

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

ZERO WASTE SCOTLAND LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

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ZERO WASTE SCOTLAND LIMITED

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ZERO WASTE SCOTLAND LIMITED

COMPANY INFORMATION

Directors	L Goodwin I Gulland J Lea
Secretary	J Lea
Registered office	Ground Floor Moray House Forthside Way Stirling FK8 1QZ
Company number	SC436030
Auditor	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE
Bankers	Royal Bank of Scotland St Andrew's Square Edinburgh EH2 2AD

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

This report refers to the first year of the company's operations. Zero Waste Scotland is a company limited by guarantee and has entered into a grant funding agreement with the Scottish Government to deliver its Zero Waste Scotland and Resource Efficient Scotland programmes.

Zero Waste Scotland delivers a range of support programmes, campaigns and other interventions to help people and organisations on the journey to Zero Waste. These include:

- Services to business
- Local and national campaigns including Love Food Hate Waste and Recycle for Scotland
- Voluntary waste reduction agreements, like the Courtauld Commitment
- Expert support to local authorities, resource management businesses and the third sector
- Capital grants
- Research, training and identifying best practice
- Help to comply with the Zero Waste regulations.

Operating Highlights for 2013-14 were

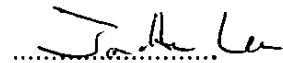
- 'Resource Efficient Scotland' was launched in April 2013 to provide free, specialist advice and on-site support to help Scottish businesses, public and third-sector organisations to cut their energy, water and raw material costs. By its first anniversary the service has helped 33,000 organisations and identified over £10million in potential cost savings.
- 18 local authorities in Scotland were provided with grant funding to roll out new food waste collection schemes in compliance with the requirements of the Scottish Government's Waste Regulations.
- In January 2014 we launched a campaign to raise awareness of the change to waste regulations which affected all Scotland's businesses and organisations. Surveys report that by the point on implementation, 83 per cent of businesses were aware of their requirements under the regulations.
- Zero Waste Scotland's research revealed that more than half the Scottish population admit to dropping litter which costs £53 million to clear up and a further £25 million through its effect on a range of related issues including crime, health and reduced property values.

During 2013-14 the company's sole member and parent company has been the Waste and Resource Action Programme Limited (WRAP). It has been agreed with the Scottish Government that it is now appropriate for Zero Waste Scotland to operate as a separate organisation to enable Zero Waste Scotland to better deliver on the Scottish Government's ambitions and work more closely with Scotland-based organisations and businesses. WRAP ceases to be a member of the company on 1 July 2014.

ZERO WASTE SCOTLAND LIMITED

STRATEGIC REPORT (continued) FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

Zero Waste Scotland will continue to participate in WRAP's business collaborative change programmes including the Courtauld Commitment and in the successful 'Love Food Hate Waste' and 'Recycle Now' consumer campaigns.



J Lea

Director

June 2014

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

Directors

The following directors have held office during the period:

L Goodwin (appointed 2nd November 2012)
I Gulland (1st January 2013)
J Lea (appointed 2nd November 2012)

Staff and Employment

The company employed no staff during 2013-14. All staff who worked on the company's programmes were employed by the Waste and Resource Action Programme.

Disclosure of information to auditor

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

Auditors

During the period KPMG LLP were appointed as the first auditor of the Company. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

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

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

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

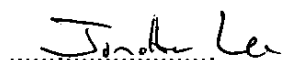
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ZERO WASTE SCOTLAND LIMITED

DIRECTORS' REPORT (continued) FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

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.

On behalf of the Board



J Lea
Director

June 2014

ZERO WASTE SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZERO WASTE SCOTLAND LIMITED

We have audited the financial statements of Zero Waste Scotland Limited for the 17 month period ended 31 March 2014 set out on pages 8 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ZERO WASTE SCOTLAND LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZERO WASTE
SCOTLAND LIMITED (continued)
FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014**

Matters on which we are required to report by exception

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

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

B. J. Stapleton 15 July 2014

Benjamin Stapleton (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

ZERO WASTE SCOTLAND LIMITED**INCOME AND EXPENDITURE ACCOUNT
FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014**

	Note	2014 £
Incoming resources		
Grant income		<u>26,493,106</u>
Total incoming resources		<u>26,493,106</u>
 Resources expended		
Operating expenditure		<u>(26,493,106)</u>
 Operating surplus on ordinary activities before taxation		<u>-</u>
 Taxation on surplus on ordinary activities		<u>-</u>
Surplus for the financial year	2	<u><u>-</u></u>

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

The notes on pages 10 to 12 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED**BALANCE SHEET
AS AT 31 MARCH 2014**

	Note	£	2014 £
Fixed assets			
Tangible assets	3		49,693
Current assets			
Debtors	4	572,759	
Cash at bank and in hand		<u>3,430,464</u>	
		4,003,223	
Creditors: Amounts falling due within one year	5	<u>(3,741,093)</u>	
Net current assets			262,130
Total assets less current liabilities			311,823
Creditors: Amounts falling due after more than one year	6		(49,693)
Provision for liabilities and charges	7		<u>(262,130)</u>
Net assets			<u>-</u>
Residual interest			<u>-</u>

The financial statements were approved by the Board on 2 June 2014 and signed on its behalf by


J Lea
Director

Company Registration No.SC436030

The notes on pages 10 to 12 form part of these financial statements.

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

1. Basis of financial statements and accounting policies

The company has adopted the following accounting policies which should be read in conjunction with the financial statements set out on pages 7 to 11 and which have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly controlled subsidiary of The Waste and Resources Action Programme, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly-owned within the group. The consolidated financial statements of The Waste and Resources Action Programme, within which this Company is included, can be obtained from the address given in note 10.

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 2014-15 and the company expects this arrangement will continue after March 2015.

1.1 Income

Revenue grants receivable are credited to the Income and Expenditure Account in the period in which the funding is receivable. Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

1.2 Expenditure

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation.

1.3 Taxation

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

1.4 Tangible fixed assets and depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its estimated useful economic lives as follows:

Office Equipment	-	33 % per annum on cost
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ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

2. Surplus for the financial year

No director received any remuneration during the year.

There were no employees in either the current or previous financial years. All staff working on programmes are employed by WRAP and £2,877,086 has been charged to the Company in respect of the period.

3. Tangible fixed assets

Cost	£
Additions	49,693
31 March 2014	<u>49,693</u>
Net book value	
At 31 March 2014	<u>49,693</u>

4. Debtors

	2014
	£
Prepayments	11,388
Other debtors	561,371
	<u>572,759</u>

5. Creditors: Amounts falling due within one year

	2014
	£
Amounts due to parent undertaking	2,575,684
Accruals and deferred income	1,165,409
	<u>3,741,093</u>

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

Capital Grants	£
Additions	49,693
Balance at 31 March 2014	<u>49,693</u>

7. Provision for liabilities and charges

	£
Additions	262,130
Balance at 31 March 2014	<u>262,130</u>

The provision represents the directors' best estimate of the future costs of liabilities relating to monitoring the performance of capital and other grant schemes after completion.

ZERO WASTE SCOTLAND LIMITED

NOTES AND ACCOUNTING POLICIES (continued) FOR THE 17 MONTH PERIOD ENDED 31 MARCH 2014

8. Ultimate parent company

The ultimate parent company during 2013/14 was the Waste and Resources Action Programme, a company limited by guarantee, incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by The Waste and Resources Action Programme. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, South Glamorgan, CF14 3UF.