

Company number: 4125764

Charity Number: 1159512

The Waste and Resources Action Programme

Report and financial statements

For the year ended 31 March 2019



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Annual Report &
Consolidated
Accounts

2018/19

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Annual Report and Consolidated Accounts for the year ended 31 March 2019

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

Trustees

Trustees who served during the year and up to the date of this report were as follows:

Julie Hill (Chair)
Robert Longley Cook
Anne Jenkin
Sophie Thomas
Sue Corbett
Marc Stephens
Jim Oatridge
Marcus Gover (resigned 30 August 2018)

Executive Committee

Members who served during the year and up to the date of this report were as follows:

Marcus Gover	Chief Executive	
Peter Maddox	Director, WRAP UK	
Richard Swannell	Director, WRAP Global	
Helen Hannah	Head of Human Resources	
Gareth Prior	Finance Director	to 21 September 2018
Rosy Holloway	Head of Commercial	from 1 October 2018
Toby Farmer	Transformation Director	from 10 December 2018
Philippa Foster	Finance Director	from 5 February 2019

Our Advisors

Auditor	Sayer Vincent LLP
	Invicta House 108-114 Golden Lane London EC1Y 0TL
Legal Advisors	Bristows LLP
	100 Victoria Embankment London EC4Y 0DH
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

Statement from the Chair of Trustees and the Chief Executive

This year saw increasing political, business and public endorsement of WRAP's aims and ways of working. Our skills and knowledge were called on to help policy-makers in the UK and internationally shape new initiatives to reduce waste, improve recycling, and transform the way we use plastic packaging. We partnered with more businesses than ever before to deliver action on the ground: on food waste, on plastic and on clothing. Our public campaigns were amplified by many other actors, and our evidence widely cited.

We faced the usual challenge of evaluating how this successful activity translates into outcomes. Some of our work will take years, perhaps decades, to progress from evidence and intervention to comprehensive social change. Other aspects show almost immediate results. With the UK Plastics Pact operational for just over a year, the members of the Pact can already point to game-changing shifts in their businesses. Our Sustainable Clothing Action Plan signatories have achieved verified progress towards challenging goals. Our policy work has resulted in widely-owned approaches to producer responsibility in England and collection regimes in Wales, to cite just two examples. Our function as a grant-giver enables us to make new business propositions a reality very swiftly.

WRAP also faced challenges continuing to flex the work to meet changing political and business priorities, with funding for some areas increasing, and others decreasing. We took on more work on plastics, and secured more funding for businesses to help with it, than we expected at the beginning of year. A welcome development, but also demanding clever deployment of available resource within the organisation. On the other hand, we were unfortunately unable to secure sufficient funds from businesses or government(s) to continue our work on sustainable electricals, where we could see clear resource efficiency benefits. We hope that business will continue this journey independently, and we are ready to share any evidence and insight that might enable this.

We challenged ourselves by exploring new geographies and new customers for our work, as well as subject areas allied to those we already excel at. We talked with governments of several countries, to understand where we might have most impact - a process that will help us to narrow down the work plan for the coming year and beyond. We talked with important multilateral institutions such as the World Bank, who could help us scale up our efforts.

As Chair and CEO, we want to thank the teams for the dedicated, creative and impactful work they have carried out over the last year. We also want to thank the Trustees, without whom WRAP could not plot its strategic course into the future, and all those who have partnered, funded and otherwise supported our work. Our agenda is coming to the fore, and we have more demand for our expertise than ever before.

Julie Hill
Chair

Marcus Gover
Chief Executive

Trustees Report including Strategic Report

Introduction

What is WRAP?

The Waste and Resources Action Programme (WRAP) is a charitable company limited by guarantee, incorporated on 11th December 2000 and registered as a charity in England and Wales in December 2014. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association dated 6 April 2018. The liability of the members of the Company is limited to £1 per member. WRAP's aims and objects are the promotion and encouragement of sustainable 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.

Our focus on 'sustainable use' means we can meet the needs of the current population without compromising the ability of future generations to meet their needs.

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.

How does WRAP work?

We work by building an evidence base and then convening the right people in business, government and communities to tackle specific problems, overcoming market failures and coming up with practical solutions that make a real difference. We provide information, tools, policy and technical advice that help businesses and citizens to make decisions that lead to action.

Below we set out our focus areas: food and drink, clothing and textiles, plastics packaging and resource management, and how we have used our various tools to make progress.

Food and Drink

Our ambition

Courtauld 2025 is our ambitious ten-year collaborative action plan for businesses 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. We are partnering with IGD to make food waste measurement and reduction standard practice for major food businesses. Both these initiatives could see the UK on track to deliver Sustainable Development Goal 12.3.

Our citizen food waste prevention strategy focuses on cutting food waste by 20% per head by 2025.

Delivering change via voluntary agreements

Courtauld 2025: UK food waste figures in line with global standards

We re-stated the Courtauld 2025 baseline (against which progress to reduce UK food waste will be measured). This is the first time that the UK has had a complete and comparable estimate for total food waste, post farm gate. The baseline now totals 10.2 million tonnes.

Early Roadmap adopters commit to 'Target-Measure-Act' on Food Waste Reduction

Our aim, by September 2019, is to sign up 50% of the UK's largest 250 food businesses to act on reducing food waste. At the launch of the Food Waste Reduction Roadmap in September 2018, over 90 of the UK's largest retailers, food producers, manufacturers and hospitality and food service companies committed to ambitious milestones laid out in a new ground-breaking industry-wide Roadmap, developed with WRAP and IGD. A further 13 organisations have signed up since the launch however some have been reluctant to publicly commit to setting a target or reporting data, we are working hard to engage those still outside the Roadmap.

Tackling food waste in Mexico

We delivered a framework for a national strategy on food loss and waste for the Mexican government. Partially funded by the World Bank, we have also been awarded funding from the Roddenberry Prize to tackle food waste in Mexico City.

Using our evidence and expertise to drive change

Food date labelling dairy guidance

We have published the latest in our [category specific guidance](#) on food date labelling and storage advice. The guidance for the dairy sector on milk, cheese and yogurt has been published with the full endorsement of Dairy UK and their members.

First-of-its-kind sector analysis on food waste

On behalf of the Champions 12.3 network in collaboration with the World Resources Institute (WRI), we published three in-depth business cases for investing in reducing food waste in [hotels](#), for [catering organisations](#) and in [restaurants](#). The reports highlighted that for every \$1 invested, a \$7 return on investment can be achieved in hotels and restaurants and \$6 for catering outlets. These reports have had over 3,300 views.

A world-first on the global stage

In September we launched [The Food Waste Atlas](#) (a joint initiative between WRAP and WRI). The Food Waste Atlas is a hugely important tool to find and report data on food loss and waste to help companies and governments benchmark action globally. Atlas has been accessed by over 4,000 new users in 92 different countries since its launch.

Winning formula to tackle milk waste

[Pioneering new research](#) showed the scale of milk waste across the food chain, from processing to our homes. 330,000 tonnes of milk are lost each year, worth more than £150 million. The research indicated opportunities to reduce milk waste during processing, transportation, retail and in the home. We are now working with the dairy sector to ensure recommendations are implemented and will track improvements and innovations to pack design and labelling.

Producing guidance for measuring food loss and waste

In partnership with the WRI, we produced a [practical guide](#) and accompanying [technical report](#) for the Commission for Environmental Cooperation (CEC). The documents showed how to measure food loss and waste and quantified its impacts for businesses in Canada, Mexico and the USA.

Delivering change via citizen campaigns

Chill the Fridge Out

Our Love Food Hate Waste [Chill the Fridge Out campaign](#) raised awareness of how much milk and other foods in the fridge get wasted because temperatures aren't set correctly. More than 20 fridge manufacturers provided details for [our digital tool](#) on how to reset temperatures on a variety of fridge models and 47 key partners actively engaged with citizens during the campaign. We reached over eight million UK citizens. The campaign led to changes in behaviour: 17% of people surveyed as part of our research had changed their fridge temperature in the previous month, whereas 33% of people surveyed who had seen the Chill the Fridge Out campaign had changed their fridge temperature - a significant improvement.

#Compleating all your food

Love Food Hate Waste's [#Compleating campaign](#) encouraged citizens to enjoy every edible part of their food, from broccoli stems to crusts of bread. As the target audience was 18-24-year-olds we partnered with LADBible, a website with an estimated 17 million followers, and whose first Facebook post got almost one million views in the first 24-hours. Fifty key partners reinforced the message, including Co-op, ASDA, Hovis, Morrisons, Kingsmill, Albert Bartlett, Waitrose, Hotpoint, Hubbub, Too Good To Go and several local authorities. By engaging with 120 social media influencers we reached over 11 million UK citizens.

Delivering change via innovation and investment

Six million meals redistributed to feed people in need

Eight charities and not-for-profit organisations received grants from the [Food Waste Reduction Fund](#) to support redistribution of quality surplus food to people in need. The eight recipients of the grant will redistribute 2,500 tonnes of food, the equivalent of around six million meals.

Food waste interventions

WRAP supported five English local authorities to implement interventions known to improve the capture of food waste from separate weekly collections. Derbyshire Dales District Council, Eastleigh Borough Council, Norwich City Council, Swale Borough Council and Thanet District Council all received grant funding for the provision of communications materials and caddy liners. The impact of the interventions will be reported during 2019/20.

Delivering change internationally

Spreading food waste prevention messages worldwide

We have licensed our Love Food Hate Waste campaign globally in eight countries. The latest addition means that our license in Canada for Metro Vancouver has now been extended across 21 municipalities.

Scaling up city habits countrywide

Transforming City FOod hABits for Life (TRiFOCAL) is an initiative being led by Resource London - the partnership between WRAP and LWARB - together with Groundwork London. TRiFOCAL has achieved its first headline target by securing 11 replication locations to participate in the project. Delivery will be replicated in Malta and the cities of Barcelona, Brussels, Burgas, Dublin, Ljubljana, Milan, Oslo, Sofia, Växjö, and Vienna.

Clothing and Textiles

Our ambition

The Sustainable Clothing Action Plan (SCAP) brings together leading clothing companies to work together to reduce the carbon, waste and water footprints of clothing. We aim to achieve 15% reduction in carbon footprint, 15% reduction in water footprint, 15% reduction in waste to landfill and 3.5% reduction in waste arising by 2020. 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.

Delivering change via voluntary agreements

Improved environmental footprint of UK clothing

Signatories to the Sustainable Clothing Action Plan (SCAP2020) commitment improved the footprint of UK clothing during this year. By making changes in the fibre composition for clothing sold in the UK (e.g. purchasing cotton grown under the Better Cotton Initiative) the signatories are making good progress to deliver against the targets set.

Results so far indicate a **11.9%** reduction per tonne of garment towards the 2020 target of 15% reduction in carbon footprint, a **17.7%** reduction in water exceeding the 15% target, and on track with a **14%** reduction in waste to landfill to reach the 15% target. However, the target of 3.5% reduction in waste arisings has only achieved **1.1%** in 2017. Given these results, the water target has been achieved, however the carbon target will be challenging, and the waste target remains an area of concern. We are looking at a very challenging final two years of SCAP 2020, and WRAP has set out a series of recommendations that signatories need to address.

Using our expertise and evidence to deliver change

Fibre-to-Fibre

Demand for raw materials is expected to triple by 2050, a deficit is predicted of five million tonnes for cotton – the UK's most commonly-used fibre – by 2020. Our Fibre-to-Fibre recycling: An economic and financial sustainability assessment report (with over 500 views online) is the first detailed appraisal of the financial viability of using post-consumer clothing and textiles as feedstock for chemical and mechanical fibre-to-fibre recycling operations. The report will help inform SCAP 2020 re-use and recycling activities.

Delivering change via citizen campaigns

Love Your Clothes - Dirty Laundry Doodles

Using humour and the work of talented illustrators, we've been getting the word out on social media that '30 is the new 40'. Love Your Clothes' Dirty Laundry Doodles campaign is raising awareness that washing at 30°C keeps clothes looking great and lasting longer, as well as using much less energy than washing at 40°C. Our estimated social media online reach was over 313,000 with 5,490 engagements.

The Big Closet Clear Out

March was a month of action with our The Big Closet Clear Out, as people clear out their closets and swap, sell, donate or recycle clothes they no longer wear – ultimately keeping clothes in use for longer, and out of the bin. Our estimated social media online reach was over 3.7 million, with over 54,500 engagements. Forty Instagram influencers got involved in sharing the message and their own closet clear outs.

Delivering change internationally

Targeting clothing re-use models

WRAP and the WRI Collaborative Market Makers project began with the aim of demonstrating the market demand for clothing re-use models in more than 20 major apparel brands worldwide with focus on USA, India and Europe. Funding for this project was provided by the C&A Foundation.

Increasing recovery of critical raw materials

The EU's LIFE funded a €2.1M Critical Raw Material Closed Loop Recovery project, led by WRAP, explored novel ways of boosting the collection and recovery of critical raw materials (CRMs) from household waste electrical and electronic equipment (WEEE). As the three-and-half year project ended, five policy recommendations were identified.

Plastic Packaging

Our ambition

By 2025, The UK Plastics Pact targets are:

- 100% of plastic packaging which be reusable, recyclable or compostable;
- 70% of plastic packaging will be effectively recycled or composted;
- an average recycled content of 30% across all plastic packaging; and
- actions taken to eliminate problematic or unnecessary single-use packaging items through redesign, innovation or alternative (reuse) delivery models.

Delivering change via collaborative action plans

The UK Plastics Pact trail blazes

In April, fifty-seven businesses signed up at the launch of a world-first Pact - The UK Plastics Pact - to end unnecessary single-use plastic packaging. Its aims are to transform the plastic packaging system in the UK and keep plastic in the economy and out of the ocean. The powerful collective is committed to hit four ambitious targets by 2025. By March 2019, the membership totalled 115 and continues to grow. Our normal leadtime for developing a collaborative initiative is just over a year. The demands from our members, supporters, governments and public alike meant the initiative was up and running within six months to keep the momentum going and our achievements in the public eye while juggling our resources to meet this demand.

Plastics RouteMap for Wales

The Cardiff Ocean Summit – one in a series of seven summits that took place as part of the Volvo Ocean Race – convened key stakeholders to showcase innovative solutions and announcements to combat ocean plastic pollution. The Minister for Environment, Hannah Blythyn, spoke about The UK Plastics Pact and the launch of Plastics Route Map for Wales – the first stage in the development of the final document.

Key actions laid out in The UK Plastics Pact Roadmap to 2025

Launched in November, The UK Plastics Pact Roadmap to 2025 provided an agreed framework for members to deliver the ambitious targets. The Roadmap is a guide for businesses and others to know what actions need to be taken, by when, and outlines some of the key challenges that will need to be overcome. We have set three key milestones to monitor progress; April 2019; the end of 2022 and finally by 2025.

Delivering change via evidence and expertise

Knowing your bioplastics from your bio-based plastics?

We published a new fact sheet which aimed to address the confusion around the terminology used to describe different plastics, what they're made from, and how they're designed to behave.

Plethora of plastics packaging evidence

At The UK Plastics Pact Six-Month Summit, we published a wide range of plastic packaging guidance. 'Design tips for making rigid plastic packaging more recyclable' highlighted the reprocessing issues for rigid plastic packaging, together with solutions as well as updating the definitive 'National Recycling Guidelines'. We ensured that Pact members had an updated estimate on the volume and type of post-consumer plastic packaging collected for recycling. We also announced the current levels of plastic packaging placed on the UK market, and research into the minimum thickness of plastic bottles. Collectively, these reports have received over 9,500 views and will help Pact members in their future action plans.

Delivering change via citizen campaigns

Plastic or Planet?

This Recycle Now campaign was designed to intrigue and baffle citizens by showcasing a series of eye-catching images that aren't necessarily what they seem. The visually identical images set side-by-side would either be a close-up of the planet or a plastic item e.g. leaf and a green plastic lid. We wanted the campaign to highlight awareness of the amount of plastic – waste still in the environment. Our social media reach was over seven million, with 70,000 visits to the Recycle Now website.

Delivering change via innovation and investment

£1.4 million competition for creative ideas to stop plastic being thrown away

We worked with UK Research and Innovation (UKRI) to announce a new [£1.4 million flagship projects funding competition](#). As of March 2019, 48 outline proposals have been received, with 19 projects shortlisted to the next stage.

Resource Management

Our ambition

Our ambition is to increase recycling in England, Northern Ireland and Wales and achieve targets set by the individual governments. Around the world, we will use our expertise and evidence to create shared vision and tailored, targeted programmes that help deliver sustainability goals.

Delivering change via evidence and expertise

Creating a baseline for flats recycling

[Resource London](#) (a partnership between WRAP and the London Waste & Recycling Board) completed eight weeks of monitoring and evaluation to create a baseline for a [flats recycling](#) project. Across 12 estates over 3,800 weights of bins were recorded, and nearly 32,400 kg of waste was taken away for composition analysis (the equivalent weight of 2.5 RouteMaster London buses). This will be completed again in May and June 2019 to check comparisons against the baseline once targeted interventions are completed in the autumn.

My recycling website

Our Collaborative Change Programme team in Wales launched '[My Recycling Wales](#)'. The website enables anyone to easily find out where waste collected by Wales' local authorities is being sent for reprocessing. Delivered on behalf of the Welsh Government, the website uses data from all 22 Welsh local authorities submitted to the [WasteDataFlow](#) reporting system. Since launch, the site has been viewed by over 1,700 users.

Circular economy package

The European Commission formally adopted the [Circular Economy Package](#) in July which Defra has confirmed will be adopted into UK law. The Circular Economy Package has been designed to radically increase recycling and minimise waste from a wide range of businesses, municipal organisations and households across Europe. Its key directives are to increase municipal recycling to 65% by 2035 and ensure Producers support the full cost of recovery. Our Resource Management specialists worked to support the UK governments' response to the Circular Economy Package. WRAP has helped detail and evaluate the types of policies needed to drive the cross-sector changes and in November conducted Industry workshops to consult on support initiatives that could maximise recycling and avoid cost burden.

England's Resources & Waste Strategy

The [Resources & Waste Strategy](#) was published in December. WRAP has been instrumental in supporting Defra in the design and development of policy measures and providing evidence and analysis throughout the Strategy. We continued to support the resource management sector by promoting the Strategy and its policy proposal consultations. We convened four one-day workshop events engaging directly with over 130 local authorities as well as speaking at various national and regional consultation events. Some of the recommendations from the consultations are to be included in the forthcoming Environment Bill, hence the need to galvanise the sector to respond quickly with well-thought through evidence-based proposals that will significantly change the resource management landscape in line with the ambition set out in the Circular Economy Package.

Building capacity in Northern Ireland

To support DAERA's aims to build capacity at Household Recycling Centres (HRC) across Northern Ireland, which are owned and operated by the 11 councils, we completed a review on infrastructure investment models which included improvement plans. The reviews included the model of investment for each council, the level of investment needed, and the assets required. We provided a training programme on competencies for well-designed and well-managed sites. Household food waste figures will account for some of the percentage increases needed to reach the 50% target with HRC playing their part in achieving this.

Building the business case

We provided technical support on a collaboration project with Lisburn and Castlereagh Council in Northern Ireland to work out its preferred service collection option for the council area's 56,000 households. We are now supporting the council in creating the business case for services and infrastructure for approval by councillors.

Delivering change via citizen campaigns

We do. Because it matters.

The 15th annual Recycle Week campaign kicked off using the new 'social norming' approach to messaging. It encouraged people to recycle because it's the norm, with the theme 'Recycling. We do. Because it matters.' An eight metre 'WE DO' sign was photographed at well-known UK buildings and landscapes which formed the basis of a new out-of-home recycling advertising campaign and large-scale digital campaign. Buildings across the country were lit up with a recycle swoosh to show support. We launched our first-ever social experiment film across social media which has subsequently picked up a world medal at the New York Festivals TV & Film. Over 100 household-name brands, high street retailers and local authority partners got involved – Coca Cola, H&M, John Lewis, Quorn, Tesco, Danone, Innocent, Heinz, Marmite, Sure, P&G, Aldi and Asda to name a few. The campaign trended No.1 on Twitter and had a social media reach of 10 million and a PR reach of 16 million.

Serving up Recycle Week across Wales

Cardiff Council launched Recycle Week in Wales with the recycle swoosh projected onto the outside of City Hall and all our Welsh local authority partners got involved with adaptable assets created for use throughout the week. Over 40 coffee shops dusted the swoosh onto their cappuccinos in support for Recycle for Wales. Cardiff University staff and students completed a human swoosh captured by drone photography and uploaded to social media. Brecon Carreg incorporated the swoosh into their logo and changed their office signage for the week. Cardiff City Football Club, University of South Wales and Cambrian Packaging all promoted Recycle Week on social media. Our social media reach was 143,958 with 2,296 visits to the Recycle Week web page.

It's what we do

We worked closely with the Welsh Government and the Welsh Local Government Authority and others to lead development of a behaviour change strategy to help Wales reach 70 per cent municipal recycling as soon as possible. The first Wales-wide recycling campaign for a decade reached over 5.8 million Welsh citizens and achieved over 19,000 engagements. It reached 20% of all adults on Facebook in Wales.

Increasing recycling in Singapore

WRAP (working with in-country partners) reviewed and advised on the commercial viability of technologies and systems for increasing recycling in Singapore. The focus of the review was on plastic and waste electrical and electronic equipment with the potential to move into further waste streams in future.

Delivering change via innovation and investment

Supporting community projects to tackle littering

This year our work administering the £450,000 Litter Innovation Fund has continued with further rounds of funding. Round two received 103 expressions of interest, with grants being awarded in summer 2019.

Four weekly collections shows increase in recycling

The Collaborative Change Programme and Recycle for Wales worked with Conwy Council to introduce 4 weekly collections across the whole county. Following the campaign, the council managed to increase their recycling by 11.5% with an extra 363 tonnes recycled, while refuse is down by 457 tonnes, a 12% reduction.

Resource management sector support

Projects supported under our support for SMEs in the resource management sector in Wales are set to increase the collections of separate recyclates from businesses by over 48,000 tonnes over the next three years and avoid over 30,000 tonnes of CO₂e emissions.

Future Plans

Food and drink

This year has seen plastics, more than food waste, at the forefront of public consciousness and it is crucial that we continue to find routes to make food waste a priority for people, policy-makers and businesses alike.

Our priorities for 2019-2020 are to report on the first milestones for The Courtauld Commitment 2025 and the Food Waste Reduction Roadmap; and further develop hospitality campaign materials to engage with pubs, restaurants and food service operators.

Citizen engagement on food waste remains a major challenge. We are working to nationally amplify our initiatives so that ultimately, not wasting food becomes a social norm.

We will continue to work with countries and companies around the world to drive the delivery of UN Sustainable Development Goals 12.3, prioritising work with those countries and companies that have the greatest potential to deliver change. We aim to influence countries responsible for 130Mt/y to develop strategies for food loss and waste prevention.

Clothing and textiles

Improving the sustainability of the UK clothing sector is one of WRAP's main priorities. The largest clothing retailers and brands have signed up to SCAP 2020, where members continue to outperform industry in terms of reducing water, carbon and waste, even while finding it challenging to meet the SCAP targets. We have started discussions with the clothing and textiles sector to develop a post-2020 action plan.

Plastic Packaging

We are focused on encouraging The UK Plastics Pact members to create their own action plans and work collaboratively to influence design and selection of packaging materials and products; both own label and branded.

Our Recycle Now campaign continues to promote plastics recycling. We are in the process of establishing a tailored citizen campaign to encourage the public to play their part.

We are working with The Ellen MacArthur Foundation to develop a network of Plastics Pacts around the world.

Resource Management

We will provide expertise, advice and modelling to help the UK Government build on their Resources and Waste Strategy. We will continue to provide specialist support to those in low performing or urban areas and to those who wish to develop service options or changes in both England and Wales.

Our priorities for England, Northern Ireland and Wales are to support increasing the recycling rates as specified by the individual governments. Our technical teams and recycling campaigns, Recycle Now and Recycle for Wales will support this work. Globally, we aim to influence countries' strategies responsible for increasing recycling by 5Mt/y by March 2020.

Structure, Governance and Management

Board of Trustees

The Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, administer the charity. The Board can have up to 12 members and currently comprises the Chair 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 4 times during the year to 31 March 2019.

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.

WRAP supports the principles of the Charity Governance Code fully and are reviewing our practice against the Code's requirements as part of our on-going work to build and strengthen our governance arrangements. We are currently recruiting Trustees to ensure a balance of business and charitable skills and experience.

Executive Committee

The Board has delegated the day to day operations to the Chief Executive Officer (CEO). The CEO, supported by the Executive Committee, is accountable to the Board for providing information to enable the Board to monitor the organisation's operating and financial results. Individual matters that novel or contentious are referred to the Board.

The Trustees and Executive Committee are deemed to be key management personnel of the Charity (see page 2 for membership).

Nominations and Remuneration Committee

In view of the size of the company, it is considered appropriate to combine the rôles 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 four times during the year to 31 March 2019. 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.

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 Chief Executive was a director of the company until 30 August 2018 and was 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. The 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.

Related Parties

WRAP has three wholly owned subsidiary companies, established where it has been deemed appropriate to house specific programmes in separate legal entities. The three companies are limited by shares.

Accelerating Growth Fund (AGF) Ltd

The company provides financial support and investments to organisations, principally SMEs, who are investing in, or changing to, "circular economy" business models. AGF's profits are gift aided to WRAP; the amount gift aided amounted to £185k in 2018/19 (2017/18: £168k).

The Chair of the WRAP Board of Trustees is the Chair of AGF Ltd.

eQuip RVG Ltd

The company operated a residual value guarantee scheme to help recycling companies lease machinery. The scheme closed to new business closed in March 2015 with existing leases having a range of maturities through to 2018. eQuip's profits are gift aided to WRAP; the amount gift aided amounted to £0k in 2018/19 (2017/18: £171k).

eQuip's on-going business has come to a close.

The Chief Executive of WRAP is the Chair of eQuip RVG Ltd.

WRAP Enterprises Ltd

WRAP Enterprises was established as a trading subsidiary to capture any revenues arising from commercial contracts. To date WRAP Enterprises has not traded and it is currently dormant.

The Chief Executive of WRAP is the Chair of WRAP Enterprises.

WRAP cooperates with the Ellen MacArthur Foundation (EMF) and the World Resources Institute in the pursuit of its charitable objects.

No Trustee or member of the Executive Team has undertaken any material transaction with WRAP during the year (see also Note 12, page 36).

Audit and Risk Committee

The Audit and Risk Committee comprises three trustees, namely Jim Oatridge (Chair), Marc Stephens and Sophie Thomas. The Committee met four times during the year ended 31 March 2019, with the external auditors present at three meetings. The Chief Executive, Marcus Gover, attended three meetings during the year. The Finance Director, Gareth Prior attended 2 meetings before leaving the company on 21 September 2018 and Philippa Foster attended 1 meeting following her appointment as Finance Director on 5 February 2019.

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 2018/19 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

The table below 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.

	Board	Audit & Risk Committee	Nominations & Remuneration Committee
Number of meetings held	4	4	4
Sue Corbett	3		4
Marcus Gover	1/1		
Julie Hill	4		4
Anne Jenkin	3		
Robert Longley-Cook	4		4
Jim Oatridge	3	4	
Marc Stephens	3	4	
Sophie Thomas	4	4	

Marcus Gover resigned as a Director on 30 August 2018.

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

To provide our customers with the products and services they require, WRAP has an integrated Management System that satisfies the requirements of ISO 9001: 2015 and safety, health and environmental management procedures. All our operations and activities aim to reflect best safety, health and environmental practice.

Led by the Chief Executive Officer the Safety, Health and Environmental committee meet monthly to review progress against our challenging objectives and to discuss how we can continue to improve our performance.

We are committed to maintaining and improving our health and safety arrangements along with a commitment to continually improving our health, safety and wellbeing of our staff. During the year, in addition to our existing initiatives to improve staff wellbeing, a Wellbeing Champions Network has been set up and mental health first aiders are being introduced. Additionally, to ensure the safety of our staff when travelling overseas, we have reviewed and revised our policies and processes, supplemented with specialist risk-based training.

The excellent progress we made last year to minimise our edible food waste to zero has been maintained and less than 1% of the food we wasted was edible. To help others achieve similar results we published a case study in March 2019 highlighting how we achieved this reduction. Similarly, we were able to reduce the amount of non-recyclable food packaging by over 40% from our April 2018 baseline.

To increase awareness of hazards which have the potential to cause accidents we encourage the reporting of near hits to prevent the hazards becoming accidents. In comparison with 2017/18 the number of near hits reported increased by over 80%. This increase, combined with exceeding our target to have at least 90% of staff complete all of the Health & Safety e-Learning modules, helped us meet our objective to have no moderate or severe accidents.

Employment policies

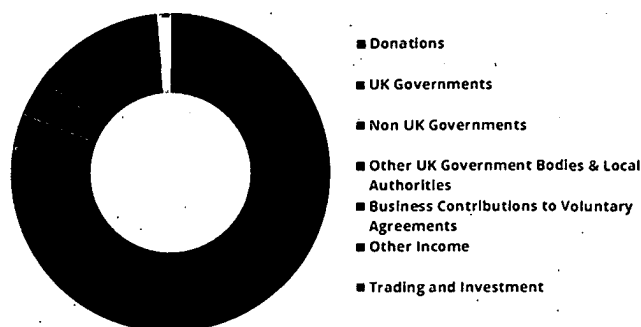
WRAP operates a programme to inform and educate all staff on matters of interest by means of briefings, seminars and individual training. Employees are involved on a regular basis in discussions related to their specific interests and staff are encouraged to take an active interest in all aspects of 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.

Financial Review

Income

£m	2018/19	2017/18
Donations	0.4	1.1
UK Governments	16.1	17.1
Non UK Governments	0.8	1.0
Other UK Government Bodies & Local Authorities	0.5	0.2
Business Contributions to Voluntary Agreements	1.5	0.6
Other Income	0.8	0.3
Trading and Investment	0.3	0.2
Total Income	20.4	20.6



WRAP's income for the financial year totalled £20.4m which is comparable to the 2017/18 figure of £20.6m. Within this, the most significant movement is a reduction of £1.0m funding from Government which was offset by a £0.9m increase in income from business contributions for WRAP's voluntary agreements.

Government funding

Government funding is primarily from the Department for the Environment, Food and Rural Affairs (Defra), the Welsh Government and the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland.

Total grant funding from Defra decreased by £1.1m, to £9.5m; this was comprised of £9.1m core grant and £0.4m additional funding for specific projects. As referenced in last year's annual report the core grant from Defra continues to decline and has decreased over four years by 31% (from £12.0m in 2016/17 to the confirmed 19/20 figure of £8.3m). However, alongside this WRAP has been awarded an additional £18.8m Resource Action Fund (RAF) from Defra to be spent over the next two years on a number of priority policy areas.

At the start of the financial year the funding from the Welsh Government was under review with the previous grant being extended for the first half of the year. During the year the Welsh Government awarded an additional grant for the second half of the year resulting in a full year grant of £3.6m compared to £3.4m last year. The Collaborative Change Programme (which was procured under a service contract) recognised income of £2.2m in year, in line with 2017/18. At the time of writing the annual report, the funding for the Collaborative Change programme for 2019/20 has been confirmed at £1.7m and we have been awarded a £6.5m Circular Economy Fund (CEF) to administer on behalf over the Welsh Government over the period 2019-21. However, the core grant funding continues to be under review and the Welsh Government has provided WRAP with a Letter of Comfort to enable our work to continue without interruption.

In Northern Ireland, the core grant from DAERA reduced by £0.1m to £0.5m (the 2019/20 grant is confirmed at £0.6m reinstating the grant to 2017/18 levels).

In addition to the income from our three central Government funders, WRAP was also awarded a grant of £1.7m from UK Research and Innovation (UKRI) for a UK Circular Plastics Innovation Fund. The drawdown is over 3 years with £0.4m being drawn down in 2018/19 although most of the expenditure will not be incurred until 2019/20.

EU funding has reduced by £0.2m in line with the level of activity on our EU projects - a number of which will come to an end in 2019/20.

Non-Government Funding

Business funding continues to be the main source of our non-Governmental funding and saw a significant increase of £0.9m compared to the prior year. This was due to the launch of the Plastics Pact voluntary agreement in April 2018 which yielded £0.8m of contributions from members in the year towards the costs of running the Pact.

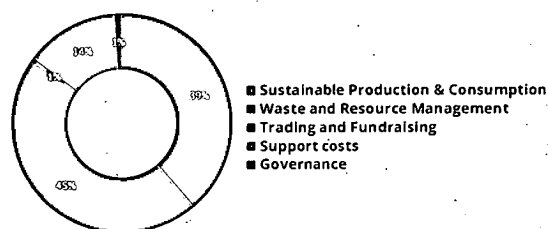
Charitable donations declined in year from £1.1m to £0.4m. WRAP benefited from a donation of £0.25m from the Postcode Earth Trust to work with three youth organisations to influence pro-environmental behaviours (the project to be undertaken in 2019/20). However, the prior year had benefited from a £0.7m civil sanctions donation so there was a net reduction overall.

The "Other" income is predominately income earned from our international collaborations, the most significant item being a £0.2m grant from the Rodenberry Foundation to adapt the blueprint for a voluntary agreement and apply it in Mexico City.

Investment income remains modest at £0.3m and is comprised of bank interest and income earned on investments largely within our subsidiary company AGF Ltd.

Expenditure

£m	2018/19	2017/18
Sustainable Production & Consumption	7.7	8.1
Waste and Resource Management	9.1	9.9
Trading and Fundraising	0.2	0.0
Support costs	2.7	2.2
Governance	0.2	0.2
Total Expenditure	19.9	20.4



Total expenditure in year of £19.9m is £0.5m less than the prior year (£20.4m) but is in line with the income for the year.

Charitable Activities

Expenditure on charitable activities (excluding trading, fundraising, support and governance costs) declined during the year by £1.2m to £16.8m (2017/18: £18m) but remains 84% of the total expenditure (88% in 2017/18). The remaining 16% was spent on supporting our delivery programme and running the Charity and its subsidiaries.

As reported last year there was a significant cost reduction programme undertaken in 2017/18 in response to the decline in government funding – we are therefore seeing the impact of this in our level of activity.

Expenditure on sustainable production and consumption has reduced by £0.4m (from £8.1m to £7.7m). The main reasons for this are the closure of the Sustainable Electricals programme at the end of March 2018 and the reduction in the Sustainable Textiles programme – both necessary as a result of the decline in government grant funding. This has been partially offset by the expenditure on the Plastics Pact which was launched at the start of the year and the costs associated with the work we have delivered in International Food Waste – both of which are funded by non-governmental funding.

Waste and resource management expenditure has reduced by £0.8m (from £9.9m to £9.1m). The reduction is due primarily to the Defra funded project on Consistency (£1.0m in 2017/18) coming to an end and a slightly reduced Northern Ireland programme in line with the funding received. These reductions have been partially offset by increased expenditure on policy support to Defra associated with the Waste and Resources strategy.

A proportion of our expenditure on charitable activities is through grant programmes: 12.4% (2017/18: 8.3%) of sustainable production and consumption and 4.2% (2017/18: 5.5%) of waste and resource management expenditure was delivered through grant programmes. Where there is a specific market failure or capacity gap in industry or a sector, WRAP is able to design funding programmes that will encourage and influence enterprises within each sector to develop and create new projects to address the issue. Additionally, the use of grant programmes help to encourage industry to create new, innovative approaches to how we work and how we use resources.

Non Charitable Activities

Support costs have increased by £0.5m to £2.7m (2017/18: £2.2m). We have invested quite heavily in our workforce during the year, with a focus on learning and development to ensure that WRAP has the skills and capability to respond to the changing external environment. There has also been a reclassification of a portion of digital costs (£0.1m) from charitable to non-charitable activities in recognition that the digital infrastructure supports the whole organisation.

Governance costs remain fixed at £0.2m and cover the costs associated with the constitutional and statutory requirements and include any costs associated with the strategic management of WRAP's activities.

Trading and fundraising has increased from zero to £0.2m – the prior year benefited from the release of a provision in one of the subsidiaries, eQuip.

The detailed breakdown of expenditure can be found in Note 6

Net Movement in Funds

There was a net increase in funds during the year of £0.5m, from £20.1m to £20.6m. This consisted of a £1.8m increase in unrestricted funds; a £0.4m decrease in restricted funds as a result of the drawdown of amounts received in previous periods, and a £0.9m reduction in designated funds.

At the end of 2017/18 the Trustees had designated £2.0m to support the growth of our international work. During 2018/19 £0.8m was charged against these funds for the management and business development for this area. The Trustees also designated the £0.7m of civil sanctions donation at the end of 2017/18 to fund specific projects in recycling and food waste and £0.1m of expenditure has been charged against this fund.

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

Consolidated Balance Sheet

At 31 March 2019 net assets were £20.6m (2018: £20.1m), including short term investments of £17.9m (2018: £27.5m). The majority of these investments, £12m, relate to WRAP's subsidiary company, AGF Limited.

Significant movements in year include a reduction in short term investments of £9.7m, an increase in creditors of £2.3m and a reduction in provisions of £10.5m – the majority of these movements are attributable to the winding up of the Rural Community Energy Fund (RCEF) grant in February 2019. At the point of wind up there was a remaining balance of £10.8m held in short term investments; £9m of this was repaid to Defra in year; £1.5m was moved to creditors to be repaid to Defra in 2019/20 (accounting for £1.5m of the £2.3m movement in creditors), and the balance is to fund the outstanding loans and associated administration costs. As we have fulfilled our obligation to repay the unspent funds for the RCEF to Defra, the provision has been reduced accordingly.

Reserves policy and going concern

WRAP holds financial reserves to be applied to future activities in these categories:

- General funds – unrestricted funds to be applied generally to further WRAP's charitable purposes. At 31 March 2019 WRAP held general funds of £6.9m.
- Restricted funds – to be applied only to the purpose(s) specified by the donor. At 31 March 2019 WRAP held restricted funds of £5.6m.
- Designated funds – to be applied to a given purpose specified by the Trustees. At 31 March 2019 WRAP held of designated funds of £8.1m.

The Trustees have set a target for unrestricted reserves based on an analysis of the potential financial risk facing WRAP. The Trustees consider the appropriate level of general reserves to be between three and six months of staff and support costs. At the end of March 2019 general reserves stood at £6.9m which is approximately seven months of staff and support costs. Although this is slightly outside the reserves policy it is considered acceptable given the level of financial risk facing WRAP.

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 risk and uncertainty for WRAP relates to the level of future funding. Our primary source of funding continues to be grant funding from the UK's central and devolved governments. Although we have received two

significant grant funds to administer, £18.8m RAF from Defra and £6.5m CEF from the Welsh Government, continued, downward pressure on our core grants, and on the public finances in general, 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 and working with our funders on a strategic roadmap. The additional grant funding secured this year is evidence of our work in this area;
- diversifying our funding mix – we are beginning to see the impact of this through the increase in our business related income; and
- ensuring sufficient flexibility in our cost base to respond to any future changes in funding without compromising the organisation's ongoing ability to deliver impact.

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 15 for further details.

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2019 was 12 (2018:13). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 19 June 2019 and signed on their behalf by



Julie Hill
Chair

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

Opinion

We have audited the financial statements of Waste Resources and Action Programme (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2019 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 United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic report, the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

19 June 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2019

	Note	Unrestricted 2019 £'000	Restricted 2019 £'000	Total 2019 £'000	Total 2018 £'000
Income from:					
Donations		56	-	56	925
Charitable activities:					
Sustainable production and consumption	3	1,768	6,994	8,762	8,000
Waste and resource management	3	2,423	8,834	11,257	11,442
Other income		16	-	16	
Other trading activities	4	13	-	13	79
Investments	5	275	-	275	136
Total income		4,551	15,828	20,379	20,582
Expenditure on:					
Charitable activities:					
Sustainable production and consumption	6	1,920	7,224	9,144	9,284
Waste and resource management	6	1,924	8,806	10,730	11,218
Other trading activities	6	63	-	63	(147)
Total expenditure		3,907	16,030	19,937	20,355
Net income / (expenditure) before net gains / (losses) on investments		644	(202)	442	227
Net gain / (losses) on investments		42	-	42	(37)
Net Income / (expenditure) for the year		686	(202)	484	190
Taxation	9	-	-	-	-
Transfers between funds		184	(184)	-	-
Net movement in funds		870	(386)	484	190
Reconciliation of funds:					
Total funds brought forward	22	14,120	5,991	20,111	19,921
Total funds carried forward	21	14,990	5,605	20,595	20,111
Restricted funds		-	5,605	5,605	5,991
Designated funds		8,083	-	8,083	9,039
General funds		6,907	-	6,907	5,081
Total		14,990	5,605	20,595	20,111

The statement of financial activities includes all gains and losses recognised in the year. The comparative figures for 2018 are analysed in Note 2. The notes on pages 28-41 form part of the financial statements.

All of the 2018/19 operations relate to continuing activities.

Consolidated and Charity balance sheets as at 31 March 2019

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Fixed assets					
Tangible	13	69	48	69	48
Investments	14	4,731	4,388	-	-
		4,800	4,436	69	48
Current assets					
Debtors due within one year	16	3,176	3,165	3,260	3,532
Short term investments	17	17,851	27,513	5,881	5,851
Cash at bank and in hand		11,848	10,247	10,255	8,774
		32,875	40,925	19,396	18,157
Creditors: amounts falling due within one year	18	(6,921)	(4,573)	(5,399)	(4,567)
Net current assets		25,954	36,352	13,997	13,590
Total assets less current liabilities		30,754	40,788	14,066	13,638
Provision for liabilities and charges	20	(10,159)	(20,677)	(291)	(335)
Net assets		20,595	20,111	13,775	13,303
Reserves:					
Restricted funds	21	5,605	5,991	5,605	5,991
Unrestricted funds:					
Designated funds	21	8,083	9,039	1,683	2,651
General funds	21	6,907	5,081	6,487	4,661
Total reserves		20,595	20,111	13,775	13,303

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

Included within the general funds is a fair value reserve of £42k relating to unrealised gains (2018: £37k unrealised loss) on investments).

Approved by the trustees on 19 June 2019 and signed on its behalf by



Julie Hill
Chair of Trustees

Company number 4125764
Charity number 1159512

The notes on pages 28-41 form part of the financial statements.

Consolidated statement of cash flows for the year ended 31 March 2019

	Group 2019 £'000	Group 2018 £'000
Cash flows from operating activities		
Net cash provided by (used in) operating activities	(7,981)	320
Cash flows from operating activities		
Interest from investments	275	136
Net gains /(losses) on investments	42	(37)
Purchase of investments	(343)	(4,167)
Purchase of property, plant and equipment	(54)	(26)
Net cash (used in) provided by investing activities	(80)	(4,094)
Taxation		
Net cash (used in) provided by financial activities	9,662	2,715
Movement in cash and cash equivalents in the reporting period	1,601	(1,059)
Net funds brought forward	10,247	11,306
Net funds carried forward at 31 March	11,848	10,247
(i) Reconciliation of operating surplus to operating cash flows		
Net income for reporting period	484	190
Adjustments for:		
Interest receivable	(275)	(136)
Net losses/gains on investments	(42)	37
Depreciation charges	33	38
(Increase)/decrease in debtors	(11)	3,161
Increase/(decrease) in creditors	2,348	(2,746)
Provisions for liabilities and charges	(10,518)	(224)
Cash inflow/(outflow) from operations	(7,981)	320
Net cash inflow/(outflow) from operating activities	(7,981)	320
Analysis of cash and cash equivalents		
Available for charitable use	10,255	8,774
Unavailable for charitable use	1,593	1,473
Total cash and cash equivalents	11,848	10,247

The notes on pages 28-41 form part of the financial statements.

Notes to the accounts for the year ended 31 March 2019

1. Basis of financial statements and accounting policies

WRAP is a charitable company limited by guarantee and is incorporated in England and Wales. 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 and Charities Act 2011. 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).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

1.1. Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries: Accelerating Growth Fund Limited, eEquip RVG Ltd and WRAP Enterprises Ltd; on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between eEquip and AGF (WRAP Enterprises is dormant) are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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 Statement of Cash Flows 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.

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

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 12 months from the date of approval of the accounts. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3. Income

Income is recognised when: the charity has entitlement to the funds; any performance conditions attached to the income have been met, and it is probable that the income will be received and that the amount can be measured reliably.

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. Where contributions from voluntary agreement members have been received in one year, but relate to future years, they are treated as deferred income so that income is recognised in accordance with the membership fee timeframe.

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. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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. Investment management fees are not allocated to charitable activities.

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 statement of financial activities 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. Deeds of covenant have been prepared to allow the subsidiary trading companies to 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 ring fenced by the trustees for particular purposes.

1.9. Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. 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% on cost.

1.10. Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Unlisted investments are included at cost less impairment unless there is specific evidence to the contrary.

1.11. Investments in subsidiaries

Investments in subsidiaries are at cost.

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. Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligations at the reporting date.

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. Cash held in 32 day notice accounts is treated as a short-term investment as it is held for investment purposes.

1.16. Debtors

Debtors are recorded at their recoverable amount which 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. Cash held in 32 day notice accounts is treated as a short term investment as it is held for investment purposes.

2. Statement of Financial Activities – analysis of 2018 comparative figures

	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000	Total 2017 £'000
Income from:				
Donations	924	-	924	365
Charitable activities:				
Sustainable production and consumption	791	7,210	8,001	12,386
Waste and resource management	2,541	8,901	11,442	14,091
Other trading activities	79	-	79	133
Investments	136	-	136	161
Total income	4,471	16,111	20,582	27,136
Expenditure on:				
Charitable activities:				
Sustainable production and consumption	1,101	8,183	9,284	10,554
Waste and resource management	2,297	8,921	11,218	12,087
Other trading activities	(147)	-	(147)	(5)
Total expenditure	3,251	17,104	20,355	22,636
Net (loss)/gains on investments	(37)	-	(37)	34
Net income/(expenditure)	1,183	(993)	190	4,534
Taxation (income)/expense	-	-	-	-
Net movement in funds	1,183	(993)	190	4,534
Reconciliation of funds:				
Total funds brought forward	12,937	6,984	19,921	15,387
Total funds carried forward	14,120	5,991	20,111	19,921

3. Income from Charitable Activities

	Unrestricted 2019 £'000	Restricted 2019 £'000	Total 2019 £'000	Unrestricted 2018 £'000	Restricted 2018 £'000	Total 2018 £'000
UK Governments	2,217	13,865	16,082	2,250	14,883	17,133
EU Governments	-	750	750	-	988	988
Non EU Governments	47	-	47	42	-	42
Other UK Government & Local Authorities	60	400	460	186	-	186
Total income from Governments	2,324	15,015	17,339	2,478	15,871	18,349
Business contributions to voluntary agreements	1,549	-	1,549	641	-	641
Restricted donations	4	367	371	3	130	133
Other income	314	446	760	209	110	319
Total	4,191	15,828	20,019	3,331	16,111	19,442

4. Trading income

	Total 2019 £'000	Total 2018 £'000
Short term investments in recycling sector	13	79

5. Income from investments

	Unrestricted 2019 £'000	Restricted 2019 £'000	Total 2019 £'000	Total 2018 £'000
Bank interest receivable	183	-	183	121
Income from Investments	92	-	92	15
	275	-	275	136

6. Expenditure

	Sustainable production & consumption £'000	Waste & resource management £'000	Trading costs £'000	Fundraising costs £'000	Governance costs £'000	Support costs £'000	Total 2019 £'000	Total 2018 £'000
Staff costs	3,661	3,336	17	75	133	1,348	8,570	10,706
Contracted services	3,120	5,375	46	34	61	1,388	10,024	8,608
Lease guarantees	-	-	-	-	-	-	-	(180)
Grants awarded	961	382	-	-	-	-	1,343	1,221
Total	7,742	9,093	63	109	194	2,736	19,937	20,355
Fundraising costs	56	53	-	(109)	-	-	-	-
Governance costs	89	105	-	-	(194)	-	-	-
Support costs	1,257	1,479	-	-	-	(2,736)	-	-
Total	9,144	10,730	63	-	-	-	19,937	20,355

6b. Expenditure (prior year)

	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. Grant making

	Grants to Community Interest Groups	Grants to Institutions	Grants to Local Authorities	Grants to Charity/Not for profit	Grand Total
Cost					
Sustainable Production & Consumption	379	4	170	408	961
Waste & Resource Management	-	-	382	-	382
At the end of the year	379	4	552	408	1,343

7b. Grant making (prior year)

Sustainable Production & Consumption	576	-	-	100	676
Waste & Resource Management	-	-	474	71	545
At the end of the year	576	-	474	171	1,221

The grants were principally awarded under the following schemes: Rural Community Energy Fund, Litter Innovation Fund, Food Redistribution Fund and the Local Authority Consistency in Household Recycling Programme. Details of grants awarded can be found at www.wrap.org.uk/awarded-grants

8. Analysis of support costs

	2019 £'000	2018 £'000	Basis of allocation
Finance	301	343	Across all heads
Information technology	512	552	Across all heads
Office	390	330	Across location heads
Human resources	655	323	Across all heads
Commercial	400	342	Across delivery heads
Executive office	478	276	Across delivery heads
Total	2,736	2,166	

	2019 £'000	2018 £'000	
Governance costs			
Staff	133	140	Actual costs incurred
Audit	35	33	Actual costs incurred
Professional fees	26	5	Actual costs incurred
Total	194	178	

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 eQuip RVG Ltd donate available profits to the charity.

a) Analysis of charge in the period

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Current tax				
UK corporation tax at 19% (2018: 19%) 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 (2018: lower) and for the Company (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). Taxation is only payable on the interest income earned by the Group.

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Surplus before tax on ordinary activities for subsidiary companies	172	340	-	-
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	33	68	-	-
Effects of:				
Non-taxable income	2	(45)	-	-
Current tax charge for the period before donation and group relief	35	23	-	-
Distribution under Gift Aid to parent undertaking	(35)	(23)	-	-
Current tax on income for the period	-	-	-	-

10. Net income for the financial year

	Group 2019 £'000	Group 2018 £'000
Net income for the financial year is stated after charging/(crediting)		
Operating leases – land and buildings	129	129
Depreciation of tangible fixed assets	33	38
Forex (gains)/losses	16	30
Auditor's remuneration	35	36
Audit of these financial statements including £31,440 (2018 £33,000) for the audit of the parent company and £4,000 (2018 £3,000) for the subsidiaries		
Non-audit fees paid to auditors Other grant assurance services	3	4

11. Employees

	Group 2019	Group 2018	Charity 2019	Charity 2018
The average number of staff was:				
Banbury	126	153	126	153
Wales	44	43	44	43
Northern Ireland	3	3	3	3
Total	173	199	173	199

Average number of staff in FTE in 2019 was 159 (2018: 183). Staff based in Banbury work on programmes for all funders.

Staff Costs	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Wages and salaries	7,044	8,499	7,044	8,499
Social security costs	728	854	728	854
Other pension costs	760	859	760	859
Other staff costs	52	118	52	118
Redundancy and termination	(14)	376	(14)	376
Total	8,570	10,706	8,570	10,706

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

2019. The credit in 2018/19 relates to the release of a redundancy accrual made at the end of March 2018 which is no longer required.

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:

	2019	2018
£60,000 - £69,999	10	7
£70,000 - £79,999	4	2
£90,000 - £99,999	1	2
£110,000 - £119,999	1	2
£120,000 - £129,999	1	1

Key Management Personnel

The key management personnel are the trustees and the executive team (listed on page 3). The total employee benefits, including employer's NI and pension, paid to key management personnel was £683,646 (2018: £953,549).

Board of Trustees Remuneration

The Board of Trustees are the Directors of the Charity. During the year there was one Executive Director on the Board (the CEO) and seven non-executive directors. The remuneration of the directors for the year to 31 March 2019 was as follows:

	Salary £'000	Benefits £'000	Total 2019 £'000	Total 2018 £'000
Executive				
Marcus Gover (1 April 2018 – 30 August 2018)	51	-	51	121

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

	2019 £'000	2018 £'000
Marcus Gover (1 April 2018 – 30 August 2018)	9	20

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 2019 £'000	Fees 2018 £'000
Julie Hill - Chair	35	35

Expenses reimbursed to the executive directors amounted to £592 (2018: £1,603) and to non-executive trustees £3,273 (2018: £2,123). Expenses totaling £3,865 (2018: £3,726) were reimbursed in the year to 4 trustees (2018: 5), as follows:

	2019 £	2018 £
Travel	2,620	3,046
Subsistence	-	54
Professional fees	1,245	626
Total	3,865	3,726

12. Related party transactions

In 2019 WRAP charged AGF Ltd £35k (2018: £18k) and eQuip £nil (2018: £8k) for the provision of staff and third-party expertise.

As at 31 March 2019 there is a creditor balance of £137k (2018: £nil) being amounts owed to AGF in respect of the windup of the RCEF grant.

Aggregate donations from related parties were £185k (2018: £340k).

There were no other related party transactions to report and none in the prior year.

13. Tangible fixed assets – Group and Charity

	Office equipment £'000	Group & Charity total £'000
Cost		
At 1 April 2018	519	519
Additions	54	54
At 31 March 2019	573	573
Depreciation		
At 1 April 2018	471	471
Charge for the year	33	33
At 31 March 2019	504	504
Net book value		
At 31 March 2019	69	69
At 1 April 2018	48	48

All assets are used for charitable purposes.

14. Investments

	2019 Listed £'000	2019 Unlisted £'000	2019 Total £'000
Fair value at the start of the year	2,766	446	3,212
Additions at cost	933	329	1,262
Disposal proceeds	(84)	-	(84)
Net gain/(loss) on change in fair value	23	-	23
	3,638	775	4,413
Cash held by investment broker pending reinvestment	318	-	318
Fair value at the end of the year	3,956	775	4,731

14b. Investments (prior year)

	2018 Listed £'000	2018 Unlisted £'000	2018 Total £'000
Fair value at the start of the year	-	353	353
Additions at cost	2,825	168	2,993
Impairment	-	(75)	(75)
Net gain/(loss) on change in fair value	(59)	-	(59)
	2,766	446	3,212
Cash held by investment broker pending reinvestment	1,176	-	1,176
Fair value at the end of the year	3,942	446	4,388

Investments comprise:

	2019 £'000	2018 £'000
Listed investments (UK)	2,252	1,468
Listed investments (outside the UK)	1,387	1,269
Unlisted shares in UK registered companies	774	446
Cash and cash equivalents	318	1,176
Other investments		29
	4,731	4,388

Cash is held by the investment broker pending investment.

15. Fixed asset investments/Subsidiary undertakings

The Charity owns the whole of the issued ordinary share capital of the Accelerating Growth Fund Limited (company number 4698093), eQuip RVG Ltd (company number 4952392) and WRAP Enterprises Limited (company number 4217608), companies registered in England. The registered office address for all three entities is 2nd Floor Blenheim Court, 19 George Street, Banbury, OX16 5BH. The share capital of each of the three companies is £1.

The subsidiaries are used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the parent charity.

Julie Hill, Trustee and Chair of WRAP, together with Marcus Gover, Chief Executive, Peter Maddox, Director WRAP UK and Philippa Foster, Finance Director, are also directors of the Accelerating Growth Fund Limited.

Marcus Gover, Chief Executive and Philippa Foster, Finance Director are directors of eQuip RVG Ltd.

Julie Hill, Trustee and Chair of WRAP, together with Marcus Gover, Chief Executive are directors of WRAP Enterprises Ltd.

The amounts owed to/from the parent undertaking are shown in note 16.

	Group 2019	Group 2018	Charity 2019	Charity 2018
Cost at the start and end of the year	-	-	3	3
Subsidiary undertakings and principal activity				%
holding WRAP Enterprises Limited				100%
Dormant				
Accelerating Growth Fund Limited				100%
Provision of funding for investments in the recycling and re-use sectors				
eQuip RVG Limited				100%
Provision of residual guarantees in the recycling sector				

The results for the year of the subsidiary companies at 31 March 2019 amount to:

	Income £'000	Expenditure £'000	Net gains on investments £'000	Taxation £'000	Distribution £'000	Net income £'000
WRAP Enterprises Limited	-	-	-	-	-	-
Accelerating Growth Fund Limited	233	(60)	25	-	(185)	13
eQuip RVG Limited	2	(3)	-	-	-	(1)
				Total assets £'000	Total liabilities £'000	Funds remaining £'000
WRAP Enterprises Limited						
Accelerating Growth Fund Limited				17,871	(11,471)	6,400
eQuip RVG Limited				422	(3)	419

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

	2019 £'000	2018 £'000
Gross income	20,387	20,759
Net gains on investments	17	13
Results for the year	472	240

16. Debtors due within one year

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Trade Debtors - Grants receivable	1,315	1,226	1,315	1,226
Trade Debtors	1,045	525	1,045	525
Amounts due from Group undertakings	-	-	84	367
Other debtors	730	1,372	730	1,372
Prepayments	86	42	86	42
Total	3,176	3,165	3,260	3,532

17. Short term investments

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Bank deposits	10,776	20,457	1,831	1,818
Financial assets designated as fair value through profit and loss	7,075	7,056	4,050	4,033
Total	17,851	27,513	5,881	5,851

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. Of the short term investments, £11,970,139 (2018: £21,661,426) is held by subsidiary trading companies and not available for use by the Charity.

18. Creditors: Amounts falling due within one year

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Trade Creditors	1,294	411	1,294	411
Other taxes and social security	352	240	351	240
Other creditors	1,701	249	186	249
Accruals and deferred income	3,574	3,673	3,568	3,667
Total	6,921	4,573	5,399	4,567

19. Deferred income - Charity

	£'000
At 1 April 2018	628
Additions	1,552
Transfers	
Releases	(598)
At 31 March 2019	1,582
	£'000
At 1 April 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.

20. Provision for liabilities and charges

	WRAP £'000	eEquip £'000	AGF £'000	Total £'000
At 1 April 2018	335	-	20,342	20,677
Additions	7	-	-	7
Releases/utilisation	(51)	-	(10,474)	(10,525)
At 31 March 2019	291	-	9,868	10,159
	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 holiday pay provision. Refer to Note 25 for indications of expected timing of expiry of property leases.

The AGF provision represents the obligation to repay funding for the Circular Economy Investment Fund back to the grantor should the activities be terminated. Management does not expect this to be repaid in the coming 12 months.

21. Movement in funds

	At 1 April 2018 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	At 31 March 2019 £'000
Restricted funds					
Sustainable Production and Consumption					
Core programmes	2,101	7,131	6,847	14	2,399
Rural Community Energy Fund	705	(137)	377	-	191
Waste and Resource Management					
Core programmes	3,185	8,834	8,806	(198)	3,015
Total restricted funds	5,991	15,828	16,030	(184)	5,605
Unrestricted funds					
Designated funds	9,039	258	988	(226)	8,083
General funds	5,081	4,335	2,919	410	6,907
Total unrestricted funds	14,120	4,593	3,907	184	14,990
Total funds as at 31 March 2019	20,111	20,421	19,937	-	20,595

The £5,605k of restricted reserves consists of £2,939k grant funding for work continuing into 2019/20, £2,473k to cover specific future commitments (primarily programme shutdown costs) and £193k to operate the Rural Community Energy Fund.

The reserves in Accelerating Growth Fund Limited of £6,400k (2017/18: £6,387k) 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 £1,683k of reserves in the parent charity (2017/18: £2,651k), of which £1,146k is intended to fund the expansion of WRAP's international work and the development of new programmes, and £537k is earmarked for specific projects in recycling and food waste reduction, funded by a civil sanctions' donation received during the year.

Transfers from restricted to unrestricted funds represent corrections of amounts incorrectly classified as restricted.

The transfer between Designated and General funds mostly represent the surplus generated in AGF in 2018/19 which has been distributed to the parent charity under gift aid.

22. Movement of funds - analysis of 2018 comparative figures

	At 1 April 2017 £'000	Income £'000	Expenditure £'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 transfer between Designated and General funds reflects the designation of funds to support global work less the surplus generated in AGF in 2017/18 which has been distributed to the parent charity under gift aid.

23. Analysis of group net assets between funds

	Restricted £'000	Designated £'000	General Funds £'000	Total £'000
Tangible fixed assets	69	-	-	69
Investments	-	4,731	-	4,731
Net current assets	5,827	13,220	6,907	25,954
Provisions	(291)	(9,868)	-	(10,159)
Net assets as at 31 March 2019	5,605	8,083	6,907	20,595

24. Analysis of group net assets between funds – analysis of 2018 comparative figures

	Restricted £'000	Designated £'000	General Funds £'000	Total £'000
Tangible fixed assets	48	-	-	48
Investments	-	4,388	-	4,388
Net current assets	6,278	24,993	5,081	36,352
Provisions	(335)	(20,342)	-	(20,677)
Net assets as at 31 March 2018	5,991	9,039	5,081	20,111

25. Financial commitments - Group

The Group's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Land & buildings £'000	2019 Total £'000	Land & buildings £'000	2018 Total £'000
Total lease commitments				
Within 1 year	179	179	165	165
Between 2-5 years	197	197	164	164
Financial commitments at the end of the year	376	376	329	329

The Company had conditional operating commitments of £1,501,815 at 31 March 2019 (2018: £1,670,128) which relate to purchase orders raised as at 31 March 2019 for project and overhead costs which will be incurred in the year ended 31 March 2020.