



Keep Britain Tidy

A Company Limited by Guarantee

Company Registration Number: 3496361

Financial Statements for the Year Ended 31st March 2011

Annual Report and Financial Statements

Year ended 31 March 2011

Contents

Trustees' Report	1 - 9
Report of the Auditor	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 27

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2011

TRUSTEES' REPORT

The Board of Trustees present their annual report together with the audited financial statements for the year ended 31st March 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

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 names of the senior executive staff are given on page 8 and the external advisors are as set out on pages 8 & 9.

The Company is governed by Articles of Association which were adopted by written resolution dated 15th June 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees

The Board of Trustees is responsible for the overall governance of Keep Britain Tidy, and its members are elected 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.

At their first meeting following the Annual General meeting the Board elects one of its number to act as Chairperson for the year and another to act as Vice Chairperson.

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, an away day 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 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.

All trustees give their time freely. Details of trustee expenses and related party transactions are disclosed respectively in notes 22 and 26 to the accounts. Trustees are required to disclose all relevant interests and formally register them at Board Meetings.

Audit and Finance Committee

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

Management and Staffing

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

Statement of Trustees' Responsibilities

The Trustees, who are also directors of Keep Britain Tidy for the purposes of company law, are responsible 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).

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2011

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 financial 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 judgments and 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that 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.

Statement as to 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

Corporate Governance

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.

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

- a strategic plan and annual budget approved by the Trustees;
- regular review 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.

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 with financial performance being under increasing pressure; the reduction in local authority and public sector commissioning in particular; a failure to adapt as we develop into a commercial social enterprise; and a limited staff capacity given the current task.

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 Finance Committee, have examined the risk management system and the risk register with particular attention to 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.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2011**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 and to generate effective action by our targeted groups to achieve excellence in local environmental quality and reduce related anti-social behaviour.

Our principal activities are campaigns, training programmes, surveys, research and a variety of projects to develop the above.

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 the objectives and principal activities of Keep Britain Tidy comply with Charity Commission guidelines in relation to Public Benefit. We work closely with the Department for Environment, Food and Rural Affairs ("DEFRA") and agree in advance a work programme for the year which addresses key priority issues most prevalent across the UK, specifically assisting areas with the lowest National Indicator 195 scores as a measurement, although 2010/11 is the last year for which National Indicator 195 will be reported to Government.

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

Marketing & Campaigns

2010/11 has been a challenging and exciting year for raising the profile of our issues and changing behaviour.

During the year we built on the key messages of our 'Manifesto for a Clean England' published in March 2010 at the Litter Round Table and then the national Litter Convention in December. 'Love Where You Live' is a major national campaign which will focus on positive behaviour change and building local pride through practical action. For the first time in many years, Keep Britain Tidy has secured the backing of key private sector partners to work alongside central and local government and civil society partners to make a difference together.

£19m worth of media coverage was secured for Keep Britain Tidy activities and local environmental quality/anti-social behaviour issues during 2010/2011 (if measured as paid-for advertising). Public interest was also high throughout the year with an average of 61,140 unique users to Keep Britain Tidy websites each quarter. The effective use of social media has further enabled Keep Britain Tidy to engage with the public to ensure that its key messages are delivered effectively. At the end of 2010/11, Keep Britain Tidy had 8,144 Twitter followers along with 1,651 Facebook Friends. These numbers continue to grow.

Following the General Election in May 2010, Keep Britain Tidy's campaigning activities were caught up in the new government's marketing freeze and this impacted on July's general litter campaign, with its cheeky, postcard-humour visual and message Get behind us/Bend over and think of England. Keep Britain Tidy was not allowed to spend any money on advertising but, despite this, the campaign generated more than £2.5million of media coverage through stories. With a strong PR message about the cost implications of clearing litter (£858million) that featured on BBC Breakfast and in national newspapers including the Daily Telegraph, The Sun and the Daily Mail, the campaign led to a ten per cent reduction in litter at survey sites. This is a substantially lower reduction than the Company normally achieves with our campaigns and demonstrates the adverse impact of the advertising ban.

September saw Keep Britain Tidy run its most successful ever dog fouling campaign – fronted by the Dog Poo Fairy. The campaign carried the message 'There's no such thing as the Dog Poo Fairy' and aimed to encourage dog owners to do the right thing by bagging their dog's mess and then disposing of it in a bin. The campaign was supported by 94 local authorities and national advertising ran for two weeks on bus shelters, billboards and phone boxes. The campaign was also backed by a case study on toddler Aimee Langdon who lost 80 per cent of the sight in one eye after falling in dog mess. The campaign led to a 43% reduction in dog fouling in key locations, and in some areas the reduction was up to 90%.

KEEP BRITAIN TIDY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31st MARCH 2011

The exciting and ground-breaking 'Love Where You Live' campaign was launched in December at the first ever national Litter Convention in London. 'Love Where You Live' is a cross-sector campaign supported by amongst others, Keep Britain Tidy, DEFRA, McDonald's, Wrigleys, Network Rail, Coca Cola, KFC, Greggs and Imperial Tobacco.

The unveiling of the new brand tied in with the release of the ninth Local Environmental Quality Survey of England and attracted coverage from national and regional press and trade publications. The campaign was then given a further boost when Keep Britain Tidy's celebrity ambassador appeared on ITV's Daybreak to talk about 'Love Where You Live' as Keep Britain Tidy launched the annual branded litter survey. Bringing the two together resulted in £1.77million of coverage.

The Company won four prestigious awards for achievements during 2010, including the national Marketing Society Awards for Excellence, Marketing Society Northern Awards, the North West Chartered Institute of Public Relations and the SomeComms Awards – demonstrating industry recognition for our activities.

Keep Britain Tidy Network

2010/11 saw the rebranding of the Cleaner Safer Greener Network (CSGN) to the Keep Britain Tidy Network (KBTN). Work was undertaken to engage partners in the network to widen the client base and to recruit further members. At the close of 2010/11 the KBTN recorded 119 partners and 126 members.

During 2010/2011 the KBTN delivered some 29 events across the country, including Networking Events, learning academies, Fly Tipping, Technical Aspects of Environmental Crime & "Make Money, Save Money Improve LEQ". A host of excellent facilitators and presenters were engaged to deliver their expertise and innovation at the academies. The KBTN flagship conference for local authorities and other land managers was held in Bournemouth in March 2011. It was hailed a great success recording high attendance and again receiving extremely positive feedback with an overall satisfaction score of 95%.

Environmental Surveys & Reports

The ninth annual report of the Local Environmental Quality Survey of England was published in December 2010 at the national Litter Convention. The report revealed that the standards of litter and detritus have remained the same with a reduction in the amount of alcohol related litter and carrier bags. Dog fouling has also improved since last year. However there have been small increases in confectionery, non-alcoholic drinks and fast food packaging and a slightly larger increase in the amount of smoking related litter.

Our survey to track the public's perceptions of their local environment revealed that 70% of people are concerned about the appearance of their local areas. This was the third biggest issue after the credit crunch and the price of fuel at the pumps and scored higher than the larger global issues in the public's concerns.

Green Flag Awards Scheme – Parks and Green Spaces

The Green Flag Plus Partnership consisting of Keep Britain Tidy, Green Space and BTCV, continue to work together to raise the profile of the award and increase participation in the award programme. In 2010/11 there were 1,246 winners, an all time high, of which 136 were sites managed by community groups.

Following the announcement of the award winners for 2010/11, we opened the voting window for the 'People's Choice' Award, this attracted thousands of people to the Green Flag Award website to vote for their favourite park and the winner - Queen's Park in Rochdale - was announced in September 2010.

Work has continued on the development of a 'group' award, and 27 authorities (292 sites) are taking part in 2011/12. The Department for Communities and Local Government have extended our current contract by six months, meaning that the Partnership will oversee three full award cycles and will be able to run the awards in 2012.

Training & Education

Our work with young people continues to grow with currently over 15,000 schools, which represents 69% of all schools, engaged with the Eco Schools programme. The website recorded an average of 19,388 unique visitors per month at the close of 2010/11. 1,334 schools have successfully achieved green flag status, 4,332 silver status, 5,045 bronze and 4,540 are registered and working towards their first award.

With an aim to reduce the carbon footprint of English schools, Eco Schools have commenced working in partnership with the new Department of Energy and Climate Change (DECC) Energy Award recognising carbon reduction. At the close of 2010/11 13,550 tonnes of carbon had been saved which is equivalent to £162,605. As more data is received from Eco Schools this figure is raising rapidly.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2011

Our training courses aim to deliver high quality training to enable land managers to deliver high quality environments. The 2010/11 training suite covered a wide range of specific local environmental quality issues, enforcement issues, effective cleansing, and bespoke courses. The Company has successfully delivered 91 courses and trained 1,189 delegates. The satisfaction levels of delegates attending the courses were recorded at 97% with the delegate's satisfaction with the trainers recorded at 100%. Market Research undertaken to assess the impact of training delivered recorded that 90% of delegates felt that they had increased their efficiency and effectiveness with 94% sharing the knowledge they had gained. There are currently 48 courses within the Company's portfolio with 6 new courses in development.

Coastal Programmes

2010/11 recorded a total of 70 Blue Flags and 109 Quality Coast Awards (QCA) achieved. 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 during 2011/12 will be actively working to increase the engagement of beach managers with the award scheme. The quality audits undertaken to assess the standard of the beach award assessment showed that 97% of Blue Flag beaches and 92% of QCA beaches were recorded as satisfactory and above in relation to quality and cleanliness.

The RiverCare project is run in conjunction with Anglian Water and was funded for a further five years. The project has a total of 44 RiverCare projects and 234 Successful events. There were a total of 17,199 volunteer hours and 8,904 bags of litter collected, exceeding the original measurement targets set for the programme. 94% of project locations reported improvements in LEQ in their project locations.

Keep Britain Tidy's BeachCare programme encourages communities to adopt their local beach and help to manage it alongside the traditional management and regulatory bodies. The primary focus is on beach litter and we seek to engage communities in undertaking litter surveys, helping to clean up the litter and campaigning locally, particularly where litter is being generated from within the community itself. The programme builds on the successful RiverCare programme and applies the same principles of community engagement and management. The work is led by a local project officer who builds capacity within local communities working with existing networks, and developing new ones.

The initial BeachCare pilot in 2010 ran for 12 months in Cornwall, where we were supported by a range of funding partners including South West Water, the Environment Agency, Cornwall Council and Visit Cornwall. In Cornwall, 11 community groups are now working regularly to help manage their local beach, undertaking 89 separate beach surveys and clean up events and contributing 1,600 volunteer hours, collecting 360 bags of litter.

As a result of the success of the pilot, South West Water has agreed to support the project for a further 3 years. We are still in discussion with the other partners, many of whom have indicated they are willing to support the project financially and are working internally to secure additional funding.

A key to building successful funding partnerships is the recognition that BeachCare delivers key business outcomes for organisations and gives them an additional mechanism for engaging local communities. Key strategic messages around water efficiency, sewage litter or bathing water quality - that require good quality communication or real behaviour change from within communities - can be delivered through the BeachCare programme. This will become a real focus for our work as we move forward.

A second BeachCare project has now been established in the North West of England focused on Blackpool and the Fylde Peninsula. Funding is being provided by the Environment Agency and United Utilities for a 1 year pilot.

Ultimately, we aim to develop Beach and/or RiverCare projects within all 9 water and sewerage company regions supported by key professional partners. In doing so, we will create a national profile and identity for the Beach & RiverCare Programme.

Membership

The Ambassadors' and Supporters' scheme was introduced for 2009/10 to replace the former members' scheme. At June 2011 there were 11 Ambassadors with key roles and skills that they are using to both support Keep Britain Tidy across key areas, while also actively contributing to the organisation's mission. There were also 2,497 supporters registered with the organisation at 31 March 2011.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities on page 11 reflects 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.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2011

Total incoming resources for the year amounted to £8.735m of which £4.750m (54%) is the main grant from the Department for Environment, Food and Rural Affairs (DEFRA). The accounts show an overall decrease in total incoming resources of £1.559m, which reflects in the main, a reduction in the Government Grant and a decrease in the value of donated services and facilities received.

Total resources expended of £8.607m (2010 £10.594m) resulted in a net movement of funds for the year of £1.353m.

Total fund balances, before recognising the FRS 17 pension liability, amounted to £1.126m including the balance of the unrestricted general fund at the year end of £0.946m (2010 - £0.89m). The unrestricted general fund 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.

The level of Free Unrestricted Reserves stands at £0.946m, excluding the deficit on the Pension Scheme which is classed as a longer term liability. With certain core costs currently amounting to approximately £3m per year this is just under two thirds of the necessary target.

Details of the Company's funds are shown in Notes 16 & 23. An analysis of the Company's net assets between the funds is given in Note 17. The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

Employees

Keep Britain Tidy is 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, via "The Weekly News". Regular information about the organisation is available through meetings, emails, intranet and through communications from the Chief Executive. 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 development of its employees. An individual's development is assessed by means of 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 2011 Keep Britain Tidy received Best Companies "One To Watch" status.

Pensions

The Company operates a defined benefit pension scheme. An actuarial valuation was last undertaken at 31 March 2010. The annually calculated notional surplus or deficit on the funding of the scheme is shown in Note 21 to the accounts and the current accumulated deficit in the scheme is deducted from Unrestricted Reserves under FRS 17. 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.

KEEP BRITAIN TIDY
TRUSTEES' REPORT
FOR THE YEAR ENDED 31st MARCH 2011

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 2011/12

Following the formation of the Coalition Government and reductions in spending by DEFRA, we were disappointed to be informed in December that our grant from the Government is to be very substantially reduced over the next four years. This at a time when local authorities are also facing a spending squeeze and will face major challenges in maintaining the quality of local environments in the coming years. Keep Britain Tidy's Board took the decision that the organisation would set out to diversify its funding base and to become much more of a commercial social enterprise.

During the latter part of the year we explored the feasibility of:

- Developing a more strategic and value added offer to local government
- Deriving commercial value from our brands and programmes
- Developing a membership scheme for the public
- Increasing our impact and effectiveness through mergers and strategic alliances
- Exploring options for providing services to the private sector

During 2011/12 Keep Britain Tidy will enter into new alliances and partnerships designed to help us to achieve our transition from a primarily public value organisation towards a commercial social enterprise. This will inevitably result in changes to our style and approach, but we remain committed to our charitable objectives and to ensuring that we have the income to allow us to remain an effective campaigning organisation, catalysing and supporting everyone to work together for cleaner, greener and more attractive places.

In June 2011, the Keep Britain Tidy All-Party Parliamentary Group launched the 'Love Where You Live' campaign to MPs and peers, and the meeting was attended by Keep Britain Tidy's celebrity ambassador Kirstie Allsopp. Secretary of State Caroline Spelman is supporting an event aimed at speaking to the corporate sector about 'Love Where You Live' in London in July and a media event is also planned for Hyde Park in the same month. McDonald's helped to promote the 'Love Where You Live' campaign on their tray liners throughout June with 5.5 million being issued in stores. All this activity is part of a gearing up for 'Love Where You Live' week, which starts on Monday 19 September 2011.

The Company is working closely with the major water companies, and we are working towards building the Beach & RiverCare programmes into their 5 year OFWAT approved investment plans. The next 5 year cycle begins in 2015, although planning will begin this year. In this way, we hope to secure support over a 5 year horizon that allows us to build and develop the Beach and RiverCare Programmes.

POST BALANCE SHEET EVENT

Keep Britain Tidy merged with Waste Watch on 1st August 2011. Waste Watch is an environmental charity inspiring and helping people to waste less. Their vision is a world where we use resources effectively, live sustainably and make a positive contribution to the environment. Our visions are complementary and we look forward to the joint working and added value that the merger will bring.

Waste Watch have transferred all assets and liabilities to Keep Britain Tidy which includes funds of approximately £500k. 6 Trustees from Waste Watch have transferred to Keep Britain Tidy's Board on 1st August 2011.

The Trustees are:

Matthew Bennett
Mathew Prosser
Matt McDowell
Ian Williams
Sylvia Levi
Julia Hailes.

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2011**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	Resigned 31 st July 2011
Martyn Hale *	Resigned 3rd June 2010
Sohail Husain *	
Helen McCallum	
Dinah Nichols	
Andrew Tasker *	Resigned 25 th April 2011
John Chadwick *	
Paul Bettison	Appointed 2 nd June 2010
Peter Kent *	Appointed 2 nd June 2010
Nick Maurant *	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, Resigned 7 th May 2011

* Members of the Audit and Finance 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
Acting Managing Director and Company Secretary	Ian Clayton
Development Director	Arwyn Jones
Partnership Director	Niki Holt (Left 30 November 2010)

Professional Advisors:

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 2011

Bankers: HSBC Bank Plc
21 The Grand 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;
- McDonalds, Greggs, Wrigleys, Coca-Cola and Imperial Tobacco for developing the 'Love Where You Live' campaign
- Homebase, HSBC and EDF Energy for support of Eco Schools.

Volunteers

Many volunteers give up their time to help out the Company on various programmes. They help on the following activities:
Big Tidy Up, volunteer time provided is an equivalent of 10 Full Time Equivalents (FTE's) in the year;
Green Flag Assessments (equivalent of 10 FTE's in the year);
Rivercare volunteers (equivalent of 9 FTE's in the year);
Eco Schools Assessors and Eco Schools Partners (equivalent of 2 FTE's in the year) and,
Coastal volunteers (equivalent of 1 FTE in the year).

We are greatly indebted to these volunteers for their commitment and support.

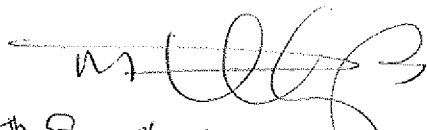
Auditor

The Company's Auditor, Baker Tilly UK Audit LLP, has 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


14th September 2011

Registered Office:
Elizabeth House
The Pier
Wigan
WN3 4EX

KEEP BRITAIN TIDY
REPORT OF THE AUDITOR
FOR THE YEAR ENDED 31st MARCH 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEP BRITAIN TIDY

We have audited the financial statements of Keep Britain Tidy for the year ended 31st March 2011, on pages 11 to 27. The financial reporting framework that has applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Trustees' responsibilities (set out on page 2), the Trustees (who are also the directors of the 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

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 2011 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 Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the charity has not kept adequate accounting records, 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 explanation we require for our audit.

Dale Thorpe

Dale Thorpe (Senior Statutory Auditor)

For and on behalf of

BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street,

Manchester, M3 3HF

29 April 2011

KEEP BRITAIN TIDY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2011

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds :					
Voluntary Income	2	4,899,360	-	4,899,360	6,244,929
Activities for Generating Funds	3	219,459	-	219,459	207,962
Income from Charitable Activities :					
Other Grants and Contributions	4	2,980,473	635,774	3,616,247	3,841,327
Total Incoming Resources		£8,099,292	£635,774	£8,735,066	£10,294,218
RESOURCES EXPENDED					
Costs of Generating Funds	5	110,249	-	110,249	87,365
Charitable Activities	6	7,625,598	603,385	8,228,983	10,269,448
Governance Costs	7	268,029	-	268,029	237,086
Total Resources Expended		£8,003,876	£603,385	£8,607,261	£10,593,899
Net incoming resources before other recognised gains and losses		95,416	32,389	127,805	(299,681)
OTHER RECOGNISED GAINS/(LOSSES)					
Actuarial gain/(losses) on defined benefit Pension Scheme:					
Change from RPI to CPI		940,000	-	940,000	-
Other gains/(losses)		285,000	-	285,000	(1,546,000)
	23	1,225,000	-	1,225,000	(£1,546,000)
NET MOVEMENT IN FUNDS	9	1,320,416	32,389	1,352,805	(1,845,681)
Balance Brought Forward at 1st April 2010 - <i>including notional deficit on Pensions Reserve</i>		(2,898,933)	147,216	(2,751,717)	(906,036)
BALANCE CARRIED FORWARD AT 31st MARCH 2011		£(1,578,517)	£179,605	£(1,398,912)	£(2,751,717)

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.

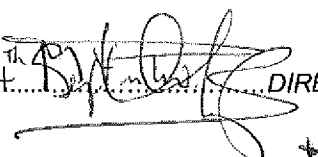
KEEP BRITAIN TIDY

Company Number 3496361

BALANCE SHEETAS AT 31ST MARCH 2011

		2011	2010
		£	£
	Notes		
FIXED ASSETS			
Tangible Fixed Assets	11	12,086	15,099
CURRENT ASSETS			
Debtors and Prepayments	12	1,190,523	985,233
Cash at Bank and In Hand	13	2,001,748	1,866,921
		<u>3,192,272</u>	<u>2,852,154</u>
CURRENT LIABILITIES			
Creditors amounts falling due within one year	14	<u>(1,899,897)</u>	<u>(1,781,970)</u>
NET CURRENT ASSETS		<u>1,292,375</u>	<u>1,070,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,304,461	1,085,283
PROVISION FOR LIABILITIES AND CHARGES	15	<u>(178,373)</u>	<u>(48,000)</u>
Net assets excluding pension liability		1,126,088	1,037,283
PENSION SCHEME LIABILITY	21	(2,525,000)	(3,789,000)
NET LIABILITIES		<u>£(1,398,912)</u>	<u>£(2,751,717)</u>
FUNDS:			
RESTRICTED FUNDS			
Capital Fund	16	12,086	15,099
General Funds	16	<u>167,519</u>	<u>132,117</u>
		179,605	147,216
UNRESTRICTED FUNDS	23		
Pension Reserve	21	(2,525,000)	(3,789,000)
Unrestricted Funds		<u>946,483</u>	<u>890,067</u>
		(1,578,517)	(2,898,933)
		<u>£(1,398,912)</u>	<u>£(2,751,717)</u>

These financial statements were approved by the directors and authorised for issue on the 14th September 2011 and signed on their behalf by:

14th September 2011

 DIRECTOR

KEEP BRITAIN TIDY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2011

		2011	2010
		£	£
	Notes		
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	120,707	203,138
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		27,562	10,886
		<u>148,269</u>	<u>214,024</u>
CAPITAL EXPENDITURE			
Purchase of Fixed Assets	11	(13,442)	(1,129)
INCREASE IN CASH		<u><u>£134,827</u></u>	<u><u>£212,895</u></u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		134,827	212,895
Net funds at 1st April 2010		1,866,921	1,654,026
Net funds at 31st March 2011	13	<u><u>£2,001,748</u></u>	<u><u>£1,866,921</u></u>

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(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 applicable UK Accounting standards.

(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 Keep Britain Tidy Network which relates to full and associate level membership. The membership entitles the subscriber to rights to services and benefits. Income is therefore recognised evenly over the period of membership. Environmental Surveys and Reports and Training and Education relate to income earned from providing services. Income is recognised to the extent that those services have been provided by the end of the financial year.

(e) *Donated services and facilities*

The values of donated services and facilities provided to the Company is 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 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 obligation arising relating to provisions and grant payments.

(h) *Operating Leases:*

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

(i) *Consolidation*

Encams Enterprises Ltd 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 the purpose of providing a true and fair view.

(j) *Government Grants*

The main grant received is from the Department for Environment, Food and Rural Affairs (DEFRA) 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. 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 21 for further disclosures.

KEEP BRITAIN TIDY**NOTES TO THE ACCOUNTS****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.

(l) Grant Payments

The Company makes 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 the Company considers a best estimate for potential work to the roof and windows. The provision also includes the cost of an onerous lease in respect of the second floor of the main premises until a break clause in July 2013. The second floor was previously fully rented out.

(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.

2 VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Main Government Grant	4,750,000	-	4,750,000	5,119,000
	<u>4,750,000</u>	<u>-</u>	<u>4,750,000</u>	<u>5,119,000</u>
Donated Services and Facilities:				
Advertising & Campaigning	61,500	-	61,500	1,039,791
Office space, staff time/travel & licensing	43,800	-	43,800	60,980
Events & venues	44,060	-	44,060	25,158
	<u>£4,899,360</u>	<u>-</u>	<u>£4,899,360</u>	<u>£6,244,929</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Administration and service charges	12,266	-	12,266	163,159
Subsidiary Company charges	58,062	-	58,062	28,788
Gift Aid Receivable from subsidiary undertaking	121,569	-	121,569	5,129
Bank Deposit Interest	27,562	-	27,562	10,886
	<u>£219,459</u>	<u>-</u>	<u>£219,459</u>	<u>£207,962</u>

KEEP BRITAIN TIDY

NOTES TO THE ACCOUNTS

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Keep Britain Tidy Network				
Local Authorities	606,301	-	606,301	773,393
Other	12,040	-	12,040	32,010
	<u>618,341</u>	<u>-</u>	<u>618,341</u>	<u>805,403</u>
Environmental Surveys and Reports				
Government Agencies	12,650	-	12,650	71,914
Local Authorities	588,081	22,094	610,175	681,651
Other	118,912	-	118,912	244,677
	<u>719,643</u>	<u>22,094</u>	<u>741,737</u>	<u>998,242</u>
Training and Education				
Central Government	-	23,111	23,111	55,000
Local Authorities	208,395	8,995	217,390	212,614
Other	160,076	247,999	408,075	329,789
	<u>368,471</u>	<u>280,105</u>	<u>648,576</u>	<u>597,403</u>
Coastal Programmes				
Other	85,248	223,500	308,748	179,954
	<u>85,248</u>	<u>223,500</u>	<u>308,748</u>	<u>179,954</u>
Green Flag Programme				
Government Agencies	811,000	-	811,000	975,000
Local Authorities	262,590	-	262,590	200,266
Other	-	21,715	21,715	20,000
	<u>1,073,590</u>	<u>21,715</u>	<u>1,095,305</u>	<u>1,195,266</u>
Campaigns and Marketing				
Central Government	-	5,000	5,000	-
Local Authorities	37,639	-	37,639	21,624
Other	54,268	83,360	137,628	28,659
	<u>91,907</u>	<u>88,360</u>	<u>180,267</u>	<u>50,283</u>
Other				
Government Agencies	-	-	-	8,051
Other	23,273	-	23,273	6,725
	<u>23,273</u>	<u>-</u>	<u>23,273</u>	<u>14,776</u>
TOTAL	<u>2,980,473</u>	<u>635,774</u>	<u>3,616,247</u>	<u>3,841,327</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

	Direct Costs £	Support Costs £	2011 Total £	2010 Total £
5. COSTS OF GENERATING FUNDS				
Fundraising costs	<u>£6,610</u>	<u>£103,639</u>	<u>£110,249</u>	<u>£87,365</u>
6. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES				
Keep Britain Tidy Network	506,763	130,899	637,662	762,092
Environmental surveys and reports	2,312,283	597,272	2,909,555	3,694,484
Training and education	1,049,977	268,601	1,318,578	1,025,727
Coastal Programmes	245,928	58,539	304,467	278,427
Green Flag Programme	886,436	228,840	1,115,276	1,523,049
Campaigns and marketing	1,569,017	374,428	1,943,445	2,985,669
	<u>6,570,404</u>	<u>1,658,579</u>	<u>8,228,983</u>	<u>10,269,448</u>

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

7. GOVERNANCE COSTS

Staff and other costs	<u>£129,129</u>	<u>£138,900</u>	<u>£268,029</u>	<u>£237,086</u>
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ANALYSIS OF GOVERNANCE COSTS

	£	£
External audit fees	17,000	16,850
Internal audit fees	2,049	3,147
Other professional fees expenses	81,842	64,754
Trustees' meetings, expenses and insurance	28,238	27,325
Apportionment of support costs	138,900	125,010
	<u>£268,029</u>	<u>£237,086</u>

ANALYSIS OF SUPPORT COSTS	Establish - ment £	Chief Executive's Office £	Finance & Admin £	ICT £	Human Resources £	2011 Total £	2010 Total £
Fundraising	-	81,416	22,223	-	-	103,639	75,478
Keep Britain Tidy network	24,517	31,364	38,602	22,127	14,287	130,897	135,090
Environmental surveys and reports	111,865	143,112	176,139	100,963	65,192	597,271	654,891
Training and education	50,308	64,359	79,213	45,405	29,317	268,602	178,454
Coastal programmes	10,964	14,026	17,264	9,895	6,391	58,540	45,812
Green Flag Programme	42,860	54,832	67,487	38,683	24,978	228,840	263,074
Campaigns and marketing	67,254	86,040	105,896	60,700	39,195	359,085	327,062
Other	2,874	3,676	4,524	2,594	1,676	15,344	16,183
Governance	-	119,069	19,831	-	-	138,900	125,010
	<u>£310,642</u>	<u>£597,894</u>	<u>£531,179</u>	<u>£280,367</u>	<u>£181,036</u>	<u>£1,901,118</u>	<u>£1,821,054</u>

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

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**8. NET MOVEMENT IN FUNDS**

The net movement in funds for the year is stated after charging:

	2011 £	2010 £
Depreciation of fixed assets		
- owned by the company	16,455	41,451
Auditor's remuneration		
- audit fee	17,000	16,850
- non audit services	-	-
Operating lease rentals : Land & Buildings	112,595	108,114
Other	73,696	88,821

9. 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.

10. STAFF COSTS

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

	2011 £	2010 £
Staff Costs	3,506,695	3,735,872
National Insurance Contributions	357,165	376,750
Pension Contributions (Defined Benefit Scheme)	-	-
Pension Contributions (Group Personal Plan)	205,169	215,057
Agency	41,525	57,148
	<u>4,110,554</u>	<u>4,384,827</u>
Benefits	68,885	75,134
	<u>4,179,439</u>	<u>4,459,961</u>

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

	2011	2010
Keep Britain Tidy Network	8	7
Environmental surveys & reports	54	67
Training and Education	21	23
Coastal programmes	8	5
Green Flag Programme	6	7
Campaigns and marketing	16	16
Other	2	5
	<u>115</u>	<u>130</u>

91 (2010 - 91) employees are 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:-

	2011	2010
£60,001 - £70,000	2	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1

The total pension contributions in the year for these higher paid staff were £29,819 (2010 - £24,315).

5 (2010 - 4) higher paid staff are accruing benefits under the Group Personal Plan and 2 (2010 - 2) higher paid staff are

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**10. STAFF COSTS (CONTINUED)**

accruing benefits under the defined benefit scheme.

The costs of secondments to the charity totalled £53,606.

11. TANGIBLE FIXED ASSETS

	Office And Computer Equipment £	Office Furniture Fixtures And Fittings £	Total £
Cost at 1st April 2010	343,193	46,545	389,738
Additions during the year	1,412	12,030	13,442
Cost at 31st March 2011	<u>£344,605</u>	<u>£58,575</u>	<u>£403,180</u>
Accumulated Depreciation at 1st April 2010	330,683	43,956	374,639
Charge for the year	12,981	3,474	16,455
Depreciation at 31st March 2011	<u>£343,664</u>	<u>£47,430</u>	<u>£391,094</u>
Net Book Value at 31st March 2011	<u>£941</u>	<u>£11,145</u>	<u>£12,086</u>
Net Book Value at 31st March 2010	<u>£12,510</u>	<u>£2,589</u>	<u>£15,099</u>

12. DEBTORS AND PREPAYMENTS

	2011 £	2010 £
Trade Debtors	850,125	782,701
Subsidiary Company (note 26)	179,630	50,315
Prepayments	160,768	152,217
	<u>£1,190,523</u>	<u>£985,233</u>

13. CASH AT BANK AND IN HAND

Cash at Bank	1,990,712	1,854,141
Cash in Hand	11,036	12,780
	<u>£2,001,748</u>	<u>£1,866,921</u>

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**14. CREDITORS – Amounts falling due within one year**

	2011 £	2010 £
Deferred Income	853,216	814,306
Trade Creditors	420,831	435,700
Social Security and Other Taxes	241,663	262,942
Accruals	384,187	269,022
	<u>£1,899,897</u>	<u>£1,781,970</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2011 £	2010 £
Balance brought forward at 1 st April 2010	48,000	36,000
Amount provided in the year	130,373	12,000
Balance carried forward at 31 st March 2011	<u>£178,373</u>	<u>£48,000</u>

Keep Britain Tidy's main premises is occupied under a Full Repairing Lease and is 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 and windows. 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.

An amount of £118,373 was provided in the year (2009/10 - £0) in respect of the cost of an onerous lease for the second floor of the main premises. The second floor was previously fully rented out. The provision includes rent and rates for the second floor up to the break clause in July 2013.

16. RESTRICTED FUNDS

	1 st April 2010 £	Incoming £	Outgoing £	31 st March 2011 £
Environmental surveys & reports	-	22,094	22,094	-
Training & Education	54,211	280,105	303,666	30,650
Coastal Programmes	47,505	223,500	145,657	125,348
Green Flag Programme	-	21,715	21,715	-
Campaigns	30,401	88,360	107,240	11,521
Capital Fund:-				
Fixed Assets	15,099	-	3,013	12,086
Total	<u>£147,216</u>	<u>£635,774</u>	<u>£603,385</u>	<u>£179,605</u>

The above categories contain the following restricted funds:-

Environmental surveys & reports: consists of a fund for a Local Environmental Quality Manager placement, funds having been provided by City Co.

Training & Education: consists of funds for the Eco Schools programme received from the Department of Energy and Climate Change (DECC), EDF Energy, Homebase and HSBC.

Coastal Programmes: consists of 3 restricted funds; RiverCare project fund which is funded by Anglian Water; BeachCare project fund which is funded by South West Water, the Environment Agency and Cornwall Council; WaterCare project is funded by Severn Trent Water and the Environment Agency

Green Flag Programme: consists of National Capacity building Programme provided by English Heritage.

Campaigns: consists of 3 restricted funds; 'Love Where You Live' fund which received contributions from McDonalds, Wrigleys, Coca Cola, Greggs, Imperial Tobacco and DEFRA; Gum Action Group fund which received funding from Cadbury UK; and a London 2012 Changing Places Programme which received funding from Lee Valley Park Regional Authority.

Further information regarding the restricted funds and their purpose can be found in the Trustees report on pages 1-9.

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**17. ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS**

	Tangible Fixed Assets £	Net Current Assets/ (Liabilities) £	Total £
Restricted Funds	12,086	167,519	179,605
Unrestricted Funds - General	-	(1,578,517)	(1,578,517)
	£12,086	(£1,410,998)	(£1,398,912)

18. CONTINGENT LIABILITIES

There were no known contingent liabilities at 31st March 2011 (2010-£nil).

19. CAPITAL COMMITMENTS

Capital Commitments authorised and contracted at 31st March 2011 amounted to £nil (2010-£nil).

20. 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 £4,725 (2010 - £4,500) which also included cover for former associated companies.

21. 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 2011 was nil (2010 - £0) as detailed in Note 10.

A full actuarial valuation was carried out at 31 March 2010, and the next valuation will be at 31 March 2013 although the Pension Trustees obtain annual updates in the intervening years.

The pension deficit as at 31st March 2010 is £4.529m and each employer has agreed to contribute additional annual amounts to reduce the deficit over the following 16 years and 1 month, which is by 30 April 2026. Keep Britain Tidy has paid approximately £125,000 this year but which will increase to £180,000 per year, plus inflation, from 1st July 2011. The contributions are sufficient to fund 97.3% of the liabilities. The Company is the principal employer.

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS

The major assumptions used by the actuary were:

	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Rate of increase in salaries	n/a	n/a	n/a	4.95%
Rate of increase in pensions in payment	2.00% post April 2005, 2.90% April 2004 – March 2005, 3.65% for other service	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	3.00%	3.65%	3.25%	3.45%
Discount rate	5.50%	5.50%	6.70%	6.90%
Inflation assumptions	3.00%	3.65%	3.25%	3.45%

Mortality assumptions:

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

Men	21.9 years	(2010 21.2 years)
Women	23.9 years	(2010 24.1 years)

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

Men	24.9 years	(2010 22.4 years)
Women	26.2 years	(2010 25.2 years)

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS

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

	31 March 2011		31 March 2010		31 March 2009		31 March 2008		31 March 2007	
	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	7.10%	5,132,000	7.30%	4,693,000	6.75%	3,025,000	7.35%	4,102,000	7.70%	4,010,000
Bonds	5.00%	2,725,000	5.00%	2,794,000	5.75%	2,374,000	6.90%	2,510,000	4.70%	2,089,000
Cash	0.5%	63,000	0.5%	34,000	0.5%	378,000	4.60%	221,000	4.40%	485,000
Total Market value of assets		7,920,000		7,521,000		5,777,000		6,833,000		6,584,000
Present value of scheme liabilities		10,445,000		11,310,000		8,036,000		8,250,000		9,515,000
Deficit in the Scheme		(2,525,000)		(3,789,000)		(2,259,000)		(1,417,000)		(2,931,000)

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 TIDYNOTES TO THE ACCOUNTS

Analysis of the amount charged to net Outgoing resources	2011 (£)	2010 (£)
Current service cost	0	0
Settlements and Curtailments	0	0
Past service cost	0	0
Total operating charge	0	0
Analysis of the amount credited / (charged) to other finance income		
Expected return on pension scheme assets	476,000	341,000
Interest on pension scheme liabilities	(612,000)	(532,000)
Net return / (Interest)	(136,000)	(191,000)
Analysis of amount recognised in statement of financial activities (SOFA)		
Actual return less expected return on pension scheme assets	114,000	1,392,000
Experience gains and losses arising on the scheme liabilities	144,000	184,000
Changes in assumptions underlying the present value of the scheme liabilities *	967,000	(3,122,000)
Actuarial gain/(loss) recognised in the SOFA	1,225,000	(1,546,000)
Movement in deficit during the year		
Deficit in scheme at beginning of the year	(3,789,000)	(2,259,000)
Movement in the year:		
Current service cost (company only)	0	0
Pension contributions and scheme expenses	175,000	207,000
Past service costs	0	0
Settlements and Curtailments	0	0
Net finance cost	(136,000)	(191,000)
Actuarial gain/(loss)	1,225,000	(1,546,000)
Deficit in scheme at end of the year	(2,525,000)	(3,789,000)

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 £136k net finance income is included in the Statement of Financial Activities under charitable activities.

*The effect of the switch from CPI to RPI has reduced the value of the scheme's deferred liabilities by £940k.

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS

History of experience of gains and losses					
	2011 (£)	2010 (£)	2009 (£)	2008 (£)	2007 (£)
Difference between the expected and actual return on scheme assets					
Amount	114,000	1,392,000	(1,791,000)	(789,000)	(160,000)
Experience of gains and (losses) on scheme liabilities					
Amount	144,000	184,000	(64,000)	492,000	100,000
Total amount recognised in SOFA					
Amount	1,225,000	(1,546,000)	(1,952,000)	1,451,000	861,000

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 £205,169 (2010 £215,057) were paid in the year by Keep Britain Tidy.

22. TRUSTEES' REMUNERATION AND EXPENSES

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

Reimbursement for travel costs in attending meetings were paid to Trustees and amounted in total to £13,012 (2010 - £6,435).

23. UNRESTRICTED FUNDS

	2011 £	2010 £
Balance of funds at 1 April 2010	(2,898,933)	(1,488,803)
Retained unrestricted surplus for the financial year	95,416	135,870
Actuarial Gain/(Loss) on pension liability	1,225,000	(1,546,000)
Balance of funds at 31 March 2011	<u>£(1,578,517)</u>	<u>£(2,898,933)</u>

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**24. 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.

	2011 £	2010 £
<i>Land and Buildings:</i>		
Within one year	2,095	1,647
More than five years	110,500	106,467
	<u>£112,595</u>	<u>£108,114</u>
<i>Motor Vehicles:</i>		
Within one year	64,260	8,766
Two to five years	9,436	80,055
	<u>£73,696</u>	<u>£88,821</u>

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Net incoming/(outgoing) resources before other recognised gains and losses	127,805	(299,681)
Bank interest Receivable	(27,562)	(10,886)
Depreciation Charges	16,455	41,451
(Increase) / Decrease in Debtors	(205,289)	240,101
Increase in Creditors	117,925	236,153
Defined benefit pension scheme contributions paid less net finance income	(39,000)	(16,000)
Increase in Provisions	130,373	12,000
Net Cash Inflow from Operating Activities (Page 13)	<u>£120,707</u>	<u>£203,138</u>

26. RELATED PARTY TRANSACTIONS

During the year 2010/2011 the Company entered into transactions (including VAT) with ENCAMS Enterprises Limited as follows:-

	2011 £	2010 £
Staff and other costs recharged	58,061	45,186
Gift Aid receivable	121,569	5,129
Due from ENCAMS Enterprises Limited (note 12)	<u>£179,630</u>	<u>£50,315</u>

KEEP BRITAIN TIDYNOTES TO THE ACCOUNTS**27. 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. It also provided finance and ICT services for fellow charities. 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 2011 were as follows:-

	2011 £	2010 £
TURNOVER	184,414	53,330
COST OF SALES	(58,597)	(43,571)
GROSS PROFIT	125,817	9,759
ADMINISTRATIVE EXPENSES	(4,248)	(3,902)
OPERATING PROFIT /(LOSS)	121,569	5,857
INTEREST RECEIVABLE	-	-
(LOSS) / PROFIT BEFORE TAX	121,569	5,857
TAXATION	-	-
(LOSS) / PROFIT AFTER TAX	121,569	5,857
BALANCE BROUGHT FORWARD	-	(728)
GIFT AID	(121,569)	(5,129)
BALANCE CARRIED FORWARD	-	-
CURRENT ASSETS	219,414	77,433
CURRENT LIABILITIES	(219,414)	(77,433)
NET ASSETS AT 31ST MARCH	-	-

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.

