


wrap

2021-22

**ANNUAL REPORT
& CONSOLIDATED
ACCOUNTS**



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Annual Report and Consolidated Accounts for the year ended 31 March 2022

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
Sophie Thomas
Sue Corbett
Marc Stephens
Jim Oatridge
Sachin Kapila
Sarah Chapman
Michaelene Kinnersley

Executive Committee

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

Marcus Gover	Chief Executive
Claire Shrewsbury	Insights and Innovation Director
Richard Swannell	International Development Director
Paul Suller	Commercial, Finance, and Operations Director
Angela Pulley	HR Director
Tom Lewis-Reynier	Strategic Engagement Director
Catherine David	Collaboration and Change Director (in post from January 2022)
David Moon	Interim Collaboration and Change Director (in post from August 2021 to December 2021)

Our advisers

External auditor	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL	Bankers	Lloyds Bank PLC Faryners House 25 Monument Street London EC3R 8BQ
Legal advisers	Bristows LLP 100 Victoria Embankment London EC4Y 0DH	Investment managers	Rathbone Greenbank Investments 8 Finsbury Circus London EC2M 7AZ
Legal advisers	Bates Wells 10 Queen Street Place London EC4R 1BE	Investment managers	Royal London Asset Management 55 Gracechurch Street London EC3V 0RL
Legal advisers	Dale Levy & Co LLP 8 Holyrood Street London SE1 2EL		
Internal auditor	Haysmacintyre 10 Queen Street Place London EC4R 1AG		
Bankers	Barclays Bank PLC 25 High Street Coventry CV1 5RE		

Statement from the Chair of Trustees and the Chief Executive

This has been a year of considerable progress and achievement for WRAP on many fronts, despite the challenging environment.

As we write, a pandemic is being followed by a war. The net zero narrative that had been gaining such extraordinary political and public support is under attack from some quarters in the face of rising energy bills and increases in the cost of living. There may well be further fallout from the pandemic.

Against this backdrop, our teams continue to step up to the challenges. We are proud of the presence and influence we were able to have at COP26 and the convening we achieved beforehand; the ground-breaking report on global food waste produced in collaboration with the United Nations (UN); our success in further illuminating the greenhouse gas (GHG) impacts of the food supply chain; and the unprecedented buy-in to our Textiles 2030 targets from across the sector. There is solid progress towards our Plastics Pact targets, including action on a greater number of unnecessary and problematic plastic products. We have also greatly enhanced our behaviour change expertise through the acquisition of Behaviour Change Ltd, which has become the latest WRAP subsidiary, and established an office in Australia as part of our growing international presence. We have provided thought leadership as well as delivery on the ground.

The environmental agenda has accelerated over the last two years, but we must strive to maintain impetus. It is imperative that those of us with climate action at our core can counter the net zero sceptics with numbers and narratives, making clear that low-

carbon lives are better lives. WRAP's entire agenda on resource efficiency and security, accelerating a circular economy, and driving out waste are key contributions to keeping 1.5°C alive. We have been pivotal in getting recognition for the role of these 'consumption' emissions.

A large proportion of WRAP's work concerns the resilience of the food system and the sustainability of supply chains. If there is disruption caused by the war in Ukraine, our work to prevent food waste and ensure the ever greater redistribution of surplus food will be of even greater importance in alleviating food insecurity.

Our brand is visible in ever more places, and we have sought stakeholder feedback on where we can improve our presence and our operations. In 2021 our commitment to equality, diversity and inclusion (ED&I) was recognised when we became an accredited Investor in Diversity as awarded by the National Centre for Diversity, and we are very proud to have been recognised by them as the best small-to-medium business at their June 2022 FREDIE awards. The more we learn, the more we realise how much further we need to go, so our aspirations and efforts on ED&I are committed and continual.

We look to the future, whatever it holds, with a firm but flexible plan and new energy.

Julie Hill
Chair

Marcus Gover
Chief Executive

Trustees Report including Strategic Report

Introduction to WRAP

[WRAP](#) acts on the climate crisis by bringing governments, businesses and citizens around the world together to transform the way goods are produced, consumed and disposed of.

We believe that by doing this we can build a thriving world in which our planet's precious resources are never wasted, and where climate change is no longer a problem.

We focus on the areas of production and consumption which have the biggest environmental impacts.

These are:

- food and drink;
- plastic packaging;
- textiles; and
- resource management.

By making these more sustainable, we can also help to drive progress on the UN Sustainable Development Goals (SDGs) on poverty and hunger, sustainable cities, responsible consumption and production, climate action, life below water and on land, and partnerships for the goals.

Our strategic ambitions

[Our Plan for a Sustainable Planet](#) sets out how we will move towards WRAP's vision for a thriving world in which climate change is no longer a problem. The plan continues to support our growth in the UK and internationally.

Our ambitions by 2025 are to:

- Build the resilience of global food systems, while reducing GHG emissions towards net zero. We will work to ensure the UK continues on a trajectory to halve food waste by 2030. We will support partners around the world to halve food waste and reduce GHGs.
- Align The UK Plastics Pact with net zero and water conservation. We will work to develop and support Plastics Pacts around the world and continue to bolster the network of Pacts that together are rapidly tackling plastic pollution.
- Confront the contribution the global clothing and textiles industry makes to climate change through forging ambitious voluntary agreements and supporting new policies to drive a shift to a circular textiles economy.
- Support the transition to net zero through resource efficiency and a more circular economy in the UK and internationally. We will work to increase the amount of material that is re-used or

recycled back into the world economy.

The impact of world-wide events

2021 was marked by continuing periods of COVID-19 lockdown restrictions. This impacted on WRAP's operations and was a challenging period for employees as they adapted to remote working.

We overcame these challenges to deliver a comprehensive programme of work which delivered demonstrable impact. This included the launch of two new voluntary agreements in the UK – Textiles 2030 and Courtauld 2030 – as well as the nation's inaugural Food Waste Action Week. Globally, we continued to grow in new directions, including the development of Plastics Pacts in Kenya and India, and a new programme in Australia. To boost our capabilities working with citizens, we were proud to have [Behaviour Change](#) come on board as a WRAP subsidiary.

We welcomed the easing of restrictions which enabled us to come together again with partners and as colleagues. Our offices re-opened, and staff were encouraged to return, while adhering to COVID-19 safe working practices. After consulting with colleagues, we committed to a 'hybrid' working model – a balance of home-working and in-office collaboration. This flexible approach has been valued by employees.

The COVID-19 pandemic has pushed more people into food insecurity and poverty. This is exacerbated by the devastating war in Ukraine. As well as the immediate human cost for civilians caught up in the conflict, the ripple effects are being felt across the world with higher fuel and food prices. The long-term impact of these events on global supply chains is unclear, but an increase in fuel and food poverty seems inevitable. This makes our work in reducing food loss and waste as relevant as ever.

Our impact this year

Food and drink

Food production and consumption are responsible for around 30% of global carbon emissions, and 60 – 80% of biodiversity loss through the destruction of natural habitats.

In 2021/22, we set out to:

- help the food and drink sector measure and increase contributions to net zero, enabling businesses to report and reduce their food waste. This included reducing water stress in the major sourcing regions for UK food;
- engage more citizens in food waste reduction around the world;

- increase surplus food redistribution;
- continue to develop and implement international food waste reduction policies; and
- support worldwide partners in delivering programmes and citizen behaviour change campaigns to reduce food waste and GHG emissions.

To achieve the required impacts, we undertook a number of crucial activities, including extending the Courtauld Commitment to [Courtauld Commitment 2030](#) (Courtauld 2030). This is a voluntary agreement that enables collaborative action across the entire UK food chain to deliver farm-to-fork reductions in food waste, GHG emissions, and water stress that will help the UK food and drink sector achieve global environmental goals.

Our standout moments under Courtauld 2030 included:

- Our food experts helping to shape one of the core [National Food Strategy](#) recommendations – the development of a National Food System data programme. Our Courtauld 2030 working groups will help to ensure it is fit for purpose.
- Launching '[A roadmap towards water security for food & drink supply](#)' with 50 supporters, in partnership with the Rivers Trust and WWF. The roadmap sets out the milestones needed to achieve the Courtauld 2030 water target of 50% of the UK's fresh food being sourced from areas with sustainable water management.
- Announcing that more than 100 food and drink organisations will help develop a [unified system for measuring Scope 3 \(supply chain\) GHG emissions](#) across the sector. A first version of the 'Scope 3 Measurement & Reporting Protocols for UK Food and Drink Businesses' and supporting 'Emission Factor Datasheet' was published in May 2022.
- Our '[Food Waste Reduction Roadmap Progress Report 2021](#)' – delivered in partnership with IGD (Institute of Grocery Distribution) – highlighted progress made in the third year of the roadmap: 250,000 tonnes of food waste were prevented, 670,000 tonnes of GHG emissions were avoided, and surplus food equivalent to 145 million meals was redistributed.

We played a central supporting role with farmers as they developed a new Global Farm Metric which will allow them to measure their sustainability performance. Some of our insights on food loss and waste on farms include:

- Working with WWF on their new report with Tesco – '[Driven to waste: The Global Impact of Food Loss and Waste on Farms](#)' – indicating that

1.2 billion tonnes of food are wasted on farms.

- Releasing our '[Financial implications for farm enterprises of reducing food surplus and waste](#)' report, which revealed a potential 20% profit increase for UK farm enterprises if food surplus and waste is reduced.

Each year, UK households waste an estimated 6.6 million tonnes of food, of which nearly two-thirds is edible. We work with partners to amplify our messages and change behaviours through in-store interventions, in the home, and on packaging. Our behaviour change work has received many accolades including winning a silver [ESG Award](#) 2021 for our Food Waste Action Week 2021 campaign, which was also shortlisted for a Purpose Award 2021. The campaign is a week of action dedicated to raising awareness of the environmental consequences of wasting food.

Throughout the pandemic, we have been monitoring citizen food waste trends. Our [latest survey](#) revealed that self-reported food waste is back in line with pre-lockdown levels, as more UK citizens now report feeling under time pressure in their day-to-day lives (45% in November 2021 compared to 37% in June 2020). The research also found a correlation between those who use their freezers efficiently (i.e. the regular freezing and defrosting of food) and those who waste less food. Given the insights, our programme of behaviour change interventions will look at motivations to help overcome barriers causing food waste.

In addition, [Food Waste Action Week 2022](#) focused on advice and guidance around defrosting, alongside labelling products prior to storage. For the first time, the week was celebrated globally in 12 countries. In the UK, the campaign was seen or heard of by over 9.6 million people, and 58% of these said that they went on to do something different about the food they waste. This equates to 5.6 million people taking action.

Along with our ambassadors, our work within the hospitality and food service industry continues as we support this sector in developing food waste reduction skills to protect profits and the planet. There are still challenges for this sector with the closing / re-opening of venues and securing both staff and food. Our work in this area included:

- Launching a Guardians of Grub '[Becoming a Champion](#)' online behaviour change course where 'champions' receive certificates and progress reports highlighting financial and carbon savings. This follows a pilot that we ran from September 2020 to April 2021, which reported a 23% to 38% reduction in food waste (grams per cover) over a four-to-eight-week period.

- We also delivered:
 - a [‘Cost Saving Skills’ course](#) to align with climate change benefits; and
 - partner webinars to share insights, policy, and action: [‘Serving Net Zero’](#), [‘Plate Waste’](#), and [‘Skills for the Future’](#).

COP26, Glasgow

Our NGO observer status at COP26 provided us with an excellent platform to champion our message that we cannot reach net zero if we do not address the 45% of global GHG emissions which are caused by the way we make and consume products. This means fixing the unsustainable global food system and shifting to a circular economy.

In the run-up to COP26, we hosted a series of four thought leadership events setting out the benefits of a net zero global food system:

- The first tackled surplus food redistribution with The Global FoodBanking Network and the Harvard Law School Food Law and Policy Clinic. We [identified key solutions](#) to prevent food waste and reduce hunger.
- The second was an [official side event to the UN Food Systems Summit Pre-summit](#). Hosted with Partnering for Green Growth and the Global Goals 2030 (P4G), we brought together retailers and brands to discuss the role that businesses can play in creating a net zero global food system.
- The third – our [‘Hidden Hero’ event](#) – explored how to achieve a net zero food system, looking at the benefits from across the entire food supply chain.
- Our final event addressed the lack of [finance targeting food waste prevention](#), and featured insights from financial institutions such as the World Bank and Rabobank.

To coincide with the events, we released major new research into [UK Food System GHG Emissions](#). This showed that a 50% reduction in food-related emissions by 2030 is possible, but only if we take urgent action.

On the global stage, our work also included:

- Launching the [Australian Food Pact](#) in October 2021. As a founding partner, we helped to develop the initiative – based on our tried-and-tested Courtauld Commitment model – which featured major signatories such as Mars Australia, McCain Foods, and Woolworths Group.
- Our coalition of [‘FLAWLESS’ project](#) partners, funded by P4G, establishing a third food waste

reduction voluntary agreement. Launched in Indonesia, it follows last year’s launches in Mexico and South Africa. With over 50 members across the three agreements, we aim to redistribute at least 15,000 tonnes of food by May 2022.

- Collaborating with the UN Environment Programme (UNEP) to launch Global Opportunities for Sustainable Development Goals food waste regional working groups, as a follow-on from the UNEP Food Waste Index Report 2021. In 2021/22, we delivered 23 workshops (with nine more in 2022/23) across four regions, building capacity for measurement and momentum for delivering UN SDG 12.3. Delegates from nearly 30 countries have been learning how they can measure food waste in line with this goal and develop a national strategy to reduce it.
- Expanding our citizen behaviour change work to Canada, by partnering with the National Zero Waste Council. This £560,000 Walmart Foundation-funded project is developing interventions to encourage people to correctly store fresh fruit and vegetables. We will pilot these during 2022/23.

Plastic packaging

The production, use, and disposal of plastic generates about 1.8 billion tonnes of CO₂e emissions annually. The world produces 141 million tonnes of plastic packaging a year, but around a third of all plastic packaging put on the global market leaks from collection systems, polluting the environment. At least eight million tonnes of plastic leaks into the ocean each year. Taking action will improve our environment, conserve our precious natural resources, and help make the world a more sustainable place.

In 2021/22, we set out to:

- further tackle plastic pollution through The UK Plastics Pact, agreeing action plans with members, convening collaborative actions, sharing good practice, and finding innovative solutions for film and flexible packaging recycling;
- continue to provide balanced messaging about the impact of plastics through our ‘Clear on Plastics’ campaign; and
- develop further Plastics Pacts and plastic reduction policies internationally.

As [The UK Plastics Pact](#) entered its fourth year, members accounted for two-thirds of all consumer packaging used in the UK. Our standout moments under the Pact included:

- Publishing '[The UK Plastics Pact Annual Report 2020 – 2021](#)', demonstrating significant member progress towards each of the Pact targets. Between 2018 and 2020, single-use plastic items reduced by 46%, the amount of packaging on supermarket shelves decreased by 10%, and recycled content doubled, saving 140,000 tonnes of CO₂e. There has also been positive change by businesses on re-use and refill, and the recycling of plastic bags and wrapping, along with investment in recycling and reprocessing infrastructure. However, it is these areas where we need to see change accelerated if we are to hit our targets.
- Releasing [new guidance](#) calling on retailers to collect plastic bags and wrapping via front of store collection points. It outlines best practice for introducing and refining collections. Alongside it, we published an update to our [roadmap to creating a circular economy for flexible plastic packaging](#).
- Forging a unique partnership with Asda and Unilever to help people adopt re-use and refill as part of their weekly shop. Co-funded by Innovate UK, it is hoped that this [world-leading research](#), using behaviour change science, will pave the way for mainstream re-use and refill shopping in UK supermarkets.
- Publishing [ground-breaking new research](#) investigating the opportunities to reduce household food waste and unnecessary single-use plastic packaging on uncut fresh fruit and vegetables. We called on the UK's major retailers to rethink how they sell this produce. The project has widespread implications for our work under both Courtauld 2030 and The UK Plastics Pact.

WRAP's [Plastics Tracker Report 2021](#), funded by UKRI, revealed that plastic waste is an important issue to 67% of UK citizens, but changing shopping habits can be challenging. We continue to engage people with clear information on plastic packaging through our Clear on Plastics campaign. This year, we:

- Launched '[Repeat the Cycle](#)', driving people to recycle plastic bags and wrapping at supermarket collection points. More than 4,000 locations were added to our [Recycling Locator](#), which saw a 500% increase in searches for plastic bags and wrapping in 2021/22 compared to 2020/21. Collecting this material is key to meeting our UK Plastics Pact targets.
- Delivered a series of social media videos with Queen's University Belfast, highlighting why recycling is beneficial, with a focus on how it positively impacts the Northern Ireland economy.

WRAP plays a pivotal role in tackling plastic pollution internationally, galvanising global action. As a result of our work – alongside our partners – there is now a Plastics Pact in every populated continent on the planet. Our notable work in this area included:

- Partnering with World Economic Forum's (WEF) Global Plastic Action Partnership to tackle the global issue of plastic waste. By actively supporting delivery of the network of Plastics Pacts and National Plastic Action Partnerships, we are combining knowledge, experience, and resources.
- Working with WEF, Algramo, P4G, and WWF on '[Refill Revolution](#)'. This project aims to address plastic waste in Mexico using smart packaging that tracks the plastic lifecycle, and an in-store platform to refill household products.
- Announcing our formal role as a strategic partner collaborating with Alliance to End Plastic Waste. The partnership aims to reduce plastic waste through knowledge and data-sharing, and to jointly fund interventions in priority areas including Africa, India, and Latin America.
- Supporting the development of the Plastics Sustainability Roadmap 2021 – 2030 in Malaysia, outlining their national targets to reduce plastic pollution. It marks another big step towards reducing the global impact of plastics.
- Completing our first annual reporting on European Plastics Pact members' progress towards the targets. A summary report will be published in quarter one. Pact funding in 2021 was limited, which resulted in scaled back operations. For 2022, we aim to establish a more stable funding arrangement with business and government contributions and recruit new Pact signatories.
- Supporting the Australian Packaging Covenant Organisation in launching the [ANZPAC Plastics Pact](#), with more than 60 members. The Pact brings together Australia, New Zealand, and Pacific Islands region under a series of ambitious 2025 targets to eliminate plastic waste.
- Working with The Recycling Partnership and WWF US, we supported the development of the '[U.S. Plastics Pact Roadmap to 2025](#)'. Our support continued with the development of the '[U.S. Plastics Pact's Problematic and Unnecessary Materials List](#)', which accelerates progress towards a circular economy for plastic packaging in the United States.
- Launching the first Plastics Pact in Asia – the [India Plastics Pact](#) – with major signatories, such as Amazon, Coca Cola India, and Hindustan

Unilever Limited, committed to four ambitious targets. As a strategic partner, WRAP worked with WWF India, Confederation of Indian Industry, and UKRI to set up and launch the Pact; a collaboration that will continue as the pioneering work progresses in the region.

- Working with Defra, MAVA Foundation, Ellen MacArthur Foundation, and Sustainable Inclusive Business to develop the [Kenya Plastics Pact](#). It is the second Plastics Pact in Africa and includes members such as Bidco, Coca-Cola, and L'Oreal, all working towards ambitious 2030 targets. The first Pact in Africa – the [South African Plastics Pact](#) – launched its 'Baseline Report 2020/21', outlining progress and priorities.
- Supporting the development of the Canada Plastics Pact's ambitious action plan – '[Roadmap to 2025: A shared action plan to build a circular economy for plastics packaging](#)' – released by over 70 leading organisations and governments to eliminate plastic waste.
- Conducting a [feasibility study](#) for the Swedish Environmental Protection Agency, which explored how 'Green Nudges' can support policy to reduce the use of single-use coffee cups across Sweden.
- Tackling plastic pollution in Asia, South America, and Africa by launching the £1.7 million [International Circular Plastics Flagship Competition](#). The Innovate UK funding supported innovative solutions to plastic pollution in India, Chile, South Africa, and Kenya.

Textiles

The global fashion industry produced around four billion tonnes of GHG emissions in 2016, equating to 8% of the total. In addition, the number of times each item of clothing is worn before being discarded is significantly reducing over time.

In 2021/22, we set out to:

- publish the results of our [Sustainable Clothing Action Plan 2020](#) (SCAP 2020);
- launch a new voluntary agreement – Textiles 2030 – with a focus on carbon, water, and circular textiles targets, and enabling a wide range of textiles businesses to measure their own progress;
- pilot our Textiles Action Network;
- catalyse investment in innovative and new business models for clothing, and provide robust evidence for new policies to tackle unwanted textiles;
- continue to deliver Love Your Clothes campaigns and behaviour change interventions.

To achieve the required impacts, we undertook a number of crucial activities. Our standout projects include:

- Launching a ground-breaking UK initiative for fashion and textiles, [Textiles 2030](#). Signatories have committed to collectively reducing the carbon impacts of new products by 50%, and water impacts by 30%, by 2030. To support this, we published the '[Textiles 2030 Roadmap](#)' and '[Textiles 2030 Circularity Pathway](#)'. Textiles 2030 has already won a [gold Corporate Engagement Award 2021](#), recognising our innovative collaboration with the UK textiles sector, and the delivery support provided by Flourish CSR and QSA Partners.
- Celebrating our work in the textiles sector during our first ever [Textiles Action Week](#), which marked the publication of our '[Textiles 2030: Six Month Progress Report](#)'. Within just ten months from launch, we reached 100 signatories.
- Developing the Textiles 2030 Calculator Tool to enable all businesses to establish a baseline and track their progress against our carbon and water footprint. Our year-one Textiles 2030 benchmarking questionnaire for signatories revealed that 80% of respondents have already implemented at least one circular design action in their business.
- Publishing the [final SCAP 2020 results](#), which showed that we exceeded our carbon and water targets, and significantly improved the use of sustainable fibres in clothing by 102,000 tonnes in 2020 (compared to the 2012 baseline).
- Launching our Love Your Clothes Leeds-based '[Habits for Life](#)' pilot project, funded by The Garfield Weston Foundation and supported by several donations from The Tomoro Foundation. The project was impacted by COVID-19 travel restrictions, social distancing, and partner closures, but will run until October 2022 to teach the local community how to make the most of their clothes via a series of workshops.
- Launching the [Textiles Action Network](#) to bring together businesses, governments, and citizens across the globe to transform the landscape of the industry. Details of [our first international pilot](#), with its first year funded by Laudes Foundation, are being finalised.
- Supporting the UK government in developing Extended Producer Responsibility (EPR) policy, establishing collaborative spaces between businesses, signatories, and government. In recognition of our expertise in this area, we secured a contract to work with the Australian Fashion Council, supporting the [National Clothing Product Stewardship Scheme](#), which aims to

improve the design, recovery, re-use, and recycling of textiles.

Resource management

There is [a need for continued activity](#) to deliver government ambitions on recycling and minimising residual waste.

In 2021/22, we set out to:

- continue policy and technical support to national and local governments including the implementation of collection and packaging reforms;
- encourage more of England's local authorities to adopt consistent waste and recycling services;
- continue to deliver service changes for Welsh local authorities;
- provide support and insights required to implement EPR, payment modelling, and single-use plastics legislation in Northern Ireland;
- continue to deliver citizen behaviour change campaigns across the UK; and
- support higher rates of recycling and a more circular economy through household collections, and more business recycling, and encourage products to be designed to be recyclable or suitable for re-use.

To achieve the required impacts, we undertook a number of crucial activities. Below are examples of our regional resource management work.

England

Working with Defra, our work in England included:

- Supporting government in understanding the costs and benefits of consistent collections and [EPR](#) for packaging, informing government consultation and commitments on recycling in the Net Zero Strategy, autumn 2021 budget and Environment Act 2021.
- Updating [guidance](#) to help local authorities to manage the quality of recyclable materials collected at the kerbside. It aims to address the long-standing issue of approximately 16% of what is processed at Materials Recovery Facilities being rejected.
- Delivering our 18th annual [Recycle Week](#), with funding from 14 major commercial donors, urging the nation to 'Step It Up' through Recycle Now. For the first time, we enlisted two celebrity ambassadors to support the week – JJ Chalmers and Sara Cox.
- Publishing our [Recycling Tracker Survey](#), which revealed that while 88% of UK households regularly recycle, 55% put one or more recyclable items in the general rubbish.

- Launching our '[On-pack Labelling and Citizen Recycling Behaviour](#)' report, which examined the impact of 'nudging' citizens towards greater recycling via on-pack messaging. In a trial with Boots and Unilever, we found that a simple prompt on shampoo bottles drove the recycling rate up from 86% to 91%.
- Running two Recycle Now [Action Pack](#) campaigns designed to engage Key Stage 1 and 2 pupils in recycling. We subsequently launched an 'Action Pack Recycling Challenge', asking 4 – 11-year-olds to create a poster or film to encourage others to recycle. It generated over 700 entries.
- Providing technical advice to the 14 councils in Hampshire, to enable an 'optimal collection option' to be agreed. With our support, Portsmouth City Council approved plans to implement a [twin stream collection system](#) to meet the requirements of the Environment Bill.
- Completing our 2019 – 2022 delivery of grants under the £18 million Resource Action Fund, with project monitoring ongoing for the next three years. A total of £12.5 million was awarded to 398 organisations, with an additional £6.1 million in match-funding being demonstrated by grant recipients. Projects will divert up to 150,000 tonnes of waste from landfill, including food, plastic packaging, textiles, litter, and business waste recycling. Projects have, however, suffered some delays due to the pandemic, Brexit, and supply chain issues.

Northern Ireland

Working with the Department of Agriculture, Environment and Rural Affairs (DAERA), our work in Northern Ireland included:

- Continuing to support the development of successful waste and recycling policies, including a [report summarising the responses](#) to a 2020 consultation, which sought views on policy proposals designed to increase the quality and quantity of municipal waste collected for recycling.
- Supporting a regulatory impact assessment on policies designed to reduce the use of single-use plastic beverage cups and single-use plastic food containers.
- Working with Queen's University Belfast to [estimate flows of plastic waste](#) in Northern Ireland.
- Running a 'Better Recycling Campaign' – with all 11 councils participating – to encourage citizens to improve their recycling behaviours. Our

Recycling Tracker Survey showed that 64% of citizens said that they changed their recycling behaviour because of the campaign.

Wales

Working with the Welsh Government, our work in Wales included:

- Providing [strategic support](#) to help 15 out of 44 Welsh public sector bodies to embed sustainability into their procurement strategies and activities, positively influencing over £1.2 billion of public sector expenditure.
- Partnering with Conwy County Borough Council, Polytag, and Welsh Government to run a trial to better understand the implications of implementing and operating a [Digital Deposit Return Scheme](#).
- Completing our 2019 – 2022 delivery of grants under the £6.5 million [Circular Economy Fund](#), with project monitoring ongoing for a further three years. We awarded more than £4 million to 21 organisations, with the total investment – including match-funding – at over £11.9 million. Business hesitancy to invest during the current economic climate, along with the requirement to complete projects within the financial year, impacted on the number of applications, and some successful applicants withdrew.
- Working with over 20 organisations to deliver four [supply chain projects](#) to demonstrate how barriers to increasing recycle in manufacturing can be overcome.
- Delivering two ‘[Be Mighty. Recycle.](#)’ campaigns through Wales Recycles, to help push Wales from third to the best recycling nation in the world. The campaigns also celebrated collection crews. Due to ministerial changes, quarter four campaign expenditure was paused. Existing assets were then re-purposed.

Future plans for our focus areas

We are pleased to have successfully delivered against our 2021/22 plans for each of our focus areas, and in 2022/23, we will be prioritising the following activity.

Food and drink

We will help the food and drink sector to measure their Scope 3 GHG emissions and increase contributions to net zero. By supporting large food businesses and their suppliers we will enable them to report and reduce their food waste. We will expand collaborative projects to reduce water stress in the major sourcing regions for UK food. We will provide a clear delivery plan for the Courtauld Commitment to 2030.

We will realign our food waste efforts in and out of the home to target food items and behaviours that deliver the greatest climate outcome. There will be a particular focus on mobilising the hospitality and food service sector to act on food waste.

Working with the EU, G20, and Commonwealth countries, we will continue to develop and implement food waste reduction policies. By supporting partners around the world, we will help them to deliver programmes and citizen behaviour change campaigns to reduce food waste and GHG emissions. This will ensure that the UK remains on its trajectory to halve food waste by 2030 in line with UN SDG 12.3, and that more countries are on a similar path. We will look to develop more work in the Asia-Pacific region as we open a new office in Australia.

Plastic packaging

The UK Plastics Pact will continue to drive our work in tackling plastic pollution. We are working with Pact members to reach the targets, and to find innovative recycling solutions for film and flexible packaging. We will develop our strategy towards 2030 and bring new businesses on board.

We will reduce the amount of plastic used in the UK by supporting businesses and shoppers to buy and sell with less plastic packaging. We will re-double our efforts with businesses and local authorities to enable people to recycle more of the plastics they use, with a focus on film.

We will continue to promote the benefits of recycling to citizens, and to work with partners to amplify our efforts and impact with the public.

We will continue to extend the global network of Plastics Pacts, bringing the model and shared learnings to new markets. Our work with partners will continue to develop further Pacts and plastic reduction policies within the EU, G20, and Commonwealth countries.

Textiles

Textiles 2030 will champion circularity and seek to halve the climate change impact of clothing and textiles. We will drive progress on Textiles 2030 targets in the UK by supporting signatories and increasing business participation in the agreement.

We will look to catalyse investment in innovative and new business models for clothing and provide robust evidence for new policies to tackle unwanted textiles.

The Love Your Clothes brand and its campaigns and behaviour change interventions remain ongoing, and we will explore an international licensing opportunity for Love Your Clothes.

We will expand the Textiles Action Network internationally, with a focus on the Danish voluntary agreement and establishing a product stewardship scheme in Australia.

Resource management

We remain committed to providing policy and technical support to national and local governments, and the implementation of collection and packaging reforms. We will encourage additional English local authorities to adopt more consistent waste and recycling services while also using our evidence-based social norming messages in communications.

For Welsh local authorities, we will continue to support them with service changes and meeting their recycling targets. We will also continue our policy support by providing Welsh Government with evidence required to inform new recycling targets and update the Collections Blueprint. This includes delivery of the All Wales Waste Compositional Analysis and Food Compositional Analysis. Our plans in Northern Ireland are to provide support and insights required to implement EPR, payment modelling, and Single Use Plastics legislation support.

We will support higher rates of recycling and a more circular economy through household collections, and more business recycling. We will encourage products to be designed to be recyclable or suitable for re-use, and drive demand for low carbon, circular products and services by providing support for sustainable public procurement.

Citizen behaviour change campaigns across the UK will remain a focus. We want to inspire citizens to do more for the environment and promote positive recycling behaviours. We want to ensure the link to climate action is clear for citizens.

Our work with partners around the world will continue as we embed policies and practices that drive a more circular economy, particularly with a focus on the Asia-Pacific region.

Structure, Governance and Management

We were set up as The Waste and Resources Action Programme (WRAP), a charitable company limited by guarantee, incorporated on 11 December 2000, and registered as a charity in England and Wales on 5 December 2014.

We were established under a memorandum of association which set out 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.

The objects are:

The protection and preservation of the environment for the public benefit, in particular but without limitation by:

- 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 resource use' is intended to enable society to meet the needs of the current population without compromising the ability of future generations to meet their needs.

In reviewing our charitable objects 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.

For the public benefit

Human life on Earth is facing unprecedented global challenges. Our world is experiencing:

- a rapid rise in GHG emissions leading to **global warming**;
- the unsustainable **depletion of natural resources**;
- ecosystem destruction and **biodiversity loss** that is between 1,000 and 10,000 times higher than the natural background extinction rate; and
- **pollution** of the planet to dangerous levels, including by plastic, nitrogen, and phosphorus.

This is leading to significant and irreversible changes to the Earth's environment. This not only threatens our ability to sustain the current human population, but also to provide for the estimated additional 2.5 billion people who will be with us by 2050.

WRAP's greatest potential to bring benefits to humanity and the environment is through effective deployment of our skills, track record, networks, and resources, by focusing on:

- food and drink;
- plastic packaging;
- textiles; and
- the sustainable management of resources.

Working in these areas will enable us to deliver against the UN SDGs on poverty and hunger, sustainable cities, responsible consumption and production, climate action, life below water and on land, and partnerships for the goals.

Equality, diversity and inclusion (ED&I) statement

To bring about a diverse and sustainable world, we need to be a diverse and sustainable organisation.

This year WRAP has continued to follow its ED&I [strategy](#) embedding it into our approach to hybrid working, changing our recruitment processes, building ED&I outcomes into our project work and continuing to upskill our leaders in good practice.

Since our last report the percentage of WRAP employees who identify as non-white has increased from 3% to 9%. We still have a long way to go but we are encouraged by the changes we already see.

We are an anti-racism organisation working to remove racism in any form, overt, micro-aggression or unconscious bias. This is not only so we can support the work we do and recruit a more diverse workforce, but also so that employees feel that they can work in an environment without fear of behaviour that causes offence or upset, based on their skin colour.

A priority for us in the next year is WRAP's Disability Confident journey. We are committed to making a difference for disabled people and have signed up to the first level of recognition Disability Confident. Our goal is to improve our recruitment and opportunities for disabled candidates and be recognised as a Disability Confident Employer in 2023.

We have set high expectations of the behaviours and the standards we will hold ourselves to as we continue to create a workplace that represents the communities we serve and where all our people feel they belong as their authentic selves.

The more we learn the more we understand what we don't know. We continue to work on being comfortable with the uncomfortable and recognise the need to think and act differently. This is a journey; and we know we can continue to be better.

We are proud that December 2021 saw our commitment to ED&I recognised when we became an accredited Investor in Diversity as awarded by the National Centre for Diversity.

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 eight independent non-executive directors.

The Board is responsible for:

- determining the strategy;
- approving the business plan;
- approving the budget;
- monitoring the charity's performance;
- ensuring WRAP achieves and maintains its EDI objectives;
- monitoring the business risks; and
- the health and safety issues of the charity.

The Board met six times during the year to 31 March 2022.

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 we are reviewing our practice against the Code's requirements as part of our on-going work to build and strengthen our governance arrangements.

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.

Nominations and Remuneration Committee

In view of the size of the company, it is considered appropriate to combine the roles of the Nominations Committee and Remuneration Committee. The Committee comprises three non-executive directors, currently Sophie Thomas, Sue Corbett and Robert Longley-Cook (Chair). Jim Oatridge resigned from the Committee in September 2021 and Sophie Thomas was appointed to the Committee in September 2021. The Committee met four times during the year to 31 March 2022. The Chair, Julie Hill, is not a member of the committee but attended four meetings during the year. The Chief Executive, Marcus Gover, and HR Director, Angela Pulley, both attended four meetings during the year. 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;
- review the remuneration of the executive directors; and
- review equality, diversity and inclusion progress and strategy.

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, sex, sexual orientation, gender reassignment, marital status, 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.

Remuneration

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 Trustees' remuneration, expenses and related party transactions are disclosed in notes 10 and 12 to the accounts.

Audit and Risk Committee

The Audit and Risk Committee comprises four Trustees, namely Jim Oatridge (Chair), Marc Stephens, Michaelene Kinnersley, and Sarah Chapman. Sophie Thomas resigned from the Committee in September 2021 and Sarah Chapman was appointed to the Committee in September 2021. The Committee met four times during the year ended 31 March 2022, with the external auditors present at two meetings. The Chair, Julie Hill, is not a member of the Committee but attended four meetings during the year. The Chief Executive, Marcus Gover, attended two meetings during the year. The Commercial, Finance, and Operations Director, Paul Suller, attended four meetings.

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

- monitor the integrity of the financial statements;
- review the charity's internal financial controls and the charity's control and risk management systems;
- make recommendations to the Board on the appointment and remuneration of the external auditors;
- review the findings of the audit with the external auditor;
- review the independence of the external auditor; and
- appoint the internal auditor, agree work plans, review internal audit reports, and monitor completion of agreed actions.

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 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 2020/21 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. During March 2020, Haysmacintyre were appointed as internal auditors for WRAP. This appointment is intended to strengthen the Board confidence in enterprise risk management by adding to the third line of defence, and to provide external insights and best practice to the Executive team.

Investment Committee

The Investment Committee was created and comprises three Trustees, namely Sarah Chapman (Chair), Sachin Kapila and Marc Stephens. The Committee met four times during the year ended 31 March 2022, with the investment managers present at all four meetings. Jim Oatridge resigned from the Committee in September 2021 and Marc Stephens was appointed to the Committee in September 2021. The Chair, Julie Hill, is not a member of the Committee, but attended three meetings during the year. The CEO, Marcus Gover, attended one meeting during the year. The Commercial, Finance, and Operations Director, Paul Suller, attended four meetings.

The main responsibilities of the Investment Committee are to:

- at least maintain the real value of the financial return focused investment portfolio over the long term whilst generating a sustainable contribution to unrestricted income. The strategy for the financial return portfolio is managed by the WRAP Board; and
- monitor delivery of impact objectives and financial return for the mixed-motive investment portfolio. This portfolio has twin goals of delivering financial return whilst furthering our charitable impact, hence 'mixed-motive'. The AGF Board is responsible for the investment strategy.

Attendance at meetings

The table below sets out the number of Board and Committee meetings held during the year, and the attendance of each Trustee. It should be emphasised that this information does not fully reflect the contribution made to the company's business by many of the Trustees who have also attended other meetings and events relating to the company's business during the year.

	Board	Audit & Risk Committee	Nominations & Remuneration Committee	Investment Committee
Number of meetings	5	4	4[#]	4[#]
Sarah Chapman	5/5	2/2*		4/4
Sue Corbett	4/5		3/4	
Julie Hill	5/5	4/4	4/4	3/4
Sachin Kapila	5/5			2/4
Michaelene Kinnersley	5/5	4/4		
Robert Longley-Cook	5/5		4/4	
Jim Oatridge	2/5	4/4	0/2*	0/2*
Marc Stephens	5/5	3/4		2/2*
Sophie Thomas	5/5	2/2*	2/2*	

*Number of eligible meetings for this individual is less than the total number due to Committee membership being updated during the year.

#Investment Committee and Nominations Committee totals each include one meeting where there was no quorum present.

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 are 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 3 for membership).

Related Parties

At the year-end, WRAP had three wholly owned subsidiary companies, established where it has been deemed appropriate to house specific programmes in separate legal entities. In addition to these eEquip was liquidated in 2019/20. Two companies were limited by shares and one (Behaviour Change) limited by guarantee. Subsequent to year-end, registration has been submitted for a new subsidiary in Australia (WRAP APAC) as a charity and company limited by guarantee.

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 £29k in 2021/22 (2020/21: £99k). An additional £866k was distributed from retained earnings in 2021/22 to add to the Investment Fund in WRAP. The Chair of the WRAP Board of Trustees is the Chair of AGF Ltd.

Behaviour Change Ltd

The company helps businesses, charities, governments, and foundations to create social and environmental change through applying behavioural science, insights, and interventions. Behaviour Change’s profits are gift aided to WRAP; the amount gift aided amounted to nil in 2020/21 (2019/20: nil). The Chair of Behaviour Change is the Collaboration and Change Director.

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.

Related party information and transactions can be found in Note 10.

Relations with stakeholders, and fundraising

WRAP regularly consults with its stakeholders. Through a series of stakeholder meetings, their views are taken into account in our business planning process. We welcome input from our stakeholders on an on-going basis.

Section 162A Statement: WRAP does not participate in any fund-raising schemes or use the service of a professional fund-raiser or commercial participator to carry on any of those activities.

Safety, Health & Environmental Report

Balancing the health, safety and employee wellbeing whilst ensuring our projects deliver measurable impacts has continued to be difficult during the on-going pandemic. Irrespective of the challenges resulting from the COVID-19 pandemic the health, safety and wellbeing of all our employees continues to be our number one priority. The Safety, Health and Environmental (SHE) committee meets monthly and represents all departments across WRAP. It provides a central conduit for all employees to share their concerns with WRAP. It also provides an effective mechanism to disseminate key SHE messages across WRAP.

In addition, the COVID-19 response team continued to meet regularly throughout the year. Based on the latest evidence, and UK Governments’ legislation, our COVID-19 policies and supporting guidance have been continuously reviewed and, when necessary, updated.

When we were able to re-open our offices there was a strong focus on maintaining a safe working environment in our offices. It was also important to provide safe working spaces for those who wanted to interact with their work colleagues. This is being achieved by creating additional welcoming collaborative working spaces. Similarly, our Safe Working procedures for visiting sites during the pandemic have been regularly reviewed and updated to allow employees to make site visits without significantly increasing the risk of them catching or transmitting COVID-19. Site visits have been voluntary for all employees.

More recently, taking a similar approach combined with a detailed risk assessment for higher risk countries, some overseas travel has re-started.

Throughout the year Safety, Health and Environment training has been provided through a combination of e-learning and video conferencing. Ten modules are completed by all new employees, with existing employees refreshing the training every three years. Our stretch target for all employees to have completed or refreshed this training for all ten modules was narrowly missed. Current records report 98% compliance.

No matter how small they might seem employees are encouraged to report any near hits. Covering all home working, office working and when visiting sites, 13 near hits were reported. Four accidents, all superficial or minor, were also reported.

As an environmental charity we need to demonstrate a proactive commitment to meet high environmental performance standards. The environmental pledges introduced in 2021/22 continued to challenge all employees to reduce their environmental impact when at home. Employees were encouraged to improve their overall resource management; reduce food waste; reduce the environmental impact of the clothes and textiles they use; reduce energy use; and reduce water use.

In recent months all our initiatives to reduce our environmental impact have been combined into our Carbon Reduction Plan. The plan was published and approved by the Board in March 2022. This carbon reduction plan sets out what our emissions are and how we plan to address them, moving beyond offsetting to real reduction where possible.

To be in line with requirements set out in the 'Technical standard for completion of carbon reduction plans' (2021) means quantifying and reporting on emissions in five of the fifteen categories within Scope 3. These five categories are: upstream transportation and distribution; waste disposal; business travel; employee commuting; and downstream transportation and distribution.

From 2022 WRAP will be net zero. From there further ways to reduce emissions that are indirectly associated with our business will be identified and implemented. Emissions that cannot be eliminated will be offset.

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	2021/22	2020/21
UK government grants	16.5	10.3
Other UK government bodies & local authorities	4.5	0.9
Non-UK government grants	0.2	0.2
Business contributions to voluntary agreements	2.3	1.9
Donations from businesses, trusts, and foundations	1.0	1.4
International income	1.7	0.8
Trading and investment	0.6	4.3
Total income	26.8	19.9

WRAP's income of £26.8m for the financial year was £5.8m higher than the underlying 2020/21 figure of £21m (£19.9m included one-off investment gains of £4.2m, offset by grant repayments of £5.3m). Notable increases came from other government of £3.6m including £3.3m additional from UKRI, international income (£0.9m), and business contributions (£0.4m). Further highlights are included below.

UK government grants

Government funding is from Defra, the Welsh Government, and DAERA in Northern Ireland.

Total core grant funding from Defra was £9.7m (2020/21 £6.6m after £0.5m repayment to Defra due to COVID-19 deferrals – plus additional one-off grants in 2020/21 of £2.2m, offset by a repayment of £4.8m from the 2019/20 RAF grant programme).

The Welsh Government awarded a core grant of £4.3m in 2021/22 (2020/21 £4.2m); £2.1m (2020/21 £1.7m) of which was for the Collaborative Change Programme. A further £1.4m (2020/21 £2.1m) was claimed under the £6.5m Circular Economy Fund (CEF) grant programme.

In Northern Ireland, the core grant from DAERA increased to £1.0m (2020/21 £0.9m).

Other UK government bodies

WRAP was awarded a grant of £3.3m from UK Research and Innovation (UKRI) for an International Plastics Innovation Fund, £0.4m for an India Plastics Pact, £0.1m for the Refill project (2021/22 £0.3m was claimed under a previous UKRI Circular Plastics grant and £0.2m for the India Plastics Pact).

Zero Waste Scotland granted WRAP £0.3m (2020/21 £0.3m).

Other government departments and local authorities granted £0.4m (2020/21 £0.1m).

Donations

Charitable donations, including Trusts and Foundations, decreased in the year to £1.0m (2020/21 £1.4m), with donations from Stewart Investors (£0.3m), Avery Denison (£0.1m), Mava (£0.2m), EMF (£0.1m), Laudes Foundation (£0.1m) and various contributions to Recycle Week and Food Waste Action Week (£0.2m).

Businesses

Contributions from businesses for the three voluntary agreements increased to £2.3m (2020/21 £1.9m), with most of the increase relating to the Textiles 2030 Pact (£0.3m), and Plastics Pact (£0.1m).

International income

Income from international organisations increased in the year to £1.7m (2020/21 £0.8m), with the largest being P4G (£0.3m), Amazon (£0.2m), WEF (£0.2m), Google (£0.2m).

Trading and investment income

Investment income includes investment gains of £0.1m (2020/21 £4.2m).

Investment policy

WRAP has an investment policy to invest in managed funds or direct equity investments with the intention of furthering the company's charitable objects and providing a greater return than cash. Investments in countries embargoed by the UN or UK are excluded (e.g. Russia).

Listed investments

The WRAP Group currently has £12.6m of financial investments managed by Rathbones Greenbank (2020/21 £7.3m plus £0.9m managed by Brewin Dolphin). Following a tender exercise in 2020/21, the listed investment funds have been transferred to Rathbones Greenbank.

The investments are long-term in nature and short-term volatility is to be expected, as has been seen in global markets over the year, resulting in a capital gain of £0.1m (2020/21 £0.6m).

The portfolio is ESG focused, with investments positively screened for their ESG credentials, and excludes companies deriving most of their revenues from the sale of tobacco or fossil fuels.

Mixed-motive investments

Mixed-motive investments are held within our subsidiary company AGF Ltd to deliver charitable impact whilst also generating a financial return, aiming at least for capital retention over the medium-term.

AGF holds £5.8m (2020/21 £5.1m) of mixed motive investments; £1.9m (2020/21 £1.2m) in the Circularity European Growth Funds and £3.9m (2020/21 £3.9m) in Sicut Enterprises Ltd.

The Circularity European Growth Fund's mission is to deliver value for investors by supporting SME growth and innovation in the Circular Economy.

Sicut Enterprises is primarily a supplier of sustainable railway sleepers manufactured from recycled plastic. The shares were revalued in 2020/21 following an investment round and revised cashflow forecasts, resulting in a gain of £3.4m (2021/22 nil).

Expenditure

£m	2021/22		2020/21	
	Sub-grants	Non-grant	Sub-grants	Non-grant
Textiles	-	1.7	0.8	1.4
Food	0.1	6.6	4.5	6.5
Plastics	0.9	4.0	3.2	3.2
Resource Management	1.8	9.6	3.8	9.1
Subtotal	2.8	21.9	12.3	20.2
Other Including Trading	-	0.3	-	(9.9)
Total Expenditure	2.8	22.2	12.3	10.3

Total expenditure in the year was £25m (2020/21 £22.6m), which included £2.8m of sub-grants (2020/21 £12.3m). 2020/21 also included a one-off trading item (AGF provision release) of £10.0m.

Charitable activities

Textiles non-grant expenditure increased to £1.7m (2020/21 £1.4m) reflecting the initiation of Textiles 2030. There were no textile grants distributed (2020/21 £0.8m relating to RAF).

Food system non-grant expenditure was similar to last year at £6.6m (2020/21: £6.5m); whilst food grants awarded were just £0.1m (2020/21 £4.5m relating to RAF and Covid related food redistribution).

Plastics non-grant expenditure increased to £4.0m (2020/21 £3.2m) recognising success particularly in international voluntary agreements e.g. in India with UKRI funding. Plastic grants of £0.9m relate mainly to the UKRI International Plastics Innovation Fund of £1.2m offset by £0.3m for a grant withdrawn in the Plastics Innovation £1.7m scheme (2020/21 £3.2m for RAF and UKRI innovation grants).

Resource management non-grant expenditure increased moderately to £9.6m (2020/21 £9.1m) with increased government funding for e.g. waste compositional analysis. Grants of £1.8m (2020/21 £3.8m) included the Circular Economy Fund in Wales of £1.4m (2020/21 £2.1m).

Net movement in funds

There was a net increase of £1.9m in funds during the year to £35.3m (2020/21: £33.4m). This consists of a £1.9m increase in restricted funds, a £0.5m increase in designated funds, partially offset by a £0.6m reduction in general funds.

The increase in restricted reserves is mainly due to a £3.3m restricted grant from UKRI to fund international plastics pacts – this was receivable in 2021/22 but only the sub-grant elements were expended in the year, £1.2m together with £0.2m of non-grant expenditure, the remainder (£1.9m) will be spent with international partners in 2022/23.

Designated funds have increased to £23.4m (2020/21: £22.8m). The largest balance of £22m (2020/21 £22.1m) is for investment funds. The increase includes £300k for the set-up costs of the subsidiary in Australia, £200k working capital for the Behaviour Change subsidiary, and £200k to fund work on strategy development in 2022/23.

Consolidated balance sheet

At 31 March 2022 net assets were £35.3m (2021: £33.4m).

The most significant movements in this financial year are:

- £5.1m increase in investments - AGF listed (£4.5m to Rathbones Greenbank) and unlisted (£0.7m to Circularity Capital European Funds).
- £3.5m reduction in net current assets:
 - Debtors increase of £2.6m, includes £1.7m from Welsh government, £0.2m from UKRI and the balance from various businesses for 2022/23 pact invoices – none are at risk of default
 - Creditors reduced by £4.7m as sub-grants were paid according to milestones
 - Short-term investments reduced by £10.2m to fund debtors (£2.6m), creditors (£4.7m), investments (£5.1m), partially offset by the SOFA surplus (£1.9m)

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 2022 WRAP held general funds of £5.3m (equivalent to over four months' salary and overheads).
- Restricted funds – to be applied only to the purpose(s) specified by the donor. At 31 March 2022 WRAP held restricted funds of £6.6m.
- Designated funds – to be applied to a given purpose specified by the Trustees. At 31 March 2022 WRAP held designated funds of £23.4m.

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. Funds in excess of this will be transferred to the financial investment fund to generate a predictable level of unrestricted income. Should general reserves fall below three months, then a call on the financial investment fund can be made.

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:

- a quarterly review of the principal risks and uncertainties facing WRAP and its subsidiaries led by the Audit and Risk Committee and reported back to the Board at each meeting;
- the establishment of policies, systems and procedures to mitigate those risks identified in the quarterly reviews;
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise; and
- ongoing review of risk mitigation and controls via the Audit and Risk Committee of the Board, including the appointment of an independent internal audit team (Haysmacintyre) to further strengthen assurance activities.

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. Continued downward pressure on public finances presents a risk to WRAP, as to any organisation in receipt of government funding.

The Trustees' mitigation for these risks is threefold:

- maximising WRAP's value to its principal government funders and working with our funders on a strategic roadmap;
- diversifying our funding mix – we are beginning to see the impact of this though the increase in our business income and international funding. A fund-raising team is now in place to accelerate this though more donations and in particular trust and foundation income, whilst additional relationship managers have also been recruited; 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.

As mentioned elsewhere in the report, WRAP has considered the impact of COVID-19 on its operations and strategy and responded accordingly. The safety and welfare of our staff is paramount, with our existing business continuity procedures enabling staff to work seamlessly from home. WRAP remains well-funded, retains the support of our major funders (governments and large corporations), and work can continue remotely for most of our programmes. A hybrid home and office-based work policy has been implemented.

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 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; and
- 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; and
- 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 2021 was 14 (2020: 14). 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 re-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 29 June 2022 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 The Waste Resources and Action Programme (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 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 FRS 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 2022 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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Waste Resources and Action Programme's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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 their 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance.
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud.

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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)
12 July 2022
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 2022

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	Restated 2021 Total £'000
Income from:							
Charitable activities	2						
Textiles		441	933	1,374	197	504	701
Food		1,007	5,647	6,654	836	2,957	3,793
Plastics		1,544	5,743	7,288	1,311	1,662	2,973
Resource Management		639	10,313	10,952	133	8,027	8,160
Other trading activities	14	269	-	269	-	-	-
Investments	3	187	-	187	130	-	130
Total income		4,088	22,636	26,724	2,607	13,150	15,757
Expenditure on:							
Charitable activities							
Textiles		694	976	1,671	280	1,871	2,151
Food		1,219	5,493	6,712	743	10,238	10,981
Plastics		1,588	3,301	4,889	1,218	5,233	6,451
Resource Management		479	10,926	11,405	-	12,922	12,922
Other Trading Activities	14	232	-	232	(9,946)	-	(9,946)
Other Expenditure	4a	100	-	100	-	-	-
Total expenditure		4,312	20,696	25,009	(7,705)	30,264	22,559
Net income / (expenditure) before net gains/(losses) on investments		(225)	1,940	1,715	10,312	(17,114)	(6,802)
Net gains / (losses) on investments		104	-	104	4,171	-	4,171
Net income / (expenditure) for the year	7	(121)	1,940	1,819	14,483	(17,114)	(2,631)
Transfers between funds		-	-	-	33	(33)	-
Net income / (expenditure) before other recognised gains and losses		(121)	1,940	1,819	14,516	(17,147)	(2,631)
Other losses		44	-	44	(107)	-	(107)
Net movement in funds		(77)	1,940	1,863	14,409	(17,147)	(2,738)
Reconciliation of funds:							
Total funds brought forward		28,726	4,693	33,419	14,317	21,840	36,157
Total funds carried forward		28,649	6,633	35,282	28,726	4,693	33,419
Restricted funds		-	6,633	6,633	-	4,693	4,693
Designated funds		23,372	-	23,372	22,831	-	22,831
General funds		5,277	-	5,277	5,895	-	5,895
Total		28,649	6,633	35,282	28,726	4,693	33,419

The statement of financial activities includes all gains and losses recognised in the year. The comparative figures for 2021 are analysed in Note 2. The notes on pages 32-47 form part of the financial statements.

All of the above results are derived from continuing activities. Movements in funds are disclosed in Note 23a to the financial statements.

Consolidated and charity balance sheets

As at 31 March 2022

	Note	The group 2022 £'000	2021 £'000	The charity 2022 £'000	2021 £'000
Fixed assets:					
Tangible assets	12	23	53	20	53
Investments	13	18,387	13,305	8,285	7,340
		18,410	13,358	8,305	7,393
Current assets:					
Debtors due within one year	17	4,331	1,748	4,216	1,871
Short term investments	16	12,334	22,572	9,214	14,221
Cash at bank and in hand		10,819	11,376	10,205	10,791
		27,484	35,696	23,635	26,883
Creditors: amounts falling due within one year	18	(9,888)	(14,626)	(9,599)	(14,623)
Net current assets		17,596	21,070	14,036	12,260
Total assets less current liabilities		36,006	34,428	22,341	19,653
Provision for liabilities and charges	20	(724)	(1,009)	(724)	(1,009)
Net assets		35,282	33,419	21,617	18,644
Reserves	23a				
Restricted funds		6,633	4,693	6,633	4,693
Unrestricted funds:					
Designated funds		23,372	22,831	9,662	8,056
General funds		5,277	5,895	5,322	5,895
Total reserves		35,282	33,419	21,617	18,644

Approved by the trustees on 29 June 2022 and signed on their behalf by

Julie Hill
Chair of TrusteesCompany number 4125764
Charity number 1159512

Consolidated statement of cash flows

For the year ended 31 March 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,863		(2,738)	
Depreciation charges	33		44	
(Gains)/losses on listed and unlisted investments	(117)		(3,968)	
Exchange (gains)/losses	(44)		107	
Dividends and interest from investments	(187)		(130)	
(Increase)/Decrease in debtors	(2,583)		3,726	
(Decrease)/Increase in creditors	(4,738)		6,268	
(Decrease) in provision	(285)		(9,354)	
Net cash (used in) by operating activities		(6,058)		(6,045)
Cash flows from investing activities:				
Dividends and interest from investments	187		130	
Purchase of fixed assets	(3)		-	
Proceeds from sale of investments	3,534		4,537	
Purchase of listed and unlisted investments	(11,010)		(6,279)	
Decrease/(increase) in cash held by investment manager	2,511		(2,554)	
Net cash used in investing activities		(4,781)		(4,166)
Change in cash and cash equivalents in the year		(10,839)		(10,211)
Cash and cash equivalents at the beginning of the year		33,948		44,266
Movements due to acquisition				
Change in cash and cash equivalents due to exchange rate movements		44		(107)
Cash and cash equivalents at the end of the year		23,153		33,948

Analysis of cash and cash equivalents and of net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	11,376	(601)	44	10,819
Short term investments	22,572	(10,238)	-	12,334
Total cash and cash equivalents	33,948	(10,839)	44	23,153

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies**a) 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

The Charitable Activities in the Statement of Financial Activities have been changed to the four Programmes; Textiles, Food, Plastics and Resource Management which reflect the way the Charity operates and is managed. The comparative figures have been restated to reflect the four Programmes but there is no impact on the net result for the 2020/21 year.

b) Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries: Accelerating Growth Fund Limited, Behaviour Change Limited and WRAP Enterprises Ltd, on a line by line basis. eEquip RVG Limited's ongoing operations came to a close and the company became dormant on 31 December 2019 and liquidated in September 2020. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between 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.

c) 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. As the Charity has a significant portion of its 2022/23 income secured and it has £15m of liquid unrestricted reserves, the trustees consider there are no material uncertainties. 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.

d) 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.

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies**e) 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.

f) 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.

g) Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

h) 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 company makes qualifying donations of all taxable profit to the charity. Deeds of covenant have been prepared to allow the subsidiary trading company to make qualifying donations of all taxable profit to the charity.

i) 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.

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. 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.

k) 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 their fair value if this can be quantified accurately otherwise they are included at cost less impairment. Where a company has raised a further round of investment, the fair value of the investment held is based on the latest value of the Company's shares. Any change in valuation is taken to the Statement of Financial Activities.

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Pension costs

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

Notes to the financial statements

For the year ended 31 March 2022

1 Accounting policies

n) 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.

o) Cash and liquid resources

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

p) 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.

q) 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.

r) Financial instruments

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 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
UK Governments	58	16,521	16,579	70	16,271	16,341
Return of grants to UK Governments	-	-	-	-	(5,970)	(5,970)
EU Governments	7	-	7	-	(15)	(15)
Non EU Governments	6	178	184	-	191	191
Other UK Government & Local Authorities	329	4,143	4,471	64	813	877
Total income from Governments	400	20,841	21,241	134	11,290	11,424
Business contributions to voluntary agreements	2,284	-	2,284	1,874	-	1,874
Trusts & Foundations	40	795	835	-	1,158	1,158
Restricted donations	-	160	160	-	330	330
Other income	908	840	1,748	469	372	841
Total income from charitable activities	3,632	22,636	26,268	2,477	13,150	15,627

3 Income from investments

	2022 Total £'000	2021 Total £'000
Bank interest receivable	6	32
Income from listed investments	182	98
	187	130

All income from investments is unrestricted.

Notes to the financial statements

For the year ended 31 March 2022

4a Analysis of expenditure (current year)

	Charitable activities										
	Textiles	Food	Plastics £'000	Resource Management £'000	Trading Costs £'000	Other Expenditure	Fundraising Costs £'000	Governance Costs £'000	Support Costs £'000	2022 Total £'000	2021 Total £'000
Staff costs (Note 8)	850	2,629	2,150	3,246	114	-	227	137	1,722	11,075	9,848
Contracted services	482	2,874	880	5,055	118	-	5	58	1,568	11,040	10,473
Other expenditure	-	-	-	-	-	100	-	-	-	100	(10,036)
Grants awarded (Note 5)	(2)	78	925	1,793	-	-	-	-	-	2,794	12,274
	1,331	5,580	3,955	10,094	232	100	232	195	3,290	25,009	22,559
Fundraising costs	18	103	100	11	-	-	(232)	-	-	-	-
Governance costs	13	53	39	90	-	-	-	(195)	-	-	-
Support costs	309	976	796	1,209	-	-	-	-	(3,290)	-	-
Total expenditure 2022	1,671	6,712	4,890	11,404	232	100	-	-		25,009	
Total expenditure 2021	2,151	10,981	6,451	12,922	(9,946)	-	-	-	-		22,559

Other expenditure relates to the fair value of the net liabilities on the acquisition of Behaviour Change Limited. Details of WRAP's investment in Behaviour Change Limited is in Note 14.

4b Analysis of expenditure (prior year restated)

	Charitable activities									
	Textiles	Food	Plastics £'000	Resource Management £'000	Trading Costs £'000	Fundraising Costs £'000	Governance Costs £'000	Support Costs £'000	2021 Total £'000	2020 Total £'000
Staff costs (Note 9)	627	2,627	1,710	3,135	23	153	160	1,413	9,848	9,638
Contracted services	528	2,733	841	4,643	67	46	31	1,584	10,473	10,410
Other expenditure	-	-	-	-	(10,036)	-	-	-	(10,036)	-
Grants awarded (Note 6)	764	4,482	3,233	3,795	-	-	-	-	12,274	4,922
	1,919	9,842	5,784	11,573	(9,946)	199	191	2,997	22,559	24,970
Fundraising costs	21	62	43	73	-	(199)	-	-	-	-
Governance costs	13	65	37	76	-	-	(191)	-	-	-
Support costs	198	1012	587	1,200	-	-	-	(2,997)	-	-
Total expenditure 2021	2,151	10,981	6,451	12,922	(9,946)	-	-	-	22,559	

Notes to the financial statements

For the year ended 31 March 2022

5a Grant making

	Community Interest Groups & Charity/Not for Profit £'000	Grants to Institutions £'000	Grants to Local Authorities £'000	Grants to Business £'000	2022 Total £'000
Cost					
Textiles	-	-	-	(2)	(2)
Food	49	(54)	83	-	78
Plastics	220	-	-	705	925
Resource Management	-	-	578	1,215	1,793
At the end of the year	269	(54)	661	1,918	2,794

5b Grant making (prior year)

	Grants to Community Interest Groups & Charity/Not for Profit £'000	Grants to Institutions £'000	Grants to Local Authorities £'000	Grants to Business £'000	2021 Total £'000
Cost					
Textiles	170	-	-	594	764
Food	3,902	160	-	420	4,482
Plastics	35	-	-	3,198	3,233
Resource Management	5	-	1,480	2,310	3,795
At the end of the year	4,112	160	1,480	6,522	12,274

The grants were principally awarded under the following schemes: Circular Economy Investment Fund funded by the Welsh Government, Global Sustainable Plastic Packaging Programme funded by UKRI and Flytipping grants scheme funded by Defra.

Details of grants awarded can be found at www.wrap.org.uk/awarded-grants.

6 Analysis of support costs

	2022 £'000	2021 £'000	
			Basis of allocation
Finance	394	330	Across all heads
Information technology	753	630	Across all heads
Office	381	395	Across location heads
Human resources	704	696	Across all heads
Commercial	348	284	Across delivery heads
Executive & CFO office	710	661	Across delivery heads
Total	3,290	2,996	

Analysis of governance costs

	2022 £'000	2021 £'000	
Staff	137	159	Actual costs incurred
Audit	33	31	Actual costs incurred
Trustees Expenses	1	-	
Professional fees	24	-	Actual costs incurred
Total	195	190	

Notes to the financial statements

For the year ended 31 March 2022

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	33	44
Operating lease rentals - land and buildings	167	165
Auditor's remuneration (excluding VAT):		
Audit	27	28
Other services	9	4
Foreign exchange gains/(losses)	44	(107)

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

Staff costs were as follows:

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	9,007	7,973	8,925	7,973
Social security costs	901	800	891	800
Other pension costs	1,001	891	990	891
Other staff costs	95	91	90	91
Redundancy and termination	71	94	71	94
	11,075	9,848	10,967	9,848

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 were fully funded at 31 March 2022.

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:

	2022 No.	2021 No.
£60,000 - £69,999	9	11
£70,000 - £79,999	3	5
£90,000 - £99,999	4	2
£100,000 - £109,999	-	1
£110,000 - £119,999	2	1
£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 £940,147 (2021: £1,061,396).

Notes to the financial statements

For the year ended 31 March 2022

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (cont)*Board of Trustees Remuneration*

The Board of Trustees are the Directors of the Charity. During the year there were 9 (2021: 9) non-executive directors.

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. The Chair's remuneration has been approved by the Charity Commission. The remuneration of the Chair was as follows:

	Fees 2022 £'000	Fees 2021 £'000
Julie Hill - Chair	35	35

Expenses reimbursed Non-executive trustees £1,201 (2021: £nil). Expenses totalling £1,201 (2021: £nil) were reimbursed in the year to 5 trustees (2021: 0), as follows:

	2022 £	2021 £
Travel	1,062	
Subsistence	139	-
Total	1,201	-

9 Staff numbers**Employees**

	Group		Charity	
	2022 No.	2021 No.	2022 No.	2021 No.
The average number of staff was:				
Banbury	165	146	165	146
Wales	53	46	53	46
Northern Ireland	5	3	5	3
London	5	-	-	-
Total	228	195	223	195

London represents the Behaviour Change Limited team average staff numbers from date of acquisition to 31 March 2022.

Average number of staff in FTE in 2022 was 212 (2021: 186). The Charity staff work on programmes for all funders.

Notes to the financial statements

For the year ended 31 March 2022

10 Related party transactions

In 2022 WRAP charged AGF Ltd £6k (2021: £56k) for the provision of staff. As at 31 March 2022 there is a creditor balance of £29k which relates to the Gift Aid distribution to WRAP.

As at 31 March 2022 Behaviour Change Limited have a debtor balance of £24k from WRAP which relates to work delivered as a contractor to WRAP and input to strategy work being undertaken by WRAP.

Aggregate donations and distributions from related parties were £895k (2021: £5,456k) of which £29k relates to a Gift aid distribution from AGF and £866k relates to a distribution of reserves from AGF.

11 Taxation on surplus on ordinary activities

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Accelerating Growth Fund Limited distributes under Gift Aid available profits to the parent charity. Its charge to corporation tax in the year was:

a) Analysis of charge in the period

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Current tax				
UK corporation tax at 19% (2021: 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 (2020: lower) and for the Company (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). Taxation is only payable on the interest income earned by the Group.

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Surplus before tax on ordinary activities for subsidiary companies	73	10,061	-	-
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	14	1,912	-	-
Effects of:				
Non-taxable income	26	(1,893)	-	-
Adjustments to charge in respect of previous periods	(10)	-	-	-
Current tax charge for the period before donation and group relief	29	19	-	-
Distribution under Gift Aid to parent undertaking	(29)	(19)	-	-
Current tax on income for the period	-	-	-	-

Notes to the financial statements

For the year ended 31 March 2022

12 Tangible fixed assets

The group and charity Cost	Office equipment £'000	Total £'000
At the start of the year	638	638
Additions in year	3	3
At the end of the year	641	641
Depreciation		
At the start of the year	585	585
Charge for the year	33	33
At the end of the year	618	618
Net book value At the end of the year	23	23
At the start of the year	53	53

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2022

13 Listed investments

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fair value at the start of the year	5,503	3,502	5,371	-
Additions at cost	10,314	5,950	5,771	5,892
Disposal proceeds	(3,534)	(4,537)	(3,286)	(504)
Net gain on change in fair value	116	588	301	(17)
	12,399	5,503	8,157	5,371
Cash held by investment broker pending reinvestment	186	2,696	127	1,969
Fair value at the end of the year	12,585	8,199	8,285	7,340

Unlisted investments

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fair value at the start of the year	5,106	1,396	-	-
Additions at cost	696	330	-	-
Net gain / (loss) on change in fair value	-	3,380	-	-
Fair value at the end of the year	5,802	5,106	-	-

Investments comprise:

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Listed investments (UK)	4,171	1,485	3,113	1,485
Listed investment (outside the UK)	5,081	2,291	3,611	2,159
Property investments	407	185	408	185
Cash	186	2,696	127	1,969
Other investments	2,740	1,542	1,026	1,542
	12,585	8,199	8,285	7,340
Unlisted shares in UK registered companies	5,802	5,106	-	-
	18,387	13,305	8,285	7,340

Notes to the financial statements

For the year ended 31 March 2022

14 Subsidiary undertakings

The Charity owns the whole of the issued ordinary share capital of the Accelerating Growth Fund Limited (company number 4698093) and WRAP Enterprises Limited (company number 4217608), companies registered in England. The share capital of each of the companies is £1. On 31 December 2021, the Charity became the sole member of Behaviour Change Limited (company number 7099594 limited by guarantee). The registered office address for all three entities is 2nd Floor Blenheim Court, 19 George Street, Banbury, OX16 5BH.

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, Sarah Chapman, Trustee of WRAP, Susan Corbett, Trustee of WRAP and Claire Shrewsbury, Innovations & Insights Director are also directors of the Accelerating Growth Fund Limited.

Marcus Gover, Chief Executive, together with David Hall, Robert Moore, Susan Corbett, Trustee of WRAP, Robert Longley-Cook, Trustee of WRAP, Catherine David, Collaboration and Change Director and Giles Bristow are also directors of Behaviour Change Limited.

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 17.

A summary of the results of the subsidiaries are shown below:

	AGF		Behaviour Change Limited 3 months ending 31 March 2022
	2022 £	2021 £	
Income	2,417	-	266,219
Direct expenditure	(6,473)	(56,304)	(94,767)
Operating deficit / surplus	(4,056)	(56,304)	171,452
Administrative expenses	(13,688)	10,002,695	(117,261)
Operating (deficit)/surplus on ordinary activities	(17,744)	9,946,391	54,191
Interest receivable and similar income	37,163	115,363	-
Interest payable	(184)	(373)	(59)
Net (losses) / gains on investments	(188,976)	4,090,129	-
Operating surplus	(169,741)	14,151,510	54,132
Taxation surplus on ordinary activities	-	-	-
Total comprehensive income	(169,741)	14,151,510	54,132
Retained earnings			
Total retained earnings brought forward	14,774,881	6,079,419	(99,744)
Total comprehensive income	(169,741)	14,151,510	54,132
Distribution under Gift Aid to parent charity	(29,183)	(98,620)	-
Distribution	(866,315)	(5,357,428)	-

Notes to the financial statements

For the year ended 31 March 2022

14 Subsidiary undertakings (cont)

Total retained earnings carried forward	13,709,642	14,774,881	(45,612)
The aggregate of the assets, liabilities and reserves was:			
Assets	13,743,347	14,900,458	264,455
Liabilities	(33,705)	(125,577)	(310,067)
Reserves	13,709,642	14,774,881	(45,612)

Amounts owed to/from the parent undertaking are shown in note 17.

Included within administrative expenses for AGF is a management charge of £6,473 (2021: £56,304).

Included within income for Behaviour Change Limited is £22,971 of sales to WRAP for project and strategy work.

15 Parent charity

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

	2022	2021
	£'000	£'000
Gross income	27,657	21,128
Result for the year	2,974	(11,433)

16 Short term investments

	The group	2021	The charity	2021
	2022		2022	
Bank deposits	5,071	15,296	5,071	10,069
Royal London Asset Management funds	7,263	7,276	4,143	4,152
Total	12,334	22,572	9,214	14,221

Bank deposits are held at a number of High Street banks, under which access to cash is restricted for up to 100 days. Funds invested in Royal London Asset Management are financial assets. Of the short term investments, £3,119,714 (2021: £8,351,635) is held by subsidiary trading companies and not available for use by the Charity.

17 Debtors: amounts falling due within one year

	The group	2021	The charity	2021
	2022		2022	
	£'000	£'000	£'000	£'000
Trade debtors - Grants receivable	2,293	373	2,293	373
Trade debtors	1,807	1,242	1,676	1,243
Amounts due from group undertakings	-	-	29	122
Other debtors	93	55	81	55
Prepayments	138	78	137	78
	4,331	1,748	4,216	1,871

Notes to the financial statements

For the year ended 31 March 2022

18 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	2,390	847	2,304	847
Other taxes and social security	721	348	660	348
Other creditors	22	586	22	586
Amounts due to group undertakings	-	-	24	-
Accruals and deferred income	6,756	12,845	6,589	12,842
	9,888	14,626	9,599	14,623

19 Deferred income

Deferred income comprises

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	1,743	1,634	1,743	1,634
Amount released to income in the year	(1,830)	(1,590)	(1,699)	(1,590)
Amount deferred in the year	2,454	1,699	2,161	1,699
Balance at the end of the year	2,367	1,743	2,205	1,743

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 Provisions for liabilities

Provisions for liabilities comprises

	WRAP	Behaviour Change Limited	Total
	£'000	£'000	£'000
At 1 April 2021	1,009	1	1,010
Amount released in the year	(557)	-	(557)
Increase in provision in the year	271	-	271
At 31 March 2022	723	1	724
	WRAP	AGF	Total
	£'000	£'000	£'000
At 1 April 2020	404	9,959	10,363
Amount released in the year	(7)	(10,041)	(10,048)
Increase in provision in the year	612	82	694
At 31 March 2021	1,009	-	1,009

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, the holiday pay provision and monitoring provisions for grants awarded. Refer to Note 24 for indications of expected timing of expiry of property leases.

Notes to the financial statements

For the year ended 31 March 2022

21 Financial instruments

	2022	2021
	£'000	£'000
Financial assets measured at fair value through profit and loss		
Listed investments	9,252	3,776
Short term investments	7,263	7,276

22a Analysis of group net assets between funds (current year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	-	23	23
Investments	-	18,387	-	18,387
Net current assets	5,277	4,985	7,334	17,596
Provisions	-	-	(724)	(724)
Net assets at 31 March 2022	5,277	23,372	6,633	35,282

22b Analysis of group net assets between funds (prior year)

	General unrestricted £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Tangible fixed assets	-	-	53	53
Investments	-	13,305	-	13,305
Total assets less current liabilities	5,895	9,526	5,649	21,070
Provisions	-	-	(1,009)	(1,009)
Net assets at 31 March 2021	5,895	22,831	4,693	33,419

Notes to the financial statements

For the year ended 31 March 2022

23a Movements in funds (current year)

	At 1 April 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2022 £'000
Restricted funds:					
Textiles	350	933	976	-	307
Food	1,280	5,647	5,493	-	1,434
Plastics	923	5,743	3,301	-	3,365
Resource Management	2,140	10,313	10,926	-	1,527
Total restricted funds	4,693	22,636	20,696	-	6,633
Unrestricted funds:					
Designated funds:					
Accelerating Growth Fund Limited	14,775	(150)	20	(895)	13,710
WRAP	716		227	889	1,378
WRAP Investment Fund	7,340	104	27	867	8,284
Total Designated funds	22,831	(46)	274	861	23,372
General funds	5,895	4,282	4,039	(861)	5,277
Total unrestricted funds	28,726	4,236	4,313	-	28,649
Total funds	33,419	26,872	25,009	-	35,282

23a Movements in funds (current year cont)

The £6,633k (2021:£4,693k) of restricted reserves consists of £4,160k of grant funding for work continuing into 2022/23 and £2,473k to cover specific future commitments (primarily programme shutdown costs). The increase in reserves is largely due to the reserves for the Global Sustainable Plastic Packaging Programme funded by UKRI. The total income received was £3,293k of which £1,874k relates to work which will be undertaken in 2022/23.

The reserves in Accelerating Growth Fund Limited of £13,710k (2021: £13,916k) 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 designated £889k of reserves in the parent charity (2021: £8,056k). This includes £300k for the set up and initial costs of a subsidiary in Australia, £200k to fund internal and external work on strategy, a £200k loan facility for Behaviour Change Limited, £139k to fund the expected loss on the UKRI Global Sustainable Plastic Packaging Programme, where WRAP is not able to reclaim all costs incurred and £50k to fund bid work associated with the introduction of EPR by Defra.

At the 31st March 2022 the WRAP designated reserves include £343k to support the expansion of WRAP's international work, £294k for future fundraising costs, £241k for the Australia subsidiary, £200k loan facility for Behaviour Change Limited, £103k for the future UKRI loss, £152k for the work on strategy and £45k for EPR bid costs.

The transfer between Designated and General funds represent the surplus generated in AGF in 2021/22 of £29k which has been distributed to the parent charity under gift aid. The £866k dividend paid by AGF has been added to the WRAP Investment Fund.

Notes to the financial statements

For the year ended 31 March 2022

23b Movements in funds (prior year)

	At 1 April 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 March 2021 £'000
Re					
Textiles	1,713	504	1,871	4	350
Food	8,582	2,957	10,238	(21)	1,280
Plastics	4,471	1,662	5,233	23	923
Resource Management	7,074	8,027	12,922	(39)	2,140
Total restricted funds	21,840	13,150	30,264	(33)	4,693
Unrestricted funds:					
Designated funds:					
Accelerating Growth Fund Limited	6,079	4,205	(9,946)	(5,455)	14,775
WRAP	489	-	588	815	716
WRAP Investment Fund	-	-	-	7,340	7,340
Total Designated funds	6,568	4,205	(9,358)	2,700	22,831
General funds	7,749	2,466	1,653	(2,667)	5,895
Total unrestricted funds	14,317	6,671	(7,705)	33	28,726
Total funds	36,157	19,821	22,559	-	33,419

24 Operating lease commitments payable as a lessee

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

	The group		Property The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Total lease commitments				
Within one year	215	188	203	188
between 2-5 years	68	255	68	255
Financial commitments at the end of the year	284	443	271	443

The Charity had conditional operating commitments of £1,386,608 at 31 March 2022 (2021: £896,843) which relate to purchase orders raised as at the balance sheet date for project and overhead costs which will be incurred in the following year.

25 Post balance sheet event

The value of the group's fixed asset investments fell in the second quarter of 2022 due to continued turbulence in the market primarily caused by the conflict in Ukraine. The value of investments held at 31st March 2022 was £17.2m at 30 June 2022. This reduction is greater than the general market fall due to the funds excluding oil and mining stocks. The trustees have no current plans to draw from investments and expect the investments to recover in due course.

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.