

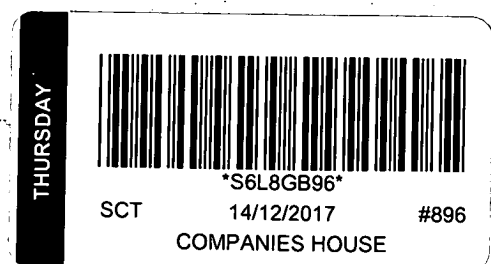
Company Registration No. SC436030
(Scotland)



ZERO WASTE SCOTLAND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2017



ZERO WASTE SCOTLAND LIMITED

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ZERO WASTE SCOTLAND LIMITED

COMPANY INFORMATION AS AT 31 MARCH 2017

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

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 four non-executive directors and one executive director. The Scottish Ministers and non-executive directors are collectively the company's Members.

It has been agreed with Scottish Government that Zero Waste Scotland will work towards Non-Departmental Public Body (NDPB) status and the Articles of Association will be changed during 2017/18 to reflect any requirements arising from NDPB status.

During 2016/17 Zero Waste Scotland was grant-funded by the Scottish Government to support delivery of its circular economy strategy and other resource efficiency policies. The final Scottish Government grant awarded was £18.6 million which included an advance of £1.7 million covering the delay in receiving European Regional Development Fund (ERDF) funding. 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 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 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 campaigns including Love Food Hate Waste 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 waste and other environmental regulations.

Highlights for 2016/17 were:

- Launching an £18m Circular Economy Investment Fund to support the drive towards circular economy opportunities for small and medium sized enterprises (SMEs) and the third sector;
- Creating a new business support service to provide specialist and technical support to help businesses and organisations explore and implement circular economy opportunities;
- Establishing the Scottish Circular Economy Network, with the 58 businesses that are now members participating in events and innovation workshops;
- Influencing 25 local authorities to sign up to the Household Recycling Charter and providing expert support in order to improve the quality and consistency of recycling services;
- Agreeing a partnership arrangement with the Climate Change Team in Scottish Government to utilise ERDF funding for resource efficiency related community projects supported via the Climate Challenge Fund;
- Contributing to the Scottish Government's target to reduce food waste by 33% by 2025 by delivering Food Waste Workshops covering the full length of the supply chain as part of the preparation for the Good Food Nation Bill;
- Trialling an approach with Dundee City Council to produce Litter Action Plans aligned to the Scottish Government's Litter Prevention Strategy;
- Contributing expertise to support the Scottish Government's Manufacturing Action Plan, chairing the Decarbonisation Working Group and being the major contributor to the Circular Economy and Resource Efficiency workstreams;
- Providing technical support for the Scottish Government-led Low Carbon Infrastructure Transition Programme (LCITP), and supporting and accelerating the development of low carbon heat projects. A Scottish Energy Efficiency Programme (SEEP) pilot was delivered and an evaluation will be completed in 2017/18;
- Certifying 94 re-use stores across 53 organisations with the national Revolve quality standard.

Future developments

Zero Waste Scotland will continue to support delivery of the Scottish Government's circular economy strategy and other resource efficiency policies, contributing towards the Scottish Government's National Outcomes, targets and impacts. The organisation's current delivery programme is structured by strategic theme and covers the period from 1 April 2017 to 31 March 2018. Delivery will be focussed on initiatives that will:

- Accelerate a circular economy;
- Reduce food waste;
- Help organisations save energy and use resources efficiently;
- Prevent litter and fly-tipping.

Our approach is to work with others to influence change. Key priorities for 2017/18 include:

- We will continue to increase the scale, range and depth of support in relation to the circular economy and resource efficiency to the SME and third sector communities in Scotland by using European funding matched with funding from the Scottish Government. Investment priorities will be aligned with the priority sectors and activities described in the Government's *Making Things Last* strategy i.e. manufacturing, food and drink/ bio-economy, energy infrastructure and construction;
- We will work with food and drink stakeholders to support the development of actions, which will inspire leadership and drive progress towards the Scottish Government's target to reduce food waste by a third by 2025, as well as aligning with broader objectives around defining and promoting Scotland as a Good Food Nation. One-to-one support will be provided to organisations in the food and drink sector, we will continue to participate in the UK-wide Courtauld 2025 initiative working with retailers and other grocery brands to drive reductions in food waste through their operations and supply chains, and we will continue to promote the Love Food Hate Waste consumer campaign and influence public sector organisations to reduce food waste;
- We will enable the delivery of high-impact actions in the 'Towards a Litter Free Scotland' strategy, providing training, guidance and ongoing support to local authorities and other bodies with a responsibility to keep their land free of litter and refuse to ensure the successful implementation of the updated Code of Practice on Litter and Refuse;
- We will engage proactively with the Community Resources Network Scotland (CRNS) and community groups to motivate and inspire them to develop innovative, community based resource efficiency projects such as sharing libraries, repair cafes and other similar community-based interventions;
- We will mainstream the Revolve quality standard for re-used items in order to increase consumer recognition of it and to support its long-term development;
- We will engage with and support local authorities to develop integrated heat and energy efficiency strategies, including identifying opportunities for developing district heating networks and other low carbon heat technologies and continue to develop low carbon heat projects through pre-feasibility and options appraisal stages;
- We will continue to work with Scottish local authorities, encouraging them to sign up to the Scottish Household Recycling Charter and identifying the best options for them to transition to a service which is consistent with the Charter and its associated Code of Practice.

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 as Zero Waste Scotland is the key delivery agent to support Scottish Government's circular economy strategy and other resource efficiency policies.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

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:

- Zero Waste Scotland will continue to be the key delivery agent to support Scottish Government's circular economy and other resource efficiency programmes; grant of £19.325 million was awarded for 2017/18 and discussions have commenced on funding the 2018/19 programme;
- For the last two financial years Scottish Government has prepaid grant to ensure adequate cash flow until ERDF money is received; £1.7 million was prepaid in respect of 2016/17;
- Confirmation was received that up to £31 million funding can be drawn down for the period to 31 December 2019 from ERDF. 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 risk register is reviewed regularly by the senior management team and 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 over-commits resource 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 plan was refreshed and the Board and senior management team support the development of relationships.
Financial	Significant reductions in grant from Scottish Government would impact on programme delivery and accumulation of reserves is not permitted	Key delivery agent for SG and annual budget agreed, 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.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)

Key Risk	Description of risk	Mitigation measures
European funding	Delay in claiming European Regional Development Fund (ERDF) monies; challenges in spending the full four year allocation; evidence may be insufficient to make claims. The UK exiting the European Union 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. ERDF Programme Board established comprised of Board Directors and senior managers to monitor the programme progress.
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. Senior and operational managers took part in a leadership development programme which will be rolled out to wider staff.

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.

Zero Waste Scotland is ISO14001 certified and a robust environmental management monitoring system and baseline is now in place. Our office carbon footprint reduced by 6.3% from the previous year by more efficient gas and electricity consumption and a cap and trade system was introduced resulting in a 39% saving in paper use compared to the previous year. Corporate travel will be the focus for 2017/18.

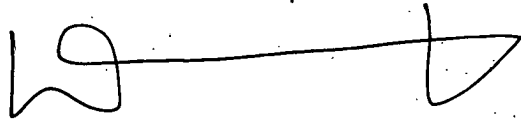
Staff turnover continued to be low against the national reported average. Latest reported annual CIPD average labour turnover rates for the private sector are 14% with Zero Waste Scotland reporting 10.9% for 2016-2017. Similarly, sickness absence levels at 3.64 days lost per employee were still minimal in relative terms (CIPD report an average of 3.9 lost days per person).

Strategic milestones were reviewed and reduced from 117 in 2015/16 to 24 in 2016/17 to provide more strategic focus. Of these milestones, 14 were fully delivered and four were partially delivered. Six milestones were not delivered due mainly to external factors such as delays incurred by suppliers and partners and relate to improvement of recycling rates by contracting work for single stream materials; reviewing key factors of contamination; developing a communication strategy with partners on the Household Recycling Charter; increasing uptake of SME loan schemes; and reducing litter and fly-tipping through implementation plans and developing a methodology for measuring litter.

ZERO WASTE SCOTLAND LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

An evaluation of the first three years of the Resource Efficient Scotland programme identified implemented lifetime savings of £210m and 1.1 million tonnes of carbon dioxide equivalent through support to 2,500 Scottish businesses. Impacts of other activities will continue to be measured where it is possible to do so.



I Gulland
Director

16 November 2017

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

The Board presents its report and the audited financial statements for the year ended 31 March 2017.

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 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).

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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.

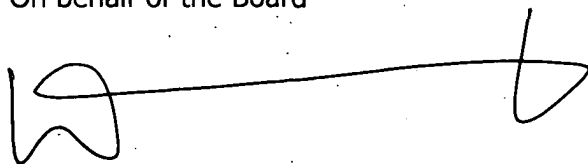
Disclosure of information to auditor

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 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

On behalf of the Board



I Gulland
Director

16 November 2017

ZERO WASTE SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2017

Opinion on financial statements

We have audited the financial statements on pages 12 to 21. 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".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

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 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 and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' 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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

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.

ZERO WASTE SCOTLAND LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on pages 8 and 9, 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.

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

24 November 2017

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Incoming resources			
Grant income	2	18,250,173	19,893,710
Other income	2	1,832,914	1,091,000
Total incoming resources		<u>20,083,087</u>	<u>20,984,710</u>
Resources expended			
Operating expenditure		<u>(20,101,436)</u>	<u>(20,984,710)</u>
Operating (loss)/profit on ordinary activities before taxation	3	(18,349)	-
Interest receivable and similar income		18,349	-
Profit on ordinary activities before taxation		-	-
Taxation on surplus on ordinary activities		-	-
Profit for the financial year		<u>-</u>	<u>-</u>

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.

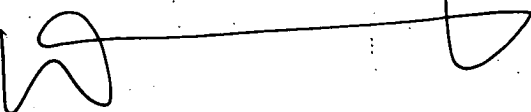
There are no losses or profits for the period other than those reflected above. All activities are continuing.

The notes on pages 15 to 21 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	6		103,593		78,889
Current assets					
Debtors	7	2,030,333		1,135,867	
Cash at bank and in hand		4,447,954		3,682,671	
		<u>6,478,287</u>		<u>4,818,538</u>	
Creditors: Amounts falling due within one year	8	<u>(6,468,314)</u>		<u>(4,733,568)</u>	
Net current assets			<u>9,973</u>		<u>84,970</u>
Total assets less current liabilities			<u>113,566</u>		<u>163,859</u>
Creditors: Amounts falling due after more than one year	9		(51,921)		(78,889)
Provision for liabilities and charges	10		(61,645)		(84,970)
Net assets			<u>-</u>		<u>-</u>
Reserves (Residual interest)			<u>-</u>		<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 16 November 2017 and signed on its behalf by



I Gulland
Director

Company Registration No. SC436030

The notes on pages 15 to 21 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017	2016
		£	£
Operating activities			
Net cash generated from/(absorbed by operations)	12	845,779	(3,496,341)
Investing activities			
Purchases of tangible assets	6	(80,496)	(41,671)
Net cash from investing activities		(80,496)	(41,671)
Net increase / (decrease) in cash and cash equivalents			
		765,283	(3,538,012)
Cash and cash equivalents at beginning of year		3,682,671	7,220,683
Cash and cash equivalents at end of year		4,447,954	3,382,671

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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.

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 12 to 14 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 2017/18 and the company expects this arrangement will continue in 2018/19.

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.

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 £614,194. 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 2017

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

	2017	2016
	£	£
Scottish Government Grant (Note 11)	17,667,187	19,117,253
Scottish Government movement in prepaid grant	582,986	776,457
Scottish Government – Other	1,569	50,599
ERDF Accrued Income	1,737,556	956,303
Other income	93,789	84,098
	<u>20,083,087</u>	<u>20,984,710</u>

ZERO WASTE SCOTLAND LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2017****3. Operating Result for the
financial year**

	2017	2016
	£	£
Operating Result for year is stated after charging:		
Operating leases - land & buildings: Paid in year	<u>65,578</u>	<u>65,578</u>
Depreciation of tangible fixed assets	<u>50,592</u>	<u>46,668</u>
Loss on Disposal of tangible fixed assets	<u>5,200</u>	-
Auditors remuneration		
Audit of these financial statements	<u>15,600</u>	<u>14,976</u>
Non-audit services	<u>9,665</u>	<u>1,122</u>

4. Employees

	2017	2016
	£	£
The average weekly number of full time equivalent staff and executive directors was:	<u>111</u>	<u>107</u>

**The aggregate remuneration
comprised:**

Wages and salaries	4,000,324	3,761,178
Social security costs	445,661	395,225
Defined contribution pension costs	614,194	531,442
Other remuneration benefits	8,042	20,473
	<u>5,068,221</u>	<u>4,708,318</u>

Directors Emoluments

In respect of the directors of Zero Waste
Scotland:

Emoluments	135,326	138,716
Company contributions to money purchase pension schemes	12,607	12,809
	<u>147,933</u>	<u>151,525</u>

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

<u>1</u>	<u>1</u>
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ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 MARCH 2017

4. Employees (continued)

The total remuneration of the staff in the year who are considered to be key management personnel of the company was £677,762.

Those considered key management personnel are:

Director and Chief Executive Officer	Iain Gulland
Chief Operating Officer	Jill Farrell
Head of Finance & Corporate Services	Lynn Murray
Head of Organisational Development	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

Remuneration of Non-Executive Directors

Non-Executive Directors received remuneration totalling £29,800 during the year (2016 £29,800).

5. Interest receivable and other income

	2017 £	2016 £
Other income comprising insurance settlements	<u>18,349</u>	=

6. Tangible fixed assets

	Office Equip
Cost	£
1 April 2016	211,249
Additions	80,495
Disposals	(33,408)
31 March 2017	<u>258,336</u>
Depreciation	
1 April 2016	132,360
Charge in year	50,592
Disposals	(28,209)
31 March 2017	<u>154,743</u>
Net book value	
At 31 March 2017	<u>103,593</u>
At 31 March 2016	<u>78,889</u>

ZERO WASTE SCOTLAND LIMITED**NOTES AND ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2017****7. Debtors**

	2017	2016
	£	£
Trade Debtors	110,177	126,298
Prepayments	182,099	52,765
Other debtors	1,738,057	956,804
	<u>2,030,333</u>	<u>1,135,867</u>

8. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade Creditors	160,800	1,852,637
Accruals and deferred income	4,927,974	1,863,942
Other Creditors	1,189,874	901,768
Capital grants due within one year (Note 9)	51,672	-
Other tax and social security	137,994	115,220
	<u>6,468,314</u>	<u>4,733,568</u>

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

Capital Grants	£
At 1 April 2016	78,889
Additions for the year	80,495
Amount to be released within one year (Note 8)	(51,672)
Utilised during the year	(55,791)
Balance at 31 March 2017	<u>51,921</u>

10. Provision for liabilities and charges

	£
At 1 April 2016	84,970
Provision released in the year	(23,325)
Balance at 31 March 2017	<u>61,645</u>

The provision represents the directors' best estimate of the future costs of liabilities, relating to the 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 2017

11. Related Party Transactions

Below is the funding from Scottish Government assigned to the 4 budgetary themes. An advance of £1,731,200 was received during the year to cover the costs incurred from ERDF work. This funding from ERDF is expected to be received in 2017/18. The prior year advance of £776,457 was repaid during the year.

Themes	Expenditure
Improving Recycling Performance	6,836,918
Accelerating a Circular Economy	4,486,297
Encouraging Resource Efficiency	5,261,015
Reducing Litter and Fly tipping	1,082,957
Total Spent on Projects in Year	<u>17,667,187</u>

Expenses paid to Board members during the year totalled £158.

No related party transactions exist between any Board member and any grantee or grantor.

12. Reconciliation of result to net cash generated from operations

	2017 £	2016 £
Profit for the financial year	-	-
Adjustments for:		
Depreciation of plant and equipment	50,592	46,668
Loss on disposal of plant and equipment	5,200	-
(Increase) in receivables	(894,466)	(1,023,792)
Increase/(decrease) in trade and other creditors	1,684,453	(2,519,217)
Net cash generated from/(absorbed) by operations	<u>845,779</u>	<u>(3,496,341)</u>

13. Operating Leases commitments:

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

	£	£
Due within one year	65,578	65,578
Due 2-5 years	251,380	262,310
Due > 5 years	-	54,648
	<u>316,958</u>	<u>382,536</u>