food Day), WRAP launched a new digital network to encourage collaboration and bring together expertise from across Europe and beyond in a focussed response to the global issue of food waste. The Community of Experts, developed as part of the EU-funded REFRESH Project in cooperation with the European Commission's EU Platform on Food Losses and Food Waste, empowers individuals, organisations and nations to take action against food waste by sharing the skills, knowledge and resources needed to act against food waste. With 120 experts signed up and 80 resources online, the platform has already proven to be a powerful convening force, bringing together authorities from many disciplines, and from across the whole value chain.

Commissioner Vytenis Andriukaitis, European Commissioner for Health and Food Safety said: "On this important day dedicated to celebrating food, I am pleased to announce that we have a new ally in the battle against food waste: the REFRESH Community of Experts."

Better Food for More People

In August 2017, WRAP's CEO Marcus Gover spoke about 'The Food Waste Fight: How we can engage all stakeholders' at the annual World Food Summit – Better Food for More People in Copenhagen. The Summit focused on reducing food waste at the consumer level by working with all levels of the supply chain to create public awareness and getting people to use what they buy and only buying what they need. The Summit explored new ways to solve the critical challenges caused by the way we produce and consume food and what efforts and solutions could be imposed to meet Sustainable Development Goal 12.3 target.

Best practice in food waste at sustainable consumption and production workshop

In June, WRAP presented to officials from the G7 countries at a workshop organised by the Japanese and German governments. We outlined the importance of supporting developing countries with both financial and technical expertise to measure (in a standardised way) and reduce food waste through innovative approaches such as the tried and tested voluntary agreement route.

2. Delivering change via working with governments

WRAP has continued to support governments and businesses around the world to create food waste strategies that work and align with UN SDG 12.3:

- In June, WRAP engaged with the UK Government's Department of Trade and Industry, trade bodies, retailers, brand owners, academics and NGOs to explore the possibility of a **South African** voluntary agreement on food waste. Claire Kneller and Peter Skelton joined 150 representatives from governments, the private sector and civil society gathered in Pretoria for the first global conference of the One Planet Network on Sustainable Food Systems and presented WRAP's food waste work.
- Also in June, WRAP presented at the **Singapore** Packaging Agreement 10th Anniversary Packaging Conference in Singapore. The visit allowed WRAP to further develop its relations with the Singapore Ministry of Environment and Water Resources, Singapore National Environment Agency, and the British High Commissioner to Singapore, and NTUC (National Trade Union Congress) Fairprice – the largest co-operative supermarket in Singapore. The trip resulted in a Singapore delegation coming to the UK in September for a study tour of the UK waste management sector. In October, WRAP returned to Singapore for the CleanEnviro Summit Singapore (CESS) where WRAP's CEO Marcus Gover was a special industry advisor on circular economy.
- In August, representatives from the Ministry of Environment and Natural Resources in **Mexico**, Minister Ochoa and Edda Fernandez visited WRAP to discuss our food waste and resource management work. Along with meeting WRAP staff, they also gained insight from Courtauld 2025 signatory Nestlé as well as Baxter Storey and Natural Capital Partners.
- WRAP contributed to the consultation on a food waste strategy for the Department of the Environment and Energy in **Australia** which was published in November.
- As part of their international development on sustainable tourism, the International Climate Initiative (IKI), part of the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) funded a project in **Dominican Republic, St Lucia, Mauritius and The Philippines** to analyse the hotspots within their value chains. WRAP is working with UN Environment, The Travel Foundation and the Technical University of

Denmark to provide an analysis giving recommendations on how to reduce the environmental impact of tourism.

- Developing food waste strategies and measurement of food loss and waste is pivotal to delivering projects in **Canada**. We are advising the Environment and Climate Change Canada (ECCC) on their food waste strategy. We have also embarked on a joint partnership with the World Resources Institute (WRI) and Climate and Environment Committee of NAFTA (The North American Free Trade Agreement) to develop a practical guide to measuring food waste across Mexico, US and Canada.

3. Delivering change via citizen campaigns

Tesco expands food waste work to Central Europe

Richard Swannell spoke on two panels at a food waste conference in Bratislava organised by Tesco Central Europe. The panel sessions covered the business case for tackling food waste, how to reduce food waste, and the importance of measuring food waste. The launch was co-branded Tesco and Love Food Hate Waste and involved businesses, Tesco suppliers and ministers and civil servants from Central Europe. This event marked the start of Love Food Hate Waste and Tesco working together across the company's stores in Hungary, the Czech Republic, Slovakia and Poland. Love Food Hate Waste is now being used in nine countries around the world. Tesco Central Europe has also signed up to the EU-funded REFRESH research project, led by WRAP, which is taking action against food waste.

Small change, big difference

This year has seen the first wave of activity delivered for the award winning TRiFOCAL project, an EU LIFE funded project combining messages on food waste prevention, food recycling and healthy sustainable diets in London. Resource London, a partnership between WRAP and the London Waste and Recycling Board, together with Groundwork London launched the Small Change Big Difference campaign in November, designed to help Londoners make a big difference to their health, pockets and the planet through making small changes. Activities delivered so far have included 12 learning sessions for schools and 7 community groups, attendance at the Harvest Stomp community festival, hosting food based activities, workshops and demonstrations. Delivery also included raw food art displays, surplus food maps and grandparent life hack videos. We are now working with cities across Europe to share our learning.

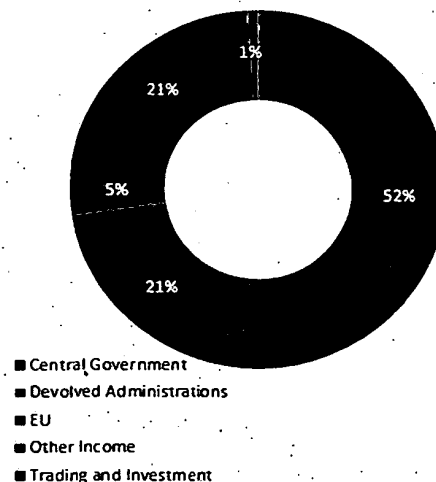
4. Looking ahead

We will continue to work with countries and companies around the world to drive the delivery of UN Sustainable Development Goals 12.3 and 12.5, prioritising work with those countries and companies that have the greatest potential to deliver change. For SDG 12.3, we will adopt the roadmap we have co-developed with the Champions 12.3 network. We will follow routes that we have spearheaded with the EU (and beyond) through REFRESH. For SDG 12.5, our primary focus will be the EU where we have established relationships and partnerships.

Financial Review

Income

£m	2017/18	2016/17
Central Government	10.6	15.6
Devolved Administrations	4.3	6.7
EU	1.0	0.8
Other Income	4.4	3.8
Trading and Investment	0.2	0.3
Total Income	20.5	27.2



WRAP's income for the financial year totaled £20.5M compared with £27.2M in 2016/17. Within this, a £7.1M decrease in government grants was partially offset by a £0.4M increase in income from other sources (primarily charitable donations).

Total grant funding from Defra decreased by £3.4M, of which £1.0M relates to net year-on-year timing impacts (including 2016/17 funding for work on recycling consistency in England in 2017/18) and the remainder to the £2.4M decline in the core grant signalled in last year's annual report. Over three years the underlying core grant has decreased from £12.0M in 2016/17 to £9.6M in 2017/18, with 2018/19 now confirmed at £9.1M.

A further £1.5M of the decrease is due to the timing impact of a multi-year extension to the Rural Community Energy Fund received and recognised in 2016/17, against which expenditure continued to be incurred in 2017/18.

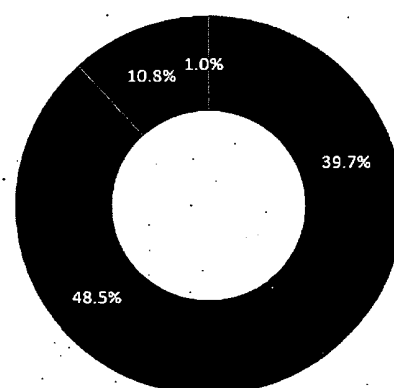
Grant funding from Welsh Government remained stable year-on-year at £3.4M. WRAP's future funding from Welsh Government is under review with a decision anticipated in the coming months. In the interim, the previous grant has been extended to cover the first six months of the new financial year, ensuring that our work on behalf of Welsh Government can continue without interruption. Our work on the Collaborative Change Programme (which was procured under a service contract rather than grant-funded) continued in 2017/18 with income increasing from £1.8M to £2.2M. The current Collaborative Change Programme contract runs until the end of March 2019.

In Northern Ireland, WRAP's work administering capital grants under the Rethink Waste programme in 2016/17 did not recur in 2017/18, resulting in a £2.4M decrease in year-on-year income (offset by a corresponding reduction in the cost of grants awarded). Our core grant from DAERA grew from £0.5M to £0.6M.

We saw a modest increase in business funding from £0.7M to £0.8M, with signatory contributions towards the costs of our voluntary agreements continuing to outstrip other sources of business income. Charitable donations grew from £0.5M to £1.1M, largely thanks to a £0.7M civil sanctions donation. We are grateful to all of our generous donors.

Expenditure

£m	2017/18	2016/17
Sustainable production and consumption	8.1	8.7
Waste and resource management	9.9	10.7
Trading and fundraising	0.0	0.1
Support costs	2.2	2.9
Governance	0.2	0.2
Total expenditure	20.4	22.6



- Sustainable Production & Consumption
- Waste and Resource Management
- Support costs
- Governance

Overall, the increase in business and donations income has been insufficient to offset the decline in government grant funding, prompting a significant cost reduction initiative in the second half of the financial year. Where possible we have made savings in non-staff overheads or by not replacing colleagues who left voluntarily, but 26 positions were made redundant during the year with associated redundancy costs of £0.4M.

Overall expenditure decreased by £2.2M year-on-year. Excluding redundancy and other restructuring expenses, staff costs remained essentially flat in real terms. The cost benefit from headcount reductions (expected saving £1.5M) will not manifest until 2018/19.

Grants awarded decreased by £1.6M, consisting of the £2.4M decrease in Northern Ireland noted above, partially offset by increases elsewhere. Project costs decreased by £0.7M and non-staff overheads by £0.5M.

Grants policy

All grant programmes that WRAP delivers are launched via the WRAP website. Applicants are required to register to download the grant documentation, which includes an application form, guidance document, and an example grant agreement setting out the funding terms and conditions. The guidance document sets out the scope and parameters for the specific grant programmes, which includes: eligibility to apply, grant award value, eligible and non-eligible costs, programme timescales, state aid requirements, evaluation criteria and the assessment process.

Net Movement in Funds

There was a net increase in funds during the year of £0.2M, consisting of a £1.2M increase in unrestricted funds (including the £0.7M civil sanctions donation, designated by the Trustees to fund specific projects in recycling and food waste reduction) and a £1.0M decrease in restricted funds from the drawdown of amounts received in previous periods.

In 2016/17 the Trustees designated £1.0M of unrestricted reserves to fund new work in sustainable eating, international partnerships and circular business models. The initial work has been successful, and expenditure against this fund was lower than planned (total £0.3M) thanks to operating efficiencies and the co-funding of certain costs. The Trustees have increased the designated funding for this work to £2.0M and ring-fenced additional headcount and resources as part of the recent restructure.

The Accelerating Growth Fund reserves in AGF of £6.4m are designated to its investment activities.

Consolidated Balance Sheet

At 31 March 2018 net current assets were £36.4m (2017: £40.5m) including short term investments of £27.5m (2017: £30.2m). The majority of these investments, £21.7m, relate to WRAP's subsidiary companies the Accelerating Growth Fund Limited and eQuip RVG Ltd.

The AGF provides financial support and investment to organisations, principally SMEs, who are investing in or changing to circular business models. AGF is a company limited by shares and is not a charity. Provisions have been made against the loans receivable, and where residual funds may be repayable to the provider of funding when the objectives of the programmes have been achieved.

During the financial year, £4.0M of AGF's reserves was invested in a combination of listed equities, cash products and other investments. The objective is to generate sufficient returns in the medium term to preserve the real-terms value of the investment and provide additional funding to drive impact in future.

The investment is managed by Brewin Dolphin and excludes direct investment in selected sectors where the Trustees believe there is potential conflict with WRAP's charitable objects or environmental and wider social reputation among key stakeholders (tobacco, arms, gambling, tar sands, thermal coal and companies accused of illegal logging who have not publically and viably rebutted allegations). The expected financial impact of these exclusions is immaterial.

We recognised a modest (£57k) unrealised loss from marking the investment to fair value at the year end. This was significantly less than the decline in the market as a whole over the same period and the directors of AGF are satisfied with the performance of the investments to-date, noting that the investment strategy is focused on medium-term returns.

WRAP's other subsidiary eEquip RVG Ltd operated a residual value guarantee scheme which closed for new business in 2015. Over recent months we received confirmation that the company would not be required to make payments under the remaining guarantees, and the provisions for the associated exposure have therefore been released. Although eEquip remains solvent, its operations have now come to a close and so the directors have not prepared its accounts on a going concern basis. This has no impact on the financial statements or on the going concern status of the group.

Reserves policy and going concern

Reserves are required to cover working capital 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 unrestricted general funds decreased from £5.5m to £5.1m during the year and are in line with the three to six months of staff and support costs in the charity that the Trustees consider it prudent to hold as unrestricted reserves.

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.

Principal risks and uncertainties

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties facing WRAP and its subsidiaries;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review;
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialize; and
- ongoing review of risk mitigation and controls via the Audit and Risk Committee of the Board.

The principal risks and uncertainties for WRAP relate to the level of future funding. We continue to receive substantial grant funding from the UK's central and devolved governments, and although this funding remains within the range projected in our risk and financial planning, continued downward pressure on the public finances presents a risk to WRAP as to any organisation in receipt of government funding.

The Trustees' mitigation for these risks is threefold: maximising WRAP's value to its principal government funders; diversifying our funding mix; and ensuring sufficient flexibility in our cost base to respond to any future decrease in funding without compromising the organisation's ongoing ability to deliver impact.

Our grant funding from Defra has been secured for financial year 2018/19 and we have agreed a direction of travel for an approved programme of work that continues into financial year 2019/20. Our core grant from Welsh Government is currently under review as part of a wider process, during which the previous grant has been extended for the first six months of financial year 2018/19. Our other significant source of government funding, the Collaborative Change Programme in Wales, is under contract until the end of financial year 2018/19. We meet regularly with our principal government funders and are confident that WRAP continues to represent excellent value for money.

While business contributions towards the costs of our voluntary agreements (including early sign-up to the UK Plastics Pact) remain encouraging and we received generous donations during the year ended 31 March 2018 as noted elsewhere in this report, we have not yet generated sufficient overall business and donations income to offset the expected reduction in government funding. The restructuring initiative in the second half of the financial year successfully reduced WRAP's operating costs to match future funding levels without compromising our ability to deliver critical impact. The Trustees also set a maximum threshold for fixed costs to ensure that WRAP's overall cost base retains sufficient flexibility to absorb a reasonable level of future funding cuts.

Although the ultimate impact of Britain's exit from the European Union on WRAP's future work is uncertain, the direct impact on funding is not expected to be material given the scale and lifecycle of our EU-funded work. The Trustees and senior management continue to monitor the situation as part of our regular risk management.

WRAP maintains comprehensive Health and Safety policies and procedures, including reporting and review of any accidents or near-misses. Please see the Safety, Health and Environment section on page 31 for further details.

Directors' report

Structure, Governance and Management Governing Document

The Waste and Resources Action Programme (WRAP) is a not-for-profit company limited by guarantee governed by its Articles of Association dated 6 April 2018. The liability of the members of the Company is limited to £1 per member. WRAP registered with the Charity Commission in England and Wales in December 2014. WRAP's aims and objects 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.

In reviewing our charitable objectives and as part of forward planning, the trustees have taken account of the Charity Commission's guidance on public benefit and considered how our planned programme of work will consistently contribute to the charity's aims and objects.

Organisation

The Board of Trustees, which can have up to 12 members, administers the charity. The Board currently comprises the Chair, one executive director and six 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 six times during the year to 31 March 2018.

The company 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 four years.
- The non-executive directors meet as necessary without the executive directors present.

Executive Committee

During the year to 31 March 2018 the Executive Committee was responsible to the Board for day-to-day operations, and comprised the Chief Executive Dr Marcus Gover, Gareth Prior, Steve Creed (until 1 January 2018), Dr Peter Maddox, Dr Richard Swannell, Dr David Moon, Linda Crichton (until 1 January 2018), Sarah Clayton, Carl Nichols and David Rogers (from 23 November 2017). Following the adoption of revised Articles of Association on the 6 April 2018, the Chief Executive is responsible to the Board for day-to-day operations, assisted by the Executive Committee comprising Gareth Prior, Dr Peter Maddox, Dr Richard Swannell and Helen Hannah. Individual matters that are novel or contentious are referred to the Board.

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

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), Sue Corbett and Robert Longley-Cook. The Committee met 4 times during the year to 31 March 2018. 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.

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 as well as WRAP's strategy, programmes, business plan and recent financial performance. 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.

Remuneration

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

The Chief Executive is also a director of the company and is paid for his executive functions. Since becoming a charity all the non-executive directors, apart from the Chair, give of their time freely and receive no remuneration. Remuneration of the Chair has been approved by the Charity Commission.

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 and is based on achievement of specific objectives.

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 Jim Oatridge (Chair), Marc Stephens and Sophie Thomas. Alison Austin resigned from the Board in September 2017. The Committee met four times during the year ended 31 March 2018, with the external auditors present at two meetings. The Chief Executive attended two meetings during the year and the Finance Director attended all meetings.

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 the findings of the audit with the external auditor; and
- review the independence of the external auditor.

Maintenance of a sound system of internal control

The Board is responsible for the company'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 company's risk and control framework are outlined below.

- WRAP'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 company 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 company's systems of internal control for the financial year 2017/18 and up to the date of approval of the annual report and accounts. The company is committed to the development and enhancement of existing systems of internal control and risk management as appropriate for the company and its activities.

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 & Risk Committee	Nominations & Remuneration Committee
Number of meetings held	6	4	4
Alison Austin	3/3	2/2	
Sue Corbett	6		4
Marcus Gover	6		
Julie Hill	6		4
Anne Jenkin	4		
Robert Longley-Cook	5		4
Jim Oatridge	4	4	
Marc Stephens	6	4	
Sophie Thomas	6	4	

The following Directors retired during the year:

Alison Austin 20 September 2017

Relations with stakeholders

WRAP 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.

Safety, Health & Environmental Report

WRAP is committed to reflecting the best safety, health and environmental practices to manage both our direct impacts and the more significant indirect impacts resulting from the businesses and projects we support. The CEO chairs an active Health, Safety and Environment committee with representatives from all relevant functions, and reports progress against our challenging objectives to the Board for quarterly discussion.

As noted in last year's report, the alignment of health and safety policies with our ISO 14001 environmental management systems within an overall ISO 9001 accredited integrated management system has been central to WRAP's approach in meeting our health, safety and environment goals.

During the year ended 31 March 2018 a total of 3 moderate or minor accidents were reported (down from 4 in the previous year), along with 16 near hits (down from 28 in the previous year). We successfully met our target of no major accidents. We also continued to make progress in reducing the total waste arising at WRAP's premises, with 99% of food waste confirmed as unavoidable.

Employment policies

WRAP operates a programme to inform and educate all staff on matters of interest 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 WRAP's performance.

WRAP actively encourages applications from all suitably qualified applicants, regardless of religion, age, sex, sexual orientation, gender reassignment, marital status, 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.

Statement of responsibilities of the Trustees of The Waste and Resources Action Programme in respect of the Trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect 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 UK 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

20 June 2018

Independent auditor's report to the members of The Waste and Resources Action Programme

Opinion

We have audited the financial statements of The Waste and Resources Action Programme ("the charitable company") for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Group and Charity Balance Sheets, Group Statement of Cash Flows and related notes, including the accounting policies in note 1.

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 2018 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 accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 32 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

B. J. Stapleton

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

27 June 2018

Consolidated statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2018

	Note	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Total 2017 £'000
Income from:					
Charitable activities:					
Sustainable production and consumption	3	1,355	7,210	8,565	12,751
Waste and resource management	3	2,901	8,901	11,802	14,091
Other trading activities	4	79	-	79	133
Investments	5	136	-	136	161
Total		4,471	16,111	20,582	27,136
Expenditure from:					
Charitable activities:					
Sustainable production and consumption	6	1,101	8,183	9,284	10,554
Waste and resource management	6	2,297	8,921	11,218	12,087
Other trading activities	6	(147)	-	(147)	(5)
Total expenditure		3,251	17,104	20,355	22,636
Net (loss)/gains on investments	3	(37)	-	(37)	34
Net Income/(expenditure)		1,183	(993)	190	4,534
Taxation	9	-	-	-	-
Net movement in funds		1,183	(993)	190	4,534
Reconciliation of funds:					
Total funds brought forward	22	12,937	6,984	19,921	15,387
Total funds carried forward	22	14,120	5,991	20,111	19,921

The statement of financial activities includes all gains and losses recognised in the year. The comparative figures for 2017 are analysed in Note 2. The notes on pages 38-51 form part of the financial statements.

All of the 2017/18 operations relate to continuing activities.

Consolidated and Charity balance sheets as at 31 March 2018

	Note	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Fixed assets					
Tangible	13	48	60	48	60
Investments	14	4,388	353	-	-
		4,436	413	48	60
Current assets					
Debtors due after more than one year	16	-	81	-	-
Debtors due within one year	17	3,165	6,245	3,532	6,491
Short term investments	18	27,513	30,228	5,851	5,830
Cash at bank and in hand		10,247	11,306	8,774	8,361
		40,925	47,860	18,157	20,682
Creditors: amounts falling due within one year	19	(4,573)	(7,319)	(4,567)	(7,312)
Net current assets		36,352	40,541	13,590	13,370
Total assets less current liabilities		40,788	40,954	13,638	13,430
Provision for liabilities and charges	21	(20,677)	(21,033)	(335)	(367)
Net assets		20,111	19,921	13,303	13,063
Reserves:					
Restricted funds	22	5,991	6,984	5,991	6,984
Unrestricted funds:					
Designated funds	22	9,038	7,437	2,651	1,000
General funds	22	5,082	5,500	4,661	5,079
Total reserves		20,111	19,921	13,303	13,063

The Group is made up of the charity the Waste and Resources Action Programme and its subsidiaries, the Accelerating Growth Fund Ltd, eQuip RVG Ltd and WRAP Enterprises Ltd.

Included within the general funds is a fair value reserve of £(37k) relating to unrealised losses (2017: £34k unrealised gain) on investments.

Approved by the trustees on 20 June 2018 and signed on its behalf by



Julie Hill
Chair of Trustees

Charity number 1159512

The notes on pages 38-51 form part of the financial statements.

Consolidated statement of cash flows for the year ended 31 March 2018

	Note	Group 2018 £'000	Group 2017 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(i)	320	2,815
Cash flows from operating activities			
Interest from investments		136	161
Net gains on investments		(37)	34
Purchase of investments		(4,167)	(353)
Proceeds from sale of property, plant and equipment		-	1
Purchase of property, plant and equipment		(26)	(38)
Net cash (used in) provided by investing activities		(4,094)	(195)
Taxation			
Net cash (used in) provided by financial activities		2,715	(512)
Movement in cash and cash equivalents in the reporting period		(1,059)	2,108
Net funds brought forward		11,306	9,198
Net funds carried forward at 31 March	(ii)	10,247	11,306
(i) Reconciliation of operating surplus to operating cash flows			
Net income for reporting period		190	4,534
Adjustments for:			
Interest receivable		(136)	(161)
Net losses/gains on investments		37	(34)
Depreciation charges		38	60
(Increase)/decrease in debtors		3,161	(841)
Increase/(decrease) in creditors		(2,746)	1,470
Provisions for liabilities and charges		(224)	(2,213)
Cash inflow/(outflow) from operations		320	2,815
Net cash inflow/(outflow) from operating activities		320	2,815
Analysis of cash and cash equivalents			
Available for charitable use		8,774	8,361
Unavailable for charitable use		1,473	2,945
Total cash and cash equivalents		10,247	11,306
	1 April 2017 £'000	Cashflow £'000	31 March 2018 £'000
(ii) Analysis of net funds			
Cash at bank and in hand	11,306	(1,059)	10,247

The notes on pages 38-51 form part of the financial statements.

Notes to the accounts for the year ended 31 March 2018

1. Basis of financial statements and accounting policies

WRAP is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 2nd Floor, Blenheim Court, 19 George Street, Banbury, OX16 5BH.

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) (September 2015) and the Companies Act 2006. 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 that relates directly to a particular activity is allocated to that activity. Support costs are attributed to programmes 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.

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 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.

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:

Office equipment: 33 per cent on cost.

1.10. Investments

Unlisted investments are included at cost less impairment unless there is specific evidence to the contrary. Listed investments are included at fair value based on market price at the balance sheet date.

1.11. Investments in subsidiaries

Investments in subsidiaries are at cost less impairment.

1.12. Pension costs

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

1.13. 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.

1.14. 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.

1.15. Short term investments

Short term investments include bank deposits under which access to cash is restricted for up to 100 days from the date of the deposit and other deposits held by Fund Managers.

1.16. 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.

1.17. Financial instruments

With the exception of the listed investments described above, the group only has financial assets of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Statement of Financial Activities – analysis of 2017 comparative figures

	Unrestricted 2017 £'000	Restricted 2017 £'000	Total 2017 £'000
Income from:			
Charitable activities:			
Sustainable production and consumption	1,021	11,730	12,751
Waste and resource management	2,501	11,590	14,091
Other trading activities	133	-	133
Investments	161	-	161
Total income	3,816	23,320	27,136
Expenditure on:			
Charitable activities:			
Sustainable production and consumption	526	10,028	10,554
Waste and resource management	2,003	10,084	12,087
Other trading activities	(5)	-	(5)
Total expenditure	2,524	20,112	22,636
Net gain on investments	34	-	34
Net income/(expenditure)	1,326	3,208	4,534
Taxation (income)/expense	-	-	-
Net movement in funds	1,326	3,208	4,534
Reconciliation of funds:			
Total funds brought forward	11,611	3,776	15,387
Total funds carried forward	12,937	6,984	19,921

3. Income from Charitable Activities

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Total 2017 £'000
Grants from central government	-	10,568	10,568	15,59
Grants from devolved administrations	-	4,315	4,315	6,654
Grants from EU	-	988	988	793
Total government grant income	-	15,871	15,871	23,04
Other income	4,219	240	4,459	3,834
Total	4,219	16,111	20,330	26,87

4. Trading income

	Total 2018 £'000	Total 2017 £'000
Short term investments in recycling sector	79	133

5. Income from investments

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Total 2017 £'000
Bank interest receivable	136	-	136	161

6. Expenditure

	Sustainable production & consumption £'000	Waste & resource management £'000	Trading costs £'000	Fundraising costs £'000	Governance costs £'000	Support costs £'000	Total 2018 £'000	Total 2017 £'000
Staff costs	4,823	4,397	6	142	141	1,197	10,706	9,999
Contracted services	2,658	4,909	27	7	38	969	8,608	9,854
Lease guarantees	-	-	(180)	-	-	-	(180)	(61)
Grants awarded	676	545	-	-	-	-	1,221	2,844
Total	8,157	9,851	(147)	149	179	2,166	20,355	22,636
Fundraising costs	67	82	-	(149)	-	-	-	-
Governance costs	81	98	-	-	(179)	-	-	-
Support costs	979	1,187	-	-	-	(2,166)	-	-
Total	9,284	11,218	(147)	-	-	-	20,355	22,636

7. Grants awarded

Organisation	Sustainable Production and Consumption £'000	Waste and Resource Management £'000
MADE-BY	100	-
Salisbury Community Energy Limited	39	-
Ouse Valley Energy Services (OVESCO Ltd)	39	-
Great Torrington & District Community	24	-
Cuckmere Community Solar Limited	20	-
Forest Row Energy	20	-
Landstory Design & Development Trust	20	-
Moretonhampstead Development Trust	20	-
Saxon Weald Homes Limited	20	-
Sustainable Charlbury CIC	20	-
Swaffham Prior Community Land Trust	20	-
Ted Wragg	20	-
Northampton Borough Council	-	85
St Helens Council	-	68
Bournemouth Borough Council	-	60
Norwich City Council	-	60
Gloucester City Council	-	50
Keep Britain Tidy	-	40
Ards & North Down Borough Council	-	20
Remaining grants awarded	314	162
Total	676	545

The average value of the remaining grants awarded was £10,556. The grants were principally awarded under the following schemes: Rural Community Energy Fund, Litter Innovation Fund and the Local Authority Consistency in Household Recycling Programme.

8. Analysis of support costs

	2018 £'000	2017 £'000	Basis of allocation
Finance	343	359	Across all heads
Information technology	552	549	Across all heads
Office	330	541	Across location heads
Human resources	323	508	Across all heads
Procurement, legal and grants	342	373	Across delivery heads
Executive office	276	560	Across delivery heads
Total	2,166	2,890	
Governance costs			
Staff	140	146	Actual costs incurred
Audit	33	29	Actual costs incurred
Professional fees	5	14	Actual costs incurred
Total	178	189	

9. Taxation on surplus on ordinary activities

The charity is exempt from corporation tax as all income is charitable and is applied for charitable purposes. The charity's subsidiaries Accelerating Growth Fund Limited and eEquip RVG Ltd donate available profits to the charity.

a) Analysis of charge in the period

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Current tax				
UK corporation tax at 19% (2017: 20%) on the surplus for the year on ordinary activities				
Current tax on income for the period	-	-	-	-
Total current tax	-	-	-	-

b) Factors affecting tax charge for the period

The current tax charge for the period is lower for the Group (2017: lower) and for the Company (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). Taxation is only payable on the interest income earned by the Group.

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Surplus before tax on ordinary activities for subsidiary companies	340	273	-	-
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	68	55	-	-
Effects of:				
Non-taxable income	(45)	(28)	-	-
Current tax charge for the period before donation and group relief	23	27	-	-
Donation under Gift Aid to parent undertaking	(23)	(27)	-	-
Current tax on income for the period	-	-	-	-

10. Net income for the financial year

	Group 2018 £'000	Group 2017 £'000
Net income for the financial year is stated after charging/(crediting)		
Operating leases – land and buildings	129	129
Depreciation of tangible fixed assets	38	60
Forex (gains)/losses	30	(78)
Auditor's remuneration	36	33
Audit of these financial statements including £33,000 (2017 £28,950) for the audit of the parent company and £3,000 (2017 £3,810) for the subsidiaries		
Non-audit fees paid to auditors		
Other grant assurance services	4	4

11. Employees

	Group 2018	Group 2017	Charity 2018	Charity 2017
The average number of staff in FTEs was:				
Banbury	140	143	140	143
Wales	40	38	40	38
Northern Ireland	3	3	3	3
Total	183	184	183	184

Average headcount in 2018 was 199 (2017: 200).

Staff based in Banbury work on programmes for all funders.

Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Wages and salaries	8,499	8,169	8,499	8,169
Social security costs	854	893	854	893
Other pension costs	859	821	859	821
Other staff costs	118	61	118	61
Redundancy and termination	376	55	376	55
Total	10,706	9,999	10,706	9,999

Other pension costs represent employer contributions to defined contribution pension schemes. Redundancy and termination costs are accrued in the accounting period in which they are committed and are fully funded at 31 March 2018.

The number of employees whose total employee benefits (excluding employer pension costs and employers' national insurance) was above £60,000 for the reporting period as follows:

	2018	2017
£60,000 - £69,999	7	7
£70,000 - £79,999	2	2
£80,000 - £89,999	-	1
£90,000 - £99,999	2	-
£100,000 - £109,999	-	-
£110,000 - £119,999	2	1
£120,000 - £129,999	1	-
£130,000 - £139,999	-	2
£140,000 - £149,999	-	1
£150,000 - £159,999	-	1

Remuneration of Directors

The remuneration of the directors for the year to 31 March 2018 was as follows:

	Salary £'000	Benefits £'000	Performance related pay £'000	Severance £'000	Total 2017/18 £'000	Total 2016/17 £'000
Executive						
Liz Goodwin	-	-	-	-	-	147
Jonathan Lea	-	-	-	-	-	154
Marcus Gover (2016/17 partial year)	121	-	-	-	121	90

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

	2017/18	2016/17
	£'000	£'000
Liz Goodwin	-	5
Jonathan Lea	-	11
Marcus Gover (2016/17 partial year)	20	15

The Chief Executive has a service contract which is terminable by the Charity and the individual at six months' notice.

None of the non-executive directors has a service contract. Since becoming a charity in 2014 all the non-executive directors, apart from the Chair, give of their time freely and receive no remuneration. This has been approved by the Charity Commission.

The remuneration of the Chair was as follows:

	Fees	Fees
	2017/18	2016/17
	£'000	£'000
Julie Hill - Chair	35	35

The key management personnel are the trustees and the Executive Committee (listed on page 28). The total employee benefits paid to key management personnel was £863,331 (2017: £840,914).

Expenses reimbursed to the executive directors amounted to £1,603 (2017: £3,016) and to non-executive trustees £2,123 (2017: £2,291). Expenses totaling £3,726 (2017: £5,307) were reimbursed in the year to 5 trustees (2017: 9), as follows:

	2017/18	2016/17
Travel	3,046	4,748
Subsistence	54	559
Professional fees	626	-
Total	3,726	5,307

12. Related party transactions

The Charity has taken advantage of the exemption contained in FRS102 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 a WRAP trustee had an interest as detailed below. During 2017/18 there were no related party transactions (2017: £51,524). There were no donations from related parties in the year.

13. Tangible fixed assets – Group and Charity

	Office equipment £'000	Group total £'000
Cost		
At 1 April 2017	493	493
Additions	26	26
Disposals	-	-
At 31 March 2018	519	519
Depreciation		
At 1 April 2017	433	433
Charge for the year	38	38
Eliminated on disposals	-	-
At 31 March 2018	471	471
Net book value		
At 31 March 2018	48	48
At 1 April 2017	60	60

14. Investments

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Fair value at the start of the year	353	-	-	-
Additions at cost	4,167	353	-	-
Impairment	(75)	-	-	-
Net gain/(loss) on change in fair value	(57)	-	-	-
Fair value at the end of year	4,388	353	-	-
Historic cost at the end of the year	4,520	353	-	-

Investments comprise:

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Listed Investments (UK)	1,298	-	-	-
Listed Investments (outside the UK)	1,269	-	-	-
Shares in unlisted UK registered companies	446	353	-	-
Property investments	170	-	-	-
Cash and cash equivalents	1,176	-	-	-
Other investments	29	-	-	-
Fair value at the end of year	4,388	353	-	-

15. 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 three companies is £1.

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Market value at the start and end of the year	-	-	3	3
Historic cost at the end of the year	-	-	3	3

Subsidiary undertakings and principal activity

holding WRAP Enterprises Limited

%
100%

Dormant

Company reg. no. 4217608

Accelerating Growth Fund Limited

100%

Provision of funding for investments in the recycling and re-use sectors

Company reg. no. 4698093

eQuip RVG Limited

100%

Provision of residual guarantees in the recycling sector

Company reg. no. 4952392

The results for the year of the subsidiary companies at 31 March 2018 amount to:

	Income £'000	Expenditure £'000	Net gains on investment £'000	Donation £'000	Net income £'000
WRAP Enterprises Limited	-	-	-	-	-
Accelerating Growth Fund Limited	191	23	(50)	(168)	(50)
eQuip RVG Limited	2	(169)	-	(171)	-

	Total assets £'000	Total liabilities £'000	Funds remaining £'000
WRAP Enterprises Limited	-	-	-
Accelerating Growth Fund Limited	26,920	(20,533)	6,387
eQuip RVG Limited	603	(182)	421

The parent charity's gross income and the results for the year are disclosed as follows:

	2018 £'000	2017 £'000
Gross income	20,759	27,113
Net gains on investments	13	20
Results for the year	240	4,460

16. Debtors due after more than one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Other debtors	-	81	-	-
Total	-	81	-	-

Other debtors relate to loans outstanding in Accelerating Growth Fund Limited. With the exception of listed investments, all of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 17, 18 and 19 below.

17. Debtors due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Grants receivable	2,504	1,514	2,504	1,514
Amounts due from Group undertakings	-	-	367	246
Other debtors	619	4,723	619	4,723
Prepayments	42	8	42	8
Total	3,165	6,245	3,532	6,491

18. Short term investments

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Bank deposits	20,457	23,194	1,818	1,810
Financial assets designated as fair value through P&L account	7,056	7,034	4,033	4,020
Total	27,513	30,228	5,851	5,830

Bank deposits are held at a number of High Street banks, under which access to cash is restricted for up to 100 days. Financial assets are funds invested in Royal London Asset Management. £21,661,426 (2017: £24,393,973) of the short term investments are held by subsidiary trading companies and not available for use by the Charity.

19. Creditors: Amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Charity 2018 £'000	Charity 2017 £'000
Other taxes and social security	240	504	239	504
Other creditors	660	1,020	660	1,020
Accruals and deferred income	3,673	5,795	3,668	5,788
Total	4,573	7,319	4,567	7,312

20. Deferred income - Charity

	£'000
At 31 March 2017	973
Additions	547
Transfers	(892)
Releases	
At 31 March 2018	628

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.

21. Provision for liabilities and charges

	WRAP £'000	eEquip £'000	AGF £'000	Total £'000
At 1 April 2017	367	185	20,481	21,033
Additions	19	-	106	125
Releases/utilisation	(51)	(185)	(245)	(481)
At 31 March 2018	335	-	20,342	20,677

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 guarantee schemes after completion. Refer to Note 26 for indications of expected timing of expiry of property leases.

The AGF provision represents the obligation to repay funding for certain programmes back to the grantor should the activities be terminated. £10,568k of this relates to the Rural Community Energy Fund, which is currently due to continue until 5 February 2019 with its continuation or cessation thereafter subject to review by the grantor during the coming financial year. The timing for repayment of the provision is therefore uncertain. The remaining £9,774k relates to the Circular Economy Investment Fund, which management does not expect to be repaid in the coming 12 months.

The eEquip provision represented the directors' best estimate of the Company's liability to pay any residual guarantees on recycling equipment leased by third parties. During the year to 31 March 2018 the company received confirmation that no liabilities remained on any of the guaranteed leases, and the provision was released accordingly.

22. Movement in funds

	At 1 April 2017 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2018 £'000
Restricted funds					
Sustainable Production and Consumption					
Core programmes	2,349	7,210	7,459	-	2,100
Rural Community Energy Fund	1,430	-	724	-	706
Waste and Resource Management					
Core programmes	3,205	8,901	8,921	-	3,185
Total restricted funds	6,984	16,111	17,104	-	5,991
Unrestricted funds					
Designated funds	7,437	792	290	1,100	9,039
General funds	5,500	3,642	2,961	(1,100)	5,081
Total unrestricted funds	12,937	4,434	3,251	-	14,120
Total funds as at 31 March 2017	19,921	20,545	20,355	-	20,111

The £5,991k of restricted reserves consists of £2,452k grant funding for work continuing into 2018/19, £2,301k to cover specific future commitments (primarily programme shutdown costs), £707k to operate the Rural Community Energy Fund, and a total of £531k in aggregate from other funds.

The reserves in Accelerating Growth Fund Limited of £6,387k (2016/17: £6,437k) are designated by the trustees to support the activities of the company, namely providing financial support and investment to companies who are investing in or changing to a "circular economy" business model.

The trustees have also designated £2,651k of reserves in the parent charity (2016/17: £1,000k), of which £2,000k is intended to fund the expansion of WRAP's international work and the development of new programmes, and £651k is earmarked for specific projects in recycling and food waste reduction, funded by a civil sanctions donation received during the year.

The surplus generated in AGF and Equip in 2017/18 has been distributed in the form of a donation to the parent charity under gift aid.

23. Movement of funds - analysis of 2017 comparative figures

	At 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2017 £'000
Restricted funds					
Sustainable Production and Consumption					
Core programmes	1,591	10,181	9,423	-	2,349
Rural Community Energy Fund	486	1,549	605	-	1,430
Waste and Resource Management					
Core programmes	1,699	11,590	10,084	-	3,205
Total restricted funds	3,776	23,320	20,112	-	6,984
Unrestricted funds					
Designated funds	6,423	281	54	787	7,437
General funds	5,188	3,569	2,470	(787)	5,500
Total unrestricted funds	11,611	3,850	2,524	-	12,937
Total funds as at 31 March 2017	15,387	27,170	22,636	-	19,921

24. Analysis of group net assets between funds

	Restricted £'000	Designated £'000	General Funds £'000	Total £'000
Tangible fixed assets	48	-	-	48
Investments	-	4,388	-	4,388
Net current assets	5,943	4,650	5,082	15,675
Net assets as at 31 March 2018	5,991	9,038	5,082	20,111

25. Analysis of group net assets between funds – analysis of 2017 comparative figures

	Restricted £'000	Designated £'000	General Funds £'000	Total £'000
Tangible fixed assets	60	-	-	60
Investments	-	353	-	353
Net current assets	6,924	7,084	5,500	19,508
Net assets as at 31 March 2017	6,984	7,437	5,500	19,921

26. Financial commitments

	Land & buildings £'000	2018 Total £'000	Land & buildings £'000	2017 Total £'000
Total lease commitments				
Expiring within 1 year	165	165	129	129
Expiring between 2-5 years	164	164	239	239
Expiring after 5 years	-	-	-	-
Financial commitments at the end of the year	329	329	368	368

The Company had conditional operating commitments of £1,670,128 for project and overhead costs at 31 March 2018 (2017: £1,888,388).