



Keep Britain Tidy

A Company Limited by Guarantee

Company Registration Number: 3496361

Annual Report & Financial Statements for the Year Ended 31st March 2012

Contents

Trustees' Report	3 - 13
Report of the Auditor	14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18- 32

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2012

The Board of Trustees presents its annual report together with the audited financial statements for the year ended 31st March 2012.

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).

On 1st August 2011 the charity Waste Watch (Company number 02649156, Charity number 1005417) merged with Keep Britain Tidy. The Charities had similar aims and objectives and after merger created a unified approach to litter and waste.

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 & 12 and the external advisors are as set out on page 12.

The Company is governed by Articles of Association which were last 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 be vitally important to our success. Trustees have differing experiences and backgrounds and their roles and responsibilities require them to have an understanding of all aspects of the Company's work. Trustees normally meet five times each year. These meetings include four quarterly Board meetings where Trustees review strategy and operational performance and set operating plans and budgets, and the AGM. New Trustees are inducted and 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 in due course.

All trustees give their time freely. Details of trustee expenses and related party transactions are disclosed in notes 25 and 29 to the accounts. Trustees are required to disclose all relevant interests and formally register them at Board Meetings.

Audit and Finance Committee

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

Management and Staffing

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

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31st MARCH 2012**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 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 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. Throughout the year processes were in place to ensure that performance was monitored and the appropriate management information was 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 consideration by the Trustees of financial results, variances from budget, non financial performance indicators;
- 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.

The principal risks identified relate to planned reduction in Government grant and 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 reviews performance of each programme monthly and is reviewing the systems of performance management and impact measurement to ensure that they are fit for purpose going forward.

The Trustees, with the assistance of the Audit and Finance Committee, have examined the risk management system and the risk register with particular attention on the major risks identified and are satisfied that proper systems are in place and that appropriate measures are being taken wherever necessary to mitigate potential impact. The Trustees are aware of the financial risk to the organisation posed by the projected deficit in the defined benefit pension scheme, the effect of which on the accounts varies greatly depending on the actuarial assumptions made. An agreed repayment plan is currently in place.

KEEP BRITAIN TIDY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2012

Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects consistent with an agreed Delegation Policy. Procedures are also in place to ensure compliance with health and safety of staff, volunteers, clients and visitors.

A new Business Model

During the second half of financial year 2011/12, and as a result of the merger with Waste Watch, reduction of Government grant, coupled with slower than hoped for new income generation, Keep Britain Tidy adopted a new business model and plan which was adopted by the Board on 27th November 2011. The resultant business plan:

- required a substantial reduction in staff and other costs and as a result consultation with staff commenced at the beginning of December and was completed in mid January. Some 64 staff took voluntary redundancy and 2 were made compulsorily redundant, with the last of them leaving the company by 17th April 2012. Over 80% of leavers who were seeking employment have since secured a job, retired or are in further training.
- focused the business on developing and delivering three programmes of work, which are Sustainable Living, Education and Communities and Places. The extent of the company's work with local and central government has been substantially reduced, as will the degree to which we are able to carry out our own market research, surveys and the number of campaigns, unless income can be secured to support this work. Central overheads were substantially reduced with those remaining focused on supporting the success of the programmes.
- set out a strategy for achieving financial sustainability with a declining Government grant over three years to 2014/15 when that grant is due to cease.
- recognised the need to derive full benefits from integration of the former Waste Watch charity with Keep Britain Tidy.
- set out a new approach to income generation with the emphasis moving away from the public sector and towards commercial partnerships, supporter engagement and new relationships with the private sector.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE COMPANY

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

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

Our vision is a country where people love and respect the places where they live and adopt lifestyles which sustain our planet.

Our purpose to realise this vision is to inspire and help people and organisations to live more sustainably and to actively care for where they live. This can be summed up in the strapline: Litter free – Waste less – Live more.

ACHIEVEMENTS AND PERFORMANCE THAT HAVE DELIVERED PUBLIC BENEFIT IN THE YEAR

Trustees give careful consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Company and how planned activities will contribute to the aims and objectives they have set. The Trustees confirm that Keep Britain Tidy has complied with Charity Commission guidelines in relation to Public Benefit. We also work closely with the Department for Environment, Food and Rural Affairs (DEFRA), agreeing in advance a work programme for the year which addresses key priority issues most prevalent across England. 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

Prior to its public launch, Keep Britain Tidy continued to raise the profile of the Love Where You Live campaign after its announcement to key stakeholders in 2010. Working with McDonalds, we introduced an in-store trayliner campaign in June that carried the brand on more than 5.2 million trays and also highlighted McDonalds' commitment to Love Where You Live.

July saw Keep Britain Tidy and The Royal Parks work in partnership to organise an event in Hyde Park whereby the Royal Parks ceased cleansing a section of the park for a whole weekend. The event was filmed by BBC's The One Show and featured in two slots. More than £1million of media coverage was generated with the stunt appearing in both national and regional papers and on regional radio, including messaging around Love Where You Live.

Following the success of these initiatives, we launched a national advertising campaign across multi-channels to raise the profile of the LWYL brand nationally and to encourage action on a local level. A 60-second TV advert aired during prime-time spots and was seen by six million people. Press adverts ran across 42 regional newspapers and on 28 local press websites that reached a combined readership of 3,744,000 people. A total of 614 members signed up to the Love Where

KEEP BRITAIN TIDY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2012

You Live Website which received 54,089 page views in the first month of the campaign. Creating a mass appeal for Love Where You Live and aiming to engage a younger audience we developed 25 Talking Bins that were strategically placed in Westminster and Liverpool. A total of £1.9 million worth of media coverage was generated, along with 1,500 views on YouTube and more than 30,000 Facebook posts.

Working with ten ambassador areas, we ran a local advertising campaign took place from September 2011 - April 2012. The ambassador authorities were Tonbridge & Malling, Knowsley, Chesterfield, Doncaster, Birmingham, Recycle for Hampshire, Wigan Council, Liverpool Bid Company, Warrington and Surrey. Advertising was booked throughout towns and featured local people commenting on why they loved where they live. Combined PR efforts helped raise the profile of the campaign locally.

The effective use of social media has further enabled Keep Britain Tidy to engage with the public to deliver its key messages in an accessible way. At the close of 2011/12, Keep Britain Tidy had 9,592 Twitter followers along with 2,190 Facebook likes and these numbers continue to grow.

Environmental Surveys & Reports

In March 2012 we published LEQ10 – A summary of ten years of the Local Environmental Quality Survey of England (LEQSE). Year 10 data showed that levels of litter have fluctuated over the last 10 years and though they are now lower than they were at the start of the surveys, there is still much work to do. It also shows that the occurrence of certain types of litter has been increasing, including smoking-related litter and fast food litter.

Our Market Research Team researched and produced a handy, pocket-size publication entitled the Little Book of Litter which is a distillation of Keep Britain Tidy's research, campaigning and insights into litter and littering behaviour. The publication was widely distributed early in 2012.

We also produced a research report- On the Front Line: Motivating street cleansing teams and managing their impact on public perceptions. This useful and practical research is now being used to inform Keep Britain Tidy Network Members on the gaps between management expectations and actual service delivery standards.

Training

The 2011/2012 training portfolio covered a wide range of topics including enforcement, community engagement, local environmental quality and Eco-Schools. All the courses were delivered on a regional basis, but can also be delivered in-house or can be adapted to customise the course content to meet the needs of the client.

66 courses were delivered in the period 1st April 2011 – 31st March 2012 and 743 delegates trained, this included 21 in-house courses.

Evaluations are completed by delegates attending all training courses, resulting in 100% of the delegates very satisfied with the content and delivery of the trainers and 98% stating that the training will improve their knowledge and efficiency in the role.

Over the period 2011-12 in-house courses have grown in popularity for organisations. Feedback told us that this is because (a) they are cost effective per delegate (b) they cut down on travel time and expenses.

Keep Britain Tidy Network

During 2011-12 Keep Britain Tidy Network members were increasingly challenged by local authority decisions to withdraw from membership of outside organisation and to prevent their staff attending events beyond their boundaries. The Network team was also scaled down from 4 FTEs to 1.25 FTEs (plus associates).

The Network Conference in March took a revised format, reduced to one day with the Keep Britain Tidy Network Awards held in the evening. The event was well received by attendees, though numbers were down on previous years. Exhibitor numbers were also down, but still strong.

From early 2012 the new Keep Britain Tidy Network Team has consulted, re-evaluated and produced a range of new Network offers in an attempt to widen its appeal to members from the traditional public sector, the private and the third sector and to support not just land managers but also service providers. This offer is underpinned by an updated and upgraded offer of active participation and sharing of expertise amongst the membership.

KEEP BRITAIN TIDY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2012

At close of 2011/12 the Keep Britain Tidy Network recorded a reduction to 93 members and an increase to 179 partners.

Green Flag Awards Scheme – Parks and Green Spaces

The Green Flag Plus Partnership consisting of Keep Britain Tidy, Green Space and BTCV, continued to work together to raise the profile of the award and increase participation in the award programme. In 2011/12 there were 1,288 winners, an all time high, of which 148 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 - The Old Station at Tintern - was announced in September 2011.

Work has again continued on the development of a 'group' award, and approximately 30 authorities are taking part in 2011/12. The Department for Communities and Local Government has indicated a six month extension to the current contract will be given (which was due to end in February 2012), meaning that the Partnership will oversee three full award cycles and will be able to run the awards through to August 2012.

In October 2012 it was announced that Keep Britain Tidy had won the licence to deliver the programme until 2017.

Education

Our work with young people continues to grow with currently over seventeen thousand schools (70% of schools in England) engaged with the Eco-Schools programme. The website recorded an average of 22,000 unique visitors per month at the close of 2011. A total of 1,707 schools have successfully achieved green flag status, 5,073 silver status, 5,145 bronze with 5,060 registered and working towards their first award.

With an aim to reduce the carbon footprint of English schools, Eco-Schools has commenced working in partnership with the new DECC Energy Award recognising carbon reduction. At the close of 2011 523,300 tonnes of carbon had been saved which is equivalent to £6,279,601 under the CRC Energy Efficiency scheme price of £12 per tonne. As more data is received from Eco-Schools, this figure is rising rapidly.

Coastal

In 2011/12 we awarded a total of 70 Blue Flags and 109 Quality Coast Awards. This represents a slight drop of 3 awards compared to 2010/11. However, many Local Authorities have continued to apply for the awards, which in the face of the economic downturn, is testament to their value. The coastal programme continues to generate huge interest with over £3 million in media coverage recorded in relation to the announcement of coastal awards, with extensive coverage on BBC. The coastal team is currently engaged with 50% of coastal local authorities and within 2011/12 will be actively working to increase the engagement of beach managers with the award scheme.

Rivercare

RiverCare is a volunteer engagement project that empowers communities to take sustained action to improve the state of their local river environments and to make positive behaviour changes in how they use the water which creates those environments. The project is a partnership between Keep Britain Tidy, Anglian Water (the project funder) and the Environment Agency (EA).

The RiverCare network is in a healthy state with 40 volunteer groups carrying out nearly 250 project events in 2011/12.

Rivercare featured as a case study in the 2011 Government Natural Environment White Paper which emphasized the value for supported local action projects.

We have very encouraging progress with the Rivercare Connections pilot running in Peterborough which is working with five neighbourhoods to change behaviour in domestic water use through engaging communities with their local river. This holistic approach to behaviour change was encouraged in the 2011 Water White Paper.

We have expanded the biodiversity- related work carried out by the volunteer network, including surveying work and tackling non-native plant species. This is increasingly linked to the Water Framework Directive.

A scheme has also been set up to provide RiverCare volunteering opportunities and skills learning for Anglian Water employees, who in turn will be a valuable support for the RiverCare network.

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31st MARCH 2012

As a result of the success in Anglian region, the approach is now being piloted in the North West, the Midlands and the South West with the active support of United Utilities, Seven Trent Water and South West Water, as well as the Environment Agency and British Waterways.

Waste Watch

Keep Britain Tidy merged with Waste Watch on 1st August 2011. Further details are given in note 20. Waste Watch is a charity inspiring and helping people to waste less and live more. The merger arose because of the organisations having complementary visions and missions, the potential for joint working and the need to add value to both organisations.

Integration of both organisations is still ongoing so for the year 2011/12 Waste Watch activities are presented here as a separate section.

At the start of 2011, work began with Western Riverside Waste Authority and the London Community Resource Network on the London Reuse programme. The project aims to divert 1,200 tonnes of material from landfill every year by creating a central reuse website and hotline for furniture and household goods. In the first 10 days over 100 collections had been booked through London Reuse.

'Our Common Place' commenced in 2011 and is being piloted in 23 London estates, working jointly across social and environmental issues. Benefits in recycling, waste minimisation and energy efficiency have been complemented by improvements to the sense of community, well-being and pride of place on many estates. Initial results from the Golden Lane Estate demonstrate, for example, 38 community home energy assessments with £50-80 savings per annum identified for each household. A community energy resource has been produced to support other communities to reduce energy.

The Volunteer Food Waste Reduction Programmes in Cheshire, North Yorkshire, Essex and Leicestershire have successfully continued. Volunteers receive support and training to improve transferable skills and well-being whilst engaging with their local communities to promote food waste reduction and increase home composting. Over 160 volunteers have been recruited.

Teaching and learning resources have been developed for gadget (WEEE) waste and One-Planet Packaging and include both the environmental and social issues connected to electrical equipment recycling and packaging. Waste Watch received confirmation of funding in early 2012 to roll out the programme.

Tesco supported the development of a series of teaching and action learning resources for the Energy Smart Challenge project, which saw students provided with Smart Monitors to measure energy use at home, make action plans to reduce their energy use and then implement those action plans and re-measure their energy use. Over the course of the six week project the participating families reduced their energy use by 10% on average.

Waste Watch in collaboration with Ian Williams at Southampton University published a paper based upon our Take Home Action on Waste project in the academic journal Waste Management. The paper demonstrated the impact of intergenerational leadership by young people at school upon household recycling at home.

Work continued with Imperial College Healthcare NHS Trust to develop and manage a Sustainability Champions Action Team to engage with staff peers to influence more sustainable behaviours within the Trust. Since January 2011, 88 Sustainability Champions have been recruited and trained and hospital areas with a large degree of user control have seen a 15-20% reduction in electricity use.

Waste Watch held the first of its new annual conferences entitled the Big Green Society. Waste Watch also co-convened in partnership with Brook Lyndhurst and the Open University a Resource Recovery Forum conference entitled: Influencing Resourceful Behaviours.

We responded to the Government consultation on Waste Policy Review and have been active in EU policy through the European Environmental Bureau in several waste related areas.

Waste Watch has been working closely with WWF-UK through Common Cause, leading to two policy papers in 2011-12 and Tasting the Future, a community of practitioners working towards a sustainable food future. We officially support the Sustainable Schools Alliance.

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31st MARCH 2012

Waste Watch started its collaborative innovation framework entitled Sustainable Lifestyles that aims to enable other organisations to contribute towards our Next Practice approach starting with the publication of 'Working from Values' that demonstrated the importance of values in change theory. This resulted in numerous articles in the trade press including Inside Track (Green Alliance) and Materials Recycling Weekly.

Finally we have started to explore new opportunities for people, schools and businesses to share more. This has included working across sectors to bring together organisations that enable the sharing of skills, possessions, space and time across communities.

Membership/Supporters

In addition to the trustees, the following are Members of the company:

George Monck
Jane Bickerstaffe
Jean Sheppard
Patrick Mahon
Peter Bull
Peter Davies
Peter Stokes

Twelve volunteer Ambassadors, including celebrity ambassador Kirstie Allsopp, have been appointed and use their key roles and skills to support Keep Britain Tidy across key areas.

Local Environmental Quality All Party Parliamentary Group, for which Keep Britain Tidy provides the secretariat, comprised of 20 MPs and Members of the House of Lords as Officers and Qualifying Members.

Nearly 3,000 people have registered via the website as Keep Britain Tidy Supporters.

Volunteers

Many volunteers give up their time to help deliver our charitable objectives. We are greatly indebted to these volunteers for their continued commitment and support.

Our volunteers work on a wide range of our programmes across the organisation including, for example:

Our 'Judging' volunteers carry out our Eco-Schools assessments, Green Flag Award and Coastal assessments. Our 'Community' volunteers undertake work towards Big Tidy Ups, River, Beach and Waterside clean ups.

In total during 2011/12 we received active support from:

900 Blue Flag and Green Flag Award judges
500 Eco-Schools Assessors
Over 1,000 volunteers across all of our 'Care' Programmes
Almost 1,600 Big Tidy Up events registered

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities on page 15 reflects all incoming resources receivable in the year and shows how resources are expended in the furtherance of the Company's objects to give a net inflow or outflow of resources. It is further analysed between restricted and unrestricted funds.

Total incoming resources for the year amounted to £10.014m of which £4.000m (40.0%) is the main grant from the Department for Environment, Food and Rural Affairs (DEFRA). The accounts show an overall increase of incoming resources of £1.279m, which reflects in the main, a reduction in the Government Grant offset by the funds donated on the merger with Waste Watch and the additional incoming resources for the 8 months post merger. In the 8 months since acquisition, Waste Watch Limited contributed £110,540 to the unrestricted surplus in the year ended 31 March 2012.

Total resources expended of £9.728m (2011 £8.607m) resulted in a positive net movement of funds for the year of £0.286m.

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31st MARCH 2012

Total fund balances, before recognising the FRS17 pension liability, amounted to £1.292m including the balance of the unrestricted general fund at the year end of £0.964m (2011 - £0.946m). The unrestricted general fund represents the reserves available to Trustees to help fulfil current and future plans.

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 24 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, as a result there has been a substantial increase declared this year.

The main reason for the increase in the pension scheme deficit shown in the balance sheet is the impact of changing the actuarial assumptions used in the FRS 17 calculations of £1.7m – £2.5m is due to the fall in corporate bond yields (and hence the discount rate) offset by the fall in inflation, accounting for £0.8m.

The valuation of the long term liability of a pension fund at a specific date can cause extreme volatility as a small change in assumptions can create a large variation in valuation. Our actuaries use conservative assumptions at the time of valuation. To illustrate the level of volatility we asked our actuaries to use the maximum discount rate possible to value the liability for comparison with the liability disclosed in note 24. They have advised that the maximum discount rate would have been 5.3% compared with 4.6% which has been used (2011 - 5.5%). If 5.3% had been used it would have reduced the liability from £4.5m to c£2.9m. The trustees felt it prudent to show the liability in the accounts based on a 4.6% discount rate.

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 £1.084m, 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 over half of the necessary target, although core costs will reduce significantly in 2012/13 as a result of the restructure carried out in the latter part of the financial year.

Details of the Company's funds are shown in Notes 18 & 26. An analysis of the Company's net assets between the funds is given in Note 19. The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

Employees

On 1 August 2011 Keep Britain Tidy merged with Waste Watch, joining the employees of the two organisations together. A significant organisational restructure later took place, resulting in a markedly smaller staff team with a higher proportion of fixed term employees.

These changes have been challenging, but we are now progressing forward with a very dedicated workforce which is both enthusiastic and positive about the work of Keep Britain Tidy. A recent survey revealed that the three values the staff group felt they wanted the organisation to embody were – **passionate, inspiring and collaborative**.

Waste Watch and Keep Britain Tidy had different terms and conditions of employment, and since the merger, new recruits have been employed on another contract of employment. One of the biggest challenges for the year ahead is reviewing these and settling on an employment contract that is right for the organisation going forward. This is a process that will necessarily involve all staff and the aim is to have completed this by the start of the next financial year.

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31ST MARCH 2012

There is a strong desire to retain a manner of flexible working and a selection of employee benefits. There is furthermore a commitment to forging an organisation where staff feel supported and included. Currently, employees are kept informed via "The Weekly News" as well as through meetings, emails, and intranet as well as through communications from the Chief Executive. The Company supports equality of opportunity. Staff are either based in the Wigan or London offices or working from home. A small number of employees are based in partner organisation offices.

The Company is committed to the training and development of its employees. An individual's development is assessed by means of annual appraisals and 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.

FUTURE DEVELOPMENTS FOR 2012/13

During the year we will commence delivery of our new Business Strategy and Plan. Key developments will include:

- Continuation and development of the Love Where You Live behaviour change campaign with the active support of McDonalds, Wrigleys, Imperial Tobacco, Network Rail, Coca Cola, DEFRA and others
- Integration of Waste Watch and Keep Britain Tidy brands with a new narrative and strapline
- Development of the Eco-Schools programme including the electronic platform, improve the offer to secondary schools and to develop the programme as a 'must have' for schools
- Agreement of a number of commercial partnerships in the fields of energy, procurement and communications which assist schools to become more sustainable, strengthen the educational offer to teachers and pupils and generate income. These partnerships are conducted through Keep Britain Tidy's wholly owned subsidiary company Encams Enterprises Limited
- New Network, environmental and training offers for organisations with a direct interest in the management and quality of the local environment, including local authorities, housing associations and the private sector
- Development of our work with volunteers and supporters such that they are more engaged and are able to do more to improve local environments and to live more sustainably
- Development of new programmes to support individuals and organisations to live more sustainably, including sharing, a new approach to food and a focus on young people
- Explore and launch new programmes building on our existing work, including Eco-Communities and work with 16 – 19 year olds
- Review and simplify central support systems to ensure that they are fit for purpose
- Working with the European Environmental Citizens Organisation for Standardisation (ECOS), we won three-year funding from Esmee Fairbairn Foundation to establish a UK focal point to facilitate the representation of environmental interests in the development of British Standards. The Standards Focal Point will get underway in 2012/13 and will recruit environmental experts to participate in technical committees developing standards on behalf of British Standards Institute.

MEMBERS OF THE BOARD

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

Michael Phillips	Chairman
Alastair Singleton*	
Andrew Tasker	Resigned 25th April 2011
Daniel Ratchford*	
Dinah Nichols	
Helen M Carey	Resigned 31st July 2011
Helen McCallum	

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31st MARCH 2012

Jeremy Taylor	Resigned 7 th May 2011
John Chadwick*	
Julia Hailes+	Appointed 1 st August 2011: Resigned 27 th November 2011
Mathew Prosser+	Appointed 1 st August 2011
Matthew Bennett+	Appointed 1 st August 2011
Matthew McDowell+	Appointed 1 st August 2011 Resigned 12 th September 2012
Nicholas Mourant*	Resigned 27 th June 2012
Paul Bettison	
Peter Kent*	
Peter Styche*	
Sohail Husain*	
Sylvia Levi*+	Appointed 1 st August 2011
Ian Williams	Appointed 1 st August 2011 : Resigned 12 th September 2012

* Members of the Audit and Finance Committee

+ Formerly Trustees of Waste Watch

The Trustees have 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 & Company Secretary	Philip Barton
Finance and Resources Director	Stephen Horrobin (appointed 8 th March 2012)
Development Director	Arwyn Jones (to 7 th June 2012)
Commercial Director	Arwyn Jones (from 8 th June 2012)
Programmes Director	Simone Spray (appointed 26 th June 2012)

PROFESSIONAL ADVISORS

Registered Auditor:	Baker Tilly UK Audit LLP 3 Hardman Street Manchester M3 3HF
Solicitors:	JST Mackintosh Temple Street Liverpool L2 5RH
Bankers:	HSBC Bank Plc 21 The Grande Arcade Wigan WN1 1BH
Insurance Brokers:	Griffiths & Armour Insurance 58 Spring Gardens Manchester M2 1EW

KEEP BRITAIN TIDYREPORT OF THE TRUSTEESFOR THE YEAR ENDED 31st MARCH 2012

Pensions: CBG Financial Services
 Southmoor Road
 Manchester M23 9XD

Acknowledgements

The Board of Trustees gratefully acknowledges 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;
- Anglian Water for River Care;
- Environment Agency, British Waterways, United Utilities, South West Water, Seven Trent Water for support to the pilot 'care' programmes ;
- McDonalds, Greggs, Wrigleys, Network Rail, Coca-Cola and Imperial Tobacco for developing the Love Where You Live campaign
- Homebase, HSBC and EDF Energy for support of Eco Schools; and
- Tesco for support for the Waste Watch schools programme

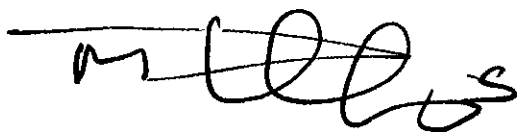
Fixed Assets

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

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 AND CHAIRMAN

Registered Office
Elizabeth House
The Pier
Wigan
WN3 4EX

Date 6th October 2012

KEEP BRITAIN TIDYINDEPENDENT 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 2012 on pages 15 to 32. 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).

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 4, 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.

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 2012 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 matter prescribed by 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 charitable company 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 explanations we require for our audit.

Dale Thorpe

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

Date 13 December 2012

KEEP BRITAIN TIDY

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total 2012 £	2011 £
INCOMING RESOURCES					
Incoming Resources from Generated Funds :					
Voluntary Income	2	4,153,687	-	4,153,687	4,899,360
Waste Watch reserves transferred on merger	20	446,153	43,942	490,095	-
Activities for Generating Funds	3	243,665	-	243,665	219,459
Income from Charitable Activities :					
Other Grants and Contributions	4	4,032,842	1,093,999	5,126,841	3,616,247
Total Incoming Resources		8,876,347	1,137,941	10,014,288	8,735,066
RESOURCES EXPENDED					
Costs of Generating Funds	6	59,524	-	59,524	110,249
Charitable Activities	7	7,731,408	989,928	8,721,336	8,228,983
Governance Costs	8b	280,317	-	280,317	268,029
Other resources expended - exceptional costs	8d	667,311	-	667,311	-
Total Resources Expended		8,738,560	989,928	9,728,488	8,607,261
Net incoming resources before other recognised gains and losses		137,787	148,013	285,800	127,805
OTHER RECOGNISED (LOSSES)/GAINS					
Actuarial (losses)/gains on defined benefit Pension Scheme:					
Change in from RPI to CPI	24	-	-	-	940,000
Other (losses)/gains	24	(2,091,000)	-	(2,091,000)	285,000
		(2,091,000)	-	(2,091,000)	1,225,000
NET MOVEMENT IN FUNDS	9	(1,953,213)	148,013	(1,805,200)	1,352,805

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.

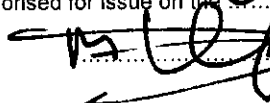
KEEP BRITAIN TIDY

Company Number 3496361

BALANCE SHEETAS AT 31ST MARCH 2012

		2012		2011	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	12		14,872		12,086
Investments	13		1		-
			<u>14,873</u>		<u>12,086</u>
CURRENT ASSETS					
Debtors	14	1,315,533		1,190,524	
Cash at Bank and In Hand	15	2,136,541		2,001,748	
		<u>3,452,074</u>		<u>3,192,272</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	16	<u>(1,917,809)</u>		<u>(1,899,897)</u>	
NET CURRENT ASSETS			<u>1,534,265</u>		<u>1,292,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,549,138</u>		<u>1,304,461</u>
PROVISIONS FOR LIABILITIES AND CHARGES	17		(257,250)		(178,373)
PENSION SCHEME LIABILITY	24		(4,496,000)		(2,525,000)
NET LIABILITIES			<u>(3,204,112)</u>		<u>(1,398,912)</u>
FUNDS:					
RESTRICTED FUNDS					
Capital Fund	18	9,073		12,086	
General Funds	18	<u>318,545</u>		<u>167,519</u>	
			327,618		179,605
UNRESTRICTED FUNDS					
Pension reserve	26	(4,496,000)		(2,525,000)	
Unrestricted Funds	26	<u>964,270</u>		<u>946,483</u>	
			(3,531,730)		(1,578,517)
			<u>(3,204,112)</u>		<u>(1,398,912)</u>

These financial statements were approved by the directors and authorised for issue on the2012 and signed on their behalf by:

G. Penh

 DIRECTOR

KEEP BRITAIN TIDY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2012

		2012	2011
		£	£
	Notes		
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	28	<u>(413,170)</u>	<u>120,707</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		42,260	27,562
		<u>42,260</u>	<u>27,562</u>
CAPITAL EXPENDITURE			
Purchase of Fixed Assets	12	-	(13,442)
		<u>-</u>	<u>(13,442)</u>
ACQUISITIONS AND DISPOSALS			
Cash acquired on merger with Waste Watch	20	505,703	-
		<u>505,703</u>	<u>-</u>
INCREASE IN CASH		<u>134,793</u>	<u>134,827</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase in cash in the year		134,793	134,827
Net funds at 1st April 2011	15	2,001,748	1,866,921
Net funds at 31st March 2012	15	<u>2,136,541</u>	<u>2,001,748</u>

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 2012**1. ACCOUNTING POLICIES**

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

(a) Accounting Convention:

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

(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 year's 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 Cleaner Safer Greener Network which relates to full and associate level membership. The membership entitles the subscriber to rights to services and benefits. Income is therefore recognised evenly over the period of membership. Environmental Surveys and Reports and Training and Education relate to income earned from providing services. Income is recognised to the extent that those services have been provided by the end of the financial year. Waste Watch income streams relate to the supply of goods or services and is included in the statement of financial activities in the period in which the supply is made.

(e) Benefits in Kind

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

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

(f) Expenditure:

Expenditure is accounted for on an accruals basis.

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

(g) Liabilities:

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

(h) Operating Leases

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

(i) Consolidation

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

(j) Government Grants

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

(k) Pension Costs

The Company operates a defined benefit pension scheme and a defined contribution scheme.

Defined benefit scheme

The scheme was closed to further accrual from 31st July 2008. The pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's

KEEP BRITAIN TIDY**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2012**

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 24 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.

(l) Grant Payments

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

(m) Provisions for liabilities and charges

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

Due to the planned programmed reduction of the principal grant from the DEFRA from 2012-2015 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, the current level of 'cash at bank' and a received grant of £3.5m for 2012/13, the offer from Ministers of £2.25m grant in 2013/14, they have concluded that the going concern basis is appropriate to prepare these financial statements.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Main Government Grant	3,997,677	-	3,997,677	4,750,000
Donated Services	156,010	-	156,010	149,360
Waste Watch reserves transferred on merger	446,153	43,942	490,095	-
	<u>4,599,840</u>	<u>43,942</u>	<u>4,643,782</u>	<u>4,899,360</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Administration and service charges	11,590	-	11,590	12,266
Subsidiary Company charges	109,421	-	109,421	58,062
Gift Aid Receivable from subsidiary undertaking	80,394	-	80,394	121,569
Bank Deposit Interest	42,260	-	42,260	27,562
	<u>243,665</u>	<u>-</u>	<u>243,665</u>	<u>219,459</u>

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Keep Britain Tidy Network				
Local Authorities	389,785	-	389,785	606,301
Other	-	1,000	1,000	12,040
	<u>389,785</u>	<u>1,000</u>	<u>390,785</u>	<u>618,341</u>
Environmental Surveys and Reports				
Government Agencies	-	41,364	41,364	12,650
Local Authorities	616,099	-	616,099	610,175
Other	5,895	-	5,895	118,912
	<u>621,994</u>	<u>41,364</u>	<u>663,358</u>	<u>741,737</u>
Training and Education				
Central Government	-	-	-	23,111
Local Authorities	177,230	-	177,230	217,390
Other	112,909	148,742	261,651	408,075
	<u>290,139</u>	<u>148,742</u>	<u>438,881</u>	<u>648,576</u>
Coastal Programmes				
Other	-	440,020	440,020	308,748
Green Flag Programme				
Central Government	1,166,047	-	1,166,047	811,000
Local Authorities	1,062	-	1,062	262,590
Other	-	-	-	21,715
	<u>1,167,109</u>	<u>-</u>	<u>1,167,109</u>	<u>1,095,305</u>
Campaigns and Marketing				
Central Government	-	-	-	5,000
Local Authorities	9,192	-	9,192	37,639
Other	153,182	462,873	616,055	137,628
	<u>162,374</u>	<u>462,873</u>	<u>625,247</u>	<u>180,267</u>
Waste Watch				
Government Agencies	277,448	-	277,448	-
Local Authorities	444,978	-	444,978	-
Other	677,669	-	677,669	-
	<u>1,400,095</u>	<u>-</u>	<u>1,400,095</u>	<u>0</u>
Other				
Other	1,346	-	1,346	23,273
TOTAL	<u>4,032,842</u>	<u>1,093,999</u>	<u>5,126,841</u>	<u>3,616,247</u>
5. DEFERRED INCOME				
Income in advance brought forward	803,216	50,000	853,216	814,306
Income in advance carried forward	(791,537)	-	(791,537)	(853,216)
Movement in Deferred Income	<u>11,679</u>	<u>50,000</u>	<u>61,679</u>	<u>(38,910)</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 FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2012

	Direct Costs £	Support Costs £	2012 Total £	2011 Total £
6. COSTS OF GENERATING FUNDS				
Fundraising costs	23,778	35,746	59,524	110,249
7. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES				
Keep Britain Tidy Network	703,255	137,253	840,508	637,662
Environmental surveys and reports	846,193	345,941	1,192,134	2,909,555
Training and education	894,027	344,653	1,238,680	1,318,578
Coastal Programmes	299,921	121,462	421,383	304,467
Green Flag Programme	1,102,040	203,448	1,305,488	1,115,276
Campaigns and marketing	2,218,872	450,877	2,669,749	1,943,445
Waste Watch	995,973	57,421	1,053,394	-
	<u>7,060,281</u>	<u>1,661,055</u>	<u>8,721,336</u>	<u>8,228,983</u>

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

8. ANALYSIS OF COSTS

(a) GOVERNANCE COSTS	106,590	173,727	280,317	268,029
(b) ANALYSIS OF GOVERNANCE COSTS			£	£
External audit fees			20,400	17,000
Internal audit fees			-	2,049
Other professional fees expenses			81,636	81,842
Trustees' meetings, expenses and insurance			4,554	28,238
Apportionment of support costs			173,727	138,900
			<u>280,317</u>	<u>268,029</u>

(c) ANALYSIS OF SUPPORT COSTS

	Chief Executive Office	Establish- ment	Finance & Admin	ICT	HR	2012 £	2011 £
<u>Costs of Generating Funds</u>		£	£	£	£		
Fundraising	-	-	16,042	19,704	-	35,746	103,639
<u>Charitable Activities</u>							
Keep Britain Tidy Network	2,550	2,484	116,582	14,831	808	137,255	130,897
Environmental surveys and reports	2,736	4,772	304,982	32,586	866	345,942	597,271
Training and education	4,703	3,660	309,692	25,412	1,186	344,653	268,602
Coastal programmes	6,876	1,080	109,385	3,774	346	121,461	58,540
Green Flag Programme	3,827	3,700	142,838	51,871	1,212	203,448	228,840
Campaigns and marketing	29,439	7,563	329,201	82,199	2,474	450,876	359,085
Waste Watch	2,618	2,510	52,442	(978)	828	57,420	15,344
	<u>52,749</u>	<u>25,769</u>	<u>1,365,122</u>	<u>209,695</u>	<u>7,720</u>	<u>1,661,055</u>	<u>1,658,579</u>
<u>Governance Costs</u>							
Governance	166,479	-	6,876	372	-	173,727	138,900
	<u>219,228</u>	<u>25,769</u>	<u>1,388,040</u>	<u>229,771</u>	<u>7,720</u>	<u>1,870,528</u>	<u>1,901,118</u>

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

(d) EXCEPTIONAL COSTS

	2012 £	2011 £
Reorganisation costs re redundancies	667,311	-

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012

	2012 £	2011 £
9. NET MOVEMENT IN FUNDS		
The net movement in funds for the year is stated after charging:		
Depreciation of fixed assets		
- owned by the company	21,266	16,455
Auditor's remuneration		
- audit fee	20,400	17,000
- non audit services	-	-
Operating lease rentals : Land & Buildings	112,595	112,595
Other	18,316	73,696

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 :-

	2012 £	2011 £
Staff Costs	3,739,616	3,506,695
National Insurance Contributions	399,957	357,165
Pension Contributions (Group Personal Plan)	255,232	205,169
Agency	35,388	41,525
	<u>4,430,193</u>	<u>4,110,554</u>
Benefits	56,400	68,885
	<u>4,486,593</u>	<u>4,179,439</u>

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

	2012	2011
Cleaner Safer Greener Network	8	8
Environmental surveys and reports	53	54
Training and education	20	21
Coastal programmes	8	8
Green Flag Programme	6	6
Campaigns and marketing	15	16
Waste Watch	32	-
Other	1	2
	<u>143</u>	<u>115</u>

97 (2011 - 91) employees were accruing benefits under the Group Personal Plan.

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

	2012	2011
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1

The total pension contributions in the year for these higher paid staff were £27,533 (2011 - £29,189).

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012**11. STAFF COSTS (CONTINUED)**

5 (2011 - 5) higher paid staff are accruing benefits under the Group Personal Plan and 2 (2011 - 2) higher paid staff are accruing benefits under the defined benefit scheme.

The cost of secondments to the charity totalled £0 (2011 - £53,606).

12. TANGIBLE FIXED ASSETS

	Office And Computer Equipment £	Office Furniture Fixtures And Fittings £	Total £
Cost at 1st April 2011	344,605	58,575	403,180
Acquired on merger with Waste Watch	154,242	6,254	160,496
Cost at 31st March 2012	<u>498,847</u>	<u>64,829</u>	<u>563,676</u>
Accumulated Depreciation at 1st April 2011	343,664	47,430	391,094
Charge for the year	19,521	1,745	21,266
Acquired on merger with Waste Watch	135,662	782	136,444
Depreciation at 31st March 2012	<u>498,847</u>	<u>49,957</u>	<u>548,804</u>
Net Book Value at 31st March 2012	<u>-</u>	<u>14,872</u>	<u>14,872</u>
Net Book Value at 31st March 2011	<u>941</u>	<u>11,145</u>	<u>12,086</u>

13. INVESTMENTS

At 1st April 2011
Acquired on merger with Waste Watch
At 31st March 2012

Shares in group
undertakings

-
1
1

The cost of investments in subsidiary undertakings represents 100% of the ordinary share capital of Waste Watch Services Limited acquired through the merger with Waste Watch. The company was incorporated in the United Kingdom.

14. DEBTORS

	2012 £	2011 £
Trade Debtors	936,774	850,125
Subsidiary Companies	189,813	179,630
Prepayments and Accrued Income	188,946	160,769
	<u>1,315,533</u>	<u>1,190,524</u>

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012**15. CASH AT BANK AND IN HAND**

	2012	2011
	£	£
Cash at Bank	2,133,122	1,990,712
Cash in Hand	3,419	11,036
	<u>2,136,541</u>	<u>2,001,748</u>

16. CREDITORS - Amounts falling due within one year

	2012	2011
	£	£
Deferred Income	791,537	853,216
Trade Creditors	346,723	420,831
Social Security and Other Taxes	328,039	241,663
Accruals	451,510	384,187
	<u>1,917,809</u>	<u>1,899,897</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

	2012		
	Dilapidations	Onerous lease	Total
	£	£	£
Balance Brought forward at 1st April 2011	60,000	118,373	178,373
Amount provided in the year	118,500	12,000	130,500
Utilised during the year	-	(51,623)	(51,623)
Balance carried forward at 31st March 2012	<u>178,500</u>	<u>78,750</u>	<u>257,250</u>

Keep Britain Tidy's main premises is occupied under a Full Repairing Lease. We are wholly responsible for the maintenance of the building during the lease period. A provision is made for dilapidations, specifically for the repair and maintenance of the roof 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 £51,623 was utilised in the year (2010/11 - £118,373 provided) in respect of the cost of an onerous lease for the second floor up to the break clause in July 2013.

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012**18. RESTRICTED FUNDS****General Funds:-**

	1st April 2011 £	Incoming £	Outgoing £	31st March 2012 £
CSG	-	1,000	1,000	-
Environmental surveys & reports				
- Surveying services	-	499	499	-
- Client MR	-	40,865	40,865	-
	-	41,364	41,364	-
Training & Education				
- Eco Schools General	30,650	-	30,650	-
- Eco Schools EDF	-	77,332	74,317	3,015
- Eco Schools HSBC	-	23,906	23,906	-
- Eco Schools Homebase	-	41,870	41,870	-
- Eco Schools Communities	-	5,429	5,429	-
- Eco Schools Shop	-	205	-	205
	30,650	148,742	176,172	3,220
Coastal Programmes				
- Coastal	-	170,520	52,202	118,318
- Coastal Pilot	-	50,000	46,526	3,474
- Beach Care North West	12,824	49,500	11,303	51,021
- Rivercare	74,244	150,000	108,954	115,290
- Watercare	38,280	20,000	53,172	5,108
	125,348	440,020	272,157	293,211
Waste Watch	-	43,942	43,942	-
Campaigns				
- General	-	3,088	3,088	-
- GUM	4,198	21,118	3,202	22,114
- Love Where You Live	-	420,000	420,000	-
- London 2012 Olympics	7,323	18,667	25,990	-
	11,521	462,873	452,280	22,114
Total General Funds	167,519	1,137,941	986,915	318,545
Capital Fund:-				
Fixed Assets	12,086	-	3,013	9,073
Total	179,605	1,137,941	989,928	327,618

The above categories contain the following restricted funds:-

Training & Education: consists of funds for the Eco Schools programme received from the Department of Energy, 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.

Waste Watch consists of funds transferred in from the Esmee Fairbairn Foundation to be used for UK NGO focal point on environmental standardisation.

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.

Environmental Surveys and reports: consists of a fund for a Local Environmental Quality Manager placement, funds having been provided by City co.

Further information regarding the restricted funds and their purpose can be found in the Trustees report on pages 3-13.

KEEP BRITAIN TIDY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2012

19. ANALYSIS OF NET ASSETS/(LIABILITIES) BETWEEN FUNDS

	Tangible Fixed Assets £	Net Current Assets £	Total £
Restricted Funds	9,073	318,545	327,618
Unrestricted Funds -General	-	(3,531,730)	(3,531,730)
	<u>9,073</u>	<u>(3,213,185)</u>	<u>(3,204,112)</u>

20. MERGER WITH WASTE WATCH

Keep Britain Tidy merged with Waste Watch on 1st August 2011. Waste Watch transferred all its assets, liabilities and funds to Keep Britain Tidy on that date. The total amounts transferred are detailed below:

	Book Value £	Fair Value Adjustments £	Fair Value £
Fixed Assets	24,052	-	24,052
Investments	1	-	1
Debtors	262,621	-	262,621
Cash at bank and in hand	505,703	-	505,703
Creditors: amounts due within one year	(302,282)	-	(302,282)
Net Assets	<u>490,095</u>	<u>-</u>	<u>490,095</u>
Comprised of:			
Restricted Funds -General	43,942	-	43,942
Unrestricted Funds -General	446,153	-	446,153
	<u>490,095</u>	<u>-</u>	<u>490,095</u>

In the 8 months since the merger, Waste Watch Limited contributed £110,540 to the unrestricted surplus in the period ended 31 March 2012.

21. CONTINGENT LIABILITIES

There were no known contingent liabilities at 31st March 2012 (2011-£nil).

22. CAPITAL COMMITMENTS

Capital Commitments authorised and contracted at 31st March 2012 amounted to £nil (2011-£nil).

23. 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 £4,770 (2011 - £4,725) which also included cover for former associated companies.

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012**24. PENSION COSTS**

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 £255,232 (2011 £205,169) were paid in the year by Keep Britain Tidy. The Company operates a staff contributory pension scheme providing benefits for each complete year of pensionable service up to 31st July 2008.

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. However, as the Company takes responsibility for substantially all of the liabilities it is appropriate to account for the scheme under FRS17 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 2004, 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 2012 was £Nil (2011 - £Nil).

A formal 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 2012 is £4.496m and each employer has agreed to contribute additional annual amounts to reduce the deficit over the following 13 years and 6 months, which is by 30 April 2026. Keep Britain Tidy has paid £189,000 this year which represents 4% of the liabilities. The Company is the principal employer.

The major assumptions used by the actuary were:

	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Rate of increase in salaries	n/a	n/a	n/a	n/a	4.95%
Rate of increase in pensions in payment	2.00% post April 2005, 2.50% April 2004 – March 2005, 3.40% for other service	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	2.60%	3.00%	3.65%	3.25%	3.45%
Discount rate	4.60%	5.50%	5.50%	6.70%	6.90%
Inflation assumptions	2.60%	3.00%	3.65%	3.25%	3.45%

Mortality assumptions:

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

Men 22.0 years (2011 - 21.9 years)

Women 24.0 years (2011 - 23.9 years)

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

Men 25.0 years (2011 - 24.9 years)

Women 26.3 years (2011 - 26.2 years)

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 2012

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

	31 March 2012		31 March 2011		31 March 2010		31 March 2009		31 March 2008	
	Long term expected rate of return	Value (£)	Long term expected rate of return	Value (£)	Long term expected rate of return	Value (£)	Long term expected rate of return	Value (£)	Long term expected rate of return	Value (£)
Equities	6.85%	5,038,000	7.10%	5,132,000	7.30%	4,693,000	6.75%	3,025,000	7.35%	4,102,000
Bonds	3.30%	2,669,000	5.00%	2,725,000	5.00%	2,794,000	5.75%	2,374,000	6.90%	2,510,000
Cash	0.5%	60,000	0.5%	63,000	0.5%	34,000	0.5%	378,000	4.60%	221,000
Total		7,767,000		7,920,000		7,521,000		5,777,000		6,833,000
Market value of assets										
Present value of scheme liabilities		12,263,000		10,445,000		11,310,000		8,036,000		8,250,000
Surplus / (Deficit) in the Scheme		(4,496,000)		(2,525,000)		(3,789,000)		(2,259,000)		(1,417,000)

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

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

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

KEEP BRITAIN TIDY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

	2012 (£)	2011 (£)
Analysis of the amount charged to net Outgoing resources		
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	491,000	476,000
Interest on pension scheme liabilities	(560,000)	(612,000)
Net (Interest)/return	(69,000)	(136,000)
Analysis of amount recognised in statement of financial activities (SOFA)		
Actual return less expected return on pension scheme assets	(309,000)	114,000
Experience gains and losses arising on the scheme liabilities	(100,000)	144,000
Changes in assumptions underlying the present value of the scheme liabilities	(1,682,000)	967,000
Actuarial (loss)/ gain recognised in the SOFA	(2,091,000)	1,225,000
Movement in surplus during the year		
(Deficit) in scheme at beginning of the year	(2,525,000)	(3,789,000)
Movement in the year:		
Current service cost	0	0
Contributions	189,000	175,000
Past service costs	0	0
Settlements and Curtailments	0	0
Net finance income	(69,000)	(136,000)
Actuarial (loss)/gain	(2,091,000)	1,225,000
Deficit in scheme at end of the year	(4,496,000)	(2,525,000)

From 1st August 2008 when the final benefit scheme was closed to further accrual all members were entitled to an inflation linked deferred pension and the link to salary was 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 £69k (2011: £136k) net finance income is included in the Statement of Financial Activities under charitable activities.

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012

History of experience of gains and losses					
	2012 (£)	2011 (£)	2010 (£)	2009 (£)	2008 (£)
Difference between the expected and actual return on scheme assets					
Amount	(309,000)	114,000	1,392,000	(1,791,000)	(789,000)
Experience of gains and (losses) on scheme liabilities					
Amount	(100,000)	144,000	184,000	(64,000)	492,000
Total amount recognised in SOFA					
Amount	(2,091,000)	1,225,000	(1,546,000)	(1,952,000)	1,451,000

25. 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 paid to Trustees and amounted in total to £3,069 (2011 - £13,012).

26. UNRESTRICTED FUNDS

	2012	2011
	£	£
Balance of the general fund at 1 April 2011	(1,578,517)	(2,898,933)
Retained unrestricted surplus for the financial year	137,787	95,416
Actuarial (loss)/gain on pension liability	(2,091,000)	1,225,000
Balance of general fund at 31 March 2012	<u>(3,531,730)</u>	<u>(1,578,517)</u>

KEEP BRITAIN TIDY**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st MARCH 2012****27. 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.

	2012	2011
	£	£
<i>Land and Buildings:</i>		
Within one year	-	2,095
Two to five years	150,830	60,570
More than five years	-	49,930
	<u>150,830</u>	<u>112,595</u>
<i>Motor Vehicles:</i>		
Within one year	13,544	64,260
Two to five years	4,772	9,432
	<u>18,316</u>	<u>73,692</u>

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

Net incoming resources before other recognised gains and losses	285,800	127,805
Increase in Funds due to merger with Waste Watch	(490,095)	-
Bank interest Receivable	(42,260)	(27,563)
Depreciation Charges	21,266	16,455
Decrease/(Increase) in Debtors	137,611	(205,289)
(Decrease)/Increase in Creditors	(284,369)	117,926
Defined benefit pension contributions paid less net finance income	(120,000)	(39,000)
Increase in Provisions	78,877	130,373
Net Cash (Outflow) / Inflow from Operating Activities	<u>(413,170)</u>	<u>120,707</u>

Net movements in funds includes an amount of £667,311 (2011 - nil) paid in respect of exceptional costs relating to redundancy costs resulting from a reorganisation.

29. RELATED PARTY TRANSACTIONS

During the year 2011/2012 the Company entered into transactions (including VAT) with ENCAMS Enterprises Limited as follows:-

	2012	2011
	£	£
Staff and other costs charged	109,420	58,061
Gift Aid receivable	80,393	121,569
Due from ENCAMS Enterprises Limited (note 14)	<u>189,813</u>	<u>179,630</u>

30. SUBSIDIARY COMPANIES

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31st MARCH 2012

Tidy Britain Enterprises, ENCAMS Enterprises Limited and Waste Watch Services 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 year ended 31st March 2012 were as follows:-

	2012 £	2011 £
TURNOVER	196,719	184,414
COST OF SALES	(66,325)	(58,597)
GROSS PROFIT	130,394	125,817
ADMINISTRATIVE EXPENSES	(50,000)	(4,248)
OPERATING PROFIT	80,394	121,569
INTEREST RECEIVABLE	-	-
PROFIT BEFORE TAX	80,394	121,569
TAXATION	-	-
PROFIT AFTER TAX	80,394	121,569
BALANCE BROUGHT FORWARD	-	-
GIFT AID	(80,394)	(121,569)
BALANCE CARRIED FORWARD	-	-
 CURRENT ASSETS	 204,182	 219,414
CURRENT LIABILITIES	(204,182)	(219,414)
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.

The company also owns 100% of the ordinary share capital of Waste Watch Services Limited, a trading subsidiary acquired on the 1st August 2011 through a merger with its former holding company Waste Watch. Its net assets at 31 March 2012 were £12,373 and its loss for the period from acquisition to 31 March 2012 was £31.