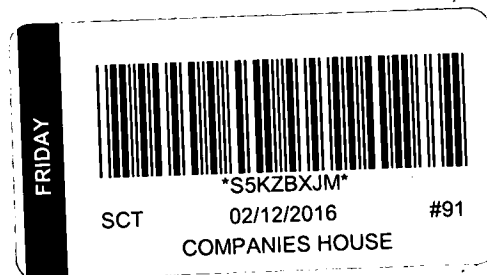


**Company Registration No. SC436030
(Scotland)**

ZERO WASTE SCOTLAND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2016



ZERO WASTE SCOTLAND LIMITED

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ZERO WASTE SCOTLAND LIMITED

COMPANY INFORMATION AS AT 31 MARCH 2016

Directors

P Biberbach – appointed 1 October 2014
V Emery – appointed 20 June 2014
I Gulland – appointed 1 January 2013
P Matthews – appointed 1 October 2014
J Watt – appointed 1 October 2014

Secretary

L Murray – appointed 24 October 2014

Registered office

Ground Floor Moray House
Forthside Way
Stirling
FK8 1QZ

Company number

SC436030

Auditor

RSM UK Audit LLP
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Bankers

Royal Bank of Scotland
36 St Andrew's Square
Edinburgh
EH2 2AD

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

Review of the business of the company during the year

Zero Waste Scotland is a company limited by guarantee and was incorporated on 2 November 2012. Its role is to deliver on the Scottish Government's policies and strategies for waste reduction and resource efficiency working closely with Scotland-based organisations and businesses. The Board comprises four non-executive directors and one executive director. The Scottish Ministers were the sole member until 28 May 2015 when the non-executive directors also became members.

Zero Waste Scotland is fully grant funded by the Scottish Government to support delivery of the Scottish Government's circular economy strategy and other resource efficiency policies and all of the grant was spent during 2015/16 (2014/15: fully spent). The company provides a range of support programmes, campaigns and other interventions to help communities and organisations on the journey to Zero Waste and resource efficiency. These include:

- Advice and support programme helping organisations save money and reduce energy, water and waste;
- Technical and operational support and consultancy to local authorities, resource management businesses and the third sector;
- Stimulating the development of infrastructure for recycled products, closed loop recycling and re-manufacturing;
- Managing the £18m Circular Economy Investment Fund which will support the drive towards circular economy opportunities for small and medium sized enterprises (SMEs) and the third sector.
- Local and national campaigns including Love Food Hate Waste, Love Your Clothes and Recycle for Scotland;
- Participation in UK voluntary waste reduction agreements, such as the Courtauld Commitment;
- Provision of revenue and capital grants;
- Carrying out research, providing training and identifying best practice;
- Helping organisations to comply with the Zero Waste regulations.

Highlights for 2015-16 were:

- Following the company's separation from its parent company WRAP in July 2014, a corporate plan was developed that sets out the company's vision, key objectives and priorities for the future;
- Announcement by the First Minister and mobilisation of a £70 million programme spanning three years supported by European Regional Development Funds of up to £31 million available to December 2018. This new programme will accelerate Scotland's transition to a resource efficient, circular economy to provide targeted support to small and medium sized enterprises (SMEs) and the third sector to help them reduce costs and carbon emissions;
- Worked with Scottish Government and COSLA to develop the Scottish Household Recycling Charter and its related Code of Practice. We have since helped secure the first sixteen signatories to the Charter, which will help to focus our work in this area going forward;

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Review of the business of the company during the year (continued)

Highlights for 2015/16 (continued)

- Almost 900 one to one resource efficiency projects were progressed with organisations, that have resulted in identified savings of £13.7M;
- Supported the Scottish Government to develop Making Things Last, its strategy for a more circular economy. We supported the development of a Manufacturing Action Plan for Scotland and helped to review and revise the Code of Practice on Litter and Refuse to have a greater emphasis on preventative measures. We created and delivered the #makethingslast campaign to bring the concept of the circular economy to life for a non-technical audience. Through social media the campaign reached nearly 1 million people;
- Provided business development support to 78 businesses to explore circular economy options and launched an £18m Circular Economy Investment Fund to help drive these, and other opportunities forward;
- Trained over 200 procurement professionals to understand the circular economy and how to enable it through sustainable procurement. This has resulted in circular economy considerations being made in £641m worth of contracts, around 7% of total public sector procurement spend in Scotland annually;
- Initiated the first major city-region approach to developing the circular economy in Scotland in partnership with Glasgow Chamber of Commerce. They have completed a ground-breaking 'circle scan' of resource flows in the city and identified six priority opportunities arising from that, with buy-in from Glasgow City Council and other key partners;
- Supported two pilot re-use and repair hubs that are now open to the public. The Blythswood Care superstore in Dingwall and the Remakery in Edinburgh are aiming to make re-use and repair more mainstream and visible with their high street presence;
- The national re-use phone line has seen referrals grow by a third to nearly 3,500 a year, diverting more than 250 tonnes of items for re-use;
- The Revolve standard goes from strength to strength with 51 stores now certified, including the first private sector and first charity retail sector signatories.

During the year the Scottish Government requested that some of the projects within the company's programme plan be re-prioritised. Delivery milestones were reviewed and the level of Scottish Government grant award was reduced. The final Scottish Government grant awarded was £20.83m which included a loan of £776k covering the delay in receiving ERDF funding. This was a short term loan as an initial claim for £956k of ERDF funding was successful during 16/17. The European Regional Development Fund funded a portion of our resource efficiency and circular economy work.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Future developments

Zero Waste Scotland will continue to support delivery of the Scottish Government's circular economy strategy and other resource efficiency policies. The organisation's current delivery programme is structured by strategic theme and covers a period of three years from 1 April 2015 to 31 March 2018. Delivery will be focussed on initiatives that will:

- Improve recycling performance;
- Accelerate a circular economy;
- Encourage resource efficiency;
- Reduce litter and flytipping.

Key priorities for 2016/17 include:

- Creating a new service, fully integrated with mainstream business support, to provide specialist and technical support to help businesses and organisations explore and implement circular economy opportunities;
- Launching a major investment fund to stimulate innovation, build capacity and develop infrastructure in order to accelerate circular economy opportunities;
- Encouraging local authorities to sign up to the Household Recycling Charter and providing expert support to those that do in order to improve the quality and consistency of recycling services;
- Providing technical support for the major Scottish Government-led Low Carbon Infrastructure Transition Programme (LCITP), and supporting and accelerating the development of major low carbon heat projects;
- Ramping up efforts to cut levels of wasted food from homes and businesses to deliver on the Scottish Government's target to reduce food waste by 33% by 2025;
- A reinvigorated programme tackling construction waste in the Year of Innovation, Architecture and Design;
- Enhancing the successful Resource Efficient Scotland advice service to ensure higher levels of implemented cost savings to SMEs through additional implementation support and maximising use of available loan finance.

Going concern

The company is reliant on the grants from the Scottish Government, with additional funding from the European Regional Development Fund (ERDF). The Scottish Government Grant is awarded annually as Zero Waste Scotland is the key delivery agent to support delivery of Scottish Government's circular economy strategy and other resource efficiency policies.

Zero Waste Scotland can draw down funds from the ERDF of up to £31 million for spend incurred until 31 December 2018. £956,000 of ERDF and £1.6 million match funding from Scottish Government Zero Waste and Energy Teams was expended during 2015/16. Scottish Government systems were not available to claim this money at the year end, although an interest free loan of £776,000 was made available, which the Government did not expect to be re-paid until funds are received from the ERDF. Since the year end a claim for £956,000 has been submitted to ERDF with further claims due going forward. Altogether, this gives the Directors confidence that the company can continue to operate as a going concern for the next 12 months and beyond.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Risk management

During the year there was further development of the risk register to link risks to themes included within the Programme Plan agreed with Scottish Government. Risks are reviewed regularly by the senior management team and the risk register is a standing item at Board meetings. Measures have been taken to mitigate risk by putting in place controls and taking appropriate action. The key risks and mitigation measures were identified as follows:

Key Risk	Description of risk	Mitigation measures
Over-commitment/ failure to deliver	If the organisation tries to accommodate too much the quality could suffer and ability to deliver is hampered. Reputational risk of failing to deliver on Scottish Government's priorities.	Programme of projects approved by Scottish Government (SG) annually and monitored regularly by the senior management team and SG.
Poor stakeholder management	Fail to maintain a good working relationship with key stakeholders impacting on programme delivery	Stakeholder management strategy developed which senior management review regularly.
Financial	Significant reductions in grant from Scottish Government would impact on programme delivery and accumulation of reserves is not permitted	Annual budget agreed with SG, regularly monitored and action taken as required. Grant award letter notes SG and ZWS will work to ensure commitments are honoured should the company be wound up.
European funding	Delay in claiming European Regional Development Fund (ERDF) monies; challenges in spending the full three year allocation; evidence may be insufficient to make claims. The UK exiting the European Union (EU) meaning access to future funding is not available.	Regular liaison with the ERDF team of SG and resources allocated to manage and deliver ERDF programme and funding. Discussions are taking place with SG to clarify the impact of the exit from the EU.
Staffing	Unexpected loss/ incapacitation of key staff could lead to significant gaps in knowledge and experience in key areas	Review of succession planning. Developmental plans in place for staff and documentation of key procedures to ensure continuity.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

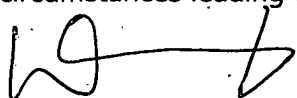
Performance management

A range of financial and non-financial key indicators were developed to measure performance during the year and will continue to be reviewed and adapted, as necessary. Environmental, economic and social outcome impact figures such as realised impact will only become available when evaluation is complete during Autumn 2016. Zero Waste Scotland is ISO14001 certified and a robust environmental management monitoring system and baseline is now in place.

Staff turnover continued to be low against the national average and levels of sickness absence have continued to reduce. Latest reported annual CIPD average labour turnover rates for the private sector are 14% for 2014 with Zero Waste Scotland reporting 7.8% for 2015-2016.

Corporate communications reported a high return for media value as a result of a number of high profile announcements and media campaigns. The advertising value equivalent of media coverage amounted to £13.7m for the year.

Originally there were 134 strategic milestones in the Zero Waste Scotland Programme Plan for 2015-2016 but this was adjusted to 117 taking into account resources, budget and reprioritisation. Of the 117 milestones, 97 were fully delivered, 15 were at risk of not being delivered to time or to level of intensity and 5 were not delivered due to several reasons including non-compliant applications to funds, delays incurred by partners and unforeseen circumstances leading to projects being delayed or cancelled.



I Gulland
Director

29 November 2016

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Board presents its report and the audited financial statements for the year ended 31 March 2016.

Principal Activities and Constitution

Zero Waste Scotland is a company limited by guarantee which has entered into a grant funding agreement with Scottish Government to deliver its circular economy strategy and other resource efficiency policies.

The current members of Zero Waste Scotland are the Scottish Ministers and the four non-executive Directors.

Directors

The following directors have held office during the period:

Vic Emery
Petra Biberbach
Phil Matthews
John Watt
Iain Gulland

Board Appointment and Induction

Appointment of Board members will be by a competitive recruitment process and all Board Directors will receive induction training to make them aware of their responsibilities as Directors and to provide them with information about the key activities of the organisation to better enable them to fulfil their duties. Further development needs will be assessed and delivered as required.

Financial Review

A financial review has been considered in the Strategic Report.

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

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

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

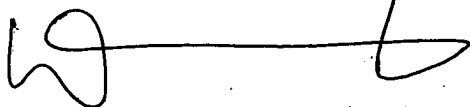
Disclosure of information to auditor

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

Auditors

Baker Tilly UK Audit LLP were appointed as the auditor of the Company as of 12 January 2015. During the year to 31 March 2016 they changed their name to RSM UK Audit LLP. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

On behalf of the Board



I Gulland
Director

29 November 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

We have audited the financial statements on pages 11 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ZERO WASTE SCOTLAND LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

Janet Hamblin (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

2 December 2016

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016	2015
		£	£
Incoming resources			
Grant income	2	19,893,710	24,169,509
Other income	2	1,091,000	56,386
Total incoming resources		<u>20,984,710</u>	<u>24,225,895</u>
Resources expended			
Operating expenditure		(20,984,710)	(24,225,895)
Operating surplus on ordinary activities before taxation		-	-
Taxation on surplus on ordinary activities		-	-
Surplus for the financial year	3	<u>-</u>	<u>-</u>
Retained Earnings at 1 April 2015 and 31 March 2016		-	-

In the current and prior year there has been neither a dividend declared nor any restatement of retained earnings for either correction of prior period material errors or changes in accounting policy.

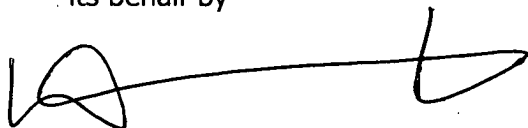
There are no deficits or surpluses for the period other than those reflected above. All activities are continuing.

The notes on pages 14 to 20 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	5		78,889		83,886
Current assets					
Debtors	6	1,135,867		112,075	
Cash at bank and in hand		<u>3,682,671</u>		<u>7,220,682</u>	
		4,818,538		7,332,757	
Creditors: Amounts falling due within one year	7	<u>(4,733,568)</u>		<u>(7,189,428)</u>	
Net current assets			84,970		143,329
Total assets less current liabilities			<u>163,859</u>		<u>227,215</u>
Creditors: Amounts falling due after more than one year	8		(78,889)		(83,886)
Provision for liabilities and charges	9		<u>(84,970)</u>		<u>(143,329)</u>
Net assets			<u>-</u>		<u>-</u>
Residual interest			<u>-</u>		<u>-</u>

The financial statements were approved by the Board on 07 November 2016 and signed on its behalf by



I Gulland
Director

Company Registration No.SC436030

The notes on pages 14 to 20 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016	2015
		£	£
Operating activities			
Net cash generated from operations	11	(3,702,647)	3,859,185
Investing activities			
Purchases of property, plant and equipment	5	<u>(41,671)</u>	<u>(68,967)</u>
Net cash from investing activities		(41,671)	(68,967)
Net (decrease) / increase in cash and cash equivalents		(3,744,318)	3,790,218
Cash and cash equivalents at beginning of year		<u>7,220,682</u>	<u>3,430,464</u>
Cash and cash equivalents at end of year		<u><u>3,476,364</u></u>	<u><u>7,220,682</u></u>

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

1. Basis of financial statements and accounting policies

Zero Waste Scotland Limited is a company limited by guarantee. The liability of the member is limited, as detailed in the Memorandum of Association, to £1 each.

The address of the Company's registered office and principal place of business is Moray House, Forthside Way, Stirling FK8 1QZ.

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 14 to 16 and which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

For the second year the company has adopted and complied with FRS102 (August 2014), the single financial reporting standard.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000.

Going Concern

These accounts have been prepared on the going concern basis, which assumes the company will continue to trade without significant curtailment for the foreseeable future. The company has entered into a grant funding agreement with the Scottish Government for 2016-17 and the company expects this arrangement will continue after March 2017.

1.1 Income

Government grant income is recognised under the accruals model. Revenue grants receivable are credited to the Income and Expenditure Account in the period in which the funding is receivable and when there is reasonable assurance that the grant conditions will be met. Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

1.2 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.

1.3 Leases

Rentals payable under operating lease are charged to the income statement on a straight line basis over the term of the lease.

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

1.4 Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Office Equipment - 33 % per annum on cost

1.6 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme constitute individual member accounts and are held separately from those of the company under an insured group pension arrangement. The pension cost charge represents contributions payable by the company to the fund and amounted to £531,039. No outstanding contributions were payable to the fund at the year end.

1.7 Critical Accounting Estimates and Areas of Judgement

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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee, or the lessee, where the company is a lessor.

1.8 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

1.9 Provisions

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 as a result of a past event.

2. Turnover

	2016	2015
	£	£
Scottish Government Grant (Note 10)	19,893,710	24,169,509
Scottish Government – Other	50,599	
ERDF Accrued Income	956,303	-
Other income	84,098	56,386
	20,984,710	24,225,895

3. Result for the financial year

	2016	2015
	£	£
Result for the year is stated after charging:		
Operating leases – land & buildings	65,578	82,032
Depreciation of tangible fixed assets	46,668	34,144
Loss on disposal of fixed assets	-	630

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

3. Result for the financial year (continued)

	2016 £	2015 £
Auditors Remuneration		
Audit of these financial statements	14,976	12,000
Non-audit services	1,122	1,080

4. Employees

	2016 £	2015 £
The average weekly number of full time equivalent staff and executive directors was:	107	87

The aggregate remuneration comprised:

Wages and salaries	3,761,178	2,994,861
Social security costs	395,630	311,768
Defined contribution pension costs	531,442	407,971
Other remuneration benefits	6,926	8,671
	<u>4,695,176</u>	<u>3,723,271</u>

Directors Emoluments

In respect of the directors of Zero Waste Scotland:

Emoluments	108,916	91,809
Company contributions to money purchase pension schemes	12,809	14,476
	<u>121,725</u>	<u>106,285</u>

The number of directors to whom retirement benefits are accruing under money purchase schemes was

1	1
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The total remuneration of the staff in the year who are considered to be key management personnel of the company was £630,409.

Those considered key management personnel are:

Director and Chief Executive Officer	Iain Gulland
Head of Finance & Corporate Services	Lynn Murray
Head of Business Development & Planning	Frazer Scott
Head of Policy & Research	Callum Blackburn
Head of Communications & Engagement	Jon Molyneux
Head of Circular Economy	Louise McGregor
Head of Resource Management	Charlie Devine
Head of Resource Efficiency	Marissa Lippiatt

ZERO WASTE SCOTLAND LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2016****4. Employees (continued)****Remuneration of Non-Executive Directors**

Non-Executive Directors received remuneration totalling £29,800 during the year.

5. Tangible fixed assets

	Office Equip
Cost	£
1 April 2015	83,886
Additions	41,671
Disposals	-
31 March 2016	<u>125,557</u>
Depreciation	
1 April 2015	-
Charge in year	46,668
Disposals	-
31 March 2016	<u>46,668</u>
Net book value	
At 31 March 2016	<u>78,889</u>
At 31 March 2015	<u>83,886</u>

6. Debtors

	2016	2015
	£	£
Trade Debtors	126,298	47,368
Prepayments	52,765	64,707
Other debtors	956,804	-
	<u>1,135,867</u>	<u>112,075</u>

7. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade Creditors	1,852,637	5,190,393
Accruals and deferred income	1,863,942	1,903,864
Other Creditors	901,768	3,132
Other tax and social security	115,220	92,039
	<u>4,733,568</u>	<u>7,189,428</u>

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

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

Capital Grants	£
At 1 April 2015	83,886
Charge for the year	41,671
Utilised during the year	<u>(46,668)</u>
Balance at 31 March 2016	<u>78,889</u>

9. Provision for liabilities and charges

	£
At 1 April 2015	143,329
Provision released in the year	(26,218)
Utilised during the year	<u>(32,141)</u>
Balance at 31 March 2016	<u>84,970</u>

The provision represents the directors' best estimate of the future costs of liabilities, relating to monitoring the performance of capital and other grant schemes after completion, and is discounted to present value where the effect is material.

10. Related Party Transactions for Scottish Government

Below is the funding from Scottish Government assigned to the 5 budgetary themes. In addition a loan of £776,547 was received in respect of a delay in receiving ERDF Funding. The loan of £776k was repaid in 2016/17 once ERDF funding was received.

Themes	Expenditure
Encouraging Sustainable Consumer Behaviour	2,462,126
Improving Recycling Performance	7,219,306
Supporting Re-use, Manufacturing and Re-processing	2,756,802
Innovation for a Circular Economy	2,622,439
Delivering Resource Efficiency Savings	<u>4,833,038</u>
Total Spent on Projects in Year	<u>19,893,710</u>

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2016

11. Reconciliation of result to net cash generated from operations

	2016	2015
	£	£
Surplus for the financial year	-	-
Adjustments for:		
Depreciation of plant and equipment	46,668	34,144
Loss on disposal of plant and equipment	-	630
(Decrease) / Increase in receivables	(249,431)	460,683
(Increase) / Decrease in trade and other creditors	(3,499,884)	3,363,728
	<u>(3,702,647)</u>	<u>3,859,185</u>

12. Contingent Asset

The company has begun to make claims to Scottish Government in relation to the European Regional Development Fund. One claim has now been submitted and is included in debtors at 31 March 2016 which has now been received. A further claim in relation to expenditure in the year ended 31 March 2016 of around £200k is being prepared together with supporting schedules of evidence. As this claim has not yet been completed and submitted, a debtor has not been included in these financial statements for this amount. The directors are of the opinion that results of recent discussions with Scottish Government have indicated that a claim for these funds in relation to 2015/16 is probable once all relevant evidence has been provided.