



Annual Report & Financial Statements for Year Ended March 31st, 2017

**A Company Limited by Guarantee
Company Registration Number: 3496361
Charity Number 1071737**



Keep Britain Tidy is an independent environmental charity with three goals – to eliminate litter, improve local places and prevent waste.

We understand that we cannot reach our goals by working alone, so we work with businesses, schools, communities, individuals, government – local and national – and other charities and voluntary organisations.

We know that if people care for the environment on their own doorstep – the local park, the street in which they live, the river that runs through their area – then the environment, the community and the individual all benefit.

How can we expect people to understand and care about global environmental issues if they don't understand the importance of, or care about, their own local environment?

Keep Britain Tidy is a charity with a wealth of experience and expertise. We have been working and campaigning to eliminate litter, improve local places and prevent waste for many years. We want to share that experience and expertise with others, supporting businesses, communities, schools and government.

We fund our work by offering services and expertise to those who can benefit from them, by delivering accreditation schemes for parks, beaches, schools and public spaces and by developing relationships with partners in the corporate sector to support our research and campaign activities.

About Keep Britain Tidy.

Printed on 100% recycled material

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by Keep Britain Tidy

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Keep Britain Tidy is a registered charity. No. 1071737.

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TRUSTEES' REPORT

The Trustees present their annual report incorporating a strategic report together with the audited financial statements for the year ended 31st March 2017.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE CHARITY

In accordance with the Articles of Association the objects for which the Charity is established are:

- 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.
- To protect, preserve and enhance the environments of town and country in the United Kingdom for the general benefit of the nation at large.
- To preserve and protect the physical and natural environment for the public benefit through the promotion of waste reduction, re-use, reclamation and recycling of waste materials and the benefits of sustainable consumption and production.

OUR INTENT

To inspire the people of Britain to eliminate litter and end waste for now and future generations. We will fight for people's right to live and work in places they can be proud of and prosper in, acting as a catalyst for change.

OUR BELIEF

What's good for the planet is good for the people – a cleaner country makes stronger communities.

What is good for the planet will also save money and benefit people, redirecting spend to more deserving issues that we can self help.

We believe in changing minds, touching hearts and moving mountains.

But we know Rome wasn't built in a day and Britain won't be tidy overnight.

We're realists.

OUR INSIGHT

A tidy Britain tomorrow starts today.

A tidy Britain for all starts with one.

A tidy Britain is a prouder, safer, wealthier, happier Britain.

And a tidy Britain is a Britain without us. The day we live for!



OUR ACHIEVEMENTS IN THE YEAR

LITTER AND PLACE SERVICES

161 local authorities & partners have adopted our 'We're Watching You' campaign

We ran our annual conference and awards for the Keep Britain Tidy Network in February, highlighting and celebrating best practice in street cleansing and land management and bringing together industry and professional experts. With more than 150 delegates attending and a high level of satisfaction from members, the event was a huge success.

We also developed and launched our #CrimeNotToCare campaign, raising awareness of Duty of Care with local authority residents. This campaign aims to reduce fly-tipping by stopping the supply of waste to illegal businesses who go on to fly-tip householders' waste.

We continued to deliver the award-winning 'We're Watching You' dog fouling campaign and the number of partners now totals 165.

We delivered 45 training courses to authorities across England, including seven Enforcement Academies and one Enforcement Academy Continued Competence.

We have carried out a number of local environmental quality (LEQ) monitoring surveys on behalf of clients, including local authorities and cleansing contractors.

In Leeds, we are supporting the Keep Harehills Tidy campaign with LEQ monitoring and feedback being presented to Leeds City Council. We will also be working on a similar project in the Armley area of the city and are working with the Council on possible interventions that can be used to tackle the main issues in these areas.

We are also working with Heathrow on a project to improve LEQ standards in the Colnbrook area to the west of the airport.

EDUCATION

18,125 schools are actively engaged with us

2017 has been a year of great change in the Eco-Schools programme - with a big focus on reengaging schools by ensuring the programme is much more 'teacher friendly'. As a result of a wide variety of exciting initiatives including a new Green Flag Application process, Eco-Coordinator CPD, targeted social media and an international twinning project, the Eco-Schools programme has gone from strength to strength.

Since January 2017 more than 330 schools have registered on the Eco-Schools programme and more than 35% of the 51,000 Eco-Schools globally can be found in England. This figure is set to increase as the Eco-Schools programme strengthens its curriculum support in secondary schools and expands into the tertiary sector with FEE Eco-Campus.

CARE AND VOLUNTEERING PROGRAMMES

4,461 volunteers worked on our water care programmes

The volunteering and community engagement team has worked hard over the past year to support and develop volunteers to look after and care for beaches, rivers, canals as well as helping to increase recycling and reusing items that might otherwise be sent to landfill.

With continued funding from a variety of partners, the team has continued to perform strongly. There are now project officers in Devon, Cornwall, East Anglia, the Midlands, Cheshire, Surrey and the North West, as well as the nationally renowned Big Tidy Up which provided support to more than 1,600 volunteers through our website.

The Cheshire Waste and Recycling project was voted into 46th place in Resource Magazine's Hot 100 list of people and organisations making an impact on waste.

In the South West, the BeachCare Project has been

working with Devon Contract Waste to begin to recycle previously unrecyclable materials taken from beaches.

1,880 public spaces were accredited

AWARDS AND ACCREDITATION

Our high-profile programmes designed to improve local places continue to go from strength to strength. In May 2016 we announced 68 Blue Flag winners in England, an increase of seven on 2015. In addition, 111 Seaside Award were handed out. We also continue our partnership with Sharps Brewery, which saw it make a donation from every pint sold to support beaches to achieve the Blue Flag in Cornwall. Applications for the 2017 Blue Flag were maintained at 68.

The number of Green Flag Awards achieved in the UK in July 2016 was 1,701, an increase of seven percent on the previous year. Included in this figure were 236 Community Award winners and 70 Green Heritage Site accreditations. Four Award ceremonies were held in Nottingham, Sheffield, London and Cheltenham and were attended by more than 800 people. These events were also a celebration of 20 years of the Award. The scheme continues to be piloted internationally with winners in the United Arab Emirates, Germany, The Netherlands, Republic of Ireland, Australia, Zealand and Finland. Internationally 66 sites were granted the award.

We continue to work with Green Flag Award sponsor DS Smith to engage their staff in local green space projects and have launched the Green Space Business Award to recognise companies actively supporting improvements to local parks and green spaces.

In 2016 we took on the management of Green Key, a Foundation for Environmental Education programme, encouraging environmental best



practice in the hospitality sector. We have awarded our first two hotels, Le Méridien Piccadilly and the Sheraton Skyline Heathrow.

1,500 tonnes of litter cleared on the Great British Spring Clean

CAMPAIGNS AND MARKETING

In 2017, we launched the UK's biggest-ever clean-up campaign, the Great British Spring Clean. By bringing together businesses, local authorities, charities, community organisations and schools, we supported more than 300,000 people who took part in every corner of the country. Over 13,000 organised events, supported by nearly 300 local authorities, resulted in more than 1,500 tonnes of litter being cleared from our streets, parks, beaches and countryside.

The campaign trended at No3 on Twitter and secured 1,454 media articles in March 2017 alone, which has an advertising value equivalent of £3.5 million. This included coverage on ITV national and regional news and BBC regional TV news, as well as in national newspapers including the Daily Mail, The Sun and the Express.

85% of participants said they would encourage others not to drop litter in future and more than 88% enjoyed volunteering and felt they had made a real difference to their local area. A remarkable success, but we have ambition to do more in 2018.

CENTRE FOR SOCIAL INNOVATION

9,200 participants in our research and pilots

The Centre for Social Innovation has gone from strength to strength over the past 12 months. We developed and piloted a range of interventions using behavioural insights in partnership with public and private sector stakeholders. These included interventions focused on food waste, fly-tipping and fast food litter.

In September we ran the fifth national Waste less, Live more Week and more than 40,000 people took part in the Challenge.



In North London, more than 2,600 people attended our Waste Less, Lunch Free events and 98% of attendees stated that they would now be able to start reducing food waste. We organised the first-ever London Upcycling Show.

Our projects supporting waste and recycling service changes in Ashfield and Ealing helped increase recycling rates by around 9% and 5% respectively, yielding disposal cost savings of up to £600k.

We established the long-term impact of a behaviour change intervention we delivered to 323,000 households in Surrey in 2015/16 – food waste recycling increased by 19% over 12 months, yielding disposal costs savings of £340,000.

We create an important link between practice and policy, helping to advance Keep Britain Tidy's waste agenda by engaging with government, the media and the wider public. We used our local experience to influence national policy by providing evidence to the EFRA Committee inquiry on food waste based on the outcomes of our projects and we published two thought pieces in the industry press about how best to engage with communities around waste prevention and food waste recycling.

Our expertise was recognised in 2016/17 with three of the team becoming Chartered Waste Managers. Our Education and Engagement Officer was awarded a London Environmental Educators' Forum Fellowship and our Waste Services Manager, Dr Anna Scott, featured in Resource Media's Hot 100 at No.21 for the third year running.

We undertook a number of pieces of research to help inform our work. This included Inside the Head of a Fly-Tipper research, the first to look at the behavioural triggers and barriers of fly-tipping behaviour. This work informed Keep Britain Tidy's action plan to combat fly-tipping and the development of interventions for piloting in 2017/18 and beyond. Other research undertaken included work with Brita to look at public attitudes and behaviours in relation to tap water. This resulted in more than 200 pieces of press coverage and a Times leader.

We also evaluated a number of Keep Britain Tidy's programmes and campaigns, including WaterCare and the Great British Spring Clean, providing valuable data for internal and external audiences about the effectiveness of our work.

WASTE SERVICES

19% increase in food waste recycling in Surrey

The Waste Services team supports local authorities and other organisations to manage household waste better. We help adults and children to reduce, reuse and recycle their waste through community engagement programmes. We also deliver services to monitor and evaluate the impact of waste and recycling schemes and initiatives.

In 2016/17 we worked with 28 local authorities, waste authorities, waste contractors, housing providers and third-sector organisations to deliver 23 projects.

WE WOULD LIKE TO THANK

OUR VOLUNTEERS

90,546

volunteer days given to support our work

Our huge thanks goes out to the many volunteers who give up their time freely to help deliver our charitable objectives. During 2016/17 we received active support from our volunteers as follows:

- Almost 3,382 Blue Flag and Green Flag Award judging and assessing days
- More than 204 Eco-Schools assessor days
- 13,355 clean-up events were held across the country for our Great British Spring Clean involving over 300,000 people
- 6,250 volunteer days across our RiverCare, WatersideCare and BeachCare programmes
- More than 1,320 Big Tidy Up events were held with 657 volunteer days given
- Waste reduction volunteers donated 53 days engaging with residents in Cheshire and Surrey

Celebration events were held in each area to say a big thank you to the volunteers who do so much to keep Britain tidy.

OUR SPONSORS AND FUNDERS

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 during the year. We would mention specifically:

- LIDL UK for continued support across all our work, in particular to help young people learn about caring for the environment we live in
- Thorntons, Travis Perkins and Adidas for donating money from carrier bag charges to support our work
- Conran for their work on our rebrand
- DS Smith Charitable foundation for support to develop the Green Flag Award
- LIDL, EDF, Greggs and Diversy for support for Eco-Schools, and Lincolnshire County Council, East London and Wakefeld for funding other education programmes
- The Environment Agency, United Utilities, South West Water, Severn Trent Water, Anglian Water and Canal & River Trust for support of the 'Care' programmes
- McDonald's, KFC, The Wrigley Company and United Utilities for supporting campaigning and research projects



- The Great British Spring Clean campaign received funding from Garfield Weston Foundation, Barnsbury Trust, Barnabus Brunner, McDonald's, Greggs, Costa Coffee, The Wrigley Company, Coca-Cola European Partners, LIDL and Defra

LOOKING AHEAD

BUILDING A CHARITY FOR AN UNCERTAIN FUTURE

Over the course of 2016/17, Keep Britain Tidy's staff and Trustees have worked incredibly hard to position the charity as the go-to organisation for a range of funders, partners and media outlets.

We delivered increasing growth in many of our programmes including the accreditation programmes and waste programmes, while additionally securing another substantial donation from LIDL UK in support of our work.

We have featured in a number of media stories on prime-time television, radio and in print, across a range of features from fly-tipping and dog fouling to parks and greenspaces.

We have delivered a small surplus in the year, helping us on our path to financial sustainability. We have also welcomed a number of new people into the charity across our teams and they are bringing new ideas and enthusiasm into our day-to-day work.

However, 2017 and the years to follow will undoubtedly bring new challenges.

Brexit is already creating a slow-down in delivery of key government initiatives. Continuing withdrawal of central government grant from local authority budgets will continue to impact on both their ability to deliver effective local services and also their ability to participate in our programmes. Competition to secure corporate partners is fierce and they are increasingly looking for great partners that not only deliver well but publish and market their work brilliantly.

In response, we have developed a business plan for 2017/18 that will secure and build on the gains made over the previous year, while looking ahead to the future up to 2020 and indeed beyond.

In particular during 2017/18 we will:

- Increase our profile, attracting more supporters to our cause
- Deliver new sources of income, in particular focused on the carrier bag charge

- Develop new and more efficient internal processes
- Develop and report against a new set of measures to determine our outcomes and impact
- Deliver three compelling headline campaigns linked to our litter, waste and public space goals, delivering greater profile, income and supporters
- Grow the number of land managers we work with
- Further build our reputation for innovation and evidence through a new academic journal and new research within the Centre for Social Innovation
- Continue developing our Eco-Schools programme, with the aim of making it world-leading.

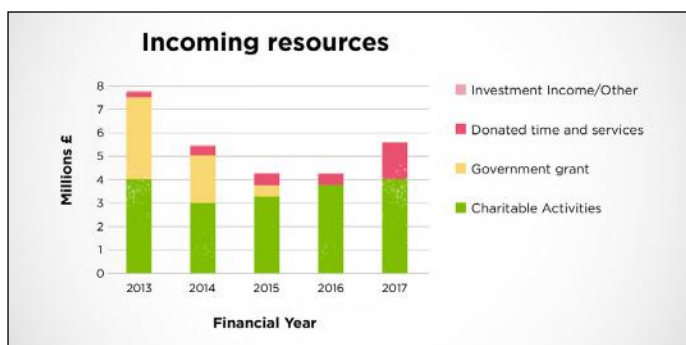


FINANCIAL REVIEW

We are delighted to report an increase in our income of £1.4m to £5.61m in 2017 (2016: £4.25m). This includes services donated in kind valued at £1.62m. (2016: £0.43m) including £1.05m for the Great British Spring Clean (2015: nil)

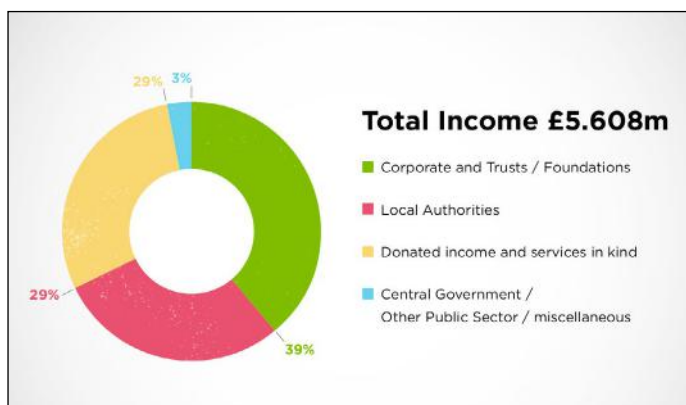
This breaks a recent trend over the past five years of a reduction in income since the loss of our main Government grant from 2015. We are pleased to show our continued efforts to develop new relationships and secure alternative income streams have been successful.

Our charitable expenditure was £5.42m (2015: £4.13m) before contributions to the defined benefit pension scheme



WHERE OUR INCOME CAME FROM

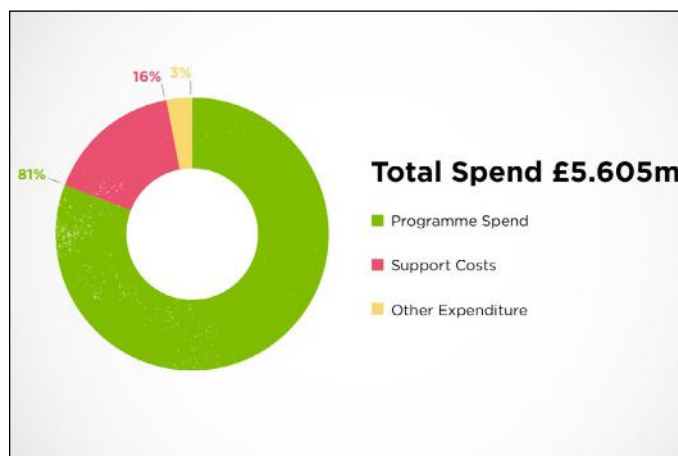
It would not be possible to continue to carry out our work without the generosity of all our local authority clients, partners, volunteers and supporters.



CORPORATES/TRUSTS & FOUNDATIONS £2.17m To provide support to deliver our work across the board, including funding research into behaviour change programmes, waste reduction schemes and delivery of campaigns such as the Great British Spring Clean	LOCAL AUTHORITIES £1.65m To provide various anti-litter advice and campaign materials, and waste reduction programmes
DONATED INCOME £1.62m This is a valuation of the time given freely by our volunteer judges, project co-ordinators, pro-bono professional services, without which we would be unable to continue running our services	CENTRAL GOVERNMENT/ OTHER PUBLIC SECTOR £0.16m These are specific grants to deliver our 'Care' programmes

WHERE THE MONEY IS SPENT

Our total spend for the year was £5.68m and we manage our expenditure to maximise delivery of our programmes and activities within the boundaries of the funding we are able to secure.



DIRECT PROGRAMME DELIVERY £4.64m To deliver our valued work across all our programme areas	DEFINED BENEFIT PENSION £0.16m To service our historic underlying defined benefit pension scheme, this scheme was closed to new members in 2008
SUPPORT COSTS £0.85m We are continuing to review our support costs. These stand at 15% of total income (2016: 17%), a reduction of 2.10% on the year	OTHER ITEMS £0.02m Relates to restructure costs incurred during 2016/17

Total fund balances, before recognising the FRS102 pension liability, amounted to £2.13m (2015: £2.10m) including the balance of the unrestricted general fund at the end of the year of £2.59m (2015: £2.04m).

RESERVES POLICY

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

- It has no endowment funding.
- It requires protection against and the ability to continue operating despite unforeseen setbacks.
- It requires the ability 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 Charity 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 six months' operating costs and that a significant proportion of this should be held in the form of liquid assets. This is consistent with the Company's overall financial position and need to maintain and develop its charitable activities. At 31 March 2017 the expected operating costs of Keep Britain Tidy for the next six month period were forecast to be circa £2.0m.

The level of Free Unrestricted Reserves stands at £2.05m, excluding the deficit on the Pension Scheme which is classed as a longer term liability. Details of the Company's funds are shown in Notes 17 and 24. An analysis of the Company's net assets between the funds is given in Note 18. The cash balances of the Charity at 31 March 2017 were £1.91m. The Trustees consider that sufficient resources are held in an appropriate form.

EMPLOYEES

There is a commitment to forging an organisation where staff feel supported and included. Employees are kept informed via the "Weekly News" as well as meetings, emails and communications from the Chief Executive. The Charity supports equality of opportunity and is committed to training and developing employees. There is a strong desire to retain a degree of flexible working and employee benefits. Individual development is assessed by means of annual appraisals and training and development programmes are provided for their current and future roles and to meet the Charity's present and future needs.

PENSIONS

In addition to the current money purchase scheme, the Company operated a defined benefit pension scheme until 2008. The notional

surplus or deficit on the funding of the scheme is recalculated annually and the deficit at 31 March 2017 is shown in Note 22 to the accounts. The current accumulated deficit in the scheme is deducted from Unrestricted Reserves under FRS 102 principles. The Trustees are aware of the very volatile nature of the deficit calculated according to FRS 102 and that this deficit will vary greatly depending on the assumptions made at valuation dates. The most recent recalculation resulted in a recognised actuarial net loss of £1.965m (2016: actuarial net gain of £0.883m) being recorded in the company's Statement of Financial Activities as a result of these changing assumptions. The deficit under FRS 102 increased by a net £1.992m (2016: net decrease of £0.839m) at March 2017 when calculated net of contributions made to the scheme and interest charges during the year.

GOING CONCERN

The Trustees, in meeting their obligation to consider the going concern status of the organisation, have reviewed the revised plans and forecasts prepared by management for the period to March 2019. Particular regard was placed on the organisation's ability to meet its obligations in respect of the deficit on the defined benefit pension scheme. They have considered the organisation's ability to fund its activities and recognise the need for the Charity to find new sources of income and funding. The Trustees have concluded that the forecasts that have been prepared are appropriate and that the organisation can reasonably expect to continue to fund its programmes and activities. They also believe that the charity can meet its financial obligations in respect of contributions towards the deficit on the defined benefit pension scheme as agreed with the pension scheme trustees. The organisation's progress with meeting its forecasts will be monitored and mitigating actions taken if necessary. The Trustees have concluded that it is appropriate to consider the organisation a going concern.

GOVERNANCE

GOVERNING DOCUMENT

Keep Britain Tidy ("the Company") is incorporated in the United Kingdom 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 pages 11 to 13 and the external advisors are set out on page 14.

The Company is governed by Articles of Association which were last adopted at the Annual General Meeting on 6th December 2012.

REGISTERED OFFICE

Elizabeth House
The Pier
Wigan
WN3 4EX

THE BOARD OF TRUSTEES

The Board of Trustees is responsible for the overall governance of Keep Britain Tidy. The Board of Trustees had ten members at 31st March 2017; the Articles of Association require there to be not less than four or more than fourteen and the Board may increase or reduce the number within that limit as they consider appropriate. Trustees are normally appointed for three years through a transparent and open recruitment process. They may then be appointed for a further two terms of up to three years and they retire in rotation to ensure

that the Board has the full range of skills and experience needed to determine and monitor the charity's strategic direction. The current Chair was appointed in April 2016. During the year five new trustees were appointed, and eight trustees came to the end of their term of office.

The Board of Trustees met five times this year. At these meetings they set the organisation's business strategy, approved business plans and budgets and reviewed its operational, health & safety and financial performance. They work closely with the key management staff and need to have an understanding of all aspects of the Company's work. There is a comprehensive induction programme for new Trustees and all Trustees are encouraged to attend appropriate training events where these will help them with their role and responsibilities. In addition Trustees are kept fully up to date with the organisation's operations through presentations at Board meetings, regular reports and invitations to participate in external events.

All Trustees give their time freely but are entitled to reimbursement of expenses incurred in attending Board and other meetings or performing other duties as a Trustee of the charity. Trustees are required to disclose all relevant interests and formally register them at Board meetings. Details of Trustee expenses and related party transactions are disclosed in note 23 and note 28 respectively.

AUDIT AND FINANCE COMMITTEE

The Committee comprises a number of Trustees who in the opinion of the Board are most appropriately qualified to exercise independent judgement on the matters relevant to the



Committee. The Committee's role is to oversee risk management, the scope and findings of any internal audit work commissioned and the Company's policies and practices in respect of accounting, anti-fraud and whistleblowing. In addition, it reviews the external audit arrangements and the Company's financial reports including financial forecasts and budgets. The Committee reviews the Reserves Policy and the Company's position in respect of its liability to meet any deficit on the defined benefit pension scheme. The Committee operates in an advisory capacity to the main Board on all these matters. It met five times this financial year.

REMUNERATION AND HR COMMITTEE

The Committee comprises a number of Trustees who in the opinion of the Board are most appropriately qualified to exercise independent judgement on the matters relevant to the Committee. The Committee's role is to review HR

policies and procedures, and consider matters relating to the awarding of general pay increases and the remuneration of key management staff. The Committee operates in an advisory capacity to the main Board on all these matters. The Committee did not formally meet during this financial year.

NOMINATION COMMITTEE

This Committee is established as and when needed to make recommendations to the Board of Trustees about the appointment of Trustees or the Chief Executive. Following a recruitment process starting in December 2015 the committee recommended the appointment of five new Trustees who were formally appointed to the Board on or after 1 April 2016. The committee did not formally meet during this financial year.

MEMBERS OF THE BOARD OF TRUSTEES

The following Directors (who are also Trustees of the Charity) held office between April 1, 2016, and the date of this report (September 14, 2017)

Suzy Brain England OBE	Chair - appointed April 1, 2016
Dinah Nichols CB	Retired September 30, 2016 (Previous Chair)
Alistair Singleton ⁺	Resigned January 10, 2017
Daniel Ratchford ⁺	Resigned January 20, 2017
Mathew Prosser	Resigned September 22, 2016
Paul Bettison OBE	Resigned July 26, 2016
Peter Kent ⁺ *	Resigned January 10, 2017
Peter Styche ⁺	Resigned July 26, 2016
Sylvia Levi [*]	Resigned April 26, 2016
Stephen Gee	Reappointed for second term, April 1, 2016
James Millar	Reappointed for second term, April 1, 2016
Angela Smith-Morgan	Vice Chair (appointed Vice Chair November 24, 2015, reappointed as a Trustee for second term April 1, 2016)
Alfred Hill [*]	Chair Audit and Finance Committee
David Membrey [*]	Appointed January 10, 2017
Sarah Lund [*]	Appointed April 1, 2016
Philippa Anderson ⁺	Appointed May 1, 2016
Hillary Bauer OBE ⁺	Appointed August 1, 2016
Amanda Rendle	Appointed August 1, 2016

* Member of Audit and Finance Committee

⁺ Member of the Remuneration Committee

In addition to the Directors listed above, on 1 April 2016 Keep Britain Tidy appointed David Membrey as an independent member of the Audit and Finance Committee, who then became a Trustee on 10 January 2017.

The Directors have cover for third-party indemnity insurance. Directors who had any material interest in any contracts or arrangements with the Company are disclosed in note 28.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees, who are also directors of Keep Britain Tidy for the purposes of company law, are responsible for preparing the Trustees' Annual Report, Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK 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 proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for ensuring the maintenance and integrity of corporate and financial information included on the Keep Britain Tidy website.

MANAGEMENT AND STAFFING

The Chief Executive Officer is appointed by the Trustees to manage the day to day operations of the Company. To facilitate effective operations, the Trustees have approved a detailed scheme of financial delegation for the Chief Executive Officer and other key management staff. The Chief Executive Officer is responsible for ensuring that the Company delivers the business plan and services specified and that key performance indicators are met.

KEY MANAGEMENT STAFF - THE EXECUTIVE TEAM PAY POLICY FOR SENIOR STAFF

The Trustees are responsible for setting the framework and broad policy for the remuneration of the Charity's Chief Executive Officer and Executive Directors. Advised by the Remuneration and HR Committee, they ensure all appropriate factors are taken into account in setting executive pay policy including the affordability, encouraging optimal performance and consistency with individual contributions to the success of the organisation. Salaries are set to be appropriate and competitive according to market rates.

Allison Ogden-Newton	CEO
Richard McIlwain	Deputy CEO
Andrew Tabron	Finance Director/ Company Secretary (resigned November 28, 2016)
David Smith	Finance Director/ Company Secretary (commenced November 28, 2016)
Danielle Charman	Operations Director
Helen Bingham	Marketing and Com- munications Manager
Lizzie Kenyon	Director of Centre for Social Innovation

CORPORATE GOVERNANCE

Internal controls over all forms of commitment and expenditure continue to be reviewed to improve their effectiveness. 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 Audit and Finance Committee and the Board of Trustees. The systems 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 and non-financial performance indicators
- Delegation of day to day management authority and segregation of duties
- Identification and management of risks

The Company is subject to a full external audit each year and the findings of this process are presented independently to the Board. In addition the Board take specialist advice on matters of specific interest or concern as and when considered necessary. In the year to March 2017 the Board did not commission any pieces of work of this nature.

RISK MANAGEMENT

The company maintains a corporate risk register covering a wide range of organisational risks. The Executive Team review it regularly to ensure that mitigating actions and activities are appropriate and timely. Risks are categorised by their likelihood and the impact of the Company and each risk is

		IMPACT				
		1	2	3	4	5
LIKELIHOOD	1					
	2		1 Risk	7 Risks		
	3		1 Risk	5 Risks	F001	F003
	4				E001	
	5					
F001 - Reliance on single source of income F002 - Ability to meet pension commitments F003 - Impact of government legislation						

assigned to a member of the Executive Team for overall management. Due regard is also taken of the effectiveness of existing controls. The principal risk areas identified on the register and how they have been categorised are as follows:

The Trustees, both through the Audit and Finance Committee and at board meetings, have examined the risk management system and the risk register with particular attention to the major risks identified. They are satisfied that a proper system is in place, and that appropriate measures are being taken where necessary to mitigate the potential impact.

The Trustees are aware of the additional financial risk to the organisation posed by the projected deficit in the defined benefit pension scheme. The Trustees maintain a close dialogue with the Pension Scheme Trustees and an agreed deficit reduction plan is in place that is affordable to Keep Britain Tidy and considered sufficient to meet the scheme liabilities.

PROFESSIONAL ADVISORS

Auditor: RSM UK Audit LLP
 Solicitors: Dechart LLP (Trademarks)
 Trowers & Hamblins LLP
 Bankers: HSBC Bank Plc

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware: there is no relevant audit information of which the charitable company's auditor is unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ON BEHALF OF THE BOARD

Suzy Brain England OBE
 CHAIR AND TRUSTEE

REPORT OF THE AUDITOR TO THE MEMBERS OF KEEP BRITAIN TIDY

OPINION ON FINANCIAL STATEMENTS

We have audited the financial statements of Keep Britain Tidy (the 'charitable company') for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' responsibilities on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP,
Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester M3 3HF

Date

Heroes Wanted.

It's time to clean up our village!

March 3-5, 2017



Register now and get involved at
www.greatbritishspringclean.org.uk
#litterheroes

The Great British Spring Clean is a campaign led by Keep Britain Tidy.

**STATEMENTS OF FINANCIAL ACTIVITIES
INCORPORATING SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
INCOMING RESOURCES					
Donations and Legacies	2	1,620,253	-	1,620,253	434,410
Charitable Activities	3	3,348,334	633,804	3,982,137	3,809,656
Investment Income		3,091	-	3,091	7,009
Other Income	4	2,331	-	2,331	1,134
Total Incoming Resources		4,974,008	633,804	5,607,812	4,252,209
RESOURCES EXPENDED					
Raising Funds	6	9,183	-	9,183	13,502
Charitable Activities	7	4,771,431	642,128	5,413,559	4,112,515
Sub Total - Operational Expenditure		4,780,614	642,128	5,422,741	4,126,017
Other expenditure	22, 7	182,633	-	182,633	174,873
Total Resources Expended		4,963,247	642,128	5,605,374	4,300,890
NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		10,762	(8,324)	2,438	(48,681)
TRANSFERS BETWEEN FUNDS					
Transfers from unrestricted to restricted	17	(17,587)	17,587	-	
OTHER RECOGNISED GAINS & LOSSES					
Actuarial gains/(losses) on the defined benefit pension scheme	22	(1,965,000)	-	(1,965,000)	883,000
NET MOVEMENT IN FUNDS		(1,971,825)	9,263	(1,962,562)	834,319
RECONCILIATION OF FUNDS					
Total Funds brought forward	17 & 24	(2,471,807)	63,020	(2,408,787)	(3,243,106)
TOTAL FUNDS CARRIED FORWARD		(4,443,632)	72,283	(4,371,349)	(2,408,787)

**BALANCE SHEET
AS AT 31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
FIXED ASSETS					
Intangible Fixed Assets	12		2,859		3,292
Tangible Fixed Assets	12		-		-
			2,859		3,292
CURRENT ASSETS					
Debtors and Prepayments	13	1,530,511		878,436	
Cash at Bank and In Hand	14	1,913,573		2,326,132	
		3,444,084		3,204,568	
CURRENT LIABILITIES					
Creditors amounts falling due within one year	15	(1,267,642)		(1,057,647)	
NET CURRENT ASSETS			2,176,442		2,146,921
TOTAL ASSETS LESS CURRENT LIABILITIES			2,179,301		2,150,213
Provisions for liabilities and charges	16		(47,330)		(48,000)
NET ASSETS EXCLUDING PENSION LIABILITY			2,131,971		2,102,213
Pension Scheme Liability	22		(6,503,320)		(4,511,000)
NET LIABILITIES			(4,371,349)		(2,408,787)
FUNDS					
Restricted Funds	17	72,283		63,020	
Unrestricted Funds	24	2,059,688		2,039,193	
Pension Reserve	24	(6,503,320)		(4,511,000)	
			(4,371,349)		(2,408,787)

These financial statements were approved by the trustees and authorised for issue on the 14 September 2017 and signed on their behalf by:

Suzy Brain England - Chair of Trustees

Alfred Hill - Trustee

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
CASH USED IN OPERATING ACTIVITIES	26	(412,791)	(266,109)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		3,091	7,009
Purchase of Intangible Fixed Assets	12	(2,859)	-
Purchase of Tangible Fixed Assets	12	-	-
Cash provided by investing activities		232	7,009
(DECREASE) IN CASH AND CASH EQUIVALENTS		(412,560)	(259,100)
Total cash and cash equivalents at 1st April 2016		2,326,132	2,585,232
Total cash and cash equivalents at 31st March 2017	14	1,913,573	2,326,132

1. ACCOUNTING POLICIES

The following is a summary of the significant accounting policies which have been adopted in the preparation of these financial statements.

(a) Accounting Convention:

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015. The Statement of Financial Activities has been prepared on an activity basis. All figures have been rounded to the nearest pound.

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

Office Equipment and Computer Hardware	- 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.

The amortisation/depreciation of intangible fixed assets is calculated on an individual basis on the useful life of the asset and, where appropriate, the revenue streams directly associated with the asset.

Amortisation of intangible fixed assets is provided at the following rates:

Computer Software	- 33 1/3% per annum
Intellectual Property Rights	- amortised in line with the associated revenue over 20 months.

(d) Income and Donations :

Income received for specific or general charitable 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. Income earned from providing services is recognised to the extent that those services have been provided by the end of the financial year. Revenue from the Keep Britain Tidy Network relates to network membership. The membership entitles the subscriber to services, training and access to events available throughout the year. Income is therefore recognised evenly over the period of membership.

(e) Donated Services :

The value of donated services and facilities provided to the Charity are based on reasonable estimates of volunteer time, and on information provided by suppliers. Time is valued at an estimated market daily or hourly rate of pay for the service donated. 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 the 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 in relation to provisions or grants given.

(h) Operating Leases :

The charity classifies the leases for office accommodation, printing and other office equipment as operating leases as title to the building or equipment remains with the lessor. Rentals are charged against surpluses on a straight line basis over the period of the lease.

(i) Consolidation :

Encams Enterprises Ltd was a subsidiary of Keep Britain Tidy during the period. 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 and section 405 of the Companies Act 2006 not to prepare consolidated financial statements. The directors consider that all the company's subsidiaries should be excluded from consolidation as they are immaterial for the purpose of the accounts showing a true and fair view.

(j) 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. The Company contribution towards the scheme deficit made in the financial period and the costs of administering the scheme are included in the operating costs of the charity. Actuarial gains and losses and other net movements on scheme assets and liabilities are recognised as Other Recognised Gains and Losses on the Statement of Financial Activities. See Note 22 for further disclosures.

Defined contribution scheme

This was 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.

(k) Provisions :

The provision covers remedial works for the Head Office and provides what is considered to be a best estimate for potential work for the re-instatement of internal fixtures and fittings.

(l) 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 preparation of these financial statements on the going concern basis is appropriate (see the Going Concern section of the report of the Trustees on pages 10 and 11 of these accounts). The Trustees do not believe that there are any material uncertainties about the Charity's ability to continue as a going concern.

(m) Financial Instruments :

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

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument, and are offset only when the Charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at the transaction price less any amounts settled and any impairment losses.

A provision for the impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Subsequent reversals of an impairment loss that relate to an event occurring after the impairment loss was recognised, are recognised immediately in SOFA.

Financial liabilities

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are measured at the transaction price less any amounts settled.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(n) Judgements and key sources of estimation uncertainty :

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

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

The key estimates and judgments in these financial statements relate to the value of donated services which is based on the salary of an employed officer performing similar duties and the valuation of the defined benefit pension liability which is dependent on a number of actuarial assumptions.

2 DONATED SERVICES

	Total 2017 £	Total 2016 £
Education - Eco Schools Awards	16,293	36,560
Coastal Awards	12,459	7,050
Green Flag Awards	257,646	177,500
Water Care programmes	137,658	180,900
Waste reduction programmes	15,339	-
Campaigns - Big Tidy Up	103,833	32,400
Campaigns - Great British Spring Clean	1,050,525	-
Professional Services donated in kind	26,500	-
	1,620,252	434,410

Volunteers provide support for judging our Green Flag, Coastal and Eco Schools accreditation programmes. They receive no remuneration for this but are reimbursed for direct expenses incurred visiting applicant sites. The value of their donated time is calculated on the basis outlined in accounting policies note 1E donated services.

Our Water Care programme managers work with local volunteer groups to improve the standards of waterways, beaches and water quality. The volunteers receive no remuneration for the time donated. The value of the donated time for volunteer group leaders is calculated on the basis outlined in accounting policies note 1E donated services.

The Big Tidy Up campaign benefitted from 1,320 volunteer days in the year. Volunteers coordinate and organise members of the public in removing litter from their local area. The volunteers receive no remuneration for the time donated. The value of the donated time for volunteer group leaders is calculated on the basis outlined in accounting policies note 1E donated services.

The Great British Spring Clean campaign benefitted from 13,355 volunteer days in the year. Volunteers coordinate and organise members of the public in removing litter from their local area. The volunteers receive no remuneration for the time donated. The value of the donated time for volunteer group leaders is calculated on the basis outlined in accounting policies note 1E donated services.

Professional services donated in kind relate to the market cost of the rebrand of Keep Britain Tidy, which was undertaken on a pro-bono basis for which the market value is shown.

The value of the time applied to donated services has been revised, to more accurately reflect the market value of the Judges and volunteer coordinators whom we so depend upon to deliver our much needed services. The restated figure for 2015/16 would be £890,573 if the same valuation basis were applied.

A total of 20,206 days of volunteer time relating to volunteer coordinators and professional judges time has been allocated for the purposes of calculating note 2 in line with the SORP. The charity however benefitted from a total of 90,546 days including all our valued volunteers and supporters.

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
LITTER AND PLACE SERVICES				
Government/ Other Public Sector	-	-	-	55,297
Local Authorities	582,483	-	582,483	655,774
Other	47,724	-	47,724	95,991
	630,207	-	630,207	807,062
EDUCATION				
Government/ Other Public Sector	750	-	750	14,376
Local Authorities	90,295	-	90,295	168,458
Other	227,535	-	227,535	113,846
	318,580	-	318,580	296,680
WATER CARE PROGRAMMES				
Government/ Other Public Sector	-	100,981	100,981	78,333
Local Authorities	31,752	40,000	71,752	-
Other	3,583	305,790	309,373	375,829
	35,335	446,770	482,106	454,162
AWARDS AND ACCREDITATION				
Government/ Other Public Sector	-	50,344	50,344	328,975
Local Authorities	564,304	-	564,304	411,298
Other	143,367	99,164	242,532	116,216
	707,672	149,508	857,180	856,489
CENTRE FOR SOCIAL INNOVATION *				
Government/ Other Public Sector	1,344	-	1,344	-
Local Authorities	39,853	-	39,853	-
Other	358,664	-	358,664	-
	399,861	-	399,861	-
CAMPAIGNS AND MARKETING *				
Government/ Other Public Sector	-	10,000	10,000	9,500
Local Authorities	1,238	-	1,238	3,150
Other	371,461	27,525	398,986	612,868
	372,699	37,525	410,224	625,518

*Note: Centre for Social Innovation was included within Campaigns and Marketing in 2016.

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES CONTINUED

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
WASTE SERVICES				
Government/ Other Public Sector	-	-	-	41,305
Local Authorities	299,741	-	299,741	566,967
Other	483,480	-	483,480	105,221
	783,222	-	783,222	713,493
OTHER				
Other	100,758	-	100,758	56,252
	100,758	-	100,758	56,252
TOTAL	3,348,334	633,804	3,982,137	3,809,656
Restricted Funds				1,102,343
Unrestricted Funds				2,707,313
				3,809,656

4 OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Gift Aid Receivable from individual donations	228	-	228	168
Donations from subsidiary undertakings	2,103	-	2,103	966
	2,331	-	2,331	1,134

For comparative purposes the 2015/16 figure was all unrestricted

5 DEFERRED INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income in advance brought forward	509,168	125,330	634,498	676,277
Income in advance carried forward	(712,294)	(140,875)	(853,169)	(634,498)
MOVEMENT IN DEFERRED INCOME	(203,126)	(15,545)	(218,671)	41,779

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

6 COSTS OF RAISING FUNDS

	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Fundraising Costs	9,183	-	9,183	13,502

For comparative purposes all of this expenditure was unrestricted in its nature in 2015/16

7 COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITIES ACTIVITIES

	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Litter and Place Services	403,744	74,624	478,369	701,787
Education	236,792	43,766	280,558	348,535
Water Care Programmes	693,140	128,110	821,250	663,220
Awards and Accreditation	756,417	139,804	896,221	946,838
Centre for Social Innovation*	267,903	49,515	317,418	-
Campaigns and marketing*	1,541,850	284,976	1,826,826	746,993
Waste Services	669,227	123,691	792,918	705,142
	4,569,072	844,486	5,413,559	4,112,515
Restricted Funds			642,128	1,060,766
Unrestricted Funds			4,771,431	3,051,749
			5,413,559	4,112,515

Included within 'Other Expenditure' on the SOFA is £22,633 (2016: nil) relating to restructuring costs.

8 ANALYSIS OF COSTS

ANALYSIS OF SUPPORT COSTS

	Executive £	Establish- ment £	Finance & Admin £	ICT £	HR £	Govern- ance £	2017 Total £
CHARITABLE ACTIVITIES							
Litter and Place Services	7,291	15,169	20,534	12,709	5,430	13,490	74,623
Education	4,276	8,898	12,043	7,453	3,183	7,913	43,766
Water Care Programmes	13,398	27,877	37,732	23,350	9,972	24,791	137,120
Awards and Accreditation	12,780	26,591	35,991	22,273	9,512	23,648	130,795
Centre For Social Innovation*	4,838	10,067	13,625	8,432	3,601	8,952	49,515
Campaigns and marketing*	27,845	57,936	78,418	48,528	20,726	51,523	284,976
Sustainable Living Programme	129	268	362	224	96	238	1,317
Waste Services	12,086	25,147	34,036	21,063	8,996	22,363	123,691
	82,514	171,685	232,379	143,808	61,420	152,680	844,486
2016 Total	43,405	163,867	167,664	171,212	43,685	135,008	724,841

Support costs have been apportioned to costs of activities on the basis of total direct costs wherever possible.

9 NET MOVEMENT IN FUNDS

	2017 £	2016 £
The net movement in funds for the year is stated after charging:		
Depreciation of tangible fixed assets owned by the company	-	3,914
Amortisation of computer software owned by the company	1,417	1,417
Amortisation of intellectual property rights owned by the company	1,875	22,500
Auditor's Remuneration: audit fee	19,610	21,091
Operating lease rentals: Land & Buildings	86,764	80,829
Operating lease rentals: Other	5,595	7,172

10 TAXATION

As a charity the company is exempt from tax on income and gains falling within chapter 3 part II Corporation Tax Act 2010 in S256 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

11 STAFF COSTS

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

	2017 £	2016 £
Staff Costs	1,882,203	1,839,815
National Insurance Contributions	172,640	165,709
Pension Contributions (Group Personal Plan)	89,875	93,216
Agency	14,612	-
	2,159,330	2,098,740
Benefits	17,959	21,540
	2,177,289	2,120,280

The average number of full time equivalent employees for the year allocated across the activities:

	2017	2016
Keep Britain Tidy Network	3	3
Environmental Mgmt Surveys	4	5
Education	6	8
Water Care Programmes	11	9
Coastal & Green Flag Awards	6	8
Campaigns and Marketing	5	7
Sustainable Living Programmes	0	1
Centre for Social Innovation	4	0
Waste Watch Services	30	25
Administration & Management	11	9
	80	75

47 (2016 - 57) employees were accruing benefits under the Group Personal Pension Plan

Key Management Personnel

The key management personnel of the charity comprise the trustees and an executive team of six FTE people (2016: 6 FTE) including the Chief Executive Officer and the Finance Director. The charity trustees are not paid nor receive other benefits but can claim expenses. Details of the expenses paid to the trustees is provided in note 23. The total employee benefits paid to the executive team of the charity were £327,761 (2016: £325,354) including pension contributions of £20,386 (2016 - £17,984). No executive team members are accruing benefits under the Defined Benefit Scheme.

The number of executive team members in each pay band can be further analysed as follows:

	2017	2016
£1 - £30,000	2	2
£30,001 - £40,000	0	1
£40,001 - £50,000	3	2
£50,001 - £60,000	1	3
£80,001 - £90,000	1	0

There are no other higher paid employees of the charity.

12 FIXED ASSETS

	Computer Software £	IPR £	Total £
INTANGIBLE FIXED ASSETS			
Cost at 1st April 2016	7,601	37,500	45,101
Additions during the year	2,859	-	2,859
Disposals during year	-	-	-
Cost at 31st March 2017	10,460	37,500	47,960
Accumulated amortisation at 1st April 2016	6,184	35,625	41,809
Charge for the year	1,417	1,875	3,292
Disposals during the year	-	-	-
Amortisation at 31st March 2017	7,601	37,500	45,101
Net Book Value at 31st March 2017	2,859	-	2,859
Net Book Value at 31st March 2016	1,417	1,875	3,292

Intellectual property rights and trademarks (IPR) were acquired from the administrators of Greenspace Forum Ltd. and Greenspace Forum (Trading) Ltd. in June 2013. They support a funded project which started in Sept 2014 and are amortised over the project life (20 months).

	Computer Hardware £	Office Equipment £	Office Fixtures and Fittings £	Total £
TANGIBLE FIXED ASSETS				
Cost at 1st April 2016	174,029	37,737	51,936	263,704
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Cost at 31st March 2017	174,029	37,737	51,936	263,704
Accumulated depreciation at 1st April 2016	174,029	37,737	51,936	263,704
Charge for the year	-	-	-	-
Disposals during the year	-	-	-	-
Depreciation at 31st March 2017	174,029	37,737	51,936	263,704
Net Book Value at 31st March 2017	-	-	-	-
Net Book Value at 31st March 2016	-	-	-	-

13 DEBTORS

	2017 £	2016 £
Trade Debtors	1,438,518	724,003
Subsidiary Company	5,854	68,032
Prepayments	86,139	86,401
	1,530,511	878,436

14 CASH AT BANK AND IN HAND

	2017 £	2016 £
Cash at Bank	1,913,236	2,325,723
Cash in Hand	337	409
	1,913,573	2,326,132

15 CREDITORS

	2017 £	2016 £
Trade Creditors	117,157	91,272
Social Security and Other Taxes	217,343	213,360
Accruals	79,973	118,517
Deferred Income (Note 5)	853,169	634,498
	1,267,642	1,057,647

16 PROVISIONS FOR LIABILITIES AND CHARGES

	Dilapidations £	Total £
Balance Brought forward at 1st April 2016	48,000	48,000
Amount released in the year	-	-
Utilised during the year	(670)	(670)
Balance carried forward at 31st March 2017	47,330	47,330

Keep Britain Tidy's main premises were occupied under a full repairing lease until we exercised a break clause in July 2013. The lease was renegotiated at that time and part of the building vacated. Repair and maintenance work on those parts of the building that have been vacated was completed by the end of 2013. The provision retained covers those costs expected to be incurred if vacating the remaining parts of the building.

17 RESTRICTED FUNDS

	1 April			Transfer to / from	31 March
	2016	Income	Expenditure	Unrestricted	2017
	£	£	£	£	£
PROJECT FUNDS BY ACTIVITY:					
WATER CARE PROGRAMMES					
Waterside Care	-	90,833	100,444	(9,611)	-
Rivercare	46,083	145,000	181,134	-	9,949
BeachCare Southwest	-	71,024	66,609	-	4,415
Beachcare Northwest	5,121	51,247	54,895	-	1,473
Turning Tides	11,816	88,666	45,481		55,001
	63,020	446,770	448,563	(9,611)	70,838
GREEN FLAG AWARDS / GREEN SPACE					
Green Flag Awards Development	-	99,165	99,728	(563)	-
Love Parks Programme	-	50,344	57,757	(7,413)	-
	-	149,509	157,485	(7,976)	-
CAMPAIGNS					
Great British Spring Clean	-	37,525	36,080	-	1,445
	-	37,525	36,080	-	1,445
TOTAL OTHER PROJECT FUNDS	63,020	633,804	642,128	(17,587)	72,283
TOTAL RESTRICTED FUNDS	63,020	633,804	642,128	(17,587)	72,283

The above categories contain the following restricted funds:-

Water Care Programmes funding was received from Severn Trent Water the Environment Agency and Canal and River Trust (WatersideCare), Anglian Water (RiverCare), South West Water (BeachCare Southwest), United Utilities and the Environment Agency (BeachCare North West and Turning Tides), helping us manage and support volunteer groups in looking after their local environment.

Grants were received from DS Smith recycling for development of our Green flag awards programmes, and from the BIG lottery fund for our 'Love Parks' programme.

The Great British Spring clean secured funding from a wide variety of sources including trusts, corporations and individual personal donations. The project is described in more detail in the Trustees' Report on page 6.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets £	Net Current Assets £	Total £
Restricted Funds	-	72,283	72,283
Unrestricted Funds (including pension reserve)	2,859	(4,446,491)	(4,443,632)
	2,859	(4,374,208)	(4,371,349)

19 CONTINGENT LIABILITIES

There were no known contingent liabilities at 31st March 2017 (2016-£nil).

20 CAPITAL COMMITMENTS

Capital Commitments authorised and contracted at 31st March 2017 amounted to £nil (2016-£nil).

21 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 £7,884 (2016 - £7,884) which also included cover for former associated companies.

22. PENSIONS

With effect from 1st August 2008, the Company set up a Group Personal Pension Scheme, which operates on a defined contribution basis.

In addition, the Company operated a staff contributory pension scheme providing benefits for each complete year of pensionable service up to 31st July 2008. The Company is the only significant employer in the scheme and takes responsibility for all of the liabilities it is appropriate to account for the scheme under FRS 102 rules. 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.

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 was 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 2017 was £Nil (2016 - £Nil).

A formal actuarial valuation was carried out at 31 March 2017. The pension deficit as at 31st March 2017 is £6.503m. Future contributions to the scheme have been negotiated with the Trustees of the scheme. The Company is the principal employer and paid approximately £133,000 to reduce the deficit this year. Keep Britain Tidy will continue to make contributions in line with terms agreed at the last triennial review until any new scheme of payments is agreed. In the financial year to March 2018 it will pay approximately £134,000 towards reducing the deficit in addition to the scheme running costs of approximately £72,000. The major assumptions used by the actuary were as follows:

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

Men 21.0 years (2016 - 22.0 years) Women 23.0 years (2016 - 24.0 years)

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

Men 23.0 years (2016 - 23.0 years) Women 25.0 years (2016 - 25.0 years)

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

22 PENSIONS CONTINUED

	31 March 2017	31 March 2016
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment		
Post 1 April 2005	2.20%	2.00%
April 2004 to March 2005	2.30%	2.10%
for other service	3.3%	3.1%
Rate of increase in inflation linked pensions	2.3%	2.1%
Discount rate	2.7%	3.6%
Inflation assumptions (CPI)	2.3%	2.1%
	31 March 2017 £	31 March 2016 £
ASSET VALUE		
Equities	7,829,000	6,752,000
Bonds	3,308,000	2,873,000
Cash	510,000	476,000
TOTAL MARKET VALUE OF ASSETS	11,647,000	10,101,000
LONG TERM EXPECTED RATE OF RETURN		
Equities	2.7%	3.6%
Bonds	2.7%	3.6%
Cash	2.7%	3.6%
Actual return on scheme assets in the period	1,710,000	55,000
Present value of scheme liabilities	18,150,000	14,612,000
DEFICIT VALUE OF THE SCHEME	(6,503,000)	(4,511,000)

The Scheme's assets are currently invested in a mixture of cash, equities and bonds. The overall expected return assumption has been aligned with the discount rate applied to the calculation of scheme liabilities. The discount rate has been calculated using iBoxx Over 15 years Corporate Bonds Index for AA rated bonds (2.5% at the balance sheet date). This has been adjusted to reflect the duration of the liabilities and the range of yields within the index. For the current figures, an adjustment of +0.2% to the yield has been applied. The discount rate is therefore 2.7% per annum.

From 1st August 2008 when the final benefit scheme was closed to further accrual all members were entitled to inflation linked deferred pensions and the link to salary was lost.

22 PENSIONS CONTINUED

	31 March 2017 £	31 March 2016 £
ANALYSIS OF THE AMOUNT CHARGED TO THE STATEMENT OF FINANCIAL ACTIVITIES (SOFA)		
Expected return on pension scheme assets	361,000	335,000
Interest on pension scheme liabilities	(521,000)	(510,000)
NET INTEREST	(160,000)	(175,000)
Recognised in the SOFA as:		
Cash contribution to the scheme deficit paid by the charity	(132,680)	(130,873)
Non cash other movements in the scheme deficit	(27,320)	(44,000)
DEFINED BENEFIT PENSION SCHEME CONTRIBUTIONS AND NET INTEREST CHARGES	(160,000)	(174,873)
Actual return less expected return on scheme assets	1,338,000	(280,000)
Changes in assumptions underlying the present value of scheme liabilities	(3,303,000)	1,163,000
ACTUARIAL (LOSS) /GAIN RECOGNISED IN THE SOFA	(1,965,000)	883,000
	31 March 2017 £	31 March 2016 £
MOVEMENT IN PLAN ASSETS DURING THE YEAR		
Fair value of plan assets at the beginning of the year	10,101,000	10,262,000
Expected return on plan assets	361,000	335,000
Actual return less expected return on pension assets	1,338,000	(280,000)
Contributions paid by employers	133,000	131,000
Benefits paid	(286,000)	(347,000)
Fair value of plan assets at the end of the year	11,647,000	10,101,000
MOVEMENT IN PLAN LIABILITIES DURING THE YEAR		
Opening defined benefit obligation	14,612,000	15,612,000
Interest on scheme liabilities	521,000	510,000
Benefits paid	(286,000)	(347,000)
Changes in assumptions underlying the present value of scheme liabilities	3,303,000	(1,163,000)
Closing defined benefit obligation	18,150,000	14,612,000
Deficit in the scheme at end of the year	(6,503,000)	(4,511,000)

23 TRUSTEES' REMUNERATION AND EXPENSES

The directors of the company are the trustees under Charity Law and received no remuneration in 2017 (2016 : £NIL)

Reimbursement for travel and other costs in attending meetings was paid to 12 trustees and amounted to £7,127 (2016 - £6,284).

24 UNRESTRICTED FUNDS

	General Unrestricted £	Pension Reserve £	2017 £	2016 £
Balance of general fund at 1 April 2016	2,039,193	(4,511,000)	(2,471,807)	(3,264,549)
Retained unrestricted surplus for the financial year	20,495	(27,320)	(6,825)	(90,258)
Actuarial gain/(loss) on the defined benefit pension liability (Note: 22)	-	(1,965,000)	(1,965,000)	883,000
Balance of general fund at 31 March 2017	2,059,688	(6,503,320)	(4,443,632)	(2,471,807)

25 OTHER COMMITMENTS

OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases is as follows:

	2017 £	2016 £
LAND AND BUILDINGS		
Within one year	40,153	41,008
	40,153	41,008
OTHER		
Within one year	3,996	280
Two to five years	13,691	10,441
	17,687	10,721

At year end further capital commitments had been agreed totalling £4k

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

	Notes	2017 £	2016 £
Net outgoing resources before defined benefit pension scheme charges		162,438	126,192
Contributions to the defined benefit pension scheme	22	(132,680)	(130,873)
Bank interest receivable		(3,091)	(7,009)
Depreciation Charges		-	5,331
Amortisation Charges		3,292	22,500
Decrease in Debtors		(304,010)	14,955
Decrease in Creditors		(138,070)	(297,205)
Decrease in Provisions		(670)	-
Net Cash Outflow from Operating Activities		(412,791)	(266,109)

27. SUBSIDIARY COMPANIES

ENCAMS Enterprises Limited is a trading subsidiary of the Company. Its Memorandum of Association authorises the Company to appoint or remove any directors from office.

ENCAMS Enterprises Limited traded during the year and managed commercial sponsorship packages and collected commission on commercial agreements. The Company provided staff on secondment to enable the trading subsidiary to carry out its activities. ENCAMS Enterprises transferred by charitable donation all profits from its activities to Keep Britain Tidy. The payment receivable under Gift Aid is included in Other Income (Note 4).

The Trustees have elected not to consolidate the results of the trading subsidiary as they do not consider it to be material to the Group.

The results of ENCAMS Enterprises Limited for the year ended 31st March 2017 were as follows:

27 SUBSIDIARY COMPANIES

	2017 £	2016 £
Turnover	7,823	84,081
Cost of Sales	(2,750)	(20,381)
GROSS PROFIT	5,073	63,700
Administrative Expenses	(2,970)	(62,200)
OPERATING PROFIT /(LOSS)	2,103	1,500
Interest Receivable	-	-
PROFIT BEFORE TAX	2,103	1,500
Taxation	-	(107)
PROFIT AFTER TAX	2,103	1,393
Balance Brought Forward	-	(427)
Gift Aid Distribution	(2,103)	(966)
BALANCE CARRIED FORWARD	-	-
Current Assets	5,854	73,401
Current Liabilities	(5,854)	(73,401)
NET ASSETS AT 31ST MARCH	-	-

28 RELATED PARTY TRANSACTIONS

During the year the Charity entered into transactions with Encams Enterprises Limited as follows:

	2017 £	2016 £
Staff and other costs charged	3,751	67,066
Donation receivable	2,103	966
Due from ENCAMS Enterprises Limited (Note 13)	5,854	68,032

During the year Keep Britain Tidy received £100,000 (2016: £100,000) from DS Smith Charitable Foundation to fund work relating to its Green Flag programme. Mr Mathew Prosser was a Trustee of Keep Britain Tidy, and is a senior employee of DS Smith Recycling UK Limited.

29 FINANCIAL INSTRUMENTS

The carrying amount of the financial instruments at 31 March were:

	2017 £	2016 £
Financial Assets:		
Debt Instruments, measured at amortised cost	1,444,372	792,035
Total	1,444,372	792,035
Financial Liabilities:		
Financial Liabilities, measured at amortised cost	414,473	423,149
Total	414,473	423,149

Debt instruments relate to trade debtors, and debtors with our subsidiary.
Financial liabilities include trade creditors and accruals.