



Keep Britain Tidy

(formally Environmental Campaigns)

A Company Limited by Guarantee

Company Registration Number: 3496361

Financial Statements for the Year Ended 31st March 2009

Keep Britain Tidy

(formally Environmental Campaigns)

A Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 March 2009

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KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2009

TRUSTEES' REPORT

The Board of Trustees present their annual report together with the audited financial statements for the year ended 31st March 2009.

REFERENCE AND ADMINISTRATIVE DETAILS

On 1st June 2009 Environmental Campaigns (ENCAMS) officially changed its name to Keep Britain Tidy.

Keep Britain Tidy is incorporated as a Private Company Limited by Guarantee (Registration Number: 3496361) and is a Registered Charity (Charity Number: 1071737).

The present Trustees, and any past Trustees who served during the year together with the Chief Executive and the names of the senior executive staff are given on page 7 and the external advisors are as set out on page 7.

The Company is governed by Articles of Association which were last adopted by written resolution dated 31st March 2009.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

The Board of Trustees is responsible for the overall governance of Keep Britain Tidy and are elected by members at the Annual General Meeting. The Board of Trustees may also co-opt not more than three Trustees who shall hold office until the next Annual General Meeting and may offer themselves for re-election for a further three years. The Board elects one of its number to act as Chairperson for the year and another to act as Vice Chairperson at their first meeting following the Annual General meeting.

Effective partnership between Trustees and employees continues to contribute significantly to our success. Trustees have differing experiences and backgrounds and their roles and responsibilities require them to have an understanding of all aspects of the Company's work. Trustees normally meet five times each year. These meetings include four quarterly Board meetings where Trustees review strategy and operational performance and set operating plans and budgets, and the AGM. New Trustees attend an induction course, at which they receive an induction pack containing all the information they need about the Company and its work. In addition Trustee training sessions for the whole Board at 'away days' are held every year as and when needed. Trustees are encouraged to attend appropriate external training events where these will help their role.

The Board delegates the exercise of certain tasks in connection with the management and administration of the Company as set out below. This is controlled by requiring regular reporting back to the Board so that decisions can be ratified as appropriate in due course.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in notes 24 and 28 to the accounts. Trustees are required to disclose all relevant interests and formally register them at Board Meetings.

Audit and Resources Committee

The Committee comprises Trustees who in the opinion of the Board would exercise independent judgement as members of the Committee. The Committee's role is to oversee risk management, internal audit procedures and the management practices of the Company, review the external audit arrangements, review the financial position and reports of the Company at regular intervals, review financial forecasts and budgets, review the Reserves Policy, and advise on both the HR policy and procedures and the IT strategy.

Management and Staffing

A Chief Executive is appointed by the Trustees to manage the day to day operations of the Company. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees. The Chief Executive is responsible for ensuring that the Company delivers the services specified and that key performance indicators are met.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2009

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for their annual report and for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the net movement in funds of the Company for that period. In preparing those financial statements, the Trustees are required to: -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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 to operate.

The Trustees are responsible for ensuring that the Company keeps proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Company is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and financial information used within the Company, or for publication, is reliable;
- the Company complies with relevant laws and regulations.

Internal controls over all forms of commitment and expenditure continue to be reviewed to improve efficiency. Processes are in place to ensure that performance is monitored and the appropriate management information is prepared and reviewed monthly by executive management and regularly by the Board of Trustees. A programme of internal audits is in place, derived from a comprehensive risk assessment.

The systems of internal control are designed to provide reasonable but not absolute assurances against material misstatement or loss. They include:-

- a strategic plan and annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budget, non financial performance indicators and benchmarking reviews;
- delegation of day to day management authority and segregation of duties;
- identification and management of risks.

Statement as to Disclosure of Information to Auditor

In accordance with company law the Trustees certify that:-

- So far as we are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- As the Trustees of the Company we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that the auditor is aware of that information.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2009

Risk Management

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. In particular the Trustees maintain a performance measurement system which has the objective of monitoring the charity's high-level objectives. Risk management is embedded in this system, and it is regarded as the primary mechanism for the identification and management of business risks.

A secondary system exists to identify risks which fall outside those picked up by the performance measurement system. These are recorded in a Corporate Risk Register, under the control of a member of the senior management team, and are regularly reviewed by that team. The principal risks and uncertainties identified relate to insufficient reserves and a worsening economic environment impacting on the Company's ability to generate income.

The Trustees, through the Audit and Resources Committee, have examined the performance measurement system and the risk register with particular attention on the major risks identified and are satisfied that proper systems are in place and that appropriate measures are being taken wherever necessary to mitigate potential impact.

Procedures are also in place to ensure compliance with health and safety of staff, volunteers, clients and visitors.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE COMPANY

In accordance with the Memorandum of Association the objects for which the Company is established are:

- 1) To educate the public concerning the preservation, protection and enhancement of the environment, the use of sustainable waste management practices and the impact of individuals' own actions on the environment;
- 2) To protect, preserve and enhance the environments of town and country in the United Kingdom for the general benefit of the nation at large.

Our vision is achieving excellence in local environmental quality.

Our mission to realise this vision is to generate effective action by our targeted groups to achieve excellence in local environmental quality and reduce related anti-social behaviour.

Our strategic aim is to achieve this through a combination of campaigns, training programmes, surveys, research and a variety of projects.

ACHIEVEMENTS AND PERFORMANCE THAT HAVE DELIVERED A PUBLIC BENEFIT IN THE YEAR

Trustees give careful consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and how planned activities will contribute to the aims and objectives they have set. The Trustees confirm that Keep Britain Tidy have complied with Charity Commission guidelines in relation to Public Benefit. We also work closely with our main funders Defra and agree in advance a work programme for the year which addresses issues most prevalent across the UK, specifically assisting areas with the lowest NI195 scores as a measurement.

Each year we review our achievements and the outcomes for each area of our work. The review looks at the success of each key activity and the benefits achieved. Some of our key achievements are detailed below.

Membership

Keep Britain Tidy ended 2008/2009 with a total of 129 members of which 116 were full members and 13 affiliate members. Membership activities included a membership event which was incorporated with the November 2008 AGM and 2 local environmental quality all-party parliamentary groups held in the House of Commons. During the year we also delivered 6 membership and parliamentarian E-bulletins.

Cleaner Safer Greener Network

During 2008/2009 the CSG team delivered some 26 events across the country, including Regional Meetings, Study Tour, Discussion Groups and 3 learning academies, 'Effective Contracting', 'Voluntary Action in Local Environmental Quality' and 'Enforcement – Clearing Land – Get it Cleared, Keep it Cleared'. A host of excellent facilitators and presenters were engaged to deliver their expertise and innovation at the academies, achieving a 90% satisfaction rating from our attendees.

All CSG events were well attended and well received by its 151 members. A particular success was the CSG flagship conference held in Brighton in March 2009 recording high attendance and again receiving extremely positive feedback with an overall satisfaction score of 92%.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2009

The CSG website continues to facilitate better communication with our members. In addition, the 'Ask the Wig' service introduced in July 2007 is also proving to be popular with 199 questions asked of the legal service in 2008/09. The success this service has seen will expand to include 'Rent a Wig' in 2009/10.

Public Information Service

A Public Information Officers post was introduced in July 2008. Since its introduction a total of 1232 enquiries have been dealt with, with 90% of enquiries being dealt with within 48 hours against a target of 85%. During campaigns this position has proven invaluable as a point of contact for the general public, and external partners and colleagues dealing with an average of 601 'Big Tidy Up' enquiries alone up to the close of March 2009.

Marketing & Campaigns

A total of £24m worth of media coverage was secured for Keep Britain Tidy activities and local environmental quality/anti-social behaviour issues during 2008/2009 (if measured as paid-for advertising) compared to £18m in the previous year. Public interest was also high throughout the year with an average of 70,954 unique users to Keep Britain Tidy websites each quarter.

The major campaigns of 2008/2009 were aimed at reducing smoking related litter & fast food litter. The results of the "Dirty Chucker Campaign" resulted in a 23% reduction in smoking related litter in the targeted areas. The "Fast Food Litter" campaign recorded a 65% awareness of the campaign message in the target audience and an overall reduction of 31% in fast food litter in the targeted areas. The "Big Tidy Up" campaign launched September 2008 recorded in excess of 34,000 participants, 171 Local Authorities, and 40 Housing providers engaged. The website recorded over 32,000 unique visitors.

Environmental Surveys & Reports

The year eight survey of England was undertaken in 2008/2009. The seventh annual report of the Local Environmental Quality Survey of England (2007/08) was launched by the Defra Minister, Lord Hunt, in March 2009. According to the National Cleansing Index, there has been a slight improvement in standards overall.

Training & Education

The Eco Schools programme continues to successfully grow year on year. In February 2009 the milestone of 50% of schools registered with Eco Schools was achieved. Currently there are 11,744 schools engaged with Eco Schools (53%). The Eco Schools website recorded an average of 10,061 unique visitors per month and 154 schools at the close of March 2009 were recorded as participating against the original target of 50 in the DSGI grant programme. In addition, 142 Green Flags were awarded and 116 Green Flags renewed.

Our training courses aim to deliver high quality training to enable land managers to deliver high quality environments. The 2008/2009 training suite covered a wide range of specific local environmental quality issues, enforcement issues, effective cleansing, and bespoke courses. The Training Team have successfully delivered 145 courses and trained 2,090 delegates. The satisfaction levels of delegates attending the course was recorded at 88% and the delegate's perception and satisfaction with the trainers was recorded at 93%.

The Training Team are now an accredited provider with Open College.

Coastal

The launch of the Quality Coast Award along with the Blue Flag Award resulted in high levels of interest generating 74,133 unique visitors to the coastal websites. A total of 72 Blue Flags were awarded (10 were lost due to poor water quality attributed to poor summer weather). Along with 112 QCA awards, this was a 26% increase on the volumes recorded 2007/08.

The Rivercare project is run in conjunction with Anglian Water and has recorded a total of 42 RiverCare projects and 195 successful events. There were a total of 14,333 volunteer hours and 8,190 bags of litter collected all exceeding the original measurement targets set for the programme. This was in conjunction with 85% of project locations reporting improvements in LEQ in their project locations.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities on page 10 is designed to reflect all incoming resources receivable in the year and to show how resources are expended in the furtherance of the Company's objectives to give a net inflow or outflow of

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2009

resources. It is further analysed between restricted and unrestricted funds.

Total incoming resources for the year amounted to £9.306 million of which £5.020m (54%) is the main grant from the Department for Environment, Food and Rural Affairs (DEFRA). The accounts show an overall increase in total incoming resources of £324k, which reflects the reinstatement of our grant from DEFRA to levels previously received in 2006/07.

Total resources expended of £7.714m (2008 £9.105m) resulted in a net increase in funds for the year of £1.591m, of which £1.110m relates to pension adjustments. Included within £1.110m pension adjustments are curtailments of £857k arising from savings being made on ceasing the final benefit scheme.

Total fund balances, before adopting FRS 17, amounted to £1.353m including the balance of the unrestricted general fund at the year end of £770k (2008 - £489k). Part of this increase reflects the target set to replenish reserves with the amount that had been used from reserves in the previous financial year. The unrestricted general fund is free and represents the reserves available to the Trustees to help fulfil current and future plans.

Benefits in Kind included in the Statement of Financial Activities exclude the estimated value placed on other benefits provided at no extra cost to donors.

Reserves Policy

The Trustees believe that the Company should hold financial reserves because:

- 1) It has no endowment funding and is heavily dependent for income upon Government Grant from year to year which is subject to review.
- 2) It requires protection against and the ability to continue operating despite unforeseen setbacks.
- 3) It requires the ability to be able to take advantage of change and opportunities to further its objectives.

The Trustees believe that the minimum level of unrestricted reserves should be the equivalent of 3 months' essential operating costs and that reserves should be built up to the desired level in stages consistent with the Company's overall financial position and its needs to maintain and develop its charitable activities.

After the transfer at 31st March 2009 the level of Free Unrestricted Reserves stands at £770K, disregarding the deficit on the Pension Scheme. With essential operating costs currently amounting to approximately £3m per year this slightly exceeds the necessary target. The Trustees will review the reserves policy in line with Charity Commission guidelines and re-assess the amount needed to ensure the Company can run efficiently and has a sufficient amount to mitigate risks of events outside of their control.

Details of the Company's funds are shown in Note 17, 18 & 25. An analysis of the Company's net assets between the funds is given in Note 19. The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

Employees

Keep Britain Tidy is still recognised nationally as being an 'employer of choice' and is an organisation that employees enjoy working for and where they feel supported and developed. Employees are kept fully informed about its strategy and objectives, as well as day to day news and events. Regular information about the organisation is available through meetings, e-mails, intranet and the Chief Executive's monthly communication. All employees are encouraged to give their views and suggestions on performance and strategy.

The Company supports equality of opportunity and has maintained its Investor in People (IiP) status. All Keep Britain Tidy employees work flexibly either by working flexitime or 'nine-day fortnights'. Having work-life balance options/benefits has reduced employee turnover, job advertising, recruitment and training costs. Half of Keep Britain Tidy employees operate out of the Central Services office in Wigan and half are home based throughout England.

The Company is committed to the training and personal development of all employees. An individual's development is assessed with bi-annual performance development reviews. Training programmes are provided to meet the ongoing needs of the company, with the aim of developing employees for both their current and future roles.

The Company is also committed to Equal Opportunities and Diversity. In 2009 Keep Britain Tidy received Best Companies One Star rating: An Excellent Company to work for.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2009

Pensions

The Company operated a defined benefit pension scheme and under FRS 17 an actuarial valuation was last undertaken at 31 March 2008 and the effect of this is disclosed in Note 23 to the Accounts. The annually calculated notional surplus or deficit on the funding of the scheme is shown in the accounts and the current accumulated deficit in the scheme is deducted from Unrestricted Reserves. The Trustees are aware of the volatile nature of the deficit calculated according to FRS 17 and that this deficit will vary greatly depending on the assumptions made at valuation dates.

The Company closed its final salary scheme to future accrual on 31st July 2008 in favour of a Group Personal Pension Plan which took effect from 1st August 2008.

Future Developments for 2009/2010

Our Chief Executive Phil Barton will commence into his 2nd Financial Year with Keep Britain Tidy and under his leadership we have made significant progress with the 'At the Leading Edge' Strategy re-shaping our working structures and practices. 2009/10 will be the first year of our five year development strategy (2009 – 2012) with People & Places, Clean & Green and Sustainable at its centre.

As at 1st June 2009, the company officially changed its name to Keep Britain Tidy. Since the organisation's inception over 50 years ago it has always used 'Keep Britain Tidy' in its public work on litter campaigns and in news stories - and still does. This is a very strong brand name known by 84% of the population. After much consultation with a wide range of stakeholders we have decided to make the most of the strength of the Keep Britain Tidy name. In line with the name change we will have also launched our new website www.keepbritaintidy.org.

Our major campaign activities for 2009/2010 include running two further Big Tidy Up campaigns incorporating the lessons about what went well in previous campaigns and how they can be improved, aiming to reach and be supported by even more communities and partners than before. By repeating and building on the Big Tidy Up year on year we hope that it will become much more than a bi-annual campaign. Our vision is that it will inspire and equip people to undertake clean ups all year round. In addition we will also aim to run a Vehicle Litter Campaign whilst also continuing to support the Quality Coast Award, Blue Flag and Eco-Schools programmes.

On 1st March 2009, Keep Britain Tidy signed a contract with the Department of Communities and Local Government (DCLG) to deliver a Green Flag Awards programme for Parks for at least five years. We will lead a partnership comprising British Trust for Conservation Volunteers (BTCV) and GreenSpace. The focus will be on re-designing and developing the scheme to improve it and make it more sustainable with greater impact programme for the community.

A new Research Centre will be established and will form part of Keep Britain Tidy's vision and purpose. Its role will be to provide detailed technical advice to the Defra LEQ Team and to support other Defra funded programmes delivered by other Keep Britain Tidy Teams. It will also seek to deliver refinements to existing programmes and new tools as benefits to more strategic goals. We hope the establishment of an internal centre with its own advisory board will raise Keep Britain Tidy's profile, attract external funding, incubate new thinking and approaches and contribute significantly towards the company's overall objectives and activities.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2009**MEMBERS OF THE BOARD**

The following Directors (who are also Trustees of the Charity) held office during the year:

| | |
|------------------|--------------------------------------|
| Michael Phillips | Chairman |
| Colin Buttery * | |
| Helen M Carey | |
| Martyn Hale * | |
| Susan King * | |
| Sohail Husain * | |
| Helen McCallum | |
| Dinah Nichols | |
| Andrew Tasker * | |
| John Chadwick * | Appointed 16 th July 2008 |

* Members of the Audit and Resources Committee

The Trustees have cover for third party indemnity insurance.

None of the Directors had any material interest in any contracts or arrangements with the Company during the year.

The Principal Officers are:

| | |
|--|------------------|
| Chairman of the Board of Trustees | Michael Phillips |
| Chief Executive | Philip Barton |
| Partnership and Resources Director and Company Secretary | Ian Clayton |

Professional Advisors:

| | |
|--------------------|--|
| Registered Auditor | Baker Tilly UK Audit LLP 3 Hardman Street Manchester M3 3HF |
| Solicitors: | JST Mackintosh Temple Street Liverpool L2 5RH |
| <i>Bankers:</i> | HSBC Bank Plc 21 The Grande Arcade Wigan WN1 1BH |
| Insurance Brokers: | Griffiths & Armour Insurance 58 Spring Gardens Manchester M2 1EW |
| Pensions: | CBG Financial Services Southmoor Road Manchester M23 9XD |

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2009**Acknowledgements**

The Board of Trustees gratefully acknowledge the valuable support we receive from many organisations for our campaigns and activities at both a national and local level. We would mention specifically:

- Defra for LEQS projects in addition to the main grant funding;
- DCLG and Home Office for various projects;
- Environment Agency for fly-capture training seminars and market research;
- Anglian Water for waterway cleaning projects;
- North West Development Agency and Lancashire Economic Partnership for the liveability foundation;
- DSGI and HSBC for support of Eco schools; and
- A number of key stakeholders in London for the Capital Standards programme.

Fixed Assets

The movements in fixed assets during the year are set out in note 12 to the financial statements. A small reduction in net book value is shown.

Volunteers

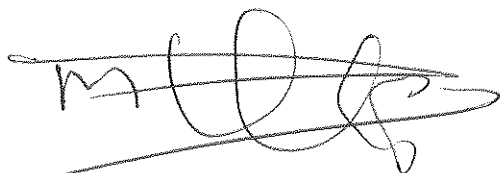
Many volunteers give up their time to help out the Company. We are greatly indebted to these volunteers for their commitment and support.

Auditor

The Company's Auditor, Baker Tilly UK Audit LLP, have indicated a willingness to continue in office and in accordance with the provisions of the Companies Act 1989, s26(5), a resolution will be proposed at the forthcoming Annual General Meeting to re-appoint them.

ON BEHALF OF THE BOARD

M Phillips



TRUSTEE

12th November 2009

Registered Office:

Elizabeth House
The Pier
Wigan
WN3 4EX

KEEP BRITAIN TIDY
REPORT OF THE AUDITOR
FOR THE YEAR ENDED 31st MARCH 2009

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF KEEP BRITAIN TIDY

We have audited the financial statements on pages 10 to 26.

We have audited the financial statements of Keep Britain Tidy for the year ended 31st March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Company are not disclosed. We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31 March 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Take the audit up
 BAKER TILLY UK AUDIT LLP
 Registered Auditor
 Chartered Accountants
 3 Hardman Street
 Manchester, M3 3HF

27 November 2009

KEEP BRITAIN TIDY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2009

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| Incoming Resources from Generated Funds : | | | | | |
| Voluntary Income | 2 | - | 5,020,040 | 5,020,040 | 4,539,040 |
| Activities for Generating Funds | 3 | 232,159 | 42,383 | 274,542 | 428,558 |
| Income from Charitable Activities : | | | | | |
| Other Grants and Contributions | 4 | 1,986,656 | 1,969,945 | 3,956,601 | 3,720,607 |
| Movement on Deferred Income | 5 | 74,618 | (19,952) | 54,666 | 293,579 |
| Total Incoming Resources | | <u>£2,293,433</u> | <u>£7,012,416</u> | <u>£9,305,849</u> | <u>£8,981,784</u> |
| RESOURCES EXPENDED | | | | | |
| Costs of Generating Funds | 6 | 90,088 | - | 90,088 | 108,320 |
| Charitable Activities | 7 | 832,550 | 6,512,647 | 7,345,197 | 8,744,988 |
| Governance Costs | 8 | - | 279,015 | 279,015 | 252,019 |
| Total Resources Expended | | <u>£922,638</u> | <u>£6,791,662</u> | <u>£7,714,300</u> | <u>£9,105,327</u> |
| NET MOVEMENT IN FUNDS | 9 | 1,370,795 | 220,754 | 1,591,549 | (123,543) |
| Balance Brought Forward at 1st April 2008 - <i>including notional deficit on Pensions Reserve</i> | | (907,598) | 362,013 | (545,585) | (1,873,042) |
| Actuarial gains and losses on defined benefit Pension Scheme | 25 | (1,952,000) | - | (1,952,000) | 1,451,000 |
| BALANCE CARRIED FORWARD AT 31st MARCH 2009 | | <u>£(1,488,803)</u> | <u>£582,767</u> | <u>£(906,036)</u> | <u>£(545,585)</u> |

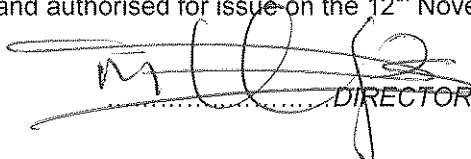
All activities reported above are continuing activities.

All recognised gains and losses are reflected through the Statement of Financial Activities and therefore, no separate Statement of Total Recognised Gains and Losses or Income and Expenditure Account is presented.

KEEP BRITAIN TIDY
BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2009

| | | 2009 | | 2008 | |
|---|-------|--------------------|-------------------|--------------------|-------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Fixed Assets | 12 | | 55,421 | | 79,389 |
| CURRENT ASSETS | | | | | |
| Debtors and Prepayments | 13 | 1,225,334 | | 796,899 | |
| Cash at Bank and In Hand | 14 | 1,654,026 | | 1,373,812 | |
| | | <u>2,879,360</u> | | <u>2,170,711</u> | |
| CURRENT LIABILITIES | | | | | |
| Creditors amounts falling due within one year | 15 | <u>(1,545,817)</u> | | <u>(1,355,685)</u> | |
| NET CURRENT ASSETS | | | 1,333,543 | | 815,026 |
| NET ASSETS | | | <u>1,388,964</u> | | <u>894,415</u> |
| PROVISION | 16 | | (36,000) | | (24,000) |
| PENSION SCHEME LIABILITY | 23 | | (2,259,000) | | (1,416,000) |
| NET LIABILITIES | | | <u>£(906,036)</u> | | <u>£(545,585)</u> |
| FUNDS: | | | | | |
| RESTRICTED FUNDS | | | | | |
| Capital Fund | 18 | 55,421 | | 79,389 | |
| General Fund | 18 | <u>527,346</u> | | <u>282,624</u> | |
| | | | 582,767 | | 362,013 |
| UNRESTRICTED FUNDS | | | | | |
| General Fund | 25 | (1,488,803) | | (926,887) | |
| Designated Fund | 17 | <u>0</u> | | <u>19,289</u> | |
| | | | (1,488,803) | | (907,598) |
| | | | <u>£(906,036)</u> | | <u>£(545,585)</u> |

These financial statements were approved by the directors and authorised for issue on the 12th November 2009 and signed on their behalf by:


 DIRECTOR

KEEP BRITAIN TIDY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2009

| | | 2009 | 2008 |
|---|-------|-------------------|-------------------|
| | | £ | £ |
| | Notes | | |
| NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES | 27 | 238,048 | (967,568) |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest received | | 79,960 | 127,113 |
| | | <u>318,008</u> | <u>(840,455)</u> |
| CAPITAL EXPENDITURE | | | |
| Purchase of Fixed Assets | 12 | (37,794) | (26,703) |
| INCREASE / (DECREASE) IN CASH | | <u>£280,214</u> | <u>(£867,158)</u> |
| RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS | | | |
| Increase / (Decrease) in cash in the year | | 280,214 | (867,158) |
| Net funds at 1st April 2008 | | 1,373,812 | 2,240,970 |
| Net funds at 31st March 2009 | 14 | <u>£1,654,026</u> | <u>£1,373,812</u> |

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2009

1. ACCOUNTING POLICIES

In order to assist in an understanding of the figures presented, the following summary explains the significant accounting policies which have been adopted in the preparation of the financial statements.

(a) *Accounting Convention:*

The financial statements have been prepared under the historical cost convention, are in accordance with applicable accounting standards, the provisions of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued by the Charity Commission in March 2005 and the Company's Memorandum and Articles of Association.

(b) *Fund Accounting :*

Unrestricted Funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity; the fund comprises the accumulated surpluses and deficits of unrestricted income and expenditure. Designated funds are unrestricted funds which have been earmarked by the Directors for specific purposes. Restricted Funds are those where the donor has imposed restrictions on the use of the funds which are binding. Income arising on restricted funds and expenditure incurred in respect of these funds are reflected through the Statement of Financial Activities.

(c) *Fixed Assets, Depreciation and Impairment:*

Fixed Assets are stated at cost less accumulated depreciation. Individual items costing in excess of £1,000 are capitalised as fixed assets. Depreciation is provided to write-off the cost of Fixed Assets over their anticipated useful lives. A full years depreciation is applied in the first year of acquisition and is provided at the following rates:

| | |
|---|---------------------|
| Office and Computer Equipment | - 33 1/3% per annum |
| Office Furniture, Fixtures and Fittings | - 20% per annum |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

(d) *Income and Donations*

Income received for specific purposes is reflected in its entirety in the Statement of Financial Activities unless specific conditions exist which have not been fulfilled at the accounting reference date. Income receivable is reviewed on an entitlement, certainty and measurement basis. Income not meeting this criterion is treated as deferred income. The main types of income include Cleaner Safer Greener Network which relates to full and associate level membership. The membership entitles the subscriber to rights to services and benefits. Income is therefore recognised evenly over the period of membership. Environmental Surveys and Reports and Training and Education relate to income earned from providing services. Income is recognised to the extent that those services have been provided by the end of the financial year.

(e) *Benefits in Kind*

Benefits in Kind represent the value of benefits provided to the Company. These values are based on reasonable estimates and on information provided to us by suppliers and the total value is presented in the Financial Statements as both an Incoming and Outgoing Resource.

(f) *Expenditure:*

Expenditure is accounted for on an accruals basis.

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds. Charitable activities include expenditure associated with campaigns, projects and programmes and include both the direct costs and support costs relating to those activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. Support costs include central functions and have been allocated to activity cost categories mainly on the basis of their direct costs. The Company is registered for VAT. Under the partial exemption rules, where applicable, costs and expenditure incurred are inclusive of VAT.

(g) *Liabilities:*

Liabilities are reflected in the Statement of Financial Activities as resources expended as soon as there is a legal or constructive obligation committing the Company to the expenditure. Expenditure includes legal or constructive obligation arising relating to provisions and grant payments.

(h) *Operating Leases:*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against surpluses on a straight line basis over the period of the lease.

(i) *Consolidation*

Encams Enterprises Ltd (formerly ERCU Ltd) and Tidy Britain Enterprises (a dormant company) are subsidiaries of Keep Britain Tidy. The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption provided by section 19.1(a) of the Charities (Accounts and Reports) Regulations 2008 not to prepare consolidated financial statements as the directors consider that all the company's subsidiaries should be excluded from consolidation as they are immaterial for purpose of true and fair view.

(j) *Government Grants*

The main grant received is from the Department for Environment, Food and Rural Affairs and is reported gross in the Statement of Financial Activities.

(k) *Pension Costs*

The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond. Any increase in the present value of liabilities within the Company's defined benefit scheme expected to arise from employee service in the period is charged to net income. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other resources expenditure/income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses. See Note 23 for further disclosures.

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

2 VOLUNTARY INCOME

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | 2008 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|-------------------|
| Main Government Grant | - | 5,006,000 | 5,006,000 | 4,630,000 |
| Deferred Grant brought forward | - | - | - | (105,000) |
| | <u>-</u> | <u>5,006,000</u> | <u>5,006,000</u> | <u>4,525,000</u> |
| Benefits in Kind | | | | |
| Staff and Office Costs | - | 14,040 | 14,040 | 14,040 |
| | <u>-</u> | <u>£5,020,040</u> | <u>£5,020,040</u> | <u>£4,539,040</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Administration and service charges | 151,078 | - | 151,078 | 185,380 |
| Subsidiary Company charges | 43,504 | - | 43,504 | 112,031 |
| Gift Aid Receivable | - | - | - | 4,034 |
| Bank Deposit Interest | 37,577 | 42,383 | 79,960 | 127,113 |
| | <u>£232,159</u> | <u>£42,383</u> | <u>£274,542</u> | <u>£428,558</u> |

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Cleaner Safer Greener Network | | | | |
| Local Authorities | 586,840 | 393,458 | 980,298 | 1,129,240 |
| Other | - | - | - | 1,000 |
| | <u>586,840</u> | <u>393,458</u> | <u>980,298</u> | <u>1,130,240</u> |
| Environmental Surveys and Reports | | | | |
| Central Government | - | 25,000 | 25,000 | 400,000 |
| Government Agencies | 139,214 | 481,045 | 620,259 | 202,184 |
| Local Authorities | 535,976 | 105,150 | 641,126 | 493,404 |
| Other | 225,818 | - | 225,818 | 90,113 |
| | <u>901,008</u> | <u>611,195</u> | <u>1,512,203</u> | <u>1,185,701</u> |
| Training and Education | | | | |
| Central Government | - | - | - | 15,000 |
| Government Agencies | 8,557 | 153,489 | 162,046 | 346,039 |
| Local Authorities | 380,246 | - | 380,246 | 288,391 |
| Other | 73,130 | 195,789 | 268,919 | 293,628 |
| | <u>461,933</u> | <u>349,278</u> | <u>811,211</u> | <u>943,058</u> |
| Coastal Programmes | | | | |
| Other | - | 191,629 | 191,629 | 156,638 |
| | <u>-</u> | <u>191,629</u> | <u>191,629</u> | <u>156,638</u> |
| Campaigns and Projects | | | | |
| Central Government | 4,000 | 46,750 | 50,750 | - |
| Government Agencies | - | 300,000 | 300,000 | 53,710 |
| Local Authorities | 8,371 | 800 | 9,171 | 32,471 |
| Other | 13,686 | 30,435 | 44,121 | 134,089 |
| | <u>26,057</u> | <u>377,985</u> | <u>404,042</u> | <u>220,270</u> |
| Other | | | | |
| Government Agencies | - | 5,464 | 5,464 | 58,950 |
| Local Authorities | - | - | - | 15,600 |
| Other | 10,818 | 40,936 | 51,754 | 10,150 |
| | <u>10,818</u> | <u>46,400</u> | <u>57,218</u> | <u>84,700</u> |
| TOTAL | <u>£1,986,656</u> | <u>£1,969,945</u> | <u>£3,956,601</u> | <u>£3,720,607</u> |

5. DEFERRED INCOME

| | | | | |
|-----------------------------------|----------------|------------------|----------------|-----------------|
| Income in advance brought forward | 416,491 | 150,920 | 567,411 | 860,990 |
| Income in advance carried forward | (341,873) | (170,872) | (512,745) | (567,411) |
| Movement in Deferred Income | <u>£74,618</u> | <u>(£19,952)</u> | <u>£54,666</u> | <u>£293,579</u> |

Income receivable is reviewed on an entitlement, certainty and measurement basis. Income not meeting this criterion is treated as deferred income.

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

| | Direct Costs £ | Support Costs £ | 2009 Total £ | 2008 Total £ |
|--|----------------------|-----------------------|--------------------|--------------------|
| 6. COSTS OF GENERATING FUNDS | | | | |
| Fundraising costs | <u>£25,322</u> | <u>£64,766</u> | <u>£90,088</u> | <u>£108,320</u> |
| 7. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES | | | | |
| Cleaner Safer Greener Network | 658,206 | 53,225 | 711,431 | 1,329,961 |
| Environmental surveys and reports | 3,204,440 | 274,830 | 3,479,270 | 4,226,547 |
| Training and education | 764,298 | 61,805 | 826,103 | 1,298,671 |
| Coastal programmes | 234,667 | 18,976 | 253,643 | 416,062 |
| Campaigns and marketing | 1,613,039 | 146,206 | 1,759,245 | 1,327,447 |
| Grant Payments | 195,000 | - | 195,000 | - |
| Other | 97,452 | 9,013 | 106,465 | 132,260 |
| Benefits in Kind | 14,040 | - | 14,040 | 14,040 |
| | <u>£6,781,142</u> | <u>£564,055</u> | <u>£7,345,197</u> | <u>£8,744,988</u> |

Pension savings as per note 27 of £1.110m are spread across support costs shown in note 7.

8. GOVERNANCE COSTS

| | | | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| Staff and other costs | <u>£160,430</u> | <u>£118,585</u> | <u>£279,015</u> | <u>£252,019</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|

ANALYSIS OF GOVERNANCE COSTS

| | | | | |
|--|--|--|-----------------|-----------------|
| External audit fees | | | £ | £ |
| Internal audit fees | | | 17,088 | 21,772 |
| Other professional fees expenses | | | 8,188 | 9,178 |
| Trustees' meetings, expenses and insurance | | | 117,123 | 82,803 |
| Apportionment of support costs | | | 18,031 | 30,549 |
| | | | 118,585 | 107,717 |
| | | | <u>£279,015</u> | <u>£252,019</u> |

| ANALYSIS OF SUPPORT COSTS | Establish - ment £ | Chief Executive £ | Finance & Admin £ | ICT £ | Human Resources £ | 2009 Total £ | 2008 Total £ |
|-----------------------------------|--------------------------|-------------------------|-------------------------|----------------|-------------------------|--------------------|--------------------|
| Fundraising | 15,319 | 36,405 | 13,042 | - | - | 64,766 | 64,274 |
| Cleaner safer greener network | 10,711 | 12,044 | 13,906 | 7,565 | 8,999 | 53,225 | 261,137 |
| Environmental surveys and reports | 55,304 | 62,192 | 71,806 | 39,062 | 46,465 | 274,830 | 829,879 |
| Training and education | 12,437 | 13,986 | 16,148 | 8,784 | 10,449 | 61,805 | 254,993 |
| Coastal programmes | 3,819 | 4,294 | 4,958 | 2,697 | 3,208 | 18,976 | 81,693 |
| Campaigns and marketing | 29,421 | 33,085 | 38,200 | 20,781 | 24,719 | 146,206 | 260,643 |
| Other | 1,814 | 2,040 | 2,355 | 1,281 | 1,524 | 9,013 | 28,725 |
| Governance | - | 101,626 | 16,959 | - | - | 118,585 | 107,717 |
| | <u>£128,825</u> | <u>£265,672</u> | <u>£177,375</u> | <u>£80,171</u> | <u>£95,365</u> | <u>£747,407</u> | <u>£1,889,061</u> |

Support costs have been apportioned to costs of activities on total direct costs.

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

| | 2009 | 2008 |
|--|---------------|---------------|
| | £ | £ |
| 9. NET MOVEMENT IN FUNDS | | |
| The net movement in funds for the year is stated after charging: | | |
| Depreciation of fixed assets | | |
| - owned by the company | 61,762 | 61,249 |
| Auditor's remuneration | | |
| - audit fee | 16,850 | 19,750 |
| - non audit services | 1,268 | 2,022 |
| Operating lease rentals : Land & Buildings | 112,515 | 103,980 |
| Other | <u>85,585</u> | <u>74,629</u> |

10. TAXATION

The Company is a Registered Charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

11. STAFF COSTS

Total Emoluments, including National Insurance contributions, pension contributions and benefits in kind amounted to :-

| | 2009 | 2008 |
|--|-------------------|-------------------|
| | £ | £ |
| Staff Costs | 3,562,815 | 3,726,091 |
| National Insurance Contributions | 367,023 | 380,068 |
| Pension Contributions (Defined Benefit Scheme) | 145,790 | 445,137 |
| Pension Contributions (Group Personal Plan) | 150,369 | - |
| Agency | 38,849 | 193,028 |
| | <u>4,264,846</u> | <u>4,744,324</u> |
| Benefits | 77,626 | 77,042 |
| | <u>£4,342,472</u> | <u>£4,821,366</u> |

The average number of employees for the year allocated across the activities :-

| | 2009 | 2008 |
|-----------------------------------|------------|------------|
| Cleaner Safer Greener Network | 8 | 15 |
| Environmental surveys and reports | 63 | 80 |
| Training and education | 27 | 16 |
| Coastal programmes | 6 | 4 |
| Campaigns and marketing | 17 | 19 |
| Other | 7 | 3 |
| | <u>128</u> | <u>137</u> |

Pension contributions were paid into Keep Britain Tidy's defined benefit scheme up to 31st July 2008 on behalf of 89 of the 128 employees. From 1st August 2008 97 of the 128 employees were accruing benefits under the Group Personal Plan.

The average number of employees earning over £60,000 including salary, and benefits but excluding pension and national insurance contributions :-

| | 2009 | 2008 |
|--------------------|------|------|
| £60,001 - £70,000 | 3 | 3 |
| £70,001 - £80,000 | 0 | 1 |
| £80,001 - £90,000 | 1 | 0 |
| £90,001 - £100,000 | 1 | 0 |

Aggregate Directors' Remuneration paid during the year :-

| | 2009 | 2008 |
|-----------------------|-----------------|-----------------|
| | £ | £ |
| Salary | 365,969 | 372,600 |
| Pension Contributions | 36,750 | 57,570 |
| Benefits in Kind | 11,557 | 18,593 |
| | <u>£414,276</u> | <u>£448,763</u> |

Pension contributions were paid for the year for all employees with emoluments in excess of £60,000 into the defined benefit scheme up to 31st July 2008 and into the Group Personal Plan from 1st August 2008.

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

| | | |
|------------------------|----------------|---------------|
| Highest paid Director: | 2009 | 2008 |
| | £ | £ |
| Salary | 91,292 | 77,895 |
| Pension Contribution | 10,803 | 12,444 |
| Benefits in Kind | 2,697 | 3,890 |
| | <u>104,792</u> | <u>94,229</u> |

The total accrued pension and lump sum payable for the highest paid director is £772 assuming a retirement date of 31st March 2009.

During the year one director received compensation for loss of office of £24,386.

The cost of secondments to the charity totalled £52,044.

12. TANGIBLE FIXED ASSETS

| | Office And Computer Equipment £ | Office Furniture Fixtures And Fittings £ | Total £ |
|---|--|--|-----------------|
| Cost at 1st April 2008 | 305,399 | 45,416 | 350,815 |
| Additions during the year | 37,794 | - | 37,794 |
| Disposals during year | - | - | - |
| Cost at 31st March 2009 | <u>£343,193</u> | <u>£45,416</u> | <u>£388,609</u> |
| Accumulated Depreciation at 1st April 2008 | 237,932 | 33,494 | 271,426 |
| Charge for the year | 54,980 | 6,782 | 61,762 |
| Disposals during year | - | - | - |
| Depreciation at 31st March 2009 | <u>£292,912</u> | <u>£40,276</u> | <u>£333,188</u> |
| Net Book Value at 31st March 2009 | <u>£50,281</u> | <u>£5,140</u> | <u>£55,421</u> |
| Net Book Value at 31st March 2008 | <u>£67,467</u> | <u>£11,922</u> | <u>£79,389</u> |

13. DEBTORS AND PREPAYMENTS

| | 2009 £ | 2008 £ |
|--------------------|-------------------|-----------------|
| Trade Debtors | 1,082,403 | 700,744 |
| Subsidiary Company | 43,504 | 9,935 |
| Prepayments | 99,428 | 86,220 |
| | <u>£1,225,334</u> | <u>£796,899</u> |

14. CASH AT BANK AND IN HAND

| | 2009 £ | 2008 £ |
|--------------|-------------------|-------------------|
| Cash at Bank | 1,640,323 | 1,358,644 |
| Cash in Hand | 13,704 | 15,168 |
| | <u>£1,654,026</u> | <u>£1,373,812</u> |

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2009

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| 15. CREDITORS - Amounts falling due within one year | | |
| Deferred Income | 512,745 | 567,411 |
| Trade Creditors | 683,121 | 251,137 |
| Social Security and Other Taxes | 143,633 | 243,145 |
| Accruals | 206,318 | 293,992 |
| | <u>£1,545,817</u> | <u>£1,355,685</u> |

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| 16. PROVISIONS FOR DILAPIDATIONS | | |
| Balance Brought forward at 1st April 2008 | 24,000 | 12,000 |
| Amount provided in the year | 12,000 | 12,000 |
| Balance carried forward at 31st March 2009 | <u>£36,000</u> | <u>£24,000</u> |

Keep Britain Tidy's main premises is occupied under a Full Repairing Lease. We are wholly responsible for the maintenance of the building during the lease period. A provision is made for dilapidations, specifically for the repair and maintenance of the roof. The building has not had any major maintenance or repair works within the last 10 years and this is reflected in the amount provided. We expect the repairs to be completed by 2013.

| | 2009 £ | 2008 £ |
|--|-----------|----------------|
| 17. DESIGNATED FUNDS | | |
| Balance Brought Forward at 1st April 2008 | 19,289 | - |
| Depreciation for Year | (19,289) | - |
| Amount set aside for Eco Schools | - | 19,289 |
| Balance Carried Forward at 31st March 2009 | <u>-</u> | <u>£19,289</u> |

The Designated Fund was set aside out of unrestricted funds.

18. RESTRICTED FUNDS**General Fund:-**

| | 1st April 2008 £ | Incoming £ | Outgoing £ | 31st March 2009 £ |
|---------------------------------|------------------------|-------------------|-------------------|-------------------------|
| Cleaner, Safer, Greener Network | - | 680,757 | 326,484 | 354,273 |
| Environmental surveys & reports | 81,420 | 1,569,619 | 1,651,039 | 0 |
| Training & Education | 42,747 | 131,240 | 161,167 | 12,820 |
| Coastal Programmes | 32,990 | 409,413 | 408,030 | 34,373 |
| Campaigns | 56,306 | 3,443,178 | 3,494,919 | 4,565 |
| Eco Schools | 69,161 | 646,095 | 593,941 | 121,315 |
| Other | - | 80,280 | 80,280 | - |
| Benefits in Kind | - | 14,040 | 14,040 | - |
| | <u>£282,624</u> | <u>£6,974,622</u> | <u>£6,729,900</u> | <u>£527,346</u> |

Capital Fund:-

| | | | | |
|--------------------------------|-----------------|-------------------|-------------------|-----------------|
| Fixed Assets | 79,389 | - | 49,164 | 30,225 |
| Grant received /(Depreciation) | - | 37,794 | 12,598 | 25,196 |
| | <u>£79,389</u> | <u>£37,794</u> | <u>£61,762</u> | <u>£55,421</u> |
| Total | <u>£362,013</u> | <u>£7,012,416</u> | <u>£6,791,662</u> | <u>£582,767</u> |

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2009**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| | Tangible Fixed Assets £ | Net Current Assets £ | Total £ |
|-----------------------------|----------------------------------|-------------------------------|-------------------|
| Restricted Funds | 55,421 | 527,346 | 582,767 |
| Unrestricted Funds -General | - | (1,488,803) | (1,488,803) |
| | <u>£55,421</u> | <u>(£961,457)</u> | <u>(£906,036)</u> |

20. CONTINGENT LIABILITIES

There were no known contingent liabilities at 31st March 2009 (2008-£nil).

21. CAPITAL COMMITMENTS

Capital Commitments authorised and contracted at 31st March 2009 amounted to £nil (2008-£nil).

22. INDEMNITY INSURANCE

The Trustees and Officers of the Company are indemnified out of the assets of the Company against any liability incurred in that capacity in defending any proceedings in which judgement is given in favour or in which there is an acquittal or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. The annual premium which covers the Company is £4,500 (2008 - £4,725) which also included cover for former associated companies.

23. PENSION COSTS

The Company operated staff contributory pension scheme providing benefits for each complete year of pensionable service up to 31st July 2008.

The scheme is an exempt approved scheme under the terms of the Income and Corporation Taxes Act 1988 and is set up by a Trust Deed administered by Trustees and funds are held separately from those of the company. The scheme is a multi employer defined final salary benefit scheme where the share of the assets and liabilities applicable to each employer is not definable.

Benefits accrued at the rate of one-sixtieth of final pensionable earnings for each year of pensionable service up to 31st March 2004. Commencing 1st April 2008, the Trustees changed the scheme but maintained the final salary element, benefits to accrue at the rate of one-eightieth of final pensionable earnings for each year of pensionable service; there is no change in contribution rates. The plan ceased all future service benefit accrual with effect from 31st July 2008 so that all members' benefits are now paid up.

The pension charge for the year to 31st March 2009 was £296,159 (2008 - £445,137) as detailed in Note 11.

A full actuarial valuation was carried out at 31 March 2004 and updated to 31 March 2008 by a qualified independent actuary.

The pension deficit as at 31st March 2007 was £3.963m and each employer has agreed to contribute additional annual amounts to reduce the deficit over a 12 year period. Keep Britain Tidy is paying approximately £10,000 per annum which represents 97.3% of the liabilities. The Company is the principal employer.

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2009

The major assumptions used by the actuary were:

| | 31 March 2009 | 31 March 2008 | 31 March 2007 |
|--|--|--|---|
| Rate of increase in salaries | n/a | 4.95% | 4.45% |
| Rate of increase in pensions in payment | 2.35% post April 2005, 3.25% April 2004 – March 2005, 3.50% for other service | 2.40% post April 2005, 3.40% April 2004 – March 2005, 3.65% for other service | 2.30% post April 2005, 2.95% April 2004, - March 2005, 3.35% for other service |
| Rate of increase in inflation linked deferred pensions | 3.25% | 3.45% | 2.95% |
| Discount rate | 6.70% | 6.90% | 5.30% |
| Inflation assumptions | 3.25% | 3.45% | 2.95% |

Mortality assumptions:

Average future life expectancy from age of 65 for current pensioners:

Men 21 years
 Women 23 years

Average future life expectancy from age of 65 for future pensioners:

Men 22 years
 Women 24 years

:

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 2009

The assets in the scheme and the expected long term rate of return were:

| | 31 March 2009 | | 31 March 2008 | | 31 March 2007 | | 31 March 2006 | | 31 March 2005 | |
|--|-----------------------------------|--------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | Long term expected rate of return | Value (£) | Long term expected rate of return | Value (£) | Long term expected rate of return | Value (£) | Long term expected rate of return | Value (£) | Long term expected rate of return | Value (£) |
| Equities | 6.75% | 3,025,000 | 7.35% | 4,102,000 | 7.70% | 4,010,000 | 7.00% | 3,526,000 | 7.00% | 2,788,000 |
| Bonds | 5.75% | 2,374,000 | 6.90% | 2,510,000 | 4.70% | 2,089,000 | 5.00% | 818,000 | 5.00% | 779,000 |
| Cash | 0.5% | 378,000 | 4.60% | 221,000 | 4.40% | 485,000 | 4.00% | 1,417,000 | 2.50% | 866,000 |
| Total Market value of assets | | 5,777,000 | | 6,833,000 | | 6,584,000 | | 5,761,000 | | 4,453,000 |
| Present value of scheme liabilities | | 8,036,000 | | 8,250,000 | | 9,515,000 | | 9,493,000 | | 7,333,000 |
| Surplus / (Deficit) in the Scheme | | (2,259,000) | | (1,417,000) | | (2,931,000) | | (3,732,000) | | (2,880,000) |

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2009

| Analysis of the amount charged to net Outgoing resources | 2009 (£) | 2008 (£) |
|--|--------------------|--------------------|
| Current service cost | 108,000 | 469,000 |
| Settlements and Curtailments | 0 | 0 |
| Past service cost | 0 | 0 |
| Total operating charge | 108,000 | 469,000 |
| Analysis of the amount credited / (charged) to other finance income | | |
| Expected return on pension scheme assets | 490,000 | 443,000 |
| Interest on pension scheme liabilities | (577,000) | (516,000) |
| Net return / (interest) | (87,000) | (73,000) |
| Analysis of amount recognised in statement of financial activities (SOFA) | | |
| Actual return less expected return on pension scheme assets | (1,790,000) | (789,000) |
| Experience gains and losses arising on the scheme liabilities | (64,000) | 492,000 |
| Changes in assumptions underlying the present value of the scheme liabilities | (98,000) | 1,748,000 |
| Actuarial (loss)/gain recognised in the SOFA | (1,952,000) | 1,451,000 |
| Movement in surplus during the year | | |
| (Deficit) in scheme at beginning of the year | (1,417,000) | (2,931,000) |
| Movement in the year: | | |
| Current service cost | (108,000) | (469,000) |
| Contributions | 448,000 | 605,000 |
| Past service costs | 0 | 0 |
| Settlements and Curtailments | 857,000 | 0 |
| Net Interest | (87,000) | (73,000) |
| Actuarial (loss)/gain | (1,952,000) | 1,451,000 |
| (Deficit) in scheme at end of the year | (2,259,000) | (1,417,000) |

From 1st August 2008 when the final benefit scheme ceased all members were entitled to an inflation linked deferred pension and the link to salary is lost. A curtailment is shown in 2008/09, which reflects the savings being made from not having to make allowances for salaries to grow at a rate of 1.5% above inflation.

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2009

| History of experience of gains and losses | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2009 (£) | 2008 (£) | 2007 (£) | 2006 (£) | 2005 (£) |
| Difference between the expected and actual return on scheme assets | | | | | |
| Amount | (1,791,000) | (789,000) | (160,000) | 403,000 | 400,000 |
| Experience of gains and (losses) on scheme liabilities | | | | | |
| Amount | (64,000) | 492,000 | 100,000 | (149,000) | 147,000 |
| Total amount recognised in SOFA | | | | | |
| Amount | (1,952,000) | 1,451,000 | 861,000 | (885,000) | 346,000 |

Notes:

With effect from 1st August 2008, the Company set up a Group Personal Pension Scheme, which operates on a defined contribution basis. The total contributions of £150,369 (2008 £0) was paid in the year by Keep Britain Tidy.

24. TRUSTEES' REMUNERATION AND EXPENSES

The Directors of the company are the Trustees under Charity Law and received no remuneration.

Reimbursement for travel costs in attending meetings were paid to Trustees and amounted in total to £8,922 (2008 - £13,905).

| 25. UNRESTRICTED FUNDS | 2009 | 2008 |
|--|---------------------|-------------------|
| | £ | £ |
| Balance of general fund at 1 April 2008 | (907,598) | (2,137,543) |
| Retained unrestricted surplus / (deficit) for the financial year | 1,370,795 | (221,055) |
| Actuarial (Loss)/Gain on pension liability | (1,952,000) | 1,451,000 |
| Balance of general fund at 31 March 2009 | <u>(1,488,803)</u> | <u>(907,598)</u> |
| Designated Funds (Note 17) | 0 | (19,289) |
| | <u>£(1,488,803)</u> | <u>£(926,887)</u> |

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2009**26. OTHER COMMITMENTS***Operating Leases*

Commitments under operating leases to pay rentals during the year following the period of these financial statements are given in the table below, analysed according to the period in which each lease expires.

| | 2009 | 2008 |
|----------------------------|-----------------|-----------------|
| | £ | £ |
| <i>Land and Buildings:</i> | | |
| Within one year | 6,048 | 5,580 |
| Two to five years | - | - |
| More than five years | <u>106,467</u> | <u>98,400</u> |
| | <u>£112,515</u> | <u>£103,980</u> |
| <i>Motor Vehicles:</i> | | |
| Within one year | 1,607 | 17,813 |
| Two to five years | <u>76,494</u> | <u>27,219</u> |
| | <u>£78,101</u> | <u>£45,032</u> |

27. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

| | 2009 | 2008 |
|---|-----------------|-------------------|
| | £ | £ |
| Net Movement in Funds (Page 10) | 1,591,549 | (123,543) |
| Bank interest Receivable | (79,960) | (127,113) |
| Depreciation Charges | 61,762 | 61,249 |
| Increase in Debtors | (428,435) | (64,172) |
| Increase / (Decrease) in Creditors | 190,132 | (661,989) |
| FRS 17 effect on pension costs - surplus | (1,109,000) | (64,000) |
| Increase in Provisions | 12,000 | 12,000 |
| Net Cash Inflow / (Outflow) from Operating Activities (Page 12) | <u>£238,048</u> | <u>(£967,568)</u> |

28. RELATED PARTY TRANSACTIONS

During the year 2008/2009 the Company entered into transactions (including VAT) with ENCAMS Enterprises Limited as follows:-

| | £ |
|-------------------------------------|----------------|
| Staff and other costs charged | 43,504 |
| Cash received | 0 |
| Gift Aid receivable | 0 |
| Due from ENCAMS Enterprises Limited | <u>£43,504</u> |

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2009

29. SUBSIDIARY COMPANIES

Tidy Britain Enterprises and ENCAMS Enterprises Limited are subsidiaries of the Company. The Memorandum of Association of these companies authorises the Company to appoint or remove any directors from office. Tidy Britain Enterprises has been dormant throughout the year.

ENCAMS Enterprises Limited continued to trade during the year and obtained sponsorship and the sale of advertising space for the Company. The Company provided staff on secondment to enable ENCAMS Enterprises Limited to carry out its activities.

The results of ENCAMS Enterprises Limited for the period ended 31st March 2009 were as follows:-

| | 2009 £ | 2008 £ |
|----------------------------|---------------|--------------|
| TURNOVER | 50,488 | 78,087 |
| COST OF SALES | (47,597) | (68,623) |
| GROSS PROFIT | <u>2,891</u> | <u>9,464</u> |
| ADMINISTRATIVE EXPENSES | (3,866) | (6,591) |
| OPERATING PROFIT /(LOSS) | (975) | 2,873 |
| INTEREST RECEIVABLE | <u>247</u> | <u>1,161</u> |
| (LOSS) / PROFIT BEFORE TAX | (728) | 4,034 |
| TAXATION | <u>-</u> | <u>-</u> |
| (LOSS) / PROFIT AFTER TAX | (728) | 4,034 |
| BALANCE BROUGHT FORWARD | - | - |
| GIFT AID | - | (4,034) |
| BALANCE CARRIED FORWARD | <u>£(728)</u> | <u>-</u> |
| | | |
| CURRENT ASSETS | 61,481 | 40,338 |
| CURRENT LIABILITIES | (62,209) | (40,338) |
| NET ASSETS AT 31ST MARCH | <u>£(728)</u> | <u>-</u> |

The payment receivable under Gift Aid is included in Activities for Generating Funds (Note 3). The results of ENCAMS Enterprises Limited have not been consolidated as the entity would qualify as a medium sized group.