



Keep Britain Tidy

A Company Limited by Guarantee

Company Registration Number: 3496361

Financial Statements for the Year Ended 31st March 2010

Keep Britain Tidy

A Company Limited by Guarantee

Annual Report and Financial Statements

Year ended 31 March 2010

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KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2010

TRUSTEES' REPORT

The Board of Trustees present their annual report together with the audited financial statements for the year ended 31st March 2010.

REFERENCE AND ADMINISTRATIVE DETAILS

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

Keep Britain Tidy ("the Company") 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 senior executive staff are given on page 8 and the external advisors are as set out on page 8 & 9.

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 is 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 and another to act as Vice Chairperson for the year 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 but there was a one off payment to our Chairman, in this financial year, for duties carried out above the normal duties for a Chair. 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.

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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.

Statement of Trustees' Responsibilities and Corporate Governance

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). As the Company is a registered Charity the Trustees have prepared the financial statements in a format that complies with "Accounting and Reporting by Charities: Statement of Recommended Practice (Revised 2005)" ("SORP 2005").

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing those financial statements, the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with SORP 2005 and where appropriate the Companies Act 2006. 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.

The Trustees are also responsible for providing 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; and
- 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 business 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.

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Statement as to Disclosure of Information to Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Risk Management

The company maintains a corporate risk register covering both strategic and operational risks. Risks are analysed according to their impact and probability to give a raw risk score. Potential and actual mitigating actions are considered against each identified risk, and the overall impact of these actions is assessed and deducted from the raw risk score to give a residual score for each risk. Risks with a residual score greater than a defined target are subjected to detailed review by the executive management team.

The principal risks identified relate to the economic climate in general and the reduction in public sector financing in particular, together with a relatively low level of reserves.

The company also operates a performance management system which has the objective of monitoring the company's high level objectives through key performance indicators. This complements the risk register and serves as further assurance that the appropriate issues are highlighted.

The Trustees, through the Audit and Resources Committee, have examined the risk management 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.

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. 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 and passion is for cleaner, greener places, respected and enjoyed by all.

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 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 Company 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 the Department for Environment, Food and Rural Affairs ("DEFRA") and have agreed a memorandum of understanding and annually agree in advance a work programme for the year which addresses key priority issues prevalent across England, with a focus on assisting areas with the lowest scores for local environmental quality according to National Indicator 195 (NI195).

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 for 2009/10 are detailed below.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2010

Marketing & Campaigns

2009/10 has been an excellent year in terms of raising the profile of our issues and changing behaviour. June 2009 saw the rebrand from ENCAMS to Keep Britain Tidy which has significantly helped the Company and has almost tripled the traffic to its website. Our bid to rejuvenate the Keep Britain Tidy brand was sealed with the appointment of our first celebrity ambassador Kirstie Allsopp. Kirstie went on to appear on BBC Breakfast to promote the importance of our issues and help to launch the "Big Tidy Up" campaign in September. Kirstie continues to raise the issue of litter at any given media opportunity she has.

A total of £22m worth of media coverage was secured for Keep Britain Tidy activities and local environmental quality issues during 2009/10 (if measured as paid-for advertising). 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 2009/10 included one aimed at encouraging postmen and women to keep hold of their red rubber bands. This campaign generated in excess of £7million in media coverage and huge public support with the public, who went on to send 13,000 rubber bands back to us, which we duly returned to Royal Mail. Royal Mail did respond by communicating to their staff through regular bulletins and their staff magazine to ensure that this form of littering was reduced.

July saw a drive to reduce littering from vehicles which prompted over 8,000 reports of vehicle littering. There was a recorded 25% reduction in recorded litter in monitored areas along with 81% of the public reporting that they agreed with the need for tougher penalties for drivers who litter. This campaign also paved the way for communications between Keep Britain Tidy and a number of car manufacturers, including Ford UK.

In the Autumn, the on-line 'design a bin bag' competition was launched. This captured the imagination of our Eco School Campaigners as well as encouraging almost 4000 other young people to put their design skills to the test. The winning design was made into a real life bin bag and is currently appearing in our "Big Tidy Up" kits going out to community groups.

The "Big Tidy Up" campaign continues to go from strength to strength with a large number of volunteers going out and getting their hands dirty to tidy up where they live or work. At the close of 2009/10 there had been over 20,000 groups registered along with 10,942 tidy up events held. The "Big Tidy Up" recorded 19,570 participants along with 200 Local Authorities engaged during the year.

Our year of successful profile raising was rewarded with Keep Britain Tidy winning the ultimate Grand Prix prize at the national Green Awards. Keep Britain Tidy also won the Golden Twit award in acknowledgment of our excellent social networking and 1,575 Twitter followers.

Keep Britain Tidy Network

The rebrand of the Cleaner Safer Greener Network to the Keep Britain Tidy Network (KBTN), which took place at the national conference in March 2010, has helped to strengthen the network as a vital area of the Company's work.

During 2009/10 the KBTN team delivered some 29 events across the country, including Regional Meetings, Study Tour, Discussion Groups and ten learning academies covering the subjects of - 'Tackling Fast Food Related Litter', 'Litter from Vehicles', 'Green Flag Award for Parks' & 'Enforcement Masterclasses'. A host of excellent facilitators and presenters were engaged to deliver their expertise and innovation at the academies.

All KBTN events were well attended and well received by its 142 members. The KBTN flagship conference for local authorities and other land managers, held in Manchester in March 2010, was hailed a great success by participants, recording high attendance and again receiving extremely positive feedback with an overall satisfaction score of 100%.

The KBTN website continues to facilitate better communication with our members. In addition, the 'Ask the Wig' legal service, introduced in July 2007, continued to be popular with 245 questions asked of the service in 2009/10. The success of this service has seen the expansion in 2009/10 to include 'Rent a Wig' which, although in its introductory stages, has received a high satisfaction rating from members.

KEEP BRITAIN TIDY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31st MARCH 2010

Public Information Service

Since its introduction, the post of Public Information Officer has proven invaluable. Over 3,000 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 an invaluable point of contact for the general public and external partners and colleagues dealing with enquiries. At the close of March 2010 a total of 678 'Big Tidy Up' enquiries alone had been dealt with.

Environmental Surveys & Reports

The eighth annual report of the Local Environmental Quality Survey of England was published in February 2010. The report revealed that litter had improved slightly with small reductions in fast food, snack packaging and smoking related litter. There had however been small rises recorded in detritus, dog fouling, graffiti and street staining.

Our survey completed to track the public's perceptions of their local environment revealed that 63% of people were concerned about the appearance of their local areas, which was the third biggest issue after the credit crunch and violent crime and scored higher than several larger national and global issues in the public's concerns.

Green Parks Award Scheme

2008/9 saw the formation of The Green Flag Plus partnership with Green Space and BTCV following the successful bid to win the contract to run the Green Flag for Parks Award scheme for three years which was awarded in February 2009. The partnership successfully managed the handover of the scheme in 2009/10 and began to update and improve it. The partnership's vision is to increase awareness of the brand significantly, amongst the public, as well as drive up the number of Green Flag Parks in England and Wales. Currently the scheme engages with over 250 partners, 73% of local authorities across England. In July 2009 a highly successful awards conference was held in Bournemouth and in September the Partnership published a new segmentation of green space users. Work to develop a 'group' award for parks managed by a single service has begun and will be piloted in 2010/11.

Training & Education

Our work with young people continues to grow, with 63% of England's schools currently registered with the Eco Schools programme. By the end of the year a total of 13,974 schools are engaged with the Eco-Schools Programme, with the website recording an average of 17,306 unique visitors per month. Over 1,000 schools have successfully achieved green flag status (a fact which was celebrated in February 2010), 3,527 silver status, 4,547 bronze and 4,843 registered and working towards their first award.

Our training courses aim to deliver high quality training to enable land managers to deliver high quality environments. The 2009/10 training suite covered a wide range of specific local environmental quality issues, enforcement issues, effective cleansing, and bespoke courses. The Training Team successfully delivered 100 courses and trained 1,475 delegates. The satisfaction levels of delegates attending the courses were recorded at 90% and the delegate's perception and satisfaction with the trainers was recorded at 93%. There are currently 46 courses within the training team's portfolio. This is profiled to expand during 2010/11 with the commencement of extensive development and review of the portfolio of courses currently held. The Training Team are now an accredited provider with Open College.

Coastal

2009/10 saw a total of 71 Blue Flags and 111 QCA awards awarded. The coastal programme continues to generate huge interest with over £3 million in media coverage recorded in relation to the announcement of coastal awards. The coastal team is currently engaged with 50% of coastal local authorities and within 2010/11 will be actively working to increase the engagement of beach managers with the award scheme.

The Rivercare project is run in conjunction with Anglian Water and has recorded a total of 45 RiverCare projects and 213 successful events. There were a total of 15,656 volunteer hours and 8,193 bags of litter collected; all exceeding the original targets set for the programme. This was in conjunction with 95% of projects reporting improvements in local environmental quality in their locations.

Membership

The Ambassadors / Supporters scheme was introduced for 2009/10 to replace the former member's scheme. At the close of 2009/10 there were 9 Ambassadors with key roles and skills that they are using to support Keep Britain Tidy. A total of 1,765 supporters have registered with the organisation.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2010**Leading by inspiring policy and practical action**

The launch of Keep Britain Tidy's Manifesto "This Is Our Home" in March 2010 set out a 10 year plan for change. It proved to be a huge success with stakeholders and Government across all parties. This key document will form the lynch pin to our future activity and has set the strategic direction for the organisation.

The Manifesto launch co-incided with a roundtable discussion convened by then DEFRA Secretary of State, Hilary Benn. Major brands and other key players took part and committed to playing their part in the battle on litter. This work will continue into the coming financial year with Keep Britain Tidy, Campaign to Protect Rural England (CPRE), Local Authorities Coordinators of Regulatory Services (LACORS) and DEFRA leading the discussions. These discussions started to build on some great partnerships that have started to emerge during the past twelve months, with Greggs in particular now doing regular litter surveys and action plans for all of their stores.

A cross government project entitled the 'Deprived Area Perception Programme' was initiated to understand how public opinions are formed, maintained and changed and if incorporating public perceptions into strategies will improve cleanliness. This work is at the leading edge of policy thinking and is due to report during 2011.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities on page 11 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 resources. It is further analysed between restricted and unrestricted funds.

Total incoming resources for the year amounted to £10.294m of which £5.119m (50%) 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 £293k, which reflects in the main, an increase in Benefits in Kind.

Total resources expended of £10.594m (2009 £8.409m) resulted in a net decrease in funds for the year of £300k, of which £16k relates to pension adjustments.

Total fund balances, before adopting FRS 17, amounted to £1.037m including the balance of the unrestricted general fund at the year end of £890k (2009 - £770k). The unrestricted general fund and represents the reserves available to the Trustees to help fulfil current and future plans.

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 have reviewed the reserves policy and reassessed the amount needed to ensure the Company can run efficiently and has a sufficient amount to mitigate risks of events outside their control. The Trustees believe that the minimum level of unrestricted reserves should be the equivalent of 6 months' core 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 2010 the level of Unrestricted Reserves stands at £890K, excluding the deficit on the Pension Scheme. With certain core costs currently amounting to approximately £3m per year this is just over half of the necessary target.

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.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2010

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. Two thirds of Keep Britain Tidy employees operate out of the Central Services office in Wigan and a third 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 and 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 2010 Keep Britain Tidy received Best Companies "One To Watch" status.

Pensions

The Company operates 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 2010/2011

Since joining Keep Britain Tidy in March 2008, our Chief Executive Phil Barton has led the 'At the Leading Edge' Strategy – clarifying our vision and purpose, re-branding the organisation and re-shaping our working structures and practices. 2010/11 will be the second year of our five year development strategy (2009 – 2014) focused on delivering cleaner, greener and more attractive places. During the year we will review and roll forward the Development Strategy.

We will also build on the successful launch of Keep Britain Tidy's Manifesto "This is Our Home" which sets out our call for the public, private and community sectors to work together for a cleaner England through clear and decisive leadership, effective partnerships and building personal responsibility. We will engage a wide range of stakeholders, aiming to secure their backing. We will build on the roundtable discussion hosted by the then Secretary of State on how to win the battle with litter and work closely with Government, major brands and industry leaders to maximise our impact.

We will build the Keep Britain Tidy Network of local authorities, working with members on achieving improvements and efficiencies, improving the quality of data and delivering noticeable improvements in local environmental quality standards.

Other major activities in 2010/11 will include running high profile campaigns to reduce dog fouling and to change the behaviour of litterers. We will also continue and expand the Big Tidy Up campaigns, aiming to reach and support more communities, businesses and other partners than before and inspire people to undertake clean ups all year round. We will continue to extend our national programmes - Green Flag Awards for parks, Quality Coast Awards, Blue Flag, River Care and Eco Schools – and will pilot our Eco Communities and Beach Care programmes.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2010

MEMBERS OF THE BOARD

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

Michael Phillips	Chairman
Colin Buttery *	Resigned 31 st May 2010
Helen M Carey	
Martyn Hale *	Resigned 3rd June 2010
Susan King *	Resigned 31 st March 2010
Sohail Husain *	
Helen McCallum	
Dinah Nichols	
Andrew Tasker *	
John Chadwick *	
Paul Bettison	Appointed 2 nd June 2010
Peter Kent *	Appointed 2 nd June 2010
Nick Mourant *	Appointed 2 nd June 2010
Daniel Ratchford	Appointed 2 nd June 2010
Alastair Singleton*	Appointed 2 nd June 2010
Peter Styche*	Appointed 2 nd June 2010
Jeremy Taylor*	Appointed 2 nd June 2010

* 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 Senior Executive staff are:

Chief Executive	Philip Barton
Finance and Resources Director and Company Secretary	Ian Clayton
Development Director	Arwyn Jones
Partnership Director	Niki Holt

Professional Advisors:

Registered Auditor Baker Tilly UK Audit LLP
 3 Hardman Street
 Manchester M3 3HF

Solicitors: JST Mackintosh
 Temple Street
 Liverpool L2 5RH

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2010

Bankers: 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

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;
- Department of Communities and Local Government (CLG), BTCV and Green Space for Green Flag Programme;
- Department of Energy and Climate Change (DECC) for their support to Eco Schools in developing an Energy Award;
- Environment Agency;
- Anglian Water for waterway cleaning projects;
- DSG International, HSBC and EDF Energy 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 reduction in net book value is shown.

Volunteers

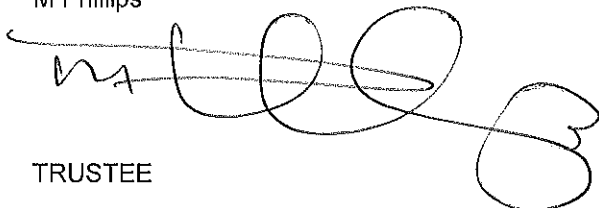
Many volunteers give up their time to help the Company. We are greatly indebted to them for their commitment and support.

Auditor

The Company's Auditor, Baker Tilly UK Audit LLP, have indicated a willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to re-appoint them.

ON BEHALF OF THE BOARD

M Phillips



TRUSTEE

DATE 15 SEPTEMBER 2010

Registered Office:

Elizabeth House
The Pier
Wigan
WN3 4EX

KEEP BRITAIN TIDY
REPORT OF THE AUDITOR
FOR THE YEAR ENDED 31st MARCH 2010

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF KEEP BRITAIN TIDY

We have audited the financial statements of Keep Britain Tidy for the year ended 31st March 2010, on pages 11 to 27. 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 United Kingdom Generally Accepted Accounting Practice, and have been prepared with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we also report to you if, in our opinion, the Company has not kept proper accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustee's remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

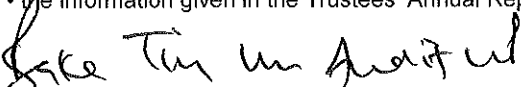
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 of the state of affairs of the charitable Company as at 31 March 2010, 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 United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Dale Thorpe (Senior Statutory Auditor)
 For and on behalf of
 BAKER TILLY UK AUDIT LLP, Statutory Auditor
 Registered Auditor
 Chartered Accountants
 3 Hardman Street,
 Manchester, M3 3HF

21 September 2010

KEEP BRITAIN TIDY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Restated Total 2009 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds :					
Voluntary Income	2	-	6,244,929	6,244,929	5,715,221
Activities for Generating Funds	3	202,077	5,885	207,962	274,542
Income from Charitable Activities :					
Other Grants and Contributions	4	3,558,934	583,954	4,142,888	3,956,601
Movement on Deferred Income	5	(430,690)	129,129	(301,561)	54,666
Total Incoming Resources		<u>£3,330,321</u>	<u>£6,963,897</u>	<u>£10,294,218</u>	<u>£10,001,030</u>
RESOURCES EXPENDED					
Costs of Generating Funds	6	87,365	-	87,365	90,088
Charitable Activities	7	3,107,086	7,162,362	10,269,448	8,040,378
Governance Costs	8	-	237,086	237,086	279,015
Total Resources Expended		<u>£3,194,451</u>	<u>£7,399,448</u>	<u>£10,593,899</u>	<u>£8,409,481</u>
NET MOVEMENT IN FUNDS	9	135,870	(435,551)	(299,681)	1,591,549
Balance Brought Forward at 1st April 2009 - <i>including notional deficit on Pensions Reserve</i>		(1,488,803)	582,767	(906,036)	(545,585)
Actuarial losses on defined benefit Pension Scheme	23	(1,546,000)	-	(1,546,000)	(1,952,000)
BALANCE CARRIED FORWARD AT 31st MARCH 2010		<u>£(2,898,933)</u>	<u>£147,216</u>	<u>£(2,751,717)</u>	<u>£(906,036)</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.

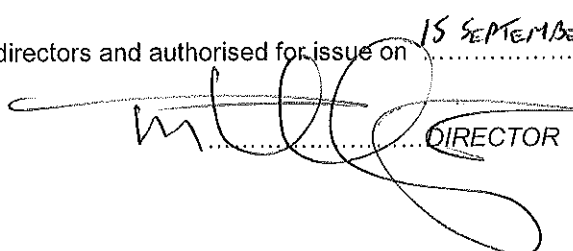
KEEP BRITAIN TIDY

Company Number 3496361

BALANCE SHEETFOR THE YEAR ENDED 31ST MARCH 10

		2010		2009	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	12		15,099		55,421
CURRENT ASSETS					
Debtors and Prepayments	13	985,233		1,225,334	
Cash at Bank and In Hand	14	1,866,921		1,654,026	
		<u>2,852,154</u>		<u>2,879,360</u>	
CURRENT LIABILITIES					
Creditors amounts falling due within one year	15	<u>(1,781,970)</u>		<u>(1,545,817)</u>	
NET CURRENT ASSETS			1,070,184		1,333,543
NET ASSETS			<u>1,085,283</u>		<u>1,388,964</u>
PROVISION	16		(48,000)		(36,000)
PENSION SCHEME LIABILITY	23		(3,789,000)		(2,259,000)
NET LIABILITIES			<u>£(2,751,717)</u>		<u>£(906,036)</u>
FUNDS:					
RESTRICTED FUNDS					
Capital Fund	18	15,099		55,421	
General Fund	18	<u>132,117</u>		<u>527,346</u>	
			147,216		582,767
UNRESTRICTED FUNDS					
General Fund	25	(2,898,933)		(1,488,803)	
Designated Fund	17	<u>-</u>		<u>-</u>	
			(2,898,933)		(1,488,803)
			<u>£(2,751,717)</u>		<u>£(906,036)</u>

These financial statements were approved by the directors and authorised for issue on 15 SEPTEMBER 2010 and signed on their behalf by:


 DIRECTOR

KEEP BRITAIN TIDY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

		2010	2009
		£	£
	Notes		
NET CASH INFLOW FROM OPERATING ACTIVITIES	27	203,138	238,048
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		10,886	79,960
		<u>214,024</u>	<u>318,008</u>
CAPITAL EXPENDITURE			
Purchase of Fixed Assets	12	(1,129)	(37,794)
INCREASE IN CASH		<u>£212,895</u>	<u>£280,214</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		212,895	280,214
Net funds at 1st April 2009		1,654,026	1,373,812
Net funds at 31st March 2010	14	<u>£1,866,921</u>	<u>£1,654,026</u>

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 2010**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. 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 Company receives a grant from DEFRA. The other main types of income include fees for the Cleaner Safer Greener Network which relate 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 income relates 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 donated services and facilities 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 an Incoming Resource.

An equivalent amount is included as expenditure under the appropriate heading in Statement of Financial Activities

(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 obligations 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 Company operates a defined benefit pension scheme and a defined contribution scheme.

Defined benefit scheme

The scheme was closed to further accrual from 31st July 2008. 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

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2010

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.

Defined contribution scheme

This has operated from 1st August 2008. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged as expenditure to the Statement of Financial Activities.

(l) Grant Payments

The Company pays a small amount of grant payments each financial year. The majority of the payments are in relation to the 'Big Tidy Up' Campaign.

(m) Provision

The provision covers remedial works for the Head Office and provides what we consider a best estimate for potential work to the roof and windows.

(n) Going Concern

The Trustees have considered the expected availability of funding, grants and contributions and the expected level of resources to be expended for at least 12 months following the approval of these financial statements. Based on this assessment, they have concluded that the going concern basis is appropriate to prepare these financial statements.

INCOMING RESOURCES**2 VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Restated 2009 £
Main Government Grant	-	5,119,000	5,119,000	5,006,000
	-	5,119,000	5,119,000	5,006,000
Benefits in Kind:				
Advertising & Campaigning	-	1,039,791	1,039,791	639,429
Office space, staff time & travel costs	-	60,980	60,980	65,992
Events & venues	-	25,158	25,158	3,800
	-	<u>£6,244,929</u>	<u>£6,244,929</u>	<u>£5,715,221</u>

Benefits in Kind income for 2009 has been restated from £14k to £709k. Procedures for identifying this information were reviewed throughout the year and resulted in identification of further income. Comparative figures for 2009 were identified and restated accordingly.

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Administration and service charges	163,159	-	163,159	151,078
Subsidiary Company charges	28,788	-	28,788	43,504
Gift Aid Receivable from subsidiary undertaking	5,129	-	5,129	-
Bank Deposit Interest	5,001	5,885	10,886	79,960
	<u>£202,077</u>	<u>£5,885</u>	<u>£207,962</u>	<u>£274,542</u>

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2010

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2010 £	Total 2009 £
Cleaner Safer Greener Network				
Local Authorities	747,542	-	747,542	980,298
Other	37,301	-	37,301	-
	<u>784,843</u>	<u>-</u>	<u>784,843</u>	<u>980,298</u>
Environmental Surveys and Reports				
Central Government	-	-	-	25,000
Government Agencies	49,000	22,914	71,914	620,259
Local Authorities	576,968	100,551	677,519	641,126
Other	223,157	-	223,157	225,818
	<u>849,125</u>	<u>123,465</u>	<u>972,590</u>	<u>1,512,203</u>
Training and Education				
Central Government	-	55,000	55,000	-
Government Agencies	-	-	-	162,046
Local Authorities	202,947	-	202,947	380,246
Other	8,955	224,805	233,760	268,919
	<u>211,902</u>	<u>279,805</u>	<u>491,707</u>	<u>811,211</u>
Coastal Programmes				
Government Agencies	-	-	-	-
Local Authorities	-	-	-	-
Other	116,999	117,000	233,999	191,629
	<u>116,999</u>	<u>117,000</u>	<u>233,999</u>	<u>191,629</u>
Green Flag Programme				
Central Government	1,125,000	-	1,125,000	300,000
Local Authorities	449,690	-	449,690	-
Other	-	20,000	20,000	-
	<u>1,574,690</u>	<u>20,000</u>	<u>1,594,690</u>	<u>300,000</u>
Campaigns and Marketing				
Central Government	-	-	-	50,750
Government Agencies	-	-	-	-
Local Authorities	20,384	1,240	21,624	9,171
Other	707	27,952	28,659	44,121
	<u>21,091</u>	<u>29,192</u>	<u>50,283</u>	<u>104,042</u>
Other				
Government Agencies	-	8,051	8,051	5,464
Local Authorities	-	-	-	-
Other	284	6,441	6,725	51,754
	<u>284</u>	<u>14,492</u>	<u>14,776</u>	<u>57,218</u>
TOTAL	<u>3,558,934</u>	<u>583,954</u>	<u>4,142,888</u>	<u>3,956,601</u>
5 DEFERRED INCOME				
Income in advance brought forward	341,873	170,872	512,745	567,411
Income in advance carried forward	(772,563)	(41,743)	(814,306)	(512,745)
Movement in Deferred Income	<u>(430,690)</u>	<u>129,129</u>	<u>(301,561)</u>	<u>54,666</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 2010

	Direct Costs £	Support Costs £	2010 Total £	2009 Total £
6. COSTS OF GENERATING FUNDS				
Fundraising costs	<u>£11,887</u>	<u>£75,478</u>	<u>£87,365</u>	<u>£90,088</u>
7. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES				
Cleaner Safer Greener Network	627,110	135,090	762,200	711,431
Environmental surveys and reports	3,040,116	654,891	3,695,007	3,479,270
Training and education	828,415	178,454	1,006,869	826,103
Coastal Programmes	212,671	45,812	258,483	228,157
Green Flag Programme	1,221,235	263,074	1,484,309	25,486
Campaigns and marketing	1,373,279	327,062	1,700,341	1,759,245
Grant Payments	145,000	-	145,000	195,000
Other	75,127	16,183	91,310	106,465
Benefits in Kind	1,125,929	-	1,125,929	709,221
	<u>£8,648,882</u>	<u>£1,620,566</u>	<u>£10,269,448</u>	<u>£8,040,378</u>

Pension savings as per note 27 of £16,000 are spread across support costs shown in note 7.

Grant Payments were paid to BTCV, Campaigning to Protect Rural England (CPRE), CleanUp UK, Waste Watch, Marine Conservation Society and Thames 21.

8. GOVERNANCE COSTS

Staff and other costs	<u>£112,076</u>	<u>£125,010</u>	<u>£237,086</u>	<u>£279,015</u>
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ANALYSIS OF GOVERNANCE COSTS

	£	£
External audit fees	16,850	17,088
Internal audit fees	3,147	8,188
Other professional fees expenses	64,754	117,123
Trustees' meetings, expenses and insurance	27,325	18,031
Apportionment of support costs	125,010	118,585
	<u>£237,086</u>	<u>£279,015</u>

ANALYSIS OF SUPPORT COSTS	Establish - ment	Chief Executive	Finance & Admin	ICT	Human Resources	2010 Total	2009 Total
	£	£	£	£	£	£	£
Fundraising	-	60,624	14,854	-	-	75,478	64,766
Cleaner safer greener network	25,301	32,369	39,839	22,836	14,745	135,090	53,225
Environmental surveys and reports	122,657	156,918	193,132	110,703	71,481	654,891	274,830
Training and education	33,423	42,759	52,627	30,166	19,479	178,454	61,805
Coastal programmes	8,580	10,977	13,511	7,744	5,000	45,812	13,932
Green Flag Programme	49,272	63,035	77,582	44,470	28,715	263,074	5,044
Campaigns and marketing	61,257	78,367	96,452	55,287	35,699	327,062	146,206
Other	3,031	3,878	4,772	2,736	1,766	16,183	9,013
Governance	-	107,142	17,868	-	-	125,010	118,585
	<u>£303,521</u>	<u>£556,069</u>	<u>£510,637</u>	<u>£273,942</u>	<u>£176,886</u>	<u>£1,821,054</u>	<u>£747,406</u>

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

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2010

	2010	2009
	£	£
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	41,451	61,762
Auditor's remuneration		
- audit fee	16,850	16,850
- non audit services	-	1,268
Operating lease rentals : Land & Buildings	108,114	112,515
Other	<u>88,821</u>	<u>85,585</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 :-

	2010	2009
	£	£
Staff Costs	3,735,872	3,562,815
National Insurance Contributions	376,750	367,023
Pension Contributions (Defined Benefit Scheme)	-	145,790
Pension Contributions (Group Personal Plan)	215,057	150,369
Agency	57,148	38,849
	<u>4,384,827</u>	<u>4,264,846</u>
Benefits	75,134	77,626
	<u>£4,459,962</u>	<u>£4,342,472</u>

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

	2010	2009
Cleaner Safer Greener Network	7	8
Environmental surveys and reports	67	63
Training and education	23	27
Coastal programmes	5	5
Green Flag Programme	7	1
Campaigns and marketing	16	17
Other	5	7
	<u>130</u>	<u>128</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 :-

	2010	2009
£60,001 - £70,000	1	3
£70,001 - £80,000	2	0
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1

The cost of secondments to the charity totalled £66,630.

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2010**12. TANGIBLE FIXED ASSETS**

	Office And Computer Equipment £	Office Furniture Fixtures And Fittings £	Total £
Cost at 1st April 2009	343,193	45,416	388,609
Additions during the year	-	1,129	1,129
Disposals during year	-	-	-
Cost at 31st March 2010	£343,193	£46,545	£389,738
Accumulated Depreciation			
at 1st April 2009	292,912	40,276	333,188
Charge for the year	37,771	3,680	41,451
Disposals during year	-	-	-
Depreciation at 31st March 2010	£330,683	£43,956	£374,639
Net Book Value at 31st March 2010	£12,510	£2,589	£15,099
Net Book Value at 31st March 2009	£50,281	£5,140	£55,421

	2010 £	2009 £
13. DEBTORS AND PREPAYMENTS		
Trade Debtors	782,701	1,082,403
Subsidiary Company	50,315	43,504
Prepayments	152,218	99,428
	£985,233	£1,225,334
14. CASH AT BANK AND IN HAND		
Cash at Bank	1,854,141	1,640,323
Cash in Hand	12,780	13,704
	£1,866,921	£1,654,026

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

AS AT 31st MARCH 2010

	2010 £	2009 £
15. CREDITORS - Amounts falling due within one year		
Deferred Income	814,306	512,745
Trade Creditors	435,700	683,121
Social Security and Other Taxes	262,942	143,633
Accruals	269,023	206,318
	<u>£1,781,970</u>	<u>£1,545,817</u>

	2010 £	2009 £
16. PROVISIONS FOR DILAPIDATIONS		
Balance Brought forward at 1st April 2009	36,000	24,000
Amount provided in the year	12,000	12,000
Balance carried forward at 31st March 2010	<u>£48,000</u>	<u>£36,000</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.

	2010 £	2009 £
17. DESIGNATED FUNDS		
Balance Brought Forward at 1st April 2009	-	19,289
Depreciation for Year	-	(19,289)
Balance Carried Forward at 31st March 2010	<u>-</u>	<u>-</u>

The Designated Fund was set aside out of unrestricted funds.

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

	1st April 2009 £	Incoming £	Outgoing £	31st March 2010 £
Cleaner, Safer, Greener Network	117,524	-	117,524	-
Environmental surveys & reports	-	1,112,780	1,112,780	-
Training & Education	12,820	146,476	159,296	-
Coastal Programmes	34,373	390,638	377,506	47,505
Green Flag Programme	236,749	-	236,749	-
Campaigns	4,565	3,485,288	3,459,452	30,401
Eco Schools	121,315	669,682	736,786	54,211
Other	-	31,975	31,975	-
Benefits in Kind	-	1,125,929	1,125,929	-
	<u>£527,346</u>	<u>£6,962,768</u>	<u>£7,357,997</u>	<u>£132,117</u>
Capital Fund:-				
Fixed Assets	30,225	1,129	28,629	2,725
Grant received /(Depreciation)	25,196	-	12,822	12,374
	<u>£55,421</u>	<u>£1,129</u>	<u>£41,451</u>	<u>£15,099</u>
Total	<u>£582,767</u>	<u>£6,963,897</u>	<u>£7,399,448</u>	<u>£147,216</u>

KEEP BRITAIN TIDY**NOTES TO THE ACCOUNTS****AS AT 31st MARCH 2010****19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted Funds	15,099	132,117	147,216
Unrestricted Funds - General	-	(2,898,933)	(2,898,933)
	<u>£15,099</u>	<u>(£2,766,816)</u>	<u>(£2,751,717)</u>

20. CONTINGENT LIABILITIES

There were no known contingent liabilities at 31st March 2010 (2009-£nil).

21. CAPITAL COMMITMENTS

Capital Commitments authorised and contracted at 31st March 2010 amounted to £nil (2009-£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 (2009 - £4,500) which also included cover for former associated companies.

23. PENSION COSTS

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

The scheme was 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, although as the Company takes responsibility for substantially all of the liabilities it is appropriate to account for the scheme under FRS17 rules.

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 2010 was nil (2009 - £296,159) 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 £125,000 per annum which represents 97.3% of the liabilities which will continue until July 2020. The Company is the principal employer.

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSAS AT 31st MARCH 2010

The major assumptions used by the actuary were:

	31 March 2010	31 March 2009	31 March 2008
Rate of increase in salaries	n/a	n/a	4.95%
Rate of increase in pensions in payment	2.45% post April 2005, 3.60% April 2004 – March 2005, 3.75% for other service	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
Rate of increase in inflation linked deferred pensions	3.65%	3.25%	3.45%
Discount rate	5.50%	6.70%	6.90%
Inflation assumptions	3.65%	3.25%	3.45%

Mortality assumptions:

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

Men 21 years
Women 24 years

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

Men 22 years
Women 25 years

:

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 2010

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

	31 March 2010		31 March 2009		31 March 2008		31 March 2007		31 March 2006	
	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	7.30%	4,693,000	6.75%	3,025,000	7.35%	4,102,000	7.70%	4,010,000	7.00%	3,526,000
Bonds	5.00%	2,794,000	5.75%	2,374,000	6.90%	2,510,000	4.70%	2,089,000	5.00%	818,000
Cash	0.5%	34,000	0.5%	378,000	4.60%	221,000	4.40%	485,000	4.00%	1,417,000
Total Market value of assets		7,521,000		5,777,000		6,833,000		6,584,000		5,761,000
Present value of scheme liabilities		11,310,000		8,036,000		8,250,000		9,515,000		9,493,000
Surplus / (Deficit) in the Scheme		(3,789,000)		(2,259,000)		(1,417,000)		(2,931,000)		(3,732,000)

The Scheme's assets are currently invested in a mixture of cash, equities or bonds.

The overall expected return assumption is calculated as the weighted average of the individual expected return assumptions for each of the major asset classes. The individual return assumptions are based on investment market conditions in the UK, specifically with regard to yields on UK Government gilts, high quality AA rated corporate bonds, and interest rates set by the Bank of England. Equity returns in well established global markets are generally expected to outperform the return on gilts by 3% pa or more in the long term, and such anticipated outperformance has been taken into account in deriving the expected return from equity type investments.

The weightings used for the overall expected return are in line with the proportions invested in each of the major asset classes, and a deduction to allow for investment expenses has been made.

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2010

	2010 (£)	2009 (£)
Analysis of the amount charged to net Outgoing resources		
Current service cost	0	108,000
Settlements and Curtailments	0	0
Past service cost	0	0
Total operating charge	0	108,000
Analysis of the amount credited / (charged) to other finance income		
Expected return on pension scheme assets	341,000	490,000
Interest on pension scheme liabilities	(532,000)	(577,000)
Net return / (Interest)	(191,000)	(87,000)
Analysis of amount recognised in statement of financial activities (SOFA)		
Actual return less expected return on pension scheme assets	1,392,000	(1,790,000)
Experience gains and losses arising on the scheme liabilities	184,000	(64,000)
Changes in assumptions underlying the present value of the scheme liabilities	(3,122,000)	(98,000)
Actuarial (loss)/gain recognised in the SOFA	(1,546,000)	(1,952,000)
Movement in surplus during the year		
(Deficit) in scheme at beginning of the year	(2,259,000)	(1,417,000)
Movement in the year:		
Current service cost	0	(108,000)
Contributions	207,000	448,000
Past service costs	0	0
Settlements and Curtailments	0	857,000
Net finance income	(191,000)	(87,000)
Actuarial loss	(1,546,000)	(1,952,000)
(Deficit) in scheme at end of the year	(3,789,000)	(2,259,000)

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. The £191k net finance income is included in the Statement of Financial Activities under charitable activities.

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2010

History of experience of gains and losses					
	2010 (£)	2009 (£)	2008 (£)	2007 (£)	2006 (£)
Difference between the expected and actual return on scheme assets					
Amount	1,392,000	(1,791,000)	(789,000)	(160,000)	403,000
Experience of gains and (losses) on scheme liabilities					
Amount	184,000	(64,000)	492,000	100,000	(149,000)
Total amount recognised in SOFA					
Amount	(1,546,000)	(1,952,000)	1,451,000	861,000	(885,000)

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 £215,057 (2009 £150,369) were paid in the year by Keep Britain Tidy.

24. TRUSTEES' REMUNERATION AND EXPENSES

The Directors of the Company are the Trustees under Charity Law. The Chairman received a one-off payment of £10k for duties that were carried out over and above the normal duties for a trustee, which are not remunerated.

Reimbursement for travel costs in attending meetings were paid to Trustees and amounted in total to £6,435 (2009 - £8,922).

25. UNRESTRICTED FUNDS

	2010	2009
	£	£
Balance of general fund at 1 April 2009	(1,488,803)	(907,598)
Retained unrestricted surplus for the financial year	135,870	1,370,795
Actuarial Loss on pension liability	(1,546,000)	(1,952,000)
Balance of general fund at 31 March 2010	<u>(2,898,933)</u>	<u>(1,488,803)</u>
Designated Funds (Note 17)	-	-
	<u>£(2,898,933)</u>	<u>£(1,488,803)</u>

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2010

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.

	2010 £	2009 £
<i>Land and Buildings:</i>		
Within one year	1,647	6,048
Two to five years	-	-
More than five years	<u>106,467</u>	<u>106,467</u>
	<u>£108,114</u>	<u>£112,515</u>
<i>Motor Vehicles:</i>		
Within one year	8,766	1,607
Two to five years	<u>80,055</u>	<u>76,494</u>
	<u>£88,821</u>	<u>£78,101</u>

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

	2010 £	2009 £
Net Movement in Funds (Page 11)	(299,681)	1,591,549
Bank interest Receivable	(10,886)	(79,960)
Depreciation Charges	41,451	61,762
Decrease / (Increase) in Debtors	240,101	(428,435)
Increase in Creditors	236,153	190,132
FRS 17 effect on pension costs - surplus	(16,000)	(1,109,000)
Increase in Provisions	12,000	12,000
Net Cash Inflow from Operating Activities (Page 13)	<u>£203,138</u>	<u>£238,048</u>

28. RELATED PARTY TRANSACTIONS

During the year 2009/10 the Company entered into transactions (including VAT) with ENCAMS Enterprises Limited as follows:-

	£
Staff and other costs charged	45,186
Cash received	-
Gift Aid receivable	5,129
Due from ENCAMS Enterprises Limited	<u>£50,315</u>

KEEP BRITAIN TIDY
NOTES TO THE ACCOUNTS
AS AT 31st MARCH 2010

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 sold advertising and exhibition 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 2010 were as follows:-

	2010 £	2009 £
TURNOVER	53,330	50,488
COST OF SALES	(43,571)	(47,597)
GROSS PROFIT	<u>9,759</u>	<u>2,891</u>
ADMINISTRATIVE EXPENSES	(3,903)	(3,866)
OPERATING PROFIT /(LOSS)	5,857	(975)
INTEREST RECEIVABLE	<u>-</u>	<u>247</u>
(LOSS) / PROFIT BEFORE TAX	5,857	(728)
TAXATION	<u>-</u>	<u>-</u>
(LOSS) / PROFIT AFTER TAX	5,857	(728)
BALANCE BROUGHT FORWARD	(728)	-
GIFT AID	(5,129)	-
BALANCE CARRIED FORWARD	<u><u>-</u></u>	<u><u>(728)</u></u>
CURRENT ASSETS	77,433	61,481
CURRENT LIABILITIES	(77,433)	(62,209)
NET ASSETS AT 31ST MARCH	<u><u>-</u></u>	<u><u>(728)</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 Trustees do not consider it to be material to the Group.

