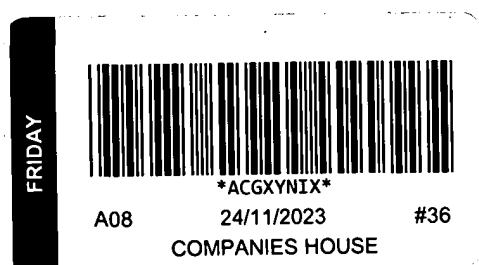


ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION

Directors

G O Sullivan
J Swadling
H Wollaston
M MacDonald
I Gulland
S Robinson
A Singh

Secretary C McGuigan

Company number SC436030

Registered office

Ground Floor
Moray House
Forthside Way
Stirling
FK8 1QZ

Auditor

Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

ZERO WASTE SCOTLAND LIMITED

(A COMPANY LIMITED BY GUARANTEE)

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ZERO WASTE SCOTLAND LIMITED

(A COMPANY LIMITED BY GUARANTEE)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Overview

2022/23 has been another important year in the development of Scotland's circular economy, with the development of the Circular Economy Route Map and Circular Economy Bill (which was laid in parliament in June 2023) helping advance the legislative and policy framework required to support Scotland's transition to a zero waste and circular economy including significant increases in reuse and recycling services and infrastructure.

Throughout the year Zero Waste Scotland has supported Scottish Government in developing and consulting on the powers and solutions that will help us as a country to deliver a system wide change and accelerate progress to a more circular, prosperous and sustainable economy, including rethinking how we consume as a nation. We will continue to support the Government throughout these consultations and legislative processes, continuing to play a critical role in making the Circular Economy a reality and a success here in Scotland.

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.

Zero Waste Scotland's overarching vision is to create a Scotland where no resources are wasted and circular economy principles are embedded across the country, directly supporting the Scottish Government in delivering their environmental objectives and creating a platform for strong and sustainable economic growth and a just transition to net zero carbon emissions.

The organisation has four strategic outcomes focused on creating a Scottish economy where goods and services are consumed and produced responsibly, with the least environmental impact and the value of waste is maximised with residual waste minimised and eradicated wherever possible. The organisation also has an ambitious internal transformation agenda to help ensure that it continues to operate as efficiently and effectively as possible, maximising its impact with the least possible resource.

During the 2022/23 financial year Zero Waste Scotland was funded through £17.8m (2021/22: £21m) of core Scottish Government Grant, £1.6m (2021/22: £1.7m) of European Regional Development Funding and other income of £0.46m (2021/22: £0.1m).

Zero Waste Scotland also administered £9.8m (2021/22: £5.3m) of Recycling Improvement Fund capital grants on behalf of the Scottish Government. This funding was invested exclusively with Local Authorities to acquire capital infrastructure that will be critical to driving a step change in regional and national recycling performance.

Zero Waste Scotland 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, resources 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 multi-year ERDF programme which 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 to raise awareness and encourage behaviour change including, *Food Waste, Everything has a Carbon Cost, Love Food Hate Waste, Recycle for Scotland, Managing our Waste, Face It: Reuse Beats Single-use and Scotland is Stunning*;
- Increasing standards and developing markets for reused goods through programmes like *Revolve* store certification;
- Provision of revenue and capital grants for investment in the circular economy and prevention of waste;
- Carrying out research, providing training and identifying best practice; and
- Helping organisations to comply with waste and other environmental regulations.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Delivery highlights for 2022/23 included the following:

- **Circular Economy Route Map and Circular Economy Bill**

Drafted the Circular Economy Route Map and shaped the Circular Economy Bill, with both consultations launched. Zero Waste Scotland took a leading role in developing the content of the CE Route Map, with ambitions accepted by Scottish Government, and receiving positive feedback from stakeholders through the first consultation. Throughout the 12-week consultation period, we led a series of stakeholder engagement activities through 1-1 meetings, webinars, and proactive communications across multiple channels. More broadly, we delivered five research projects which will influence and shape the design of future work.

- **Deposit Return Scheme**

Zero Waste Scotland was responsible for managing the Exemptions Service on behalf of Scottish Ministers, managing over 500 applications in the year. We also launched a pilot Deposit Return Scheme in Orkney in November this year, with twelve Orkney based charities benefiting from the 20p-per-deposited-item. Our experts continued to work with Local Authorities as they prepared for change, as well as providing ongoing communications, policy, evaluation, and project management support to the Scottish Government. The delay of the Deposit Return Scheme until 2025 was announced in June 2023.

- **Recycling Improvement Fund**

£9.7m grants provided to twelve Local Authorities through the Recycling Improvement Fund. When completed these projects will drive an increase in recycling of 22k tonnes pa – a 0.9% increase in the national recycling rate. This has a potential carbon impact of 28k tCO₂e pa or the equivalent of taking 15k cars off the road.

- **Circular Economy Investments Fund and Circular Economy business support**

c£2.2m funding provided to 16 organisations through the Circular Economy Investments Fund (taking the total invested to c£11.5m).

Provided Circular Economy business support to 72 customers. In addition, there were two Circular Economy Scottish EDGE Winners, seven specific referrals from Scottish EDGE and engagement through workshops and webinars of between 30-50 customers. This included support for Beauty Kitchen to deliver a high-profile stakeholder event engaging with a number of major brands and retailers about a closed loop re-usable packaging system utilising packaging as a service.

Delivered a pilot of support to non-SMEs, completing support for Tennent's and Balfour Beatty. Support for Scottish Power, Scottish Water and NHS Scotland will continue into 2023/24. A pilot report is underway.

- **Low Carbon Heat**

Five new Low Carbon Heat feasibility projects selected for pre-capital support, focusing on developing low carbon heat networks across a diverse range of geographies each with unique challenges. This includes sourcing heat from a canal, a redundant coal mine, and developing an ambient loop network.

- **Cost of Living Crisis**

Pivoted our work in response to the cost-of-living crisis – primarily focused on supporting businesses through expanding our redistribution activity to reduce food waste, with vulnerable householders accessing quality produce. The Community Fridge Fund pilot was developed and launched with £40k distributed to 16 organisations. Our Good to Go project provided 27,000 bags and boxes to 110+ schools and 17 community groups.

ZERO WASTE SCOTLAND LIMITED

(A COMPANY LIMITED BY GUARANTEE)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

- **Publications**

Developed a range of publications, most notably:

Circularity Gap Report this is the first-ever quantitative analysis of the state of the circular economy in Scotland, launched in collaboration with Circle Economy. The report demonstrates different scenarios that could both cut Scotland's carbon and material footprint by roughly 43%, reducing Scotland's resource use and bringing its circularity from 1.3% to 11.8%.

ORE Catapult outlines the benefits of the circular economy in the offshore wind sector, presenting opportunities for reducing carbon emissions by 34% and creating approx. 20,000 jobs.

Household Waste Composition Analysis – the outputs will be used to produce national estimates of what we throw away and what we recycle.

- **Talent and Development**

Increased focus on talent development – internally we've seen multiple career moves this year; launched our Graduate Training Scheme, with four colleagues joining, paving the way for 11 new recruits in 23/24; and introduced a series of training for leaders to foster talent within their teams. Externally, we launched the Circular Economy Business Support Internship Programme placing ten interns into circular economy businesses.

Launched our first Equality, Diversity and Inclusion Strategy supported by a series of initiatives and interactive training with all colleagues to focus on how to create and truly embrace an ED&I culture.

Winner of the prestigious Employee Engagement Award at the HR Network Magazine and HR Market event, as well as finalist in four categories at Investors in People.

- **Communications**

Continued to raise the bar to tackle overconsumption and food waste through citizen focused behaviour change campaigns: Summer Circular Economy Roadshow, teaming up with V&A museum to launch the exhibition Plastic: Remaking Our World, focusing on textiles and clothing partnering with Rebel Bear and CAN-paigh which asked citizens to choose tinned food to reduce waste.

Continued to drive the news agenda and influence with evidence to show the circular economy in action with in-depth features on national BBC channels for Circularity Gap Report and Carbon Metric, along with multiple comment and opinion pieces linked to our work, increasing focus on our vision and mission.

Strong growth across social media channels, including a 159% increase in followers on Instagram and 33% on LinkedIn, through implementing a content development and planning process bringing together B2B and B2C planning, a more strategic approach to our channels and more tailored, high-quality story telling.

Challenges of 2022/23

Despite a largely successful year of delivery, there were a number of challenges within 22/23, in part driven by wider political and economic factors that had a ripple effect with many of our stakeholders and funder.

- **Circular Textile Fund**

The Circular Textile Fund was launched in June 2022 to encourage the development of the circular economy within the textiles sector. Our research shows that textiles make up four per cent of waste by weight but account for nearly a third (32 per cent) of the carbon impact of Scotland's household waste. Although no funding was awarded during the financial year, we will continue to work with stakeholders into 2023/24 to help foster and fund innovation in this sector.

- **Delays to planned work**

To reflect competing priorities and resource pressures from the Scottish Government, there has been delays to the original timings of key areas of work including the publication of Litter and Flytipping Strategy, publication of Circular Economy Route Map, and launch of revised Food Waste Reduction Action Plan.

ZERO WASTE SCOTLAND LIMITED

(A COMPANY LIMITED BY GUARANTEE)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Future developments

Following a review by the Office of National Statistics (ONS), it was confirmed in April 2023 that Zero Waste Scotland would be officially classed as a public sector organisation. Working in partnership with Scottish Government, Zero Waste Scotland have now commenced a transition programme to identify the most appropriate legal status and structure and ensure readiness to operate as a formal public body. We expect this process to take around 12 months.

The delivery plan for 2023/24, was agreed with Scottish Government in March 2023 and includes an ambitious set of deliverables to help rise to the challenges faced across Scotland and the world, and this now includes the delay of implementation to the Deposit Return Scheme to 2025.

The four strategic outcomes: responsible consumption; responsible production; maximising value from waste and energy; and the transformation of Zero Waste Scotland as an organisation, guide all of the work that the organisation undertakes. The organisation's core ambition is to tackle global climate emissions by focusing on the responsible production and consumption of products and materials and eliminating waste wherever possible.

As the previous Corporate Plan 2019-23 concludes Zero Waste Scotland are developing the next plan to meet the scale of our future challenge and ambitions.

Financial review

During the 2022/23 financial year Zero Waste Scotland was funded through £17.8m (2021/22: £21m) of core Scottish Government Grant, £1.6m (2021/22: £1.7m) of European Regional Development Funding and other income of £0.46m (2021/22 £0.1m).

Zero Waste Scotland also administered £9.8m (2021/22: £5.3m) of Recycling Improvement Fund capital grants on behalf of the Scottish Government. This funding was invested exclusively with Local Authorities to acquire capital infrastructure that will be critical to driving a step change in regional and national recycling performance.

Good progress has also been made with the recovery of historic ERDF income with £4.6m settled during the financial year (2021/22: £2.9m). Ongoing ERDF expenditure has remained high during the year with additional expenditure of £1.585m incurred during the financial year but the timely recovery allowed the organisation to accelerate its repayment of the Scottish Government loan by £2m in May 2023.

The outstanding ERDF debtor held on the balance sheet as at 31 March 2023, is £1.04m (21/22: £4m). The nature of the ERDF claims process means there will almost certainly be a difference between expenditure incurred on the programme and the amount eventually settled. Zero Waste Scotland manage this risk through rigorously assessing and adjusting ERDF transactions and the associated debtor balances on an ongoing basis. Management is of the view that the balance held as at 31 March 2023 is both reasonable and realistically recoverable, as demonstrated by a reclaim in August 2023 of £1.3m.

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:

- Zero Waste Scotland's will continue to be the key delivery agent to support Scotland's circular economy and other resource efficiency programmes. A core grant of £16.6 million has been awarded for 2023/24 to support these activities.
- This is further reinforced through working with Scottish Government to shape our approach and activities for our transition to a public sector organisation.
- Although the overall fiscal environment remains challenging for the public sector, an increasing proportion of the Zero Waste Scotland budget is tied to multi-year Scottish Government commitments like the Recycling Improvement Fund.
- Cash and commitment levels are actively managed to ensure that the organisation continues to have sufficient liquidity.
- Zero Waste Scotland embeds termination clauses within all supplier contracts and grant arrangements to minimise irrevocable commitments.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The company has an Audit and Risk Committee, comprised of three non-executive directors with a background in finance and executive management, 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 audit, financial budgeting and reporting, risk management and any other issues that are relevant for the Committee to consider.

This Committee and the Executive 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 as at 31 March 2023 have been identified in the following table.

Description of risk	Mitigation measures
Failure to deliver corporate ambitions	<p>Given the level of ambition within the Corporate Plan this remains a heightened risk for the organisation and is mitigated through:</p> <ul style="list-style-type: none"> • Regular Board and Executive level review of progress against the Corporate Plan, including deep dive sessions on each of our strategic outcomes • Comprehensive articulation of our Corporate Plan with stakeholders • Proactive engagement with partners to build new relationships and extend our reach • Improved management information and reporting to establish a clearer golden thread of interventions from project to national level • Active engagement and support to Scottish Government on enhancing Circular Economy policy and strategy.
Inability to recruit and retain key skills	<p>The combination of external market competitiveness in the sector and wider developments in the recruitment market in relation to the cost of living crises means this continues to remain a heightened risk. Key mitigations, include:</p> <ul style="list-style-type: none"> • Development of our strategic talent approach to grow and develop our colleagues • Establishment of our own graduate programme during the year • Updating our broader benefits offer to ensure that we continue to remain competitive within the marketplace • Ongoing People Transformation programme to make Zero Waste Scotland best-in-class and an employer of choice for staff

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

<p>Failure to maximise impact through stakeholder and working relations and engagement</p>	<p>Key mitigations include:</p> <ul style="list-style-type: none"> • Key strategic partnerships in place at Board, CEO and Executive Leadership Team level. • Regular meetings with Scottish Government to identify opportunities and challenges, at all levels of the organisation • Active involvement in a number of cross-cutting, regional, national and international groups • Multiple public campaigns run every year on a variety of issues with growing reach to raise awareness, and to understand and drive behaviour change. • Key strategic partners identified as part of programme development to build and extend our influence and impact across a range of sectors • Transformation activity underway to support our approach to strategic partnerships, helping identify new opportunities and build further on existing relationships
<p>Failure to manage funding and finances</p>	<p>This risk relates to managing funding and finances against the backdrop of a challenging funding environment. Key mitigations include:</p> <ul style="list-style-type: none"> • Robust prioritisation of activity to maximise the value of funding; • Strong financial control processes, including management information, to support financial management and decision-making; • Continued improvement in relation to operational efficiencies and exploring different methods of work to achieve more valuable results

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Cost of Living Crisis and wider economic volatility and political climate.	<p>This remains a high risk as could impact external capacity and appetite for circular economy, the changing political climate, as well as impacting on colleagues financial and mental wellbeing, retention and recruitment.</p> <p>Key mitigations, include:</p> <ul style="list-style-type: none"> • External impacts being managed through adaption of delivery plans and portfolio management. • Internal impacts managed through public pay policy recommendations and additional support and engagement strategy
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Performance management

A range of financial and non-financial key indicators are used to measure performance and will continue to be reviewed and adapted, as necessary. Specific milestones are developed under each corporate strategic outcome to help manage progress throughout the year which are actively monitored by Outcome Boards, each of which have a member of the Executive as the Senior Responsible Officer and include cross-functional representation across the organisation.

Progress is reported to the Zero Waste Scotland Board and to the Scottish Government on a quarterly basis, helping ensure the whole organisation remains focused on the right priorities.

Staff turnover has increased from last year (14.2% 2021/22) to 17.5%. However these still remain very much in line with external benchmarks and in some cases still lower in light of the current buoyancy of the recruitment market, particularly within the sectors that the organisation operates within.

The organisation continues to prioritise the health, wellbeing and safety of all colleagues especially in light of the cost of living crisis. Zero Waste Scotland continues to promote the importance of health and wellbeing, along with in-person and on-line social events. In addition, colleagues have had the opportunity to benefit from a range of ongoing support, including an Employee Assistant Programme, Mental Health First Aiders and Mindfulness sessions. Regular staff surveys have also been run to ascertain feedback from staff and take timely action, wherever necessary.

Zero Waste Scotland was also the winner of the prestigious Employee Engagement Award at the HR Network Magazine and HR Market event, as well as finalist in four categories at Investors in People.

Zero Waste Scotland is ISO14001 certified, and a robust environmental management monitoring system is in place. The 2022/23 financial year represents the first full year of operations since COVID related restrictions on travel and work were lifted but with many Zero Waste Scotland colleagues working from home and embracing a 'digital first' approach to work.

In FY 2022/2023 Zero Waste Scotland's corporate emissions were 57.1 tCO₂e and Whole Carbon Footprint emissions were 137 tCO₂e. In the previous year these figures were 47.1 tCO₂e and 121 tCO₂e respectively.

Overall emissions have gone up (but remain below pre-pandemic levels) caused by a return to being able to travel for work which has increased travel emissions, and a change in the calculation methodology for emissions from heating.

We have managed to resume (previously where COVID restrictions were in place many emissions sources were estimated based on per-capita adjusted historic figure) accurate monitoring of emissions from office based sources (i.e. energy use, water use and waste) and can report much reduced impacts linked to reduced office occupancy.


ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This year full monitoring of consumption data has been implemented and this has resulted in large reductions in some emissions sources this year compared to last:

- 92% reduction in emissions from gas use
- 43% reduction in emissions from electricity
- 87% reduction in emissions from water use
- 89% reduction in emissions from food waste

We continue to adapt to travelling for work trends underpinned by our technology led approach, and the carbon and cost impact will be mitigated through regular monitoring, encouraging the least carbon intensive mode of transport and a digital first approach.

On behalf of the board



I Gulland
Director

Date: 15 November 2023

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Board presents its report and the audited financial statements for the year ended 31 March 2023.

Principal activities

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.

Results and dividends

The results for the year are set out on page 15.

Directors

The following directors have held office during the period:

G O Sullivan
J Swadling
H Wollaston
M MacDonald
I Gulland
S Robinson
A Singh

Board Development

New Board directors receive formal induction training to develop their knowledge and understanding of their role and to help them participate effectively in the performance of their duties. All Board directors are encouraged to attend relevant conferences and training events, as appropriate. Between Board meetings, directors are provided with opportunities to network with the Executive Leadership Team and other staff members. Further development needs are assessed and addressed as required.

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

Zero Waste Scotland is committed to equality and diversity and there are three female and four male directors on the Board. The Board has an established People and Remuneration Committee to advise and assist the Board on remuneration policy, talent management, and helping ensure that the organisation's culture is consistent with its values. The Board also have an established Audit and Risk Committee to oversee and ensure effective governance arrangements are in place, with particular regard to financial and risk management

There were four full Board meetings during the year, four meetings of the People and Remuneration Committee and four Audit & Risk Committees (A&RC). The number of meetings each director attended is shown in the table below. The Board and Executive team also keep in regular contact through informal meetings across the year.

Director	Board	Audit & Risk	People and Remuneration
Helen Wollaston	4/4	Not Applicable	4/4
Iain Gulland	4/4	4/4	4/4
Morag MacDonald	3/4	4/4	Not applicable
Gerard O Sullivan	4/4	4/4	Not applicable
Janet Swadling	4/4	Not applicable	4/4
S Robinson	4/4	4/4	Not applicable
A Singh	4/4	Not applicable	4/4

**ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023


Auditor

Johnston Carmichael act as the company's auditors following a successful tender and formal appointment in January 2019 for an initial 3-year term. The ongoing performance of the auditor is assessed by the Audit and Risk Committee and a decision around reappointment will be taken at this year's Annual General Meeting.

Statement of disclosure 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.

On behalf of the board



.....
I Gulland
Director

Date: 15 November 2023

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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 the directors 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 surplus or deficit 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.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZERO WASTE SCOTLAND LIMITED

Opinion

We have audited the financial statements of Zero Waste Scotland Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 and of its surplus 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.

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 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

**ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ZERO WASTE SCOTLAND LIMITED**

Matters on which we are required to report by exception

In the light of our 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, 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.

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

Extent the audit was considered capable of detecting irregularities, including fraud

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK GAAP
- Companies Act 2006
- Terms and conditions applicable to ERDF funding

**ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ZERO WASTE SCOTLAND LIMITED**

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to management override and revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of management and those charged with governance;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Obtaining an understanding, inspecting and challenging evidence for the assumptions and judgements used for calculating the ERDF debtor disclosed in the account;
- Considering the recoverability of the ERDF debtor balance, based on a comparison of management's own risk assessment and judgement applied to the recoverable balance against our own point estimate assessment based on available data;
- Procedures to confirm the accuracy, existence and cut-off of grant income, ensuring recognised in line with the company's accounting policies;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.



Martin Bannerman (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

Date: 20 November 2023

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Income	3	29,644	28,329
Administrative expenses		(29,546)	(26,931)
Operating surplus	4	98	1,398
Interest payable and similar expenses	8	(98)	(107)
Surplus before taxation		-	1,291
Tax on surplus		-	-
Surplus for the financial year		-	1,291
Retained earnings brought forward		180	(1,111)
Retained earnings carried forward		180	180

In the current and prior year period no dividend has been declared.

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

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £000	£000	2022 £000 as restated	£000
Fixed assets					
Tangible assets	9		125		115
Current assets					
Debtors	10	6,368		7,098	
Cash at bank and in hand		5,831		1,727	
		<u>12,199</u>		<u>8,825</u>	
Creditors: amounts falling due within one year	11	<u>(12,144)</u>		<u>(4,548)</u>	
Net current assets			55		4,277
Total assets less current liabilities			180		4,392
Creditors: amounts falling due after more than one year	12		-		(4,212)
Net assets			<u>180</u>		<u>180</u>
Reserves					
Income and expenditure account			180		180
Members' funds			<u>180</u>		<u>180</u>

The financial statements were approved by the board of directors and authorised for issue on 15 November 2023 and are signed on its behalf by:



.....
I Gulland
Director

Company Registration No. SC436030

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	18		4,288		1,802
Interest paid			(98)		(107)
Net cash inflow from operating activities			4,190		1,695
Investing activities					
Purchase of tangible fixed assets		(86)		(65)	
Net cash used in investing activities			(86)		(65)
Financing activities					
Repayment of Scottish Government loan		-		(2,362)	
Net cash used in financing activities			-		(2,362)
Net increase/(decrease) in cash and cash equivalents			4,104		(732)
Cash and cash equivalents at beginning of year			1,727		2,459
Cash and cash equivalents at end of year			5,831		1,727

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

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 registered office is Ground Floor, Moray House, Forthside Way, Stirling, FK8 1QZ.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

These accounts have been prepared on the going concern basis, which assumes the company will continue to operate without significant curtailment for the foreseeable future, and at least 12 months from the date of approval of the financial statements. As set out in the strategic report, the Scottish Government has provided a multi-year loan to support the cashflow of the company while the ERDF claim applications are made and processed. Following recent material ERDF receipts in 2023/24, it is the company's intention to repay the loan in full by 31 March 2024 in line with the agreed terms. The timing of receipt of ERDF has been the main uncertainty for the company in terms of cash flow and so the company liaises closely with the Scottish Government in this respect as well as actively managing its cash and commitment levels in supplier contracts and grant arrangements to minimise irrevocable commitments.

The Scottish Government has agreed the company's four-year Corporate Plan spanning 2019-2023 and the company enters into an annual specific grant funding agreement with the Scottish Government. £18.1 million has been agreed for 2023/24 and the Government have confirmed that they expect this arrangement will continue in to 2024/25 in line with previous practice, providing an expected level of income and expenditure for 12 months from authorising these financial statements in order to meet its liabilities as they fall due. As such, the directors believe the continued use of the going concern basis of preparation is reasonable.

1.3 Income and expenditure

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.

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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Office equipment	20% or 33% per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.7 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

No provision is made for corporation tax in these financial statements as, due to the nature of the company's activities, the directors do not believe it is undertaking a trade for corporation tax purposes.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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 £1,153,000 (2022: £1,031,000). No outstanding contributions were payable to the fund at the year end.

1.11 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
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in accordance with the performance model. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 Comparative figures

The comparative figures have been restated. Amounts previously reported as deferred government grants of £53,000 and £61,000 included within creditors falling due within one year and creditors falling due after more than one year respectively at 31 March 2022 have been reclassified and included within the Scottish Government loan balance, previously reported as £4,098,000. This restatement has been applied on the basis the deferred aspect is not required and as such, the loan balance should be shown as a cumulative amount. This restatement has not impacted the net assets of the company at 31 March 2022 or the surplus for the prior period then ended.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

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 which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

ERDF Income recognition and debtor

In recognising ERDF income, management takes into account the risk that repayment is contingent upon full alignment to ERDF rules and regulations and submission of satisfactory evidence. As such the risk of not all income being recovered is adjusted and accounted for within these financial statements.

There is a carrying amount of £1,039,000 included within these financial statements in relation to outstanding European Regional Development Fund Income (2022: £4,058,000). As with all European funding, this is required to be verified by Scottish Government (acting as the Managing Authority) and the amount paid is likely to vary from the figure included. It is however the view of management that the estimates included within these statements are prudent and diligently prepared.

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

3 Income

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Scotland.

	£000	£000
Scottish Government Grant	17,805	21,044
Scottish Government RIF Grant	9,789	5,352
ERDF	1,585	1,651
Other income	465	282
	<u>29,644</u>	<u>28,329</u>

4 Operating surplus

	2023 £000	2022 £000
Operating surplus for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3	(2)
Research and development costs	34	7
Fees payable to the company's auditor for the audit of the company's financial statements	21	20
Depreciation of owned tangible fixed assets	76	91
Operating lease charges	<u>279</u>	<u>225</u>

5 Employees

The average monthly number of persons (excluding non-executive directors) employed by the company during the year was:

	2023 Number	2022 Number
Corporate	46	46
Operational	134	117
	<u>180</u>	<u>163</u>

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

5 Employees **(Continued)**

Their aggregate remuneration comprised:

	2023	2022
	£000	£000
Wages and salaries	7,697	6,657
Social security costs	875	709
Pension costs	1,153	1,031
	<u>9,725</u>	<u>8,397</u>

6 Directors' remuneration

	2023	2022
	£000	£000
Remuneration for qualifying services	140	146
Company pension contributions to defined contribution schemes	28	21
	<u>168</u>	<u>167</u>

Non-Executive Directors received remuneration totalling £38,000 during the year (2022: £43,000).

7 Key management personnel

The total remuneration of the staff in the year who are considered to be key management personnel of the company was £486,000 (2022: £641,000).

Note that in line with standard practice the key management noted below consist of just the Executive Leadership Team of Zero Waste Scotland and not all management which has previously been disclosed.

Those considered key management personnel are:

• Director	Iain Gulland
• Operations & People Director	Louise Smith
• Customer Engagement & Communications Director	Jill Farrell (left 31/03/2023)
• Finance & Corporate Services Director	Ciaran McGuigan
• Evidence & Insights Director	John McCroskie (appointed 06/03/2023)

8 Interest payable and similar expenses

	2023	2022
	£000	£000
Interest on financial liabilities measured at amortised cost:		
Interest on Scottish Government loan	98	107
	<u>98</u>	<u>107</u>

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Tangible fixed assets

	Office equipment £000
Cost	
At 1 April 2022	703
Additions	86
At 31 March 2023	789
Depreciation and impairment	
At 1 April 2022	588
Depreciation charged in the year	76
At 31 March 2023	664
Carrying amount	
At 31 March 2023	125
At 31 March 2022	115

10 Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Service charges due	5	14
Prepayments and accrued income	6,363	7,084
	6,368	7,098

11 Creditors: amounts falling due within one year

	Notes	2023 £000	2022 £000 as restated
Scottish Government loan arrangement	13	4,310	-
Trade creditors		1,500	168
Taxation and social security		346	203
Accruals and deferred income		5,988	4,177
		12,144	4,548

12 Creditors: amounts falling due after more than one year

	Notes	2023 £000	2022 £000 as restated
Scottish Government loan arrangement	13	-	4,212

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

13 Loans and overdrafts

	2023	2022
	£000	£000
		as restated
Scottish Government loan arrangement	4,310	4,212
	<u> </u>	<u> </u>
Payable within one year	4,310	-
Payable after one year	-	4,212
	<u> </u>	<u> </u>

The loan represent unsecured 4 year term loan facilities from the Scottish Government. Subject to certain conditions, interest is payable on the loan at a fixed rate of 1.75% per annum.

14 Retirement benefit schemes

	2023	2022
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,153	1,031
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£000	£000
Within one year	121	80
Between two and five years	-	67
	<u> </u>	<u> </u>
	121	147
	<u> </u>	<u> </u>

17 Related party transactions

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

ZERO WASTE SCOTLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

18 Cash generated from operations

	2023	2022
	£000	£000
Surplus for the year after tax	-	1,291
Adjustments for:		
Finance costs	98	107
Depreciation and impairment of tangible fixed assets	76	91
Movements in working capital:		
Decrease/(increase) in debtors	730	(1,368)
Increase in creditors	3,384	1,708
Decrease in deferred income	-	(27)
Cash generated from operations	4,288	1,802

19 Analysis of changes in net funds/(debt)

	1 April 2022	Cash flows	Other non-31 March 2023	
	£000	£000	cash changes	£000
Cash at bank and in hand	1,727	4,104	-	5,831
Borrowings	(4,212)	-	(98)	(4,310)
	<u>(2,485)</u>	<u>4,104</u>	<u>(98)</u>	<u>1,521</u>