

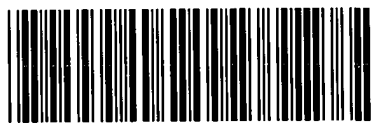
**Company Registration No. SC436030  
(Scotland)**

**ZERO WASTE SCOTLAND LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2019**

TUESDAY



\*S8J0YCXC\*

SCT

26/11/2019

#15

COMPANIES HOUSE

# ZERO WASTE SCOTLAND LIMITED

## CONTENTS

---

	<b>Page</b>
Company Information	1
Strategic Report	2 - 6
Directors' Report	7 - 9
Independent Auditor's Report to the Members	10 - 12
Statement of Income and Retained Earnings	13
Statement of Financial Position	14
Statement of Cash Flows	15
Notes and Accounting Policies	16 - 22

---

**ZERO WASTE SCOTLAND LIMITED**

**COMPANY INFORMATION  
AS AT 31 MARCH 2019**

---

**Directors**

V Emery  
I Gulland  
M MacDonald  
G O Sullivan  
J Swadling  
J Watt  
H Wollaston

**Secretary**

L Murray

**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

### **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 the circular economy, waste reduction and resource efficiency, working closely with businesses, public bodies and communities in Scotland. The Board comprises six non-executive directors and an executive director. The Scottish Ministers and non-executive directors are collectively the company's Members.

During 2018/19, Zero Waste Scotland was grant-funded by the Scottish Government to support delivery of its circular economy strategy and other resource efficiency policies. The company has four strategic outcomes focussed on building the demand for and supply of circular economy products, services and solutions; changing the way we live, work, and do business, so that consumption is more sustainable and disposal choices prevent waste and increase recycling; reducing food and drink waste at home and along the supply chain; and supporting the public and private sector components of the Energy Strategy's target to increase by 30% the productivity of energy use across the Scottish economy by 2030. The final Scottish Government grant awarded was £18.6 million which included an advance of £2 million (2017/18: £17.1 million including £2 million advance) to ensure adequate cash flow until European Regional Development Fund (ERDF) monies were reimbursed through the claim process. The ERDF, for which the Scottish Government is the Managing Authority in Scotland, funded a portion of our resource efficiency and circular economy work.

The company provides a range of support programmes, campaigns and other interventions to help communities and organisations on the journey to a circular economy, zero waste and resource efficiency. These include:

- Advice and support programmes helping organisations save money and reduce energy, water and waste;
- Technical and operational support 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 a £73 million programme, initially spanning four years, supported by up to £31 million of European Regional Development Funds. The programme was extended during 2017/18 from December 2018 to December 2019 and an extension to June 2023 will be requested to maximise funding. £22.56m spend has been incurred to 31 March 2019. The programme will accelerate Scotland's transition to a resource efficient circular economy by providing targeted support to small and medium sized enterprises (SMEs) and the third sector to help them reduce costs and carbon emissions;
- Local and national marketing campaigns including *Love Food Hate Waste*, *Recycle for Scotland* and *Revolve*;
- Participation in UK voluntary waste reduction agreements, such as the Courtauld Commitment;
- Provision of revenue and capital grants for investment in the circular economy, prevention of waste, Zero Waste Towns and the Local Authority Charter;
- Carrying out research, providing training and identifying best practice; and
- Helping organisations to comply with waste and other environmental regulations.

## ZERO WASTE SCOTLAND LIMITED

### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

---

Highlights for 2018/19 included the following:

- Zero Waste Scotland has finalised an ambitious Corporate Plan, covering the period 2019-2023, to set the company on a path towards delivering their strategic outcomes. The plan has been endorsed by the company's Board and Scottish Government after extensive input from staff.
- The company has led the programme on the deposit return scheme for Scotland on behalf of Scottish Government. During the year, after widespread public consultation, an Implementation Advisory Group, comprised of industry experts, was set up to make sure the scheme works for everyone. Cabinet approval was given to stage 1 of a Full Business Case in April 2019 and in May 2019, the Cabinet Secretary announced the scheme design for selected drinks in single-use containers.
- The Food Waste Reduction Action Plan launched in April 2019 reinforced Scottish Government's commitment to reduce food waste by 33% by 2025 by: improved monitoring and infrastructure; leadership in the public and private sectors; public engagement and communication; and supporting delivery of a new approach to food waste.
- The company hosted an extremely successful Circular Economy Hotspot, an international event attended by over 400 delegates from more than 20 countries to raise awareness of, and share ideas on, the circular economy.
- Good progress was made in the year on activities supported by Scottish Government and the ERDF aimed at small and medium sized enterprises (SMEs):
  - 15 offers of funding were made to SMEs through the Circular Economy Investment Fund, encouraging circular economy business models that are innovative and bring transformational change;
  - 86 businesses received or were approved for support through the Circular Economy Business Support Service and a healthy pipeline of 33 businesses are interested in receiving support;
  - Adopting a cities and regions approach has resulted in initiatives promoting circular economy opportunities within and between SMEs in Glasgow, Edinburgh, Aberdeen City & Shire and Tayside. This has resulted in 17 specific SMEs in these cities receiving support with a further eight in the pipeline.
  - The Resource Efficiency Service has delivered audits to date to 1,368 unique organisations identifying £13.6 million of savings. Over 164 companies have had food waste audits, identifying savings of over £2.1 million and the construction service carried out 126 audits identifying savings of over £4.4 million; and
  - The Waste Prevention Implementation Fund was re-launched during 2018/19 and invested £0.5 million in 13 projects, bringing a total cumulative amount invested of £1.5 million on 44 projects since 2016/17.

#### **Future developments**

The revised Corporate Plan, which will be officially launched in September 2019, cements the company's purpose to lead Scotland to use products and materials responsibly. Zero Waste Scotland does this using their expertise and knowledge to influence and inspire others.

---

## **ZERO WASTE SCOTLAND LIMITED**

### **STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019**

---

There are four values that underpin everything the company does: pioneering, collaborative, focused and authentic. All of these values support four strategic outcomes: responsible consumption; responsible production; maximising value from waste and energy; and the transformation of Zero Waste Scotland as an organisation. The company's core ambition is to tackle global climate emissions by focusing on the responsible production and consumption of products and materials; they will use a range of indicators to measure progress and success.

The delivery plan for 2019/20, agreed with Scottish Government in April, details the activities that will be taken forward in the first year of our Corporate Plan and an implementation plan will be developed during the year for Outcome 4 to transform Zero Waste Scotland.

#### **Going concern**

The company is funded principally through grants from the Scottish Government, with additional funding from the European Regional Development Fund (ERDF). The Scottish Government Grant is awarded annually.

The Directors have confidence that the company can continue to operate as a going concern for the next 12 months and beyond due to the following factors:

- Scottish Government has agreed Zero Waste Scotland's four-year Corporate Plan and the organisation will continue to be the key delivery agent to support its circular economy and other resource efficiency programmes. Grant of £20.9 million was awarded for 2019/20 to support these activities;
- For the last three financial years the Scottish Government has prepaid grant to ensure adequate cash flow until ERDF money is received (£2 million in respect of each of 2017/18 and 2018/19);
- A submission has been made to the Managing Authority, to extend the ERDF programme to June 2023. The Directors have reviewed progress of claim submissions and are satisfied that there has been a good record of settlement to date and have confidence that this will continue.

#### **Risk management**

The company has an Audit and Risk Committee, comprised of two non-executive directors with a financial background, supported by the Chief Finance Officer. The purpose of the Committee is to provide assurance to the Board of Zero Waste Scotland that there is effective governance in place regarding arrangements for external and internal audit functions, financial budgeting and reporting, risk management and any other issues that are relevant for the Committee to consider.

This Committee and the senior leadership team regularly review the risk register, which is also presented to and reviewed by the full Board. The key strategic risks and mitigation measures have been identified in the following table.

**ZERO WASTE SCOTLAND LIMITED**

**STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>Description of risk</b>	<b>Mitigation measures</b>
Corporate Plan from 2019-2023 does not deliver priority outcomes, including transformation of Zero Waste Scotland	<ul style="list-style-type: none"> <li>• Regular monitoring by SG</li> <li>• Progress reports at every Board meeting and action taken to address any issues impacting on successful achievement of outcomes</li> </ul>
Organisation fails to deliver/ evidence impact on key Government priorities or over-commits leading to a loss of confidence in Zero Waste Scotland	<ul style="list-style-type: none"> <li>• Operating Plan, including priority strategic outcomes, approved by the Scottish Government (SG) annually</li> <li>• Plan monitored regularly by SG, the Board and the senior leadership team and action taken to address any issues</li> </ul>
Significant reductions in grant from SG could impact on delivery of outcomes in the Operating Plan which cannot be mitigated by accumulation of reserves as this is not permitted. Risk that break-even budget will not be achieved annually.	<ul style="list-style-type: none"> <li>• Key delivery agent for SG and annual budget agreed, regularly monitored and re-prioritised as required</li> <li>• Develop longer term financial strategy to manage potential reduction in budgets</li> <li>• Confirmed by SG they will work with Zero Waste Scotland to ensure commitments are honoured should the company be wound up</li> </ul>
Delay in claiming European Regional Development Fund (ERDF) monies; challenges in spending the full four-year allocation; evidence may be insufficient to make claims. UK exit from the European Union is likely to mean access to future funding is not available.	<ul style="list-style-type: none"> <li>• ERDF Programme Board, comprised of Board Directors and senior leaders, meet regularly to monitor progress and resolve any issues</li> <li>• ERDF spend is regularly monitored and resources allocated to ensure achievement of outcomes &amp; results, guidance and compliance</li> <li>• Regular liaison with the Managing Authority and request for extension to the programme to maximise outcomes and funding requested</li> </ul>
Fail to maintain a good working relationship with key stakeholders impacting on programme delivery	<ul style="list-style-type: none"> <li>• Key strategic partnerships in place at Board and executive level with regular engagement</li> <li>• Stakeholder management plan to be refreshed now Corporate Plan is approved</li> </ul>
DRS is a critical priority for SG in the Programme for Government with a significant reputational risk for Zero Waste Scotland if it were to fail to deliver on outcomes in the agreed timescales. Also risk of diverting resources from other priorities to work on DRS.	<ul style="list-style-type: none"> <li>• A DRS Programme Board has been established, chaired by the Director of the Environment and Forestry Department at SG, to monitor progress</li> <li>• Internal governance processes are in place at Zero Waste Scotland and allocation of resources to deliver the project is regularly discussed, reviewed and revised as required</li> </ul>
Failure to comply with legislation or legal agreements breached.	<ul style="list-style-type: none"> <li>• Staff are trained in key requirements and external expertise procured as required.</li> </ul>
Uncertainty in business community due to EU exit potentially impacts on delivery of initiatives in relation to circular economy and resource efficiency.	<ul style="list-style-type: none"> <li>• Keep in regular contact with the business community, track EU exit issues and continue to participate in European networks.</li> <li>• Operational readiness plan completed</li> </ul>

## ZERO WASTE SCOTLAND LIMITED

### STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

---

#### Performance management

A range of financial and non-financial key indicators were developed to measure performance and will continue to be reviewed and adapted, as necessary.

Quarterly performance is reported to the Board and to the Scottish Government. In 2018/19 77 milestones were identified to evidence progress against the strategic outcomes of which 59 (75%) were delivered at the end of March 2019, four were partially completed and 14 were deferred due to re-alignment of activities, re-allocation of resources to other strategic priorities and decisions by third parties impacting on the company's ability to progress projects. Examples include taking the opportunity to work on a European circular procurement project rather than the planned Zero Waste Scotland led project, delays in modelling work with the NHS Hub for re-use, dedicated non-SME construction support and roll-out of the Code of Practice on Litter and Refuse (CoPLAR) support.

Staff turnover and sickness absence levels continued to be low against the national reported average and there have been no significant issues affecting health and safety of employees during the year. A Healthy Working Lives group comprised of employees across the organisation is very active and during the year we received the Healthy Working Lives gold award, demonstrating commitment to the health and wellbeing of employees. An approved Health & Wellbeing strategy is in place as well as mental health workplace training, a mindfulness programme, an employee assistance scheme, counselling support, mental health first aiders and a volunteering scheme.

Zero Waste Scotland is ISO14001 certified and a robust environmental management monitoring system is in place. During 2018/19 the company's total carbon footprint, inclusive of commuting, was 281 tonnes of CO2 eq., up 15% from 2017/18. Commuter travel has the highest impacts with many employees located across the central belt, some distance from the company's head office in Stirling. A Ways of Working group has been established to consider the office environment as well as how employees can work more flexibly. Everyone is encouraged to consider whether they need to travel to the Stirling office. All staff have remote access to networks, digital meeting facilities have been improved, and we are trialling satellite workspaces in Glasgow and Edinburgh.

Corporate travel increased due to some key strategic events being located out with Europe and the Board has agreed a target to reduce the level of per employee flight miles by 42% to return to 2017/18 levels. Electricity, gas and water consumption reduced and food waste and non-food waste generations per employee all fell from the previous year.

On behalf of the Board



I Gulland  
**Director**

29 August 2019

---



## **ZERO WASTE SCOTLAND LIMITED**

### **DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 2019**

The Board presents its report and the audited financial statements for the year ended 31 March 2019.

#### **Principal Activities and Constitution**

Zero Waste Scotland is a company limited by guarantee which has entered into a grant funding agreement with the 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 six non-executive Directors.

#### **Directors**

The following directors have held office during the period:

Vic Emery  
Iain Gulland  
Morag MacDonald  
Gerard O Sullivan  
Janet Swadling  
John Watt  
Helen Wollaston

#### **Board Development**

New Board directors receive formal induction training to develop their knowledge and understanding of their role to help them to participate effectively in the performance of their duties and all Board directors are encouraged to attend relevant conferences and training events. During 2018/19 Board directors attended events such as the Circular Economy Hotspot and the Scottish Resources Conference, as well as meeting with the Cabinet Secretary for Environment, Climate Change and Land Reform. Between Board meetings, directors are provided with opportunities to network with the Executive Leadership Team and other staff members. Further development needs will be assessed and delivered as required.

The Chair of the Board's annual appraisal is carried out annually by the Director of Environment and Forestry of Scottish Government. Following on from this the Chair will carry out appraisals with the rest of the Board.

Zero Waste Scotland is committed to equality and diversity, which is also reflected in Board membership. There were five Board meetings, two Audit & Risk Committees (A&RC) and three ERDF Programme Boards during 2018/19. The number of meetings each director attended is shown in the table below.

## ZERO WASTE SCOTLAND LIMITED

### DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2019

Director	Board	A&RC	ERDF Programme Board
Vic Emery	5	N/A	N/A
Iain Gulland	5	N/A	3
Morag MacDonald	5	2	N/A
Gerard O Sullivan	5	N/A	3
Janet Swadling	5	N/A	N/A
John Watt	4 -holiday	2	3
Helen Wollaston	5	N/A	N/A

#### Financial Review

A financial review has been included in the Strategic Report.

#### 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 and
- 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 auditor is 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 auditor is aware of that information.

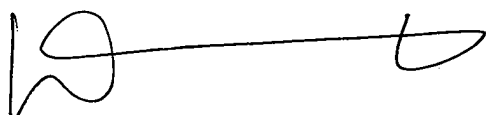
**ZERO WASTE SCOTLAND LIMITED**

**DIRECTORS REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

**Auditor**

There will be an open tender process to appoint external auditors from the financial year 2019/20 and, pursuant to Section 487 of the Companies Act 2006, the successful bidder will be appointed at the Annual General Meeting on 21 November 2019.

On behalf of the Board

A handwritten signature in black ink, consisting of a stylized 'I' followed by a long horizontal line and a small loop at the end.

I Gulland  
**Director**

29 August 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**Opinion**

We have audited the financial statements of Zero Waste Scotland (the 'company') for the year ended 31 March 2019 which comprise the Statement of income and retained earnings, Statement of financial position, Statement of Cashflows and 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 company's affairs as at 31 March 2019 and of its result 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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**

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

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

**Other information**

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

---

## **ZERO WASTE SCOTLAND LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued) FOR THE YEAR ENDED 31 MARCH 2019**

---

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully 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, and for such internal control as the directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:  
<http://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 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.

*RSM UK Audit LLP*

Janet Hamblin CA (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

*18 September 2019*

**ZERO WASTE SCOTLAND LIMITED****STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Incoming resources</b>			
Grant income	<b>2</b>	18,519,726	16,548,810
Other income	<b>2</b>	4,743,108	3,335,388
<b>Total incoming resources</b>		<b><u>23,262,834</u></b>	<b><u>19,884,198</u></b>
<b>Resources expended</b>			
Operating expenditure		<b><u>(23,262,834)</u></b>	<b><u>(19,884,198)</u></b>
<b>Operating profit/(loss) on ordinary activities before taxation</b>	<b>3</b>	-	-
Interest receivable and similar income		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on surplus on ordinary activities		-	-
<b>Profit for the financial year</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Reserves at 1 April 2018</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Reserves at 31 March 2019</b>		<b><u>-</u></b>	<b><u>-</u></b>

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.

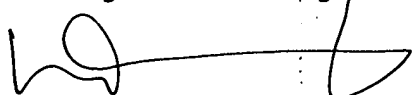
There are no losses or profits for the period other than those reflected above. All activities are continuing.

The notes on pages 16 to 22 form part of these financial statements.

**ZERO WASTE SCOTLAND LIMITED****STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019	2018
		£	£
<b>Fixed assets</b>			
Tangible assets	6	171,947	76,055
<b>Current assets</b>			
Debtors	7	4,312,966	3,029,025
Cash at bank and in hand		<u>1,312,689</u>	<u>3,971,400</u>
		5,625,655	7,000,425
<b>Creditors: Amounts falling due within one year</b>	8	<u>(5,707,921)</u>	<u>(7,015,553)</u>
<b>Net current liabilities</b>		(82,266)	(15,128)
<b>Total assets less current liabilities</b>		<u>89,681</u>	<u>60,927</u>
<b>Creditors: Amounts falling due after more than one year</b>	9	(89,681)	(34,295)
Provision for liabilities and charges	10	-	(26,632)
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Reserves (Residual interest)</b>		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 August 2019 and signed on its behalf by



I Gulland  
**Director**

**Company Registration No.SC436030**

The notes on pages 16 to 22 form part of these financial statements.



**ZERO WASTE SCOTLAND LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Operating activities</b>			
Net cash absorbed by operations	<b>12</b>	(2,480,351)	(449,293)
<b>Investing activities</b>			
Purchases of tangible assets	<b>6</b>	<u>(178,360)</u>	<u>(27,261)</u>
Net cash used in investing activities		<u>(178,360)</u>	<u>(27,261)</u>
<b>Net decrease in cash and cash equivalents</b>		(2,658,711)	(476,554)
Cash and cash equivalents at beginning of year		<u>3,971,400</u>	<u>4,447,954</u>
<b>Cash and cash equivalents at end of year</b>		<u>1,312,689</u>	<u>3,971,400</u>

# ZERO WASTE SCOTLAND LIMITED

## NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019

---

### 1. Basis of financial statements and accounting policies

Zero Waste Scotland Limited is a private company limited by guarantee incorporated in Scotland. The liability of the members is limited, as detailed in the Memorandum of Association, to £1 each. Zero Waste Scotland Limited is a Public Benefit Entity.

The address of the company's registered office and principal place of business is Moray House, Forthside Way, Stirling FK8 1QZ, Scotland, registered number SC436030.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006.

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 13 to 15 and which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared and rounded to the nearest £.

#### 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 2019/20 and the company expects this arrangement will continue in 2020/21.

#### 1.1 Income

Government grant income is recognised under the accruals model. Revenue grants receivable are credited to the Statement of Income and Retained Earnings 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 Statement of Financial Position and credited to the Statement of Income and Retained Earnings 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 2019

---

#### 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 £636,009. 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.

**NOTES AND ACCOUNTING POLICIES (continued)  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**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 and other creditors**

Trade 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. Incoming Resources**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Scottish Government Grant (Note 11)	18,519,726	16,548,810
Scottish Government – Other	227,112	131,367
ERDF Accrued Income	4,353,416	3,108,400
Other income	162,580	95,621
	<u>23,262,834</u>	<u>19,884,198</u>

**ZERO WASTE SCOTLAND LIMITED****NOTES AND ACCOUNTING POLICIES (continued)  
FOR THE YEAR ENDED 31 MARCH 2019****3. Operating Result for the  
financial year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Operating Result for year is stated after charging:</b>		
Operating leases - land & buildings: Paid in year	<u>77,385</u>	<u>74,610</u>
Depreciation of tangible fixed assets	<u>78,411</u>	<u>54,799</u>
Loss on Disposal of tangible fixed assets	<u>4,056</u>	-
<b>Auditors remuneration</b>		
Audit of these financial statements	<u>16,860</u>	<u>16,224</u>
Non-audit services	<u>11,232</u>	<u>5,544</u>

**4. Employees**

	<b>2019</b>	<b>2018</b>
<b>The average weekly number of full time equivalent staff and executive directors was:</b>		
Corporate	49	44
Operational	77	71

**The aggregate remuneration comprised:**

	<b>£</b>	<b>£</b>
Wages and salaries	4,544,394	4,099,369
Social security costs	477,421	435,007
Defined contribution pension costs	676,818	637,512
Other remuneration benefits	34,748	30,096
	<u>5,733,381</u>	<u>5,201,984</u>

**Directors Emoluments**

In respect of the directors of Zero Waste Scotland:

Emoluments	145,492	140,498
Company contributions to money purchase pension schemes	13,664	12,688
	<u>159,156</u>	<u>153,186</u>

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

1	1
---	---

## ZERO WASTE SCOTLAND LIMITED

### NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2019

---

#### 4. Employees (continued)

The total remuneration of the staff in the year who are considered to be key management personnel of the company was £683,971 (2018: £715,977).

Those considered key management personnel are:

Director and Chief Executive Officer	Iain Gulland
Chief Operating Officer	Jill Farrell
Chief Finance Officer	Lynn Murray
Head of Organisational Development	Frazer Scott
Head of Policy & Research	Callum Blackburn
Head of Communications & Engagement (Acting)	Lorna Johnston
Head of Circular Economy	Louise McGregor
Head of Resource Management	Charlie Devine
Head of Resource Efficiency	Marissa Lippiatt

#### Remuneration of Non-Executive Directors

Non-Executive Directors received remuneration totalling £43,486 during the year (2018: £37,041).

#### 5. Interest receivable and other income

	2019	2018
	£	£
Other income comprising insurance settlements	=	=

#### 6. Tangible fixed assets

	Office Equip
	£
<b>Cost</b>	
1 April 2018	285,770
Additions	178,360
Disposals	(19,402)
31 March 2019	<u>444,728</u>
<b>Depreciation</b>	
1 April 2018	209,715
Charge in year	78,411
Disposals	(15,345)
31 March 2019	<u>272,781</u>
<b>Net book value</b>	
At 31 March 2019	<u>171,947</u>
At 31 March 2018	<u>76,055</u>

# ZERO WASTE SCOTLAND LIMITED

## NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2019

### 7. Debtors

	2019	2018
	£	£
Trade Debtors	98,875	64,251
Prepayments	297,002	180,499
Other debtors	3,913,910	2,784,275
Accrued Income	3,179	-
	<u>4,312,966</u>	<u>3,029,025</u>

There is an amount of £3,587,659 included in other debtors in relation to European Regional Development Fund (2018: £2,674,087). As with all European funding, this is required to be verified by Scottish Government and the amount paid may vary from the figure included. It is not expected that there would be a material difference. Financial assets measured at amortised cost total £4,015,964 (2018: £2,848,526).

### 8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade Creditors	956,736	617,515
Accruals and deferred income	2,520,905	4,226,767
Other Creditors	2,000,000	2,002,285
Capital grants due within one year	82,268	41,760
Other tax and social security	148,012	127,226
	<u>5,707,921</u>	<u>7,015,553</u>

Financial liabilities measured at amortised cost total £5,477,641 (2018: £6,846,567).

### 9. Creditors: Amounts falling due after more than one year

Capital Grants	£
At 1 April 2018	76,055
Additions for the year	178,360
Amount to be released within one year (Note 8)	(82,268)
Utilised during the year	(82,466)
Balance at 31 March 2019	<u>89,681</u>

### 10. Provision for liabilities and charges

	£
At 1 April 2018	26,632
Provision released in the year	(26,632)
Balance at 31 March 2019	<u>-</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 upon completion, and is discounted to present value where the effect is material.

## ZERO WASTE SCOTLAND LIMITED

### NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2019

---

#### 11. Related Party Transactions

Below is the funding from Scottish Government assigned to the four budgetary outcomes. An advance of £2,000,000 was received during the year to cover the costs incurred from ERDF work. This funding from ERDF is expected to be received in 2019/20. The prior year advance of £2,000,000 was repaid during the year. The total spent on projects in the year of £18,519,726 varies from the figure included in the Directors report of £18.6m due to adjusted movements in accrued income at each year end.

<b>Outcomes</b>	<b>Expenditure £</b>
Building Demand & Supply of CE Products & Services	6,069,664
Change Consumption to Prevent Waste & Increase Recycling	6,712,611
Reduce Food & Drink Waste	2,269,352
Support Energy Strategy 30% Productivity Increase	3,468,100
<b>Total Spent on Projects in Year</b>	<b>18,519,726</b>

Expenses paid to Board members during the year totalled £1,269 (2018: £4,483).  
No related party transactions exist between any Board member and any grantee or grantor.

#### 12. Reconciliation of result to net cash generated from operations

	<b>2019 £</b>	<b>2018 £</b>
<b>Profit for the financial year</b>	-	-
<b>Adjustments for:</b>		
Depreciation of plant and equipment	78,411	54,799
Loss on disposal of plant and equipment	4,056	-
Increase in receivables	(1,283,941)	(998,692)
(Decrease)/Increase in trade and other creditors	(1,278,877)	494,600
<b>Net Cash Absorbed by Operating Activities</b>	<b>(2,480,351)</b>	<b>(449,293)</b>

#### 13. Operating Leases commitments:

The total future minimum lease payments under non-cancellable leases are:

	<b>2019 £</b>	<b>2018 £</b>
Due within one year	76,100	73,090
Due 2-5 years	152,201	219,272
Due > 5 years	-	-
	<b>228,301</b>	<b>292,362</b>