Charity Registration No. SC036522 (Scotland)

Company Registration No. SC279204 (Scotland)

ORKNEY ZEROWASTE

ANNUAL REPORT AND UNAUDITED STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

ORKNEY ZEROWASTE

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	G Sellers B Drummond (resigned 24/2/2026) D Clough (resigned 11/09/2025) E Gee (resigned 19/5/2025) J Nelson J W Nelson (appointed 17/09/2025) K Simm (appointed 24/02/2026) S. Burke (appointed 10/7/ 2025)
Charity Number	SC036522
Company Number	SC279204
Principal Address	Flat 3 The Store Kirkwall Orkney KW15 1AR
Registered Office	Flat 3 The Store Kirkwall Orkney KW15 1AR
Independent Examiner	Anne Stacey Voluntary Action Orkney 6 Bridge Street Kirkwall Orkney KW15 1HR

ORKNEY ZEROWASTE

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2026

The directors present their report and financial statements for the year ended 31 March 2026.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a public Benefit Entity as defined by FRS 102.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Objectives and activities

To advance the education of the public on the subject of recycling so as to protect the environment. To preserve and protect the physical and natural environment for the public benefit through the promotion of waste reduction and recycling.

Achievements and performance

This year has continued to focus on finding funding to refurbish the properties at the yard and promoting the yard through regular Facebook posts etc. The refurbishment plans have involved substantial up-front costs, such as obtaining planning permission and building warrant being obtained on the 4th February 2026. This has meant that we have had to temporarily suspend our grants program, but we hope to restart this in the coming year. We have been actively fundraising, mainly through the sales of trees donated by a donor to fund the initial application process and by opening the yard on a Wednesday as well as Saturday.

At the AGM in November 2025 Geoff Sellers stood down from the role of Chair after keeping Orkney ZeroWaste running successfully for many years. He is still the yard manager and also the manager for the commercial businesses recycling operations. We have a new van driver who is doing an excellent job.

Financial Review

This was a financially challenging year for Orkney ZeroWaste. During the year they identified that the costs of the recycling of commercial waste in terms of van hire and van driver expenses had risen but their income was almost the same as in previous years.

The yard, which is run wholly by volunteers did make around £1,700.

Overall the total income was £14,770 (2025: £14,123) and the expenses were £16,106 (2025: £17,034) leaving a small loss for the year of £1,336 (2025 £2,911). The funds carried forward at the balance sheet date are £678, being £1,416 in restricted funds and -£738 in unrestricted funds. Since the start of 2026 measures have been taken to reduce the administrative costs of the charity with the trustees taking on more of the administrative activities themselves.

Fund raising in the year to 1st April 2026 resulted in Orkney ZeroWaste receiving a grant to cover the costs of applying for the building warrant and associated professional fees from the Orkney Towns Fund in relation to the Re-use Yard in Stromness upgrade which is planned to happen in early 2027. A small grant was also received from VAO to buy a new trolley and hose for the yard.

It is the policy of the organisation that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to 3 month's expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the organisation's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the majority of the year, however due to the nature of the up-front costs relating to the refurbishment work being carried out, there have been times when the reserves dropped below this level. At all times during the year Orkney Zerowaste has been considered a going concern and the directors are continuing to build the reserves back up to the required level.

Structure, governance and management

The charity is a company limited by guarantee and having no share capital, and a recognised Scottish charity.

The directors who served during the year were:

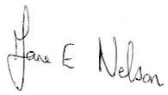
G Sellers
B Drummond (resigned 24/2/2026)
D Clough (resigned 11/09/2025)
E Gee (resigned 19/5/2025)
J Nelson
J W Nelson (appointed 17/09/2025)
K Simm (appointed 24/02/2026)
S. Burke (appointed 10/7/ 2025)

None of the directors has any beneficial interest in the charity. All of the directors are members of the charity and guarantee to contribute £1 in the event of winding up.

All trustees are appointed or reappointed by the members at our Annual General Meeting.

The trustees have assessed the major risks to which the trust is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees' report was approved by the Board of Directors.



……

Jane E Nelson
Director

6 October 2026…….

INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF ORKNEY ZEROWASTE

I report on the financial statements of the charity for the year ended 31 March 2026, which are set out on pages 4 to 12.

Respective responsibilities of directors and examiner

The charities directors, who also act as trustees for the charitable activities of Orkney Zerowaste, are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do no express an audit opinion on the view given by the accounts. I have carried out such investigations as were necessary to enable me to form an opinion as to whether proper accounting records adequate for the purposes of the charity have been kept and whether the accounts of the charity were in accordance with the accounting records.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(a) which gives me reasonable cause to believe that in any material respect the requirements:
    (i) to keep accounting records in accordance with section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
    (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Account Regulations have not been met, or

(b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Anne Stacey MAAT
Independent Examiner

6 Bridge Street
Kirkwall
Orkney
KW15 1 HR

Dated:……

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2026 £	Total 2025 £
Income from:					
Donations and legacies	**3**	-	2,646	**2,646**	-
Other trading activities	**4**	12,124	-	**12,124**	14,123
Total Income			-	**14,770**	14,123
Expenditure on:					
Raising Funds		-	-	**-**	-
Charitable activities	**5**	14,876	1,230	**16,106**	17,034
Total Expenditure			**-**	**-**	17,034
Net (expenditure)/income for the year/Net movement in funds		(2,752)	1,416	**(1,336)**	(2,911)
Fund balances at 1 April 2025		2,014	-	**2,014**	4,925
Fund balances at 31 March 2026		**(738)**	**1,416**	**678**	2,014

The statement of financial activities includes all gains and losses recognised in the year.

All incoming and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
PRIOR YEAR COMPARISON

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	**3**	-	-	-	-
Other trading activities	**4**	14,123	-	**14,123**	15,041
Total Income		14,123	-	**14,123**	15,041
Expenditure on:					
Raising Funds		-	-	**-**	-
Charitable activities	**5**	17,034	-	**17,034**	15,389
Total Expenditure		17,034	**-**	**17,034**	15,389
Net (expenditure)/income for the year/Net movement in funds		(2,911)		**(2,911)**	(348)
Fund balances at 1 April 2024		4,925	-	**4,925**	5,273
Fund balances at 31 March 2025		2,014	**-**	**2,014**	4,925

The statement of financial activities includes all gains and losses recognised in the year.

All incoming and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

BALANCE SHEET
AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed Assets					
Building additions – restricted element	**7**		1,230		-
Building additions – unrestricted element			483		-
			1,713		-
Current Assets					
Debtors		-		5	
Accrued income		186		-	
Prepayments – unrestricted		738		-	
Cash at bank and in hand		4,573		3,043	
		5,497		**3,048**	
Creditors: amounts falling due within one year	**10**	(6,532)		(1,034)	
Net current assets			(1,035)		2,014
Total assets less current liabilities			678		2,014
Income funds					
Restricted funds	**11**		(1,416)		-
Unrestricted funds			738		2,014
			678		2,014

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The accounts were approved by the Directors on 6th October 2026……

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Jane E Nelson - Director

Company registration No. SC279204

1 Accounting Policies

Charity Information
Orkney Zerowaste is a private company limited by guarantee incorporated in Scotland. The registered office is Flat 3, The Store, Kirkwall, Orkney KW15 1AR

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provision in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measure reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the same time as the donation.

Incoming resources from donated goods are recognised at time of sale due to the impracticality of measuring the fair value of these items.

Donations, legacies and other forms of voluntary income are recognised as incoming resources in the Statement of Financial Activities (SOFA) when receivable, except insofar as they are incapable of financial measurement. The value of services provided by volunteers has not been included in these accounts.

Grants, including grants for the purchase of fixed assets, are recognised in full in the SOFA in the year in which they are receivable. Grants relating to future accounting periods are deferred.

Incoming resources from services are included when receivable.

Membership subscriptions are recognised in the period they are receivable.

1 **Accounting policies** **(Continued)**

1.5 Resources expended

Expenditure is included in resources expended on an accruals basis, inclusive of any VAT which cannot be recovered.

Charitable expenditure comprises those costs incurred in the delivery of the charity's activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them, and governance costs which include those costs associated with meeting the constitutional and statutory requirements of the charity.

1.6 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment 20% reducing balance basis.
Orkney ZeroWaste has a 5 year lease starting in 2026. The land and buildings will be depreciated over the life of the lease starting in the first full year of the lease being 2026-2027

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 recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impartment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

Cash and cash equivalents 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 overdraft. Bank overdrafts are shown within borrowing in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity 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.

1 Accounting policies

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank 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 operations 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 charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Computer software

Computer software is valued at cost less accumulated amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life of three years.

2 Critical accounting estimates and judgements

In the application of the charity'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.

3 Donations and Legacies

	Unrestricted funds £	**Restricted Funds £**	**Total 2026 £**	Unrestricted funds £	Restricted Funds £	Total 2025 £
Donations & gifts	-	2,646	**2,646**	-	-	-
For the year ended 31 March	-	2,646	**2,646**	-	-	-

4 Other trading activities

	Unrestricted funds £	**Restricted Funds £**	**Total 2026 £**	Unrestricted funds £	Restricted Funds £	Total 2025 £
Fundraising events	**-**	**-**	**-**	**-**	**-**	**-**
Waste Collection & yard sales	12,124	-	**12,124**	14,123	-	14,123
For the year ended 31 March	12,124	-	**12,124**	14,123	-	14,123

5 Charitable activities

	2026 £	2025 £
Staff costs	**-**	-
Grants issued	**-**	380
Other overhead	**16,106**	16,654
	16,106	17,034

Charitable expenditure includes £216 (2025: £240) charged by the independent examiner for accounts preparation and independent examinations services.

6 Directors

None of the directors (or any persons connected with them) received any remuneration during the year. One director was reimbursed £2057 (2025: £1,333) for personal travel and subsistence expenses incurred during the year. Another director was reimbursed £649 for expenses and £1200 for a short-term loan repaid.

7 Fixed Assets

	Land and Buildings **Restricted**	Land and Buildings **Unrestricted**	Total
	£	**£**	**£**
Cost			
At 1st April 2025	**0**	**0**	**0**
Additions	**1,230**	**483**	**1,713**
At 31 March 2026	**1,230**	**483**	**1,713**
Depreciation and impairment			
At 1st April 2025	**0**	**0**	**0**
Charge for the year	**0**	**0**	**0**
At 31 March 2026	**0**	**0**	**0**
Carrying amount			
At 31 March 2025	**0**	**0**	**0**
At 31 March 2026	**1,230**	**483**	**1,713**

Orkney ZeroWaste has a 5 year lease starting in 2026. The land and buildings will be depreciated over the life of the lease starting in the first full year of the lease being 2026-2027.

8 Employees

Number of employees
The average monthly number of employees was:

	2026 Number	2025 Number
Number of employees	**-**	-

Employment Costs	**2026 £**	2025 £
Wages and salaries	**-**	-
	-	**-**

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Creditors: amounts falling due within one year

	2026	2025
	£	£
Creditors unrestricted	**1,929**	1,034
Creditors restricted	**1,230**	-
Deferred Income	**3,373**	-

11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances held on trust for specific purposes:

		Movement in funds		
	Balance at 1 April 2025	**Incoming resources**	**Resources expended**	**Balance at 31 March 2026**
	£	**£**	**£**	**£**
Restricted	-	2,646	1,230	**1,416**
Unrestricted	2,014	12,125	14,877	**(738)**
	2,014	14,771	16,107	**678**

Prior year comparison

		Movement in funds		
	Balance at 1 April 2024	Incoming resources	Resources expended	Balance at 31 March 2025
	£	**£**	£	£
Restricted	-	-	-	-
Unrestricted	4,925	14,123	17,034	2,104
	4,925	14,123	17,034	2,014

12 Analysis of net assets between funds

	Unrestricted Funds 2026	**Restricted Funds 2026**	**Total 2026**	Unrestricted Funds 2025	Restricted Funds 2025	Total 2025
	£	**£**	**£**	£	£	£
Fund balances at 31 March represented by:						
Tangible assets	483	1,230	1,713			
Current assets/(liabilities)	2,152	1,416	3,568	2,014	-	2,014
Provisions and deferred income	(3,373)	(1,230)	(4,603)	-	-	-
	(738)	**(1,416)**	**678**	2,014	-	2,104