Waste & Resources Action Programme Annual Report and Consolidated Accounts for the year ended 31 March 2014

Company Registration No. 4125764
(England and Wales)

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

We work with businesses, individuals and communities to help them reap the benefits of reducing waste, developing sustainable products and using resources in an efficient way.

Find out more at www.wrap.org.uk

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Chairman's Statement

This past year has been a highly significant one for WRAP. We have continued to deliver high quality results through our evidence, insights, and ability to work with partners to turn ideas into action.

WRAP also continues to be at the forefront of thinking on how best to achieve the economic and environmental benefits of a circular economy:

- how best to consume as few raw natural resources as possible,
- waste as little of that as possible and then
- keep what is unavoidably wasted in use for as long as possible.

This fits squarely with WRAP's vision of a world in which resources are used sustainably. We are developing strong international relationships in this area, and delivered a highly significant piece of work for the UN Environment Programme (UNEP), showing how to develop a model programme for tackling food waste throughout the supply chain. We were delighted that UNEP recognised the ground-breaking work done in the UK, in asking us to develop that model for them.

This demonstrates that WRAP is thinking creatively and radically about the future. At the same time, we remain passionately committed to helping our funders achieve their policy priorities. For example, we are working actively to support UK Governments achieve stretching recycling and landfill avoidance targets, at a time when a number of economic and demographic factors are combining to make those targets increasingly challenging. WRAP will continue to bring its considerable knowledge and expertise to bear.

With public funding likely to remain under considerable continued pressure, the company has responded nimbly to further reductions in its grant funding by sharpening focus on those areas where its expertise and unique approach have the greatest potential to deliver and has actively pursued the strategy of diversifying its income that I set out in my report last year.

Put simply, **our strategy** is:

- **to retain the confidence of our existing funders by continuing to deliver effective programmes that represent excellent value for money,**
- **to seek new funding which allows us to pursue our vision of a world in which resources are used sustainably, and**
- **to maintain a flexible cost base.**

We are taking **two fundamental steps this year in support of this strategy**. I would like to say a little more about these.

First, the **WRAP Board gave its backing to the company seeking charitable status**. We believe this will be an enabler to accessing a wider range of funding, including charitable and Trust funds, as well as opening up new ways to engage with our partners. WRAP's objectives have always been essentially charitable in nature and its work in the public interest but our case will be stronger when we compete for these funds if WRAP has charitable status. WRAP has been at the heart of outstanding and often leading edge work in the UK to prevent waste and make possible the more efficient use of resources and **I believe this step is fundamental to enabling WRAP to continue to play this role effectively.** Our plans have won widespread support and the next step is to put the proposal to WRAP's members at an EGM.

Second, while a great deal has been achieved in the last three years since we set up the Zero Waste Scotland programme for the Scottish Government in 2011, it is now appropriate for it to operate as a separate organisation, closely aligned to the Scottish Government's ambitions and working closely with other organisations within 'Team Scotland'. This change in structure will allow WRAP to concentrate its resources on delivery of our core business collaborative change programmes including the Courtauld Commitment and the successful 'Love Food Hate Waste' and 'Recycle' consumer campaigns, which the Scottish Government will continue to participate in and to fund via Zero Waste Scotland. The separation was effective on 1 July 2014.

Chairman's Statement (continued)

On a personal note, I have confirmed that I will be retiring at the Annual General Meeting in the Autumn after six years as WRAP Chairman. I have been delighted by WRAP's progress under Liz Goodwin's leadership.

We are **now well-known for our work, not only in the public sector and the business sectors with which we work but also by members of the public throughout the UK**. We have a **growing international reputation**, in particular for our work on food waste. Internally, we have refreshed our Board with new appointments and recruited many able specialists to join our staff. I feel that WRAP has emerged stronger, is **highly respected by funders and partners alike**, and has now become an acknowledged **global leader in the vitally important work to tackle food waste.**

With the plan for WRAP to become a charity, this is clearly the beginning of a period of transition for WRAP and it will be a good time for my successor to join and help guide the organisation onwards.

WRAP is a **high-achieving organisation with stretching ambitions**, and an **enviable range of partnerships in Government, business and broader society**. We are **at the heart of thinking about the global economy.**

It has been a pleasure to work with such highly motivated and expert staff, Executive and Board. I will miss it sorely. We are currently in the process of seeking a new Chairman and I can guarantee my successor has much to look forward to.

Peter Stone
Chairman

July 2014

Chief Executive's Statement

WRAP prides itself on being able to adapt to new and revised priorities. We constantly review our work to understand which of our interventions have had the greatest impact. It is this approach, underpinned by our delivery record, which is the source of WRAP's position of strength and means we enter the next stage of our development with confidence.

Over the period of WRAP's existence, which is well over a decade, we have developed our thinking and that of the nation, so that recycling has become a normal routine activity and there is general recognition that we need to reduce reliance on landfill. It is worth noting that recycling rates in the UK have grown faster over the last 10 years than in any other country in the EU. During that time we, and many around us, have increasingly thought about the issues of re-use, waste prevention and sustainable design. In short, we have moved away from the old, unsustainably resource intensive "make-use-throw away-make another" model towards what has become known as the 'circular economy' - a way of thinking about overall sustainable use of resources – minimising the amount that is used in the first place, keeping resources in the loop for as long as possible and recovering them at end of life.

WRAP works, uniquely and by design, in the space between Governments, businesses, communities, innovative thinkers and individuals - forging partnerships and developing ground-breaking initiatives to help the UK use resources more sustainably. We have strong relationships with Government decision makers; with business leaders with the ability to influence powerful supply chains; with individuals through our highly respected consumer campaigns, and with the media who report on and influence them all.

WRAP works in a distinctive way - developing evidence where there is a knowledge gap, bringing together the right people to work on specific issues, to develop solutions, and then finding ways to implement them. Because we work at all points around the 'loop' – preventing, minimising, re-using, recycling - we are able to bring together disparate groups of people who might not naturally work together. This means we can mobilise action to address market failures where there are disconnects between who needs to take action and who benefits.

We pride ourselves as an organisation on how we do things. We do things differently. We have broken new ground in many instances and are the envy of many organisations both here and abroad as a result. We have achieved ground breaking mechanisms such as sector wide voluntary agreements and award winning consumer behaviour campaigns.

WRAP has won a growing international reputation for its work, in particular, its work on food waste. We were a founding partner in the UN Environment Programme's 'Think Eat Save' Global Food waste initiative, and work with the World Resources Institute and many international research establishments and faculties. Our business strategy encompasses taking advantage of this to extend our impact outside the UK.

WRAP has achieved, in its short history, a vast amount of which we can be justifiably proud. Despite recent reductions in government funding, the agenda remains as pressing as ever. To demonstrate this, you only need to consider the very real concern that the impressive growth in recycling in the UK has slowed and that the EU recycling targets may not be achieved in the UK without significant extra work - so we must keep the momentum going.

More broadly, it is increasingly recognised that global use of resources is not sustainable and this will lead to problems with availability of materials and supply chain security. We need to reduce overall consumption, ensure future resilience and contribute to economic growth. WRAP is uniquely placed to help tackle these challenges and has the passion and drive to continue to make a real difference in the UK and internationally.

Our vision is a world where resources are used sustainably. We know from partner feedback that there is a clear role and appetite for WRAP, as enablers of change, to help make this happen. There are some big challenges - and opportunities - in achieving our vision. We need collective action to innovate, find technical solutions, ensure we have the right policy framework, develop new business models that make better use of resources, develop infrastructure, raise awareness and achieve real engagement. Recently, we have sharpened our focus upon the areas where our research shows we can make the greatest difference in terms of the impact on the world's resources: food and drink, textiles, electricals and the built environment, all underpinned by a healthy, growing resource management sector.

Chief Executive's Statement (continued)

WRAP attracts and employs highly qualified and highly motivated staff from a wide range of backgrounds combining environmental and commercial experience – public policy, the private sector, research institutions and consultancies. They come together to provide the research and the analytical and execution expertise needed to turn ideas into action.

With all these things in mind, we have decided to make the transition to become registered as a charity. We expect the process to be complete by the end of March 2015. Achieving charitable status is just part of our strategy for diversifying our funding base. There is much more that we need to do to explore and exploit other models but it is an important step.

Our approach will continue to be one of partnership working, recognising the contributions of the people we work with and seeking to maximise the effectiveness and value for money of what we do. Our partnerships are something we value immensely: WRAP has never claimed to change things by itself : we have always said it is the organisations and other people we work with who do most to bring about the change, and we are proud to play a catalytic role within that engine of change.

Dr Liz Goodwin
CEO

July 2014

Strategic Report

WRAP's vision is a world where resources are used sustainably. Since WRAP was established as a not-for-profit company in 2000, our role has evolved from one originally focused on creating markets for recycled materials to now being the main delivery organisation working in the UK on the circular economy and helping Governments implement their priorities on resource efficiency.

We work in a unique way, building an evidence base and then convening the right people in businesses, government and the community to work on specific problems, overcoming market failures and coming up with practical solutions that work and make a real difference.

WRAP's principal areas of activity are:

- **Product sustainability** - reinventing how we design, produce and sell through product and process innovation and enabling collaboration along supply chains

- **Behaviour change** – rethinking how we buy, use and consume through consumer campaigns and enabling collaborative change by businesses

- **Waste and Resource management** - re-defining how we re-use and recycle through market and infrastructure development and improved collections systems

We have sharpened our strategic focus on the most resource intensive sectors, where we have deep expertise and a track record of strong delivery. These are:

- **Food and Drink**

- **Manufactured Goods** (especially textiles and electricals)

- the **Built Environment**

- **Resource Management**

WRAP has developed a unique position as a trusted interface and convenor between Governments, business and communities, and is able to catalyse and accelerate change in ways that they cannot achieve working on their own. We have an extensive network of contacts in our key business sectors, often at Executive Board level, as well as with senior Government policy officials and leading thinkers in academia, think tanks and NGOs. Our delivery is based on carefully building and understanding the evidence base, then working with these partners to address the market failures and other barriers that prevent the sustainable use of resources. Tackling these, in the right order and cost effectively, is essential to effective market operation and is at the heart of WRAP's business model.

A key part of our strategic approach is an understanding of the flow of resources around an economy and the economic and environmental benefits of making that economy more circular. In the case of the UK, we have developed a vision of a UK economy that has become more circular by 2020. Compared to 2010, this would:

- Use 30 million tonnes less direct material input
- Recycle 20 million tonnes more material
- Produce 50 million tonnes less waste

Achieving this vision would:

- Improve the UK's trade balance by up to £23 billion per year
- Improve business competitiveness by reducing costs by around £52 billion per year
- Increase recycling sector GVA by £2 billion
- Create 10,000 new jobs in recycling
- Reduce GHG emissions by over 60 million tonnes CO_2e

Strategic Report (continued)

Today, most of the impacts of WRAP's activity accrue in the UK. However, we recognise that many of our business partners operate globally and for them, sustainable resource use cannot ignore their global supply chains. In addition, the EU is increasingly setting the policy agenda for resource efficiency and recycling. We are starting partnerships with organisations around Europe to build new relationships and demonstrate our business model. We are also sharing our thinking with the European Commision and other EU governments. At our annual conference in November 2013, we unveiled our economic vision for Europe in 2020. By implementing more circular thinking, based on a 2010 baseline, EU-27 countries would:

- Use 190 million tonnes less direct material input
- Recycle 350 million tonnes more material
- Produce 220 million tonnes less waste

The benefits are:

- Improve the trade balance by €110 billion
- Improve business competitiveness by reducing costs by €400 billion per year
- Increase recycling sector annual turnover by €11 billion
- Create 160,000 new jobs in recycling
- Reduce GHG emissions by 500 million tonnes CO2e

Beyond Europe, WRAP is building an increasing international reputation, and this is providing an opportunity to extend our reach and increase our impact. For example, in partnership with the United Nations Environment Programme (UNEP) and the UN's Food and Agriculture Organisation (FAO), we developed a 'first of its kind' global food waste guidance tool as part of the UNEP Think.Eat.Save initiative. It will help governments, businesses and communities to share food waste prevention expertise on a global scale, and represents an opportunity for WRAP to deliver impact outside the UK.

Strategic Report (continued)

Operating highlights in 2013/14 were:

Food and Drink

We have continued to help industry, the public sector and consumers to benefit from preventing and managing food and drink waste.

- We released our 'Household food and drink waste in the UK 2012' research, highlighting the fact that families are throwing away the equivalent of six meals every week, costing each family almost £720 per year.
- Our 'Estimates of waste in the food and drink supply chain' report identified that food and packaging waste in the UK supply chain has a value of £6.9 billion, representing some 7% of the value of food and drink sales to households.
- In April 2013, we announced that the second phase of the Courtauld Commitment, our voluntary agreement with all major UK based grocers and brands, had reduced UK food and packaging waste by 1.7 million tonnes, and as a result, avoided 4.8 million tonnes of CO2 equivalent emissions.
- Following this success, the Courtauld Commitment has now moved to a third phase, targeting a further 1.1 million tonnes reduction in waste across the 45 signatories for the period 2012-2015.
- A six month Love Food Hate Waste campaign helped west Londoners cut their avoidable food waste by 14%, saving the boroughs over £1.3 million by reducing food waste disposal costs.
- As part of our Hospitality and Food Service voluntary agreement, we are working with a range of partners, such as British Hospitality Association, McDonalds and 3663, to reduce the £2.5 billion cost of food waste per year to this sector.
- Our Federation House Commitment helped food and drink manufacturers reduce their water consumption by 1.5 million cubic metres last year, delivering savings of £2.2 million.
- We launched the £3 million On-Farm AD Fund to provide farmers in England with grants and loans to build local anaerobic digestion capacity to manage their on-farm waste and recover renewable energy. To date, we have awarded over 25 grants.
- In partnership with the United Nations Environment Programme (UNEP) and the UN's Food and Agriculture Organisation (FAO), we developed a 'first of its kind' global food waste guidance tool as part of the UNEP Think.Eat.Save initiative. It will help governments, businesses and communities to share food waste prevention expertise on a global scale.
- We also published, in March 2014, seven feasibility studies to tackle food waste through social innovation as part of our work with European food waste prevention project, FUSIONS, to help deliver action on the ground.

Manufactured Goods

We have continued to work with businesses to help them design and develop sustainable goods, particularly textiles and electronics.

- We launched the new Sustainable Clothing Action Plan (SCAP) agreement with the clothing sector. Major signatory organisations, comprising 45% of the UK retail sales market share, have committed to measure and report on the environmental footprint of clothing throughout its life and to take action to reduce water, carbon and waste impacts by 15% by 2020. We developed a new consumer campaign, Love Your Clothes, to support the SCAP targets.
- Our 'Switched on to value' report showed how extending the lifetimes of white goods and consumer electronic products, and trading used products, can benefit consumers, retailers, suppliers and the environment. The research showed that the UK market value for trading pre-owned electrical and electronic products could be worth up to £3 billion.

Strategic Report (continued)

- We helped BIS get closer to meeting the 2016 WEEE recycling target by delivering a key report that shows that 4-5 million tonnes of light iron is recycled in the UK each year, with Large Domestic Appliances making up an estimated 10.87% of the total.

- As a results of WRAP insights into the levels of mercury found in waste LCD backlights, we worked in partnership with Digital Europe, the European body for consumer electronics brands, to develop and launch the 'Hg free' logo for television and monitor producers to help identify screens containing mercury.

- We secured €1.5 million European Commission 'Life+' funding to scale-up WRAP's work with industry on implementing more resource efficient business models. Participating companies include Argos, B&Q, British Heart Foundation, Panasonic and Samsung, with early successes published for Carillion and Bandvulc.

- We have developed modules for Defra's National Sustainable Procurement Programme training programme to help practitioners realise the cost savings associated with implementing more sustainable practices when procuring goods and services, as well as meeting their Greening Government Commitments.

- We supported public sector organisations (e.g. NHS trusts, government departments and police forces) across the UK on the procurement of their Facilities Management services, helping them to save £2.5 million through greater resource efficiency over the lifetimes of the contracts.

Built Environment

- In partnership with ARUP, we helped the Green Construction Board (GCB) to deliver a 'low carbon route map' for the UK built environment to 2050. We are working with BIS and GCB towards developing industry action to implement the route map.

- We completed our voluntary agreement with the Home Improvement Sector, having delivered an impressive 83% reduction in waste to landfill and packaging use from 2009 to 2012, against a 50% target.

- A voluntary water efficiency labelling scheme for DIY retailers, builders' merchants and manufacturers was introduced. The label will help consumers identify the most water efficient bathroom fittings; focusing specifically on those that use less hot water, therefore reducing household energy bills. Research has shown that across Britain we spend around £2.3 billion on heating water for showers alone.

Resource Management

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

- Recycle Week reached its 10th anniversary in June 2013. This one-week consumer initiative forms part of our Recycle Now campaign and is used by local authorities and community groups. The campaign has helped deliver significant impacts for recycling. Since its inception 10 years ago, 50 billion plastic bottles have been recycled.

- As part of the Collaborative Change Programme in Wales, WRAP Cymru supported local authorities on the development and implementation of business plans that will help deliver the Welsh Government's 70% recycling and recovery target.

- WRAP Cymru provided revenue support to 137 SMEs from the resource management, manufacturing, hospitality, tourism and food and drink sectors, which are projected to recycle over an additional 200,000 tonnes of waste as a result over three years.

- Joint partnerships with Coca Cola Enterprises and Sainsbury's delivered five regional workshops for local authorities designed to boost public engagement in packaging recycling.

- WRAP Cymru's European Regional Development Fund funded ARID project allocated just under £3.5 million in capital funding to 26 SMEs. These projects are expected to create 85 new jobs, divert 313,804 tonnes of waste from landfill and avoid 229,477 tonnes of carbon equivalent emissions over three years.

- The Rethink Waste Campaign in Northern Ireland was boosted through a number of targeted food waste prevention actions during the European Week for Waste Reduction in November. Over 2,300 people pledged actions to cut food waste, and over 70 public events took place with strong media interest reaching many thousands more.

- WRAP Cymru's Recycle on the Go project to encourage good recycling behaviours out-of-home and in the workplace awarded a total of £360k of grants to 20 projects with a total footfall of almost 6 million.

- WRAP and Defra co-hosted an event in May 2013 to bring together investors for a workshop to better understand the opportunities and potential barriers to investing in the waste and resources sector.

Finally, we have provided expert witness evidence to a number of Parliamentary Inquiries, including:

- the House of Lords EU Committee's Inquiry into 'The EU's role in food waste prevention', and their subsequent report: 'Counting the cost of food waste: EU food waste prevention';
- the Environmental Audit Committee's Inquiry into 'Growing the circular economy';
- the Environmental Audit Committee's Inquiry into 'The sustainability of measures to reduce the use of plastic shopping bags'; and
- the EFRA Select Committee's Inquiry into 'Waste management in England'.

Direct Financial Support to Business

Through its subsidiary companies Accelerating Growth Fund Limited (AGF) and eQuip Ltd, WRAP provides financial support in the form of loans and and a lease guarantee scheme, to enable businesses in the recycling, reprocessing and re-use sectors to develop. The principal loan funds are:

- The Anaerobic Digestion Loan Fund (ADLF), a £10m fund to support generating renewable energy in the form of biogas through the diversion of food waste and other organic resources from landfill.
- The Mixed Plastics Loan Fund (MPLF) is a £3.8m fund designed to support the development of new capacity to process mixed plastics packaging waste and so to divert from landfill.
- The Rural Community Renewable Energy Loan Fund (RCREF) was established with the objective of providing funding to rural communities to conduct feasibility studies into renewable energy schemes. The scheme was set up with funding of £15m in March 2013 and launched in May 2013.
- The Waste Prevention Loan Fund (WPLF) was established with funding of £1.5m to enable organisations to introduce business models and processes that make more efficient use of material resources.
- The On-Farm AD Fund was launched with funding of £3m to support farmers in England to build anaerobic digestion capacity to manage their on-farm waste and produce renewable energy.

The funds provide financial support to businesses at start up and in the early stages before they are able to obtain finance from the credit markets. The principal risks relate to the high commercial risks of lending to businesses which are in the very early stages of development. During the year one of the companies that the Accelerating Growth Fund Ltd had provided finance to went into administration. The assets have since been sold on as a functioning reprocessing facility. The equity investment of £275,000 has been impaired and the outstanding loan of £102,086 has been written off.

Strategic Report (continued)

Zero Waste Scotland

'Resource Efficient Scotland' was launched in April 2013 to provide free, specialist advice and on-site support to help Scottish businesses, public and third-sector organisations to cut their energy, water and raw material costs. By its first anniversary the service has helped 33,000 organisations and identified over £10million in potential cost savings.

18 local authorities in Scotland were provided with grant funding to roll out new food waste collection schemes in compliance with the requirements of the Scottish Government's Waste Regulations and in January 2014 we launched a campaign to raise awareness of the change to waste regulations which affected all Scotland's businesses and organisations.

Zero Waste Scotland's research revealed that more than half the Scottish population admit to dropping litter which costs £53 million to clear up and a further £25 million through its effect on a range of related issues including crime, health and reduced property values.

WRAP was asked by the Scottish Government to set up their Zero Waste Scotland'programme in 2010 following a review of the resource efficiency landscape in Scotland that WRAP had led. A great deal has been achieved in the last three years as part of WRAP but it is now appropriate for the Zero Waste Scotland programme to operate as a separate organisation closely aligned tothe Scottish Government's ambitions and working closely with Scotland-based organisations and businesses within 'Team Scotland'. As a result Zero Waste Scotland Ltd will operate as a separate company from 1 July 2014.

This change in structure will allow WRAP to concentrate on delivery of its core business collaborative change programmes including the Courtauld Commitment and the successful 'Love Food Hate Waste and 'Recycle' consumer campaigns, which the Scottish Government will continue to participate in and to fund via Zero Waste Scotland.

Defra Review

During 2013 Defra carried out a review of its activities in this area and the role of WRAP in delivering aspects of its policy. This review included an opportunity for stakeholders in business and the wider community to comment on WRAP's effectiveness. We were pleased that so many stakeholders took this opportunity to endorse our work.

Following the review we worked closely with Defra to develop a programme of work, in line with sharpening our strategic focus, that will make a significant contribution to helping the UK achieve its environmental objectives and obligations, such as achieving the 50% household recycling rates by 2020, but at less cost. As a result grant funding from Defra for 2014/15 has been confirmed at £17.6m (2013/14: £25.7m), expected to reduce to £15.5m in 2015/16.

Financial Results for 2013/14

WRAP's total income for 2013/14 was £65.4m (2012/13: £63.2m) of which the majority (98.9%) was grant funding from government and EU sources. Although the underlying grant funding from Defra reduced compared to the previous year, the addition of the Resource Efficient Scotland programme and the timing of activity in EU funded grant schemes, notably the ARID capital grant scheme in Wales, resulted in a marginal increase in total income.

Direct expenditure on the delivery of programmes including attributable staff and overhead costs amounted to £62.9m or 96.2% of income (2013: £60.4m or 97.4%). Indirect expenditure for the year was £2.4m (2013: £2.4m). The surplus for the financial year after taxation was £553k (2013: £774k).

Strategic Report (continued)

At 31 March 2014 total cash and investments were £50.2m (2013:£53.7m) of which AGF held £30.9m (2013: £31.4m) in respect of the Loan Funds described above. Residual funding is repayable to the Government funder when the objectives of the loan funding programmes have been achieved. WRAP's other cash holdings represent grant funding received in respect of short term creditors for programme expenditure. Any government grant funds or assets will ultimately be returned to the government funder if they are not required to fulfil programme objectives.

Impact and Outlook

WRAP has a rigorous methodology to measure the impact of our activities. In our 2011-15 business plan we set out six impact indicators together with a target of what WRAP could achieve by 2015. These were:

- 7 million tonnes less carbon dioxide equivalent emitted a year.
- 3 million tonnes less biodegradable waste going to landfill a year.
- £1.9 billion in cost savings a year by consumers, businesses and the public sector in the UK
- £130 million growth in the UK resource management sector a year.
- 3 million tonnes less primary resources used a year.
- 2 million tonnes less waste produced a year.

These were very ambitious targets and, since they were set, there have been significant reductions in the amount of funding we have had available and changes in the priorities of our funders. Nevertheless the indicators remain appropriate and the outlook, despite the reduced resources, is that we expect to achieve or be close to achieving most of the targets that we set ourselves. We are confident that WRAP's programmes and unique approach continue to deliver excellent value for money for our funders.

The principal risks and uncertainties for WRAP relate to the level of future funding. We recognise that pressure on public finances means that grant funding from Westminster has reduced significantly and this trend is likely to continue. To ensure that WRAP can continue to make the maximum impact, we have sharpened our strategic focus on those areas where our expertise and unique approach have the greatest potential to deliver and are seeking to diversify the sources of funding for our programmes, while maintaining a flexible cost base.

As part of this strategy the Board has decided to apply to register WRAP as a charity. We believe this will be an enabler to accessing a wider range of funding, including charitable and Trust funds, as well as opening up new ways of engaging with our partners. Our business development plans also include the development of different funding models with some of the key organisations we work with in the UK as well as developing links with other governments and organisations outside the UK where WRAP's expertise and the approach we have demonstrated in setting up Zero Waste Scotland may assist them with developing their resource efficiency programmes.

Jonathan Lea
Director

July 2014

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2014.

Environmental Report

WRAP continues to actively manage its direct environmental impacts through an ISO14001 certified management system. The system recognises the significant impact that WRAP as an organisation has through its work in supporting resource efficiency, recycling and waste minimisation. Overall, the environmental benefit derived from these activities is far greater than the environmental footprint of WRAP's own operations. WRAP's activities make an important contribution to making better use of resources and so to reducing greenhouse gas emissions and tackling climate change.

As an organisation, WRAP must also ensure that the actual process of delivering this success has a low environmental risk and impact and maximises the benefit it delivers.

WRAP reviews a range of environmental aspects of its work to identify those with the greatest significance. These are then controlled through appropriate means. Indicators reviewed include aspects of its projects and its direct impacts through materials consumed, waste arisings, energy consumption and travel (both business and commuting).

In 2013-14 WRAP's greenhouse gas emissions decreased from 764t to 747t CO_2eq, a reduction of around 3% on last year. Two key factors are a decrease in commuting emissions and electricity and gas usage. WRAP's greenhouse gas emissions are offset through a carbon offset arrangement. It also offsets carbon emissions resulting from delegates travelling to events which are organised by WRAP, where travel details are provided.

Health and Safety Report

We endeavour to provide and maintain a healthy and safe working environment for our employees, service partners and temporary workers, as well as any members of the public who might be affected by our operations.

Our overall objective towards health and safety is to minimise the number of instances of occupational accidents and illnesses. Our ultimate objective is not to have any such instances at all. We continue to do all that is reasonably practicable to ensure the health and safety of our employees and service partners and encourage individuals to take responsibility for everyone's health and safety at work. All employees are invited to put forward any suggestions for improvements.

In 2013-14 workplace hazards were reported as a matter of routine and all injuries, no matter how small, were recorded in the accident book. To reduce the number of potential workplace hazards we proactively encouraged the reporting of all near misses. All accidents and near misses were investigated and whenever possible corrective actions were taken to prevent them happening again. Any lessons learnt were disseminated through the Health and Safety committee, which met monthly.

Employment policies

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

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

The Group actively encourages applications from all suitably qualified applicants, regardless of religion, age, gender, 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.

Guarantee status

WRAP is a company limited by guarantee. The liability of the members of the Company is limited to an amount not exceeding £1 per member.

Directors' Report (continued)

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006 the Auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board.

Jonathan Lea
Director

July 2014

Company Number 4125764

Corporate Governance Report

The Company is not a listed company and is not required to comply with the requirements of the Combined Code on Corporate Governance. However, the Company wishes to adopt best practice and to report on corporate governance issues.

The Company has complied, to the extent relevant, throughout the last financial year with the provisions of the Code of Best Practice set out in Section 1 of the Combined Code.

Statement of Compliance

The Company applies the relevant Principles of Good Governance in Section 1 of the Combined Code as set out below.

- The Board meets regularly.
- There is a clear division of responsibilities between the Chairman and the Chief Executive Officer.
- 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 every 3 years.
- The non-executive directors meet as necessary without the executive directors present.

In view of the nature of the Company, the Board considers it unnecessary to nominate a senior independent non-executive director.

The Board

The Board comprises the Chairman, two executive directors, eight independent non-executive directors, and one appointee by Defra. The Scottish and Welsh Governments may each appoint a member of the Board.

The Board is responsible for:

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

Executive management supplies the Board with appropriate and timely information and the directors are entitled to seek any further information they consider necessary.

The Board met five times in the year to 31 March 2014.

Executive Committee

The Executive Committee comprises the Chief Executive Officer and the executives listed on page 23. The Committee is responsible to the Board for day-to-day operations. Individual matters that are novel or contentious are referred to the Board.

Audit Committee

The Audit Committee comprises three non-executive directors, namely Robert Chilton (Chairman), Andy Hinton and Clare Whelan. The Committee met twice during the year ended 31 March 2014, with the external auditors present at both meetings. The Chief Executive Officer and Chief Financial Officer attended all meetings during the year.

The main responsibilities of the Audit Committee are to:

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

Nominations and Remuneration Committee

The Committee comprises four non-executive directors, currently Peter Stone (Chairman), Maggie Jones, David Palmer-Jones and Jenny Watson. The Committee met twice during the year to 31 March 2014. The main responsibilities of the Committee are to:

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

Attendance at meetings

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

Table 1: Meetings attended

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

Relations with stakeholders

The Company 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.

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 Committee assists the Board in discharging its review responsibilities as described in the section headed Audit Committee on page 18.

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

- The Company'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 Committee. Appropriate reporting procedures have been established.
- Risk assessments are made by staff from across all of the Company's programmes. The results of these assessments are discussed and kept under regular review by the senior management team and reported to the Audit Committee. A risk register is regularly updated.
- The Chairman of the Audit Committee reports the outcome of Audit 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 2013/14 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.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year.

Under that law they have elected to prepare the Group and Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Jonathan Lea
Director
July 2014

Nominations and Remuneration Committee Report

In view of the size of the Company, it is considered appropriate to combine the roles of the Nominations Committee and Remuneration Committee.

The Nominations and Remuneration Committee comprises four non-executive directors, currently Peter Stone (Chairman), Maggie Jones, David Palmer-Jones and Jenny Watson. The Chairman of the Committee and its members are appointed by the Board, which also agrees the overall terms of reference of the Committee.

The Committee deals explicitly with the compensation arrangements of the Board. It is also responsible for establishing and maintaining a procedure for the selection and appointment of directors.

Nominations

The Committee has agreed a procedure for the selection of non-executive directors, 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 their sex, ethnic origin or physical disabilities.
- 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 so 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.

Remuneration

The main objectives of the Company's remuneration policy are to provide a remuneration package that will attract, retain and motivate individuals of an appropriate calibre.

Performance related pay is based on achievement of specific objectives measured between January and December 2013.

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

Expenses incurred in the year by the executive directors amounted to £5,675 (2013: £6,556) and by the non-executive directors £2,652 (2013: £3,441).

The remuneration of the directors for the year to 31 March 2014 was as follows:

	Salary £'000	Benefits £'000	Performance Related Pay £'000	**Total 2013/14 £'000**	Total 2012/13 £'000
Executive					
Liz Goodwin	165	1	22	**188**	185
Jonathan Lea	121	1	10	**132**	131

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

	2013/14 £'000	2012/13 £'000
Liz Goodwin	**27**	27
Jonathan Lea	**14**	13

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

The remuneration of the non-executive directors for the year to 31 March 2014 was as follows:

	Fees 2013/14 £'000	Fees 2012/13 £'000
Non-Executive		
Alison Austin	**14**	14
Alan Knight	**14**	14
Robert Chilton	**14**	14
Andy Hinton	**14**	14
Maggie Jones	**14**	14
David Palmer-Jones	**14**	14
Peter Stone	**48**	50
Colin Church	**-**	-
Jenny Watson	**14**	14
Clare Whelan	**14**	14

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

Peter Stone
Committee Chairman
July 2014

Board of Directors

The directors who served throughout the year were Alison Austin, Robert Chilton, Colin Church, Liz Goodwin, Andy Hinton, Maggie Jones, Alan Knight, Jonathan Lea, David Palmer-Jones, Peter Stone, Jenny Watson and Clare Whelan.

Peter Stone has indicated his intention to step down at the end of his second term and will not therefore submit himself for re-election.

Alison Austin and Alan Knight were appointed to the Board more than 30 months ago and therefore submit themselves for re-election at the forthcoming Annual General Meeting.

The Executive Committee

This comprises Liz Goodwin, Jonathan Lea, Steve Creed, Nick Gammage, Marcus Gover, Iain Gulland and Richard Swannell.

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

We have audited the financial statements of The Waste & Resources Action Programme Limited for the year ended 31 March 2014 set out on pages 25 to 37. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of the audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2014 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Benjamin Stapleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP
Statutory Auditor, Chartered Accountants
Altius House, 1 North Fourth Street,
Milton Keynes, MK9 1NE

Income and Expenditure Accounts for the year ended 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Incoming resources					
Grants		**64,685**	62,028	**38,192**	62,024
Other income	**2**	**726**	1,127	**686**	1,102
Total incoming resources		**65,411**	63,155	**38,878**	63,126
Resources expended					
Direct programme costs		**(47,906)**	(47,701)	**(27,167)**	(48,073)
Direct staff costs and overheads		**(14,952)**	(12,702)	**(10,210)**	(12,702)
Direct expenditure		**(62,858)**	(60,403)	**(37,377)**	(60,775)
Staff costs and overheads		**(17,306)**	(15,086)	**(11,561)**	(15,086)
Attributable to programmes		**14,952**	12,702	**10,210**	12,702
Indirect expenditure		**(2,354)**	(2,384)	**(1,351)**	(2,384)
Operating surplus/(deficit)		**199**	368	**150**	(33)
Interest receivable	**3**	**458**	533	**41**	41
Interest payable	**4**	**(1)**	(2)	**-**	-
Operating surplus on ordinary activities before taxation		**656**	899	**191**	8
Taxation on surplus on ordinary activities	**5**	**(103)**	(125)	**(8)**	(8)
Surplus for the financial year	**6**	**553**	774	**183**	-

A Statement of Total Recognised Gains and Losses has not been prepared as the Group has no recognised gains or losses other than those reported above. All results are from continuing operations.The notes on pages 28 to 37 form part of the financial statements.

The Company is Waste and Resources Action Programme Ltd and the Group consists of Zero Waste Scotland Ltd, Accelerating Growth Fund Ltd and eQuip RVG Ltd.

Balance sheets as at 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Fixed assets					
Tangible	**8**	**200**	155	**150**	155
Investments	**9**	**-**	275	**-**	-
		200	430	**150**	155
Current assets					
Debtors due after more than one year	**10**	**3,070**	2,432		
Debtors due within one year	**11**	**4,323**	5,952	**5,895**	5,094
Short term investments	**12**	**32,496**	17,833	**3,047**	3,000
Cash at bank and in hand		**17,740**	35,844	**10,235**	16,619
		57,629	62,061	**19,177**	24,713
Creditors: Amounts falling due within one year	**13**	**(19,253)**	(23,859)	**(18,001)**	(23,672)
Net current assets		**38,376**	38,202	**1,176**	1,041
Total assets less current liabilities		**38,576**	38,632	**1,326**	1,196
Creditors: Amounts falling due after more than one year	**14**	**(200)**	(155)	**(150)**	(155)
Provision for liabilities and charges	**15**	**(29,721)**	(30,375)	**(992)**	(1,041)
Net assets		**8,655**	8,102	**183**	-
Residual interest					
Designated funds	**16**	**8,655**	8,102	**183**	-
		8,655	8,102	**183**	-

Approved by the Board on   July 2014 and signed on its behalf by

Liz Goodwin, Chief Executive Officer

Company number 4125764

The notes on pages 28 to 37 form part of the financial statements.

Group cashflow statement for the year ended 31 March 2014

	Note	Group 2014 £'000	Group 2013 £'000
Net cash (outflow)/inflow from operating activities	**(i)**	**(3,760)**	13,300
Returns on investments and servicing of finance			
Interest received		**442**	496
Interest paid		**(2)**	(2)
		440	494
Taxation		**(125)**	(56)
Capital expenditure			
Purchase of tangible fixed assets		**(152)**	(68)
Capital grants received		**152**	68
Proceeds from disposal of fixed assets		**4**	3
		4	3
Management of liquid resources		**(14,663)**	(17,833)
(Decrease)/Increase in cash in the year		**(18,104)**	(4,092)
Net funds brought forward		**35,844**	39,936
Net funds carried forward at 31 March	**(ii)**	**17,740**	35,844
(i) Reconciliation of operating surplus to operating cash flows			
Operating surplus		**199**	368
Depreciation charges		**107**	127
Provisions for liabilities and charges		**(379)**	14,880
Release of capital grant		**(107)**	(129)
Profit on disposal of fixed assets		**(4)**	(1)
Decrease / (increase) in debtors		**1,008**	(1,538)
Decrease in creditors		**(4,584)**	(407)
Net cash (outflow)/ inflow from operating activities		**(3,760)**	13,300

	1 April 2013 £'000	Cashflow £'000	31 March 2014 £'000
(ii) Analysis of net funds			
Cash at bank and in hand	**35,844**	**(18,104)**	**17,740**

Notes to the accounts for the year ended 31 March 2014

1. Basis of financial statements and accounting policies

The Company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 25 to 37 and which have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

1.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries ("the Group"). The Company has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions or balances with entities which are wholly-owned within the group.

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 on pages 8 to 14. 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 funding received from the national and devolved Governments. Whilst the current economic and political conditions may create uncertainty over the level of future funding, the Group's grant income is confirmed by its funders on an annual basis up to the end of each financial year. The Directors have reviewed the Group's obligations and have concluded that the Group is able to meet all its liabilities as they fall due. The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Income

Revenue grants receivable are credited to the Income and Expenditure Account in the period in which the funding is receivable. Income received in advance is carried forward as deferred income. Grants for capital expenditure are carried forward as deferred income and released to the Income and Expenditure Account over the lives of the related fixed assets.

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. The Company is registered for VAT due to income generated by some activities and accordingly expenditure excludes any recoverable VAT. Management and administration costs are stated after the direct costs associated with delivery of the programmes have been allocated to their relevant projects. The support costs to be attributed to programmes are established with reference to the proportion of staff working directly on project based activities.

1.5 Leases

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

1.6 Taxation

The charge for taxation is based on the surplus for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes to the extent that the recovery can be foreseen within a reasonable timescale.

1.7 Tangible fixed assets

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

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

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

Notes to the accounts for the year ended 31 March 2014 (continued)

1.8 Pension costs

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

1.9 Provisions

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

1.10 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.

2. Other income

Other income is mainly non grant funded work with both government agencies and private sector organisations.

3. Interest receivable

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Interest receivable	**458**	533	**41**	41

4. Interest payable

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Other interest payable	**1**	2	**-**	-

5. Taxation on surplus on ordinary activities

a) Analysis of charge in the period

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Current tax				
UK corporation tax at 20% (2014), 20% (2013) on the surplus for the year on ordinary activities				
- Current tax on income for the period	**103**	125	**8**	8
Total current tax	**103**	125	**8**	8

Notes to the accounts for the year ended 31 March 2014 (continued)

5. Taxation on surplus on ordinary activities (continued)

b) Factors affecting tax charge for the period

The current tax charge for the period is lower for the Group (2013: lower) and for the Company (2013: higher) than the standard rate of corporation tax in the UK of 20% (2013: 20%). Taxation is only payable on the interest income earned by the Group. The differences are explained below:

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Surplus before tax on ordinary activities	**656**	899	**191**	8
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014), 20% (2013)	**131**	180	**38**	2
Effects of:				
Non-taxable income	**(28)**	(55)	**(30)**	6
Current tax charge for the period	**103**	125	**8**	8

6. Surplus for the financial year

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Surplus for the financial year is stated after charging:				
Operating leases – land and buildings	**326**	248	**326**	248
Depreciation of tangible fixed assets	**107**	127	**107**	127

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Auditor's Remuneration				
Audit of these financial statements	**26**	26	**26**	26
Amounts receivable by auditors and their associates in respect of:				
- Audit of financial statements of subsidiaries pursuant to legislation	**13**	6	**-**	-
- Other assurance services	**24**	15	**24**	15

Notes to the accounts for the year ended 31 March 2014 (continued)

7. Employees

	Group 2014	Group 2013	**Company 2014**	Company 2013
The average number of staff and directors was:				
Banbury	**184**	185	**184**	185
Scotland	**67**	47	**67**	47
Wales	**16**	15	**16**	15
Northern Ireland	**3**	2	**3**	2
	270	249	**270**	249

Staff based in Banbury work on programmes for all funders

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Wages and salaries	**12,325**	10,977	**12,325**	10,977
Social security costs	**1,240**	1,150	**1,240**	1,150
Other pension costs	**1,142**	1,030	**1,142**	1,030
Other staff costs	**979**	954	**979**	954
	15,686	14,111	**15,686**	14,111

Included in other staff costs are £826,716 (2013: £822,056) of recruitment, training, relocation and temporary staff costs.

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

	2014	2013
Emoluments		
£0 - £9,999	**17**	14
£10,000 - £19,999	**24**	32
£20,000 - £29,999	**69**	52
£30,000 - £39,999	**93**	100
£40,000 - £49,999	**55**	45
£50,000 - £59,999	**15**	17
£60,000 - £69,999	**15**	12
£70,000 - £79,999	**-**	-
£80,000 - £89,999	**1**	-
£90,000 - £99,999	**1**	2
£100,000 - £109,999	**4**	4

Details of directors' emoluments are shown on pages 21 and 22.

8. Tangible fixed assets

	Fixtures and fittings £'000	**Office equipment £'000**	**Motor vehicles £'000**	**Projects £'000**	**Group total £'000**
Cost					
At 1 April 2013	383	995	27	189	1,594
Additions	-	152	-	-	152
Disposals	(67)	(12)	(15)	-	(94)
At 31 March 2014	**316**	**1,135**	**12**	**189**	**1.652**
Depreciation					
At 1 April 2013	378	849	23	189	1,439
Charge for the year	3	101	3	-	107
Eliminated on disposals	(67)	(12)	(15)	-	(94)
At 31 March 2014	**314**	**939**	**11**	**189**	**1,453**
Net book value					
At 31 March 2014	**2**	**197**	**1**	**-**	**200**
At 1 April 2013	5	146	4	-	155

	Fixtures and fittings £'000	Office equipment £'000	Motor vehicles £'000	Projects £'000	Company total £'000
Cost					
At 1 April 2013	383	995	27	189	1,594
Additions	-	152	-	-	152
Disposals	(67)	(114)	(15)	-	(196)
At 31 March 2014	**316**	**1,033**	**12**	**189**	**1,550**
Depreciation					
At 1 April 2013	378	849	23	189	1,439
Charge for the year	3	101	3	-	107
Eliminated on disposals	(67)	(64)	(15)	-	(146)
At 31 March 2014	**314**	**938**	**11**	**189**	**1,400**
Net book value					
At 31 March 2014	**2**	**147**	**1**	**-**	**150**
At 1 April 2013	5	146	4	-	155

9. Fixed asset investments

	Group £'000	Company – shares in subsidiary undertakings £
Cost		
At beginning and end of the year	**275**	**3**
Provisions		
At 1 April 2013	-	
Impairment	(275)	
At 31 March 2014	**(275)**	**-**
Net book value		
At 31 March 2014	**-**	**3**
At 1 April 2013	275	3

The Group fixed asset investment was a holding of 75 shares in Re Pet Limited by Accelerating Growth Fund Limited.
During the year Re Pet Ltd, went into administration.
The equity investment of £275,000 has been impaired.

Notes to the accounts for the year ended 31 March 2014 (continued)

The Waste & Resources Action Programme Limited has four subsidiaries designed to further its aims and objectives.

	% holding
Subsidiary undertakings and principal activity	
The Waste and Resources Environmental Body Limited Dormant Registered in England and Wales	**100**
Zero Waste Scotland Limited Helps individuals, businesses & communities reduce waste, recycle more & use resources sustainably Registered in Scotland	See below
Accelerating Growth Fund Limited Provision of funding for investments in the recycling and re-use sectors Registered in England and Wales	**100**
eQuip RVG Limited Provision of residual value guarantees in the recycling sector Registered in England and Wales	**100**

Zero Waste Scotland Limited does not have any share capital as it is limited by guarantee. Its controlling related party is Waste and Resources Action Programme Limited.

The net assets and net income for the year of these companies at 31 March 2014 amount to:

	Net assets (£'000)	Net income (£'000)
The Waste and Resources Environmental Body Limited (WREB)	**-**	**-**
Zero Waste Scotland Limited	-	-
Accelerating Growth Fund Limited	6,501	342
eQuip RVG Limited	1,971	28

The reserves and cash holding in all of these companies are being held for specific projects and are not distributable.

10. Debtors due after more than one year

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Other debtors	**3,070**	2,432	**-**	-
	3,070	2,432	**-**	-

11. Debtors due within one year

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Grants receivable	**751**	2,113	**751**	2,113
Amounts due from Group undertakings	**-**	-	**3,085**	-
Other debtors	**3,534**	3,779	**2,032**	2,921
Prepayments	**38**	60	**27**	60
	4,323	5,952	**5,895**	5,094

12. Short term investments

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Bank deposits	**32,496**	17,833	**3,047**	3,000

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

13. Creditors: Amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Corporation tax payable	**103**	125	**8**	8
Other taxes and social security	**648**	547	**648**	547
Amounts due to Group undertakings	**-**	-	**20**	31
Other creditors	**8,343**	9,938	**8,337**	9,843
Accruals and deferred income	**10,159**	13,249	**8,988**	13,243
	19,253	23,859	**18,001**	23,672

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

	Group 2014 £'000	**Company 2014 £'000**	Group and Company 2013 £'000
Capital grants			
Brought forward	**155**	**155**	216
Received during the year	**152**	**152**	68
Released to income and expenditure for the year	**(107)**	**(157)**	(129)
	200	**150**	155

15. Provision for liabilities and charges

	WRAP £'000	eQuip £'000	AGF £'000	ZWS £'000	Total £'000
At 1 April 2013	1,041	718	28,616	-	30,375
Additions	306	-	-	262	568
Utilised	-	-	(863)	-	(863)
Released	(355)	(4)	-	-	(359)
At 31 March 2014	**992**	**714**	**27,753**	**262**	**29,721**

The provisions in WRAP and ZWS represent the directors' best estimates of the future costs of liabilities relating to operational activities including dilapidations on the rented properties and the cost of monitoring the performance of capital and other grant schemes after completion. Refer to Note 16 for indications of expected timing of expiry of property leases.

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

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

16. Group residual interest

	Designated funds £'000
Group residual interest	
At 1 April 2013	8,102
Surplus for the financial year	553
At 31 March 2014	**8,655**

	Designated funds £'000
Company residual interest	
At 1 April 2013	-
Surplus for the financial year	183
At 31 March 2014	**183**

Residual interest is the amount found by deducting all of the entity's liabilities from all of the entity's assets.

Notes to the accounts for the year ended 31 March 2014 (continued)

17. Financial commitments

The Company had conditional commitments of £18,082,423 at 31 March 2014 (2013: £23,595,293) in respect of project funding expected to be provided during the year to 31 March 2015. These commitments will be funded by Government grants.

	Land and buildings £'000	**Other £'000**	**2014 Total £'000**	Land and buildings £'000	Other £'000	2013 Total £'000
Annual lease commitments						
Expiring within 1 year	**-**	**-**	**-**	181	-	181
Expiring between 2 - 5 years	**267**	**-**	**267**	77	-	77
Expiring after 5 years	**-**	**-**	**-**	-	-	-
	267	**-**	**267**	258	-	258

18. Related party transactions

The Company has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions or balances with entities which are wholly-owned within the group.

The Company had transactions in the normal course of business with organisations in which WRAP directors had an interest as detailed below:

Director	**Organisation**	**Total value**	**Amount outstanding as at 31 March**
Clare Whelan	**London Borough of Lambeth**	**£3,858**	**£3,858**
David Palmer Jones	**Environmental Services Association**	**£478**	**£0**

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