

# Keep Britain Tidy

A Company Limited by Guarantee

Company Registration Number: 3496361

## **Annual Report & Financial Statements for the Year Ended 31st March 2013**

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KEEP BRITAIN TIDY  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013

The Board of Trustees present their annual report together with the audited financial statements for the year ended 31<sup>st</sup> March 2013.

#### **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 10 & 11 and the external advisors are also set out on page 11.

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

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Board of Trustees**

The Board of Trustees is responsible for the overall governance of Keep Britain Tidy. The Board of Trustees currently has thirteen members; the Articles of Association require there to be not less than four or more than fourteen and the Board may increase or reduce the number within that limit as they consider appropriate. Trustees are normally appointed for 3 years through a transparent and open recruitment process. They may then be appointed for a further two terms of up to three years and they retire in rotation to ensure that the Board has the full range of skills and experience needed to determine and monitor the charity's strategic direction. A new Chair was appointed in December 2012 and three new Trustees were appointed in March 2013.

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

All Trustees give their time freely but are entitled to reimbursement of expenses incurred in attending Board and other meetings or performing other duties as a Trustee of the charity. Trustees are required to disclose all relevant interests and formally register them at Board meetings. Details of Trustee expenses and related party transactions are disclosed in notes 24 and 29 to the accounts.

##### **Audit and Finance Committee**

The Committee comprises a number of Trustees who in the opinion of the Board are most appropriately qualified to exercise independent judgement on the matters relevant to the Committee. The Committee's role is to oversee risk management, the scope and findings of any internal audit work commissioned and the Company's policies and practices in respect accounting, anti-fraud and whistleblowing. In addition, it reviews the external audit arrangements and the financial position and reports of the Company including financial forecasts and budgets. The Committee reviews and advises the Board on the Reserves Policy and the Company's position in respect of its liability to meet any deficit on the defined benefit pension scheme.

##### **Remuneration Committee**

The Committee comprises a number of Trustees who in the opinion of the Board are most appropriately qualified to exercise independent judgement on the matters relevant to the Committee. The Committee's role is to review and recommend HR policies and procedures, and to advise the Board on matters relating to the awarding of general pay increases and the remuneration of the Executive Team.

##### **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 Trustees have approved a detailed scheme of financial delegation for the Chief Executive and certain senior staff. The Chief Executive is responsible for ensuring that the Company delivers the business plan and services specified and that key performance indicators are met.

##### **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

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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. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Keep Britain Tidy website.

**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 their effectiveness. Processes are in place to ensure that performance is monitored and the appropriate management information is prepared and reviewed monthly by executive management and regularly by the Audit and Finance Committee and the Board of Trustees. The systems of internal control are designed to provide reasonable but not absolute assurances against material misstatement or loss. They include:

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

**Risk Management**

The company maintains a corporate risk register covering both strategic and operational risks. Both the executive and a sub-group of Trustees nominated by the Board review the risk register monthly. The principal risks identified relate to the planned reduction in Government grant and the ability to generate funding from other sources in the current economic climate; a failure to adapt as we develop into a commercial social enterprise; the need to meet the liability of the deficit in the defined benefit pension scheme; and limited staff capacity to deliver the current programmes.

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. They are satisfied that a proper system is in place, and that appropriate measures are being taken where necessary to mitigate the potential impact. The Trustees are aware of the 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.

**OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE COMPANY**

In accordance with the Articles of Association, which were revised in December 2012 following the merger of Waste Watch with Keep Britain Tidy, the objects for which the Company is established are:

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- 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.
- 3) To preserve and protect the physical and natural environment for the public benefit through the promotion of waste reduction, re-use, reclamation and recycling of waste materials and the benefits of sustainable consumption and production.

Our 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 objects 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. During the year the organisation continued with the implementation of its new business plan enabling it to progress with the process of moving away from reliance on Government grants. Some of our key achievements are detailed below.

#### **Marketing & Campaigns**

Keep Britain Tidy continued to maintain a high profile throughout the year. An undoubted highlight was the activity around the 2012 Olympics Torch Relay and the charity's "Show the World You Love Where You Live" initiative which saw tidy up events take place across England from May 2012 onwards. The Torch Relay was used as a call to action for all Keep Britain Tidy supporters, who were contacted en-masse for the first time as a group.

We launched a "Summer of Love" campaign to raise the profile of Love Where You Live and also produced a new series of promotional posters and a microsite to support the campaign.

In August Keep Britain Tidy joined forces with three other leading environmental charities, the Campaign to Protect Rural England, the Marine Conservation Society and Surfers Against Sewage to launch the Break the Bag Habit campaign. The campaign calls for a charge on single-use bags in England, following the success of such levies in Wales and Ireland. In October we took part in a lobby of the Conservative party conference to raise the profile of the campaign.

In December we partnered with ethical music downloads site Fairsharemusic on a "12 plays of Christmas" digital card. Each of the 12 plays highlighted an aspect of Keep Britain Tidy's activity or programmes and urged supporters to take part.

In January 2013, talking bins, which appeared on the streets of London, Liverpool and Warrington as part of the Love Where You Live campaign, picked up an award for their creativity and effectiveness.

In March we released the results of our biggest branded litter count, which for the first time ever invited volunteers to join our surveying staff. More than 500 people signed up, allowing us to count more than 37,000 pieces of litter – on the street, in parks, on beaches or beside rivers and canals.

Throughout the year, our press and media profile remained high and saw us increasingly taking a stand on issues in the headlines including weekly bin collections, car litter, excess waste packaging, sustainability and the curriculum. Media coverage in support of our flagship programmes remained high with a reach of more than three million people viewing our coverage. Effective use of social media enabled Keep Britain Tidy to engage with key audiences in a more dynamic and accessible way. At the end of 2012/13 Keep Britain Tidy had 10,850 Twitter followers along with 2,500 Facebook likes and these numbers continue to grow.

#### **Environmental Surveys & Reports**

In November 2012 we published the 12th annual Local Environmental Quality Survey of England (LEQSE). The report made use of new info graphics and took a more user friendly format. The report saw a sharp rise in weed growth and clogged and blocked gullies in England that could pose a localised flood risk. Fast food litter was the litter type that saw the largest

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increase, with smokers' material still being the litter type that was witnessed most. The survey also showed that of the 3000 bins surveyed, not one was considered clean.

Alongside the LEQSE, we also published 'The View from the Street' in November. This publication merged the LEQSE results with people's perceptions and also explored local authorities' views on how services and standards of cleanliness have changed.

The Environmental Management Solutions team also delivered a wide range of bespoke client work in 2012/13. The projects ranged from an island wide survey in the Isle of Man, a survey of every street in the London Borough of Hounslow, a large survey across Cheshire West and Chester and surveys across seven London Boroughs.

### **Training**

Keep Britain Tidy has a proven track record of delivering high quality training to local authorities, schools and housing associations. In 2012/2013 we delivered 64 courses to 727 delegates. The number of in-house courses increased to 34 during the year. Training is consistently evaluated for quality assurance purposes, and feedback results indicated that 96% of learners rated the training as excellent, 95% reported that they had transferred what they had learnt into the workplace, and 93% reported that they had shared their knowledge with others. One of many quotes from delegates attending our courses was;

"The trainer was brilliant, she explained and presented very clearly. I have learnt new rules, policies, procedures which will help me in my role"

### **Keep Britain Tidy Network**

During 2012-13 network membership was changed to a new three level model. This was designed to provide more tailored levels of membership to suit different needs. Options range from the Essential level, offering the most economic package of benefits, through Expert level to the Exemplar level providing the most comprehensive range of membership services. The two higher levels offer bundles of support allowing the members to choose from a range options which best meet their needs.

There were eight Network learning events throughout 2012-13 including a two day boot camp hosted by Doncaster council. This showcased Doncaster council working with private sector partners to solve LEQ issues. From a policy aspect the network has consulted members and feedback to the appropriate bodies on Fly Tipping and the Waste Review. A very successful Keep Britain Tidy Network conference and awards was held in Sheffield in November.

### **Green Flag Awards Scheme – Parks & Green Spaces**

In August 2012 the Green Flag Plus Partnership consisting of Keep Britain Tidy, Green Space and BTCV ended. Following a tender process the Department of Communities and Local Government awarded the licence to deliver the Green Flag Award Scheme to Keep Britain Tidy. The licence lasts for an initial five years with an option to extend for a further five years at the end of the initial period. Keep Britain Tidy worked in partnership with GreenSpace, the National Federation of Parks and Green Spaces, and The National Housing Federation until March 2013 when GreenSpace ceased trading. Subsequently a member of staff who worked for them on the award transferred to Keep Britain Tidy.

In 2012/13 there were 1,419 winners, an all-time high, of which 175 were sites managed by community groups. An additional 28 sites achieved the award in The Netherlands, Germany, New Zealand and Australia. The management of the scheme has now been sub licenced to Keep Wales Tidy, Keep Scotland Beautiful and Tidy Northern Ireland for delivery in their respective countries.

Following the announcement of the award winners for 2011/12, voting commenced for the 'People's Choice' Award. This attracted thousands of people to the Green Flag Award website to vote for their favourite park. The winner was Victoria Park managed by the London Borough of Tower Hamlets.

### **Education**

Keep Britain Tidy delivers the Eco-Schools programme in England and works directly in schools through partnerships with local authorities and waste companies to deliver waste and recycling assemblies and workshops.

The Eco-Schools programme continues to grow in popularity; over seventeen thousand (70%) schools are registered with the programme in England. The Eco-Schools website continues to attract large numbers of visitors with 101,053 unique visitors recorded in 2012/13. 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.

Eco-Schools continued to work in partnership with the DECC Energy Award to reduce the carbon footprint of English schools. We have been able to demonstrate a 36% reduction in carbon within registered schools. This is equivalent to a saving of approximately £5,322,391 under the CRC Energy Efficiency scheme price of £12 per tonne.

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We completed a number of other education programmes during the year including a waste education programme on behalf of Cory Environmental in Southend-on-Sea, who agreed to extend the programme into the 2012/13 academic year. One Planet Packaging was trialled with the Skinners' School in Tunbridge Wells. From this trial we found that students felt that their knowledge of packaging and sustainability had increased by 40.6%, while their attitudes towards issues of packaging and sustainability had also improved. A food co-operative pilot was run in three primary schools in low-income areas with the objective to provide affordable fresh fruit and vegetables to the local community and encourage healthier eating. The Recycler and Gordon Le Rotter interactive education shows were delivered to 128 schools across 22 Local Authority partners.

The Recycle for Your Community education work in the London boroughs of Barking & Dagenham, Havering, Newham and Redbridge worked with 62 schools, reaching 5,504 students and staff. We also re-launched MuRFY's world, a visitor centre where children come to learn about how materials recovery facilities work and recycling in general. A bike re-use project was developed which diverted functional bicycles away from being recycled as scrap metal. In the Recycle Western Riverside education programme in the Royal Borough of Kensington & Chelsea and the London boroughs of Hammersmith & Fulham, Lambeth and Wandsworth, which builds ownership for waste minimisation and recycling, support was given to 4,731 children in 40 nursery, primary, secondary and special educational needs schools and across the four boroughs.

**Coastal**

In 2012/13 we awarded a total of 79 Blue Flags and 99 Seaside Awards. This represented an increase of 9 Blue Flags and a decrease of 9 Quality Coast Awards compared to 2011/12. However, many Local Authorities have continued to apply for the awards which, given the current economic pressure on Local Authorities at the moment, is testament to their value. The coastal programme continues to generate huge interest with extensive media coverage recorded in relation to the announcement of coastal awards. The coastal team is currently engaged with 50% of coastal local authorities and in 2013/14 will be actively working to increase the level of engagement with beach managers. We also replaced the Quality Coast Award with the Seaside Award in the year, and over the next two years will be aligning criteria throughout the UK.

**Rivercare, Beachcare & Watercare**

These volunteer engagement projects empower communities to take sustained action to improve the state of their local water environments (rivers, canals or beaches) and to make positive behaviour changes through the connection developed with water use and the impact that it has on the local environment.

There are now 5 projects up and running across the country in the Anglian region, the Midlands, the South West and North West. Across these programmes we work with almost 2,000 volunteers, with over 600 events taking place.

All projects are run in partnership with key organisations, including water companies, the Environment Agency, Canal and River Trust, local authorities, tourism boards and private sector organisations.

Within River Care, the 'River Care Connections' pilot has delivered encouraging results with its aim to work with a number of targeted neighbourhoods to change behaviour in domestic water use by engaging communities with their local river. The final report has been produced and plans are being developed to further progress this piece of work.

Beach Care in the South West has carried out a pilot project working with local schools to engage them with key environmental activities at their local beach. So far, 250 pupils from 7 different schools have taken part.

Water Quality Testing kits have been introduced as part of our Waterside Care project, enabling volunteer groups to monitor the quality regularly of their local watercourse.

**Waste Watch Services**

We delivered the final year of the Recycle Western Riverside campaign in the Royal Borough of Kensington & Chelsea and the London Boroughs of Hammersmith & Fulham, Lambeth and Wandsworth. The campaign including delivery of a schools programme, Our Common Place, a Zero Waste Challenge and four Feed the 1,000 events. We also delivered two additional campaigns focussed on decreasing the contamination of recycling in the region.

We started delivery of a new three year contract for the Recycle for Your Community campaign in the London boroughs of Barking & Dagenham, Havering, Newham and Redbridge. Through the campaign we spoke directly with over 100,000 residents across the region about reducing waste and increasing recycling.

Our Common Place was delivered in the Royal Borough of Kensington & Chelsea and the London boroughs of Barking & Dagenham, Hammersmith & Fulham, Lambeth, Wandsworth, Southwark and Tower Hamlets. We focused on a number of issues including increased recycling, decreasing contamination of waste, local environmental quality and community cohesion.

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Our Waste Reduction Volunteer Programmes in Cheshire and Essex continued to go from strength to strength. By the end of March 2013, over 130 volunteers had been recruited and trained to engage with their local communities to promote food waste reduction and increase home composting. We will continue the programme in Cheshire until March 2016. We worked with May Gurney on behalf of Cheshire West & Chester Council to support harmonisation of three different recycling services across the borough through an extensive programme of community engagement. By March 2013, the household waste recycling rate was in excess of 50%.

Other campaigns worked on during the year included a Love Food Hate Waste campaign, Recycle for London and the start of a two year campaign to encourage the correct recycling of waste electrical and electronic equipment (WEEE).

In February we concluded the Pathways to Independence programme, a three-year partnership project between Keep Britain Tidy and Brighton YMCA. The project helped vulnerable adults gain independence by equipping them with life skills via participation in practical and sociable courses such as bike maintenance, gardening and cooking, and explicitly linking the skills and knowledge they gained to their future aspirations and their interaction with the wider environment.

We continued to develop the UK Sustainability Network for Standardisation (UK SNS) including hosting the official launch of the network on the 12 April 2012. The UK SNS works on a range of topics including water foot printing, sustainable development in communities, end-of-life recyclability calculation for electrical and electronic equipment and on electric vehicles.

Work continued on development of the Top10 Energy Efficiency Guide, a consumer-facing website designed to showcase the most energy-efficient domestic appliances on the UK market.

The first national 'Waste less, Live more Week' was organised to coincide with the 25th anniversary of Waste Watch. This brought together over 80 private, public and third sector programmes from across the UK to host a week of over 50 events and activities which demonstrate and celebrate that what's good for the environment is good for people.

## **SUPPORTERS**

This year Keep Britain Tidy conducted a review of its supporter base, analysing for the first time those who take action on behalf of the charity as supporters either through time or financial support. We have calculated that the charity has around 100,000 supporters involved in its programmes and campaigns.

In Parliament we continued to provide the secretariat of the Local Environmental Quality All Party Parliamentary Group (APPG). The group met twice during the year and at its December meeting changed its name to the Tidy Britain APPG to better reflect the group's focus.

Our celebrity ambassador Kirstie Allsopp continued to play a key role in supporting our activities, especially online where her frequent tweets on litter help to raise the profile of Keep Britain Tidy far and wide.

In March, Keep Britain Tidy organised a series of ten supporter road shows across England to bring together people taking part in our activities. More than 270 people registered to attend and 86% of attendees completed a supporters' questionnaire which has been used to inform our supporter strategy going forward.

## **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 carrying out a number of different activities. 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 2012/13 we received active support from:

900 Blue Flag and Green Flag Award judges

500 Eco-Schools Assessors

Almost 2,000 volunteers across our RiverCare, WatersideCare and BeachCare programmes

Almost 1,300 Big Tidy Up events were registered



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The Statement of Financial Activities on page 14 reflects all incoming resources receivable in the year and shows how resources were expended in the furtherance of the Company's objectives.

Total income resources for the year amounted to £7.792m (2012: £10.014) of which £3.500m (2012: £4.000m) is the main grant from the Department for Environment, Food and Rural Affairs (DEFRA). The accounts show an overall decrease in incoming resources of £2.222m (2012 increased by £1.279m), which reflects the reduction in the Government Grant and effects of the increasingly difficult economic climate and the impact that has on many of our traditional income sources.

Total resources expended were £6.579m (2012: £9.728m), a reduction of £3.149m when compared to the prior year. This reflects the full effects of the significant cost restructuring that took place in 2011/12. There was a net positive movement in funds of £1.213m (2012: £0.286m) before adjustments relating to the pension liability.

Total fund balances, before recognising the FRS17 pension liability, amounted to £2.394m (2012: £1.292m) including the balance of the unrestricted general fund at the end of the year of £1.377m (2012 - £0.964m).

**Reserves Policy**

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

1. It has no endowment funding
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 £1.377m, excluding the deficit on the Pension Scheme which is classed as a longer term liability. Details of the Company's funds are shown in Notes 18 and 25. An analysis of the Company's net assets between the funds is given in Note 19. The Trustees consider that sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restriction imposed.

**Employees**

Following the merger with Waste Watch in 2011 and the restructuring that took place in early 2012 we are now progressing forward with a dedicated workforce which is both enthusiastic and positive about the work of Keep Britain Tidy. Waste Watch and Keep Britain Tidy had different terms and conditions of employment, and since the merger these have been reviewed and aligned.

There is a strong desire to retain a degree of flexible working and a selection of employee benefits. There is a continued commitment to forging an organisation where staff feel supported and included. Employees are kept informed via "The Weekly News" as well as through meetings, emails, and intranet and through communications from the Chief Executive. The Company supports equality of opportunity and is committed to the training and development of its employees. An individual's development is assessed by means of annual appraisals and training and development programmes are provided to meet the on-going needs of the Company, with the aim of developing employees for both their current and future roles.

**Pensions**

In addition to the current money purchase scheme the Company operated a defined benefit pension scheme until 2008. An actuarial valuation on the defined benefit scheme was last undertaken at 31 March 2013. The annually calculated notional surplus or deficit on the funding of the scheme is shown in Note 23 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. The deficit under FRS 17 reduced by £1.431m at March 2013 as a result of changes in the actuarial assumptions made. This resulted in a recognised gain of £1.320m being recorded in the company's Statement of Financial Activities net of contributions made to the scheme during the year.

**Post Balance Sheet Events and Going Concern**

In August 2013 the Trustees commissioned an independent financial review of Keep Britain Tidy. The purpose of the review was to examine the current and projected future performance of the organisation and to assist the Trustees in meeting their obligation to consider the going concern status of the organisation. Particular regard was placed on the organisation's ability to meet its obligations in respect of the deficit on the defined benefit pension scheme. The Trustees have considered the findings of this review and the revised forecasts prepared by management for the period to March 2015. They have

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considered the organisation's ability to fund its activities as Defra grant funding substantially reduces and recognise the need for the Charity to find new sources of income and funding. Defra grant funding will be £2.07m in 2013/14 and £0.5m in 2014/15. The Trustees have concluded that the forecasts that have been prepared are appropriate and that the organisation can reasonably expect to continue to fund its programmes and activities. They also believe that the charity can meet its financial obligations in respect of contributions towards the deficit on the defined benefit pension scheme as currently agreed with the pension scheme trustees. The organisation's progress with meeting its forecasts will be monitored and mitigating actions taken if necessary. The Trustees have concluded that it is appropriate to consider the organisation a going concern.

**FUTURE DEVELOPMENTS FOR 2013/14**

During 2013 Keep Britain Tidy developed a new narrative to describe our activities in a world where we will be operating without government grant, as follows:

Where we live matters. Cleaner streets, beaches and parks provide the backbone for strong communities.

How we live matters. By preserving scarce resources, wasting less, and recycling more, we create a healthier society, and a healthier planet, too.

Keep Britain Tidy campaigns to improve environmental and social equality. We are an independent charity, which fights for people's right to live and work in a place they can be proud of. A single truth underpins our success – caring for the environment is the first step to a better society.

60 years ago, we started with litter. Today we do much more. We work at the heart of business, government and the community to help people understand that what's good for the environment is also good for us.

But our future depends entirely on your support. If you care about the wellbeing of your family, and you care about the world your grandchildren will inherit, join us in taking greater responsibility. Respect for the planet begins with respect for the neighbourhood.

Love where you live. Keep Britain Tidy.

In June 2013 we agreed a two year Business Strategy and Plan. The Plan confirmed that we would pursue three core goals:

- Where we live: Better local communities and places
- How we live: Sustainable living and wellbeing
- Educating the next generation

We will continue to develop our flagship programmes – Coastal, Green Flag Awards, Eco-Schools, water Care and Our Common Place - and our business solutions and services – Keep Britain Tidy Network, Training, Environmental Management Solutions and Waste Watch Services.

Alongside this we will develop our campaigns and communications, including the Which side of the fence are you on? anti-litter campaign and will prepare for the Diamond Jubilee of the 1954 National Federation of Women's Institutes resolution which paved the way for a campaign to keep Britain tidy. We have established a new fundraising team and will be starting to build our individual supporter and volunteering base and to encourage individual giving. We will also be extending our relationships with companies through a range of corporate sponsorship packages.

During 2013/14 we will commission an independent review of our financial status and ensure that we have in place appropriate financial and IT systems for our future as an independent campaigning charity.

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## MEMBERS OF THE BOARD

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

Michael Phillips	Chair (resigned 8 December 2012)
Alastair Singleton †	
Daniel Ratchford †	
Dinah Nichols	Chair (appointed 8 December 2012)
Helen McCallum	Resigned 6 December 2012
John Chadwick *	Resigned 6 December 2012
Mathew Prosser	
Matthew Bennett *	
Nicholas Maurant*	Resigned 27 June 2012
Paul Bettison	
Peter Kent * †	
Peter Styche * †	
Sohail Husain	
Sylvia Levi *	
Stephen Gee	Appointed 4 March 2013
James Millar	Appointed 4 March 2013
Angela Smith-Morgan	Appointed 4 March 2013

\* Member of the Audit and Finance Committee

† Member of the Remuneration Committee

The Directors 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.

Senior Executive Staff:

Philip Barton	Chief Executive
Stephen Horrobin	Finance Director (resigned 21 June 2013)
Arwyn Jones	Commercial Director (resigned 16 January 2013)
Simone Spray	Business Development Director (appointed 23 June 2012)
Andrew Walker	Communications Director (appointed 29 April 2013)
Richard McIlwain	Operations Director (appointed 30 April 2013)
Nicola Josling	Fundraising Director (appointed 28 May 2013)
Andrew Tabron	Finance Director (appointed 1 August 2013)

## PROFESSIONAL ADVISORS

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

Solicitors: Trowers Hamlin LLP  
3 Burnhill Row  
London ECY1 8YZ

Bankers: HSBC Bank Plc  
21 The Grand Arcade  
Wigan WN1 1BH

KEEP BRITAIN TIDYTRUSTEES' REPORTFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**Insurance Brokers**

Griffiths & Armour Insurance  
58 Spring Gardens  
Manchester M2 1EW

**Pensions:  
Money Purchase**

Carpenter Rees Limited  
Southmoor House, Southmoor Road  
Manchester M23 9XD

**Pensions:  
Defined Benefit**

First Actuarial  
Furness Quay Salford  
Lancashire M50 3XZ

**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 during the year. We would mention specifically:

- Department of Environment, Food and Rural Affairs( Defra) for core and development funding and for LEQSE;
- Department of Communities and Local Government (CLG), TCV and Green Space for Green Flag Programme;
- Environment Agency, British Waterways, United Utilities, South West Water, Seven Trent Water and Anglian Water for support to the 'care' programmes;
- McDonalds, Wrigleys, Warrington Borough Council, Coca-Cola, Shine, Gallahers and Philip Morris International for supporting the Love Where You Live campaign, and;
- Homebase, HSBC and EDF Energy for support of Eco Schools.

**FIXED ASSETS**

The movements in fixed assets during the year are set out in note 12 to the financial statements.

**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.

Registered Office  
Elizabeth House  
The Pier  
Wigan  
WN3 4EX

ON BEHALF OF THE BOARD



Dinah.Nichols CB  
CHAIR AND TRUSTEE

Date.....4 December 2013

KEEP BRITAIN TIDYREPORT OF THE AUDITOR TOTHE MEMBERS OF KEEP BRITAIN TIDY

We have audited the financial statements of Keep Britain Tidy for the year ended 31 March 2013 on pages 14 to 30. 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 pages 3 and 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 Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

**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 2013 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 FCA BSc (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
3 Hardman Street  
Manchester M3 3HF

Date...11...December 2013

KEEP BRITAIN TIDY

Company Number 3496361

STATEMENTS OF FINANCIAL ACTIVITIESFOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>INCOMING RESOURCES</b>					
<b>Incoming Resources from Generated Funds :</b>					
Voluntary Income	2	211,000	3,500,000	3,711,000	4,153,687
Waste Watch reserves transferred on merger		-	-	-	490,095
Activities for Generating Funds	3	31,327	-	31,327	243,665
<b>Income from Charitable Activities :</b>					
Other Grants and Contributions	4	3,045,349	1,004,424	4,049,773	5,126,841
Total Incoming Resources		<u>3,287,676</u>	<u>4,504,424</u>	<u>7,792,100</u>	<u>10,014,288</u>
<b>RESOURCES EXPENDED</b>					
Costs of Generating Funds	6	63,177	-	63,177	59,524
Charitable Activities	7	2,494,498	3,815,254	6,309,752	8,721,336
Governance Costs	8b	206,163	-	206,163	280,317
Other resources expended - exceptional costs	8d	-	-	-	667,311
Total Resources Expended		<u>2,763,838</u>	<u>3,815,254</u>	<u>6,579,092</u>	<u>9,728,488</u>
Net incoming resources before other recognised gains and losses		523,838	689,170	1,213,008	285,800
<b>OTHER RECOGNISED GAINS &amp; LOSSES</b>					
Actuarial gain/(losses) on defined benefit Pension Scheme	23	1,320,000	-	1,320,000	(2,091,000)
NET MOVEMENT IN FUNDS		<u>1,843,838</u>	<u>689,170</u>	<u>2,533,008</u>	<u>(1,805,200)</u>

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

KEEP BRITAIN TIDY

Company Number 3496361

BALANCE SHEETAS AT 31<sup>ST</sup> MARCH 2013

		2013		2012	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	12		<b>56,915</b>		14,872
Investments	13		-		1
			<u><b>56,915</b></u>		<u>14,873</u>
<b>CURRENT ASSETS</b>					
Debtors and Prepayments	14	<b>1,122,894</b>		1,315,533	
Cash at Bank and In Hand	15	<b>3,079,451</b>		2,136,541	
		<u><b>4,202,345</b></u>		<u>3,452,074</u>	
<b>CURRENT LIABILITIES</b>					
Creditors amounts falling due within one year	16	<u><b>(1,663,353)</b></u>		<u>(1,917,809)</u>	
<b>NET CURRENT ASSETS</b>			<b>2,538,992</b>		1,534,265
<b>NET ASSETS</b>			<u><b>2,595,907</b></u>		<u>1,549,138</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	17		<b>(202,011)</b>		(257,250)
<b>PENSION SCHEME LIABILITY</b>	23		<b>(3,065,000)</b>		(4,496,000)
<b>NET LIABILITIES</b>			<u><b>(671,104)</b></u>		<u>(3,204,112)</u>
<b>FUNDS:</b>					
<b>RESTRICTED FUNDS</b>					
Capital Fund	18	<b>226</b>		9,073	
Defra Grant	18	<b>815,205</b>		-	
General Fund	18	<u><b>201,357</b></u>		<u>318,545</u>	
			<b>1,016,788</b>		327,618
<b>UNRESTRICTED FUNDS</b>					
Pension Reserve	25	<b>(3,065,000)</b>		(4,496,000)	
Unrestricted Funds	25	<u><b>1,377,108</b></u>		<u>964,270</u>	
			<b>(1,687,892)</b>		(3,531,730)
			<u><b>(671,104)</b></u>		<u>(3,204,112)</u>

These financial statements were approved by the directors and authorised for issue on the 4<sup>th</sup> December 2013 and signed on their behalf by:

*Dinah Nichol* DIRECTORS  
S. R. him

KEEP BRITAIN TIDY  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

		2013	2012
		£	£
	Notes		
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	27	<u>987,034</u>	<u>(413,170)</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received	3	27,463	42,260
		<u>27,463</u>	<u>42,260</u>
<b>CAPITAL EXPENDITURE</b>			
Purchase of Fixed Assets	12	(71,588)	-
		<u>(71,588)</u>	<u>-</u>
<b>ACQUISITIONS AND DISPOSALS</b>			
(Acquisition)/Disposal of investments		1	-
Cash acquired on merger with Waste Watch		-	505,703
		<u>1</u>	<u>505,703</u>
<b>INCREASE IN CASH</b>		<u>942,910</u>	<u>134,793</u>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Increase in cash in the year		942,910	134,793
Net funds at 1st April 2012		2,136,541	2,001,748
Net funds at 31st March 2013	15	<u>3,079,451</u>	<u>2,136,541</u>



**KEEP BRITAIN TIDY**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013**

**1. ACCOUNTING POLICIES**

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

**(a) Accounting Convention:**

The financial statements, which have been prepared under the historical cost convention, are in accordance with applicable accounting standards, the provisions of the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued by the Charity Commission in March 2005 and the 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
Motor Vehicles	- 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 the Keep Britain Tidy Network which relates to network membership. The membership entitles the subscriber 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 obligations arising in relation 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 Waste Watch Services Limited (a dormant company now dissolved) were subsidiaries of Keep Britain Tidy during the period. The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption provided by section 19.1(a) of the Charities (Accounts and Reports) Regulations 2008 and section 405 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that all the company's subsidiaries should be excluded from consolidation as they are immaterial for the 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.

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013****(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 31<sup>st</sup> 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 23 for further disclosures.

**Defined contribution scheme**

This was operated from 1<sup>st</sup> 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 in the current financial year were made to schools in support of the Eco Schools programme.

**(m) Provision**

The provision covers remedial works for the Head Office and provides what we consider a best estimate for potential work to the roof and windows, and re-instatement of internal fixtures and fittings. The provision also includes the cost of an onerous lease in respect of the second floor of the main premises until an opportunity to break the lease commitment in July 2013.

**(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, and the results of an independent financial review, they have concluded that the preparation of these financial statements on the going concern basis is appropriate (see the Post Balance Sheet Events section of the report of the Trustees on pages 9 and 10 of these accounts).

**2. VOLUNTARY INCOME**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Main Government Grant	-	3,500,000	3,500,000	3,997,677
Benefits in Kind:				
Donated Services	211,000	-	211,000	156,010
Waste Watch reserves transferred on merger	-	-	-	490,095
	<b>211,000</b>	<b>3,500,000</b>	<b>3,711,000</b>	<b>4,643,782</b>

**3. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Administration and service charges	-	-	-	11,590
Subsidiary Company charges	3,000	-	3,000	109,421
Gift Aid Receivable from a subsidiary undertaking	864	-	864	80,394
Bank Deposit Interest	27,463	-	27,463	42,260
	<b>31,327</b>	<b>-</b>	<b>31,327</b>	<b>243,665</b>

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013****4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Keep Britain Tidy Network</b>				
Local Authorities	306,193	-	306,193	389,785
Other	122,933	-	122,933	1,000
	<u>429,126</u>	<u>-</u>	<u>429,126</u>	<u>390,785</u>
<b>Environmental Surveys and Reports</b>				
Government/ Govt. Agencies	-	-	-	41,364
Local Authorities	249,152	-	249,152	616,099
Other	32,487	-	32,487	5,895
	<u>281,639</u>	<u>-</u>	<u>281,639</u>	<u>663,358</u>
<b>Training and Education</b>				
Local Authorities	-	47,025	47,025	177,230
Other	27,445	232,606	260,051	261,651
	<u>27,445</u>	<u>279,631</u>	<u>307,076</u>	<u>438,881</u>
<b>Coastal Programmes</b>				
Government/ Govt. Agencies	1,218	110,500	111,718	-
Other	605	249,340	249,945	440,020
	<u>1,823</u>	<u>359,840</u>	<u>361,663</u>	<u>440,020</u>
<b>Green Flag Programme</b>				
Government/ Govt. Agencies	564,444	-	564,444	1,166,047
Local Authorities	66,132	-	66,132	1,062
	<u>630,576</u>	<u>-</u>	<u>630,576</u>	<u>1,167,109</u>
<b>Campaigns and Marketing</b>				
Government/ Govt. Agencies	-	-	-	-
Local Authorities	1,165	20,000	21,165	9,192
Other	14,181	296,707	310,888	616,055
	<u>15,346</u>	<u>316,707</u>	<u>332,053</u>	<u>625,247</u>
<b>Waste Watch</b>				
Government/ Govt. Agencies	79,046	-	79,046	277,448
Local Authorities	601,065	-	601,065	444,978
Other	969,232	48,246	1,017,478	677,669
	<u>1,649,343</u>	<u>48,246</u>	<u>1,697,589</u>	<u>1,400,095</u>
<b>Other</b>				
Other	10,051	-	10,051	1,346
	<u>10,051</u>	<u>-</u>	<u>10,051</u>	<u>1,346</u>
<b>TOTAL</b>	<u>3,045,349</u>	<u>1,004,424</u>	<u>4,049,773</u>	<u>5,126,841</u>

**5. DEFERRED INCOME**

Income in advance brought forward	791,537	-	791,537	853,216
Income in advance carried forward	(560,128)	(205,614)	(765,742)	(791,537)
Movement in Deferred Income	<u>231,409</u>	<u>(205,614)</u>	<u>25,795</u>	<u>61,679</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 31<sup>st</sup> MARCH 2013

	Direct Costs £	Support Costs £	Total 2013 £	Total 2012 £
<b>6. COSTS OF GENERATING FUNDS</b>				
Fundraising costs	63,177	-	63,177	59,524
<b>7. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES</b>				
Keep Britain Tidy Network	332,166	135,681	467,847	840,508
Environmental surveys and reports	560,326	228,875	789,201	1,192,134
Training and education	521,548	213,036	734,584	1,238,680
Coastal Programmes	451,599	184,464	636,063	421,383
Green Flag Programme	516,911	211,141	728,052	1,305,488
Campaigns and marketing	670,624	273,929	944,553	2,669,749
Waste Watch	1,426,694	582,758	2,009,452	1,053,394
	<u>4,479,868</u>	<u>1,829,884</u>	<u>6,309,752</u>	<u>8,721,336</u>

In 2012/13 grant payments of £2,550 were paid to a number of schools in support of the Eco Schools programme and these costs are included in Training and education above.

	Direct Costs £	Support Costs £	Total 2013 £	Total 2012 £
<b>8. ANALYSIS OF COSTS</b>				
<b>(a) GOVERNANCE COSTS</b>	53,614	152,549	206,163	280,317
<b>(b) ANALYSIS OF GOVERNANCE COSTS</b>				
External audit fees			38,295	20,400
Internal audit fees			-	-
Other professional fees expenses			684	81,636
Trustees' meetings, expenses and insurance			14,635	4,554
Apportionment of support costs			152,549	173,727
			<u>206,163</u>	<u>280,317</u>

	Chief Executive £	Establish- ment £	Finance & Admin £	ICT £	HR £	2013 Total £	2012 Total £
<b>(c) ANALYSIS OF SUPPORT COSTS</b>							
<u>Cost of Generating Funds</u>							
Fundraising	-	-	-	-	-	-	35,746
<u>Charitable Activities</u>							
Keep Britain Tidy Network	5,823	10,358	98,375	17,539	3,586	135,681	137,255
Environmental surveys and reports	9,821	17,473	165,947	29,585	6,049	228,875	345,942
Training and education	9,141	16,263	154,463	27,538	5,631	213,036	344,653
Coastal Programmes	7,916	14,083	133,746	23,844	4,875	184,464	121,461
Green Flag Programme	9,060	16,119	153,089	27,293	5,580	211,141	203,448
Campaigns and marketing	11,754	20,913	198,613	35,409	7,240	273,929	450,876
Waste Watch	25,006	44,490	422,531	75,330	15,401	582,758	57,420
	<u>78,521</u>	<u>139,699</u>	<u>1,326,764</u>	<u>236,538</u>	<u>48,362</u>	<u>1,829,884</u>	<u>1,661,055</u>
<u>Governance Costs</u>							
Governance	107,255	-	45,294	-	-	152,549	173,727
	<u>185,776</u>	<u>139,699</u>	<u>1,372,058</u>	<u>236,538</u>	<u>48,362</u>	<u>1,982,433</u>	<u>1,870,528</u>

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

	Total 2013 £	Total 2012 £
<b>(d) EXCEPTIONAL COSTS</b>		
Reorganisation costs and redundancies	-	667,311

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013****9. NET MOVEMENT IN FUNDS**

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

	2013 £	2012 £
Depreciation of fixed assets		
- owned by the company	29,545	21,266
Auditor's remuneration		
- audit fee current year	21,100	20,400
- audit fee underaccrued from prior year	17,195	
- non audit services	-	-
Operating lease rentals : Land & Buildings	95,784	112,595
Other	18,133	18,316

**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 :-

	2013 £	2012 £
Staff Costs	2,801,798	3,739,616
National Insurance Contributions	276,976	399,957
Pension Contributions (Group Personal Plan)	111,523	255,232
Agency	129,103	35,388
	3,319,400	4,430,193
Benefits	31,243	56,400
	3,350,643	4,486,593

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

	2013	2012
Cleaner Safer Greener Network	-	8
Environmental surveys and reports	50	53
Training and education	17	20
Coastal programmes	9	8
Green Flag Programme	2	6
Campaigns and marketing	5	15
Waste Watch	38	32
Other	1	1
	122	143

45 (2012 - 97) employees were accruing benefits under the Group Personal Pension Plan

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

	2013	2012
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**11. STAFF COSTS (continued)**

The total pension contributions in the year for these higher paid staff were £21,572 (2012 - £27,533)

4 (2012 - 5) higher paid staff are accruing benefits under the Group Personal Pension Plan and 1 (2012 - 2) higher paid staff are accruing benefits under the Defined Benefit Scheme.

**12. TANGIBLE FIXED ASSETS**

	Office And Computer Equipment £	Office Furniture Fixtures And Fittings £	Motor Vehicles £	Total £
<b>Cost at 1st April 2012</b>	<b>498,847</b>	<b>64,829</b>	<b>-</b>	<b>563,676</b>
Additions during the year	68,593	-	2,995	71,588
Disposals during year	-	-	-	-
<b>Cost at 31st March 2013</b>	<b>567,440</b>	<b>64,829</b>	<b>2,995</b>	<b>635,264</b>
<b>Accumulated Depreciation</b>				
<b>at 1st April 2012</b>	<b>498,847</b>	<b>49,957</b>	<b>-</b>	<b>548,804</b>
Charge for the year	22,864	6,082	599	29,545
Disposals during year	-	-	-	-
<b>Depreciation at 31st March 2013</b>	<b>521,711</b>	<b>56,039</b>	<b>599</b>	<b>578,349</b>
<b>Net Book Value at 31st March 2013</b>	<b>45,729</b>	<b>8,790</b>	<b>2,396</b>	<b>56,915</b>
Net Book Value at 31st March 2012	-	14,872	-	14,872

**13. INVESTMENTS**

	2013 £	2012 £
At 1st April 2012	1	-
Acquired on merger with Waste Watch	-	1
Written off in the year	(1)	-
At 31st March 2013	-	1

The cost of investments in subsidiary undertakings represented 100% of the ordinary share capital of Waste Watch Services Limited acquired through the merger with Waste Watch. The company was dissolved in April 2013.

**14. DEBTORS AND PREPAYMENTS**

	2013 £	2012 £
Trade Debtors	942,780	936,774
Subsidiary Company	133,696	189,813
Prepayments	46,418	188,946
	<b>1,122,894</b>	<b>1,315,533</b>

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>15. CASH AT BANK AND IN HAND</b>		
Cash at Bank	<b>3,078,703</b>	2,133,122
Cash in Hand	<b>748</b>	3,419
	<b><u>3,079,451</u></b>	<b><u>2,136,541</u></b>
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>16. CREDITORS - Amounts falling due within one year</b>		
Deferred Income (Note 5)	<b>765,742</b>	791,537
Trade Creditors	<b>320,614</b>	346,723
Social Security and Other Taxes	<b>292,722</b>	328,039
Accruals	<b>284,275</b>	451,510
	<b><u>1,663,353</u></b>	<b><u>1,917,809</u></b>
<b>17. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
	<b>2013</b>	
	<b>Dilapidations</b>	<b>Onerous Lease</b>
	<b>£</b>	<b>£</b>
Balance Brought forward at 1st April 2012	<b>178,500</b>	<b>78,750</b>
Amount provided in the year	-	-
Utilised during the year	-	<b>(55,239)</b>
Balance carried forward at 31st March 2013	<b><u>178,500</u></b>	<b><u>23,511</u></b>
		<b><u>202,011</u></b>

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 majority of repairs to be by the end of 2013.

An amount of £55,239 was utilised in the year (2012: £51,623) in respect of the costs of the onerous lease up to the break clause in July 2013.

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**18. RESTRICTED FUNDS**

	<b>1st April 2012 £</b>	<b>Incoming £</b>	<b>Outgoing £</b>	<b>31st March 2013 £</b>
<b>Main Government Grant</b>	-	<b>3,500,000</b>	<b>2,684,795</b>	<b>815,205</b>
<b>General Funds:-</b>				
<b>Training and Education</b>				
Eco Schools - EDF	3,015	141,500	140,515	4,000
Eco Schools - HSBC	-	34,166	34,166	-
Eco Schools - Homebase	-	56,940	54,538	2,402
Eco Schools - Lincolnshire Contract	-	47,025	47,025	-
Eco Schools - Shop	205	-	205	-
	<b>3,220</b>	<b>279,631</b>	<b>276,449</b>	<b>6,402</b>
<b>Coastal Programmes</b>				
Coastal	118,318	(660)	117,658	-
Beach Care	3,474	50,000	53,474	-
Beach Care North West	51,021	27,500	43,543	34,978
Rivercare	115,290	150,000	184,066	81,224
Watercare	5,108	133,000	129,594	8,514
	<b>293,211</b>	<b>359,840</b>	<b>528,335</b>	<b>124,716</b>
<b>Waste Watch</b>				
UK Sustainability Network	-	48,246	13,509	34,737
	-	48,246	13,509	34,737
<b>Campaigns</b>				
GUM	22,114	12,882	19,918	15,078
LoveWhere You Live	-	266,492	246,068	20,424
London 2012 Olympics	-	37,333	37,333	-
	<b>22,114</b>	<b>316,707</b>	<b>303,319</b>	<b>35,502</b>
<b>Total General Funds</b>	<b>318,545</b>	<b>1,004,424</b>	<b>1,121,612</b>	<b>201,357</b>
<b>Capital Fund:-</b>				
Fixed Assets	9,073	-	8,847	226
<b>Total</b>	<b>327,618</b>	<b>4,504,424</b>	<b>3,815,254</b>	<b>1,016,788</b>

The above categories contain the following restricted funds:-

The grant funding from Defra is given to support Keep Britain Tidy's local environmental quality activities. Following the merger with Waste Watch in 2011 those activities supported by the grant are now considered to be more limited than the charity's full range of programmes. For this reason the funding received in the current year has been classified as restricted.

Training & Education: consists of funds for the Eco Schools programme in addition to the funding received from EDF Energy, Homebase and HSBC, funding was received from Lincolnshire County Council.

Coastal Programmes funding was received from South West Water (BeachCare), United Utilities & the Environment Agency (BeachCare North West), Anglian Water (RiverCare) and Severn Trent Water & the Environment Agency (RiverCare).

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



**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

Gum Action Group fund which received funding from Kraft Foods.

'Love Where You Live' campaign funding was received from Warrington Borough Council, Philip Morris International McDonalds, Shine, Wrigleys, Coca Cola and Gallahers.

The London 2012 Changing Places Programme 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 3-12.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Total £</b>
Restricted Funds	226	1,016,562	1,016,788
Unrestricted Funds -General	-	(1,687,892)	(1,687,892)
	<b>226</b>	<b>(671,330)</b>	<b>(671,104)</b>

**20. CONTINGENT LIABILITIES**

There were no known contingent liabilities at 31st March 2013 (2012-£nil).

**21. CAPITAL COMMITMENTS**

Capital Commitments authorised and contracted at 31st March 2013 amounted to £nil (2012-£nil).

**22. INDEMNITY INSURANCE**

The Trustees and Officers of the Company are indemnified out of the assets of the Company against any liability incurred in that capacity in defending any proceedings in which judgement is given in favour or in which there is an acquittal or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

The annual premium which covers the Company is £7,632 (2012 - £4,770) which also included cover for former associated companies.

**23. PENSION COSTS**

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

In addition, the Company operated a staff contributory pension scheme providing benefits for each complete year of pensionable service up to 31<sup>st</sup> 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 administrated 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 31<sup>st</sup> March 2004. Commencing 1<sup>st</sup> 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 31<sup>st</sup> July 2008 so that all members' benefits are now paid up. The pension charge for the year to 31<sup>st</sup> March 2013 was £Nil (2012 - £Nil) as detailed in Note 11.

A formal actuarial valuation was carried out at 31 March 2013. The pension deficit as at 31<sup>st</sup> March 2013 is £3.065m 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. The Company is the principal employer and paid approximately £186,000 to reduce the deficit this year. Keep Britain Tidy will pay approximately £190,000 next year.

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**

The major assumptions used by the actuary were as follows:

**Mortality assumptions:**

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

Men 21.0 years (2012 – 22.0 years)

Women 24.0 years (2012 – 24.0 years)

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

Men 23.0 years (2012 – 25.0 years)

Women 26.0 years (2012 – 26.3 years)

	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
Rate of increase in salaries	n/a	n/a	n/a	n/a	n/a
Rate of increase in pensions in payment	1.85% post April 2005, 2.35% April 2004 to March 2005, 3.30% for other service	2.00% post April 2005, 2.50% April 2004 to March 2005, 3.40% for other service	2.00% post April 2005, 2.90% April 2004 to March 2005, 3.65% for other service	2.45% post April 2005, 3.60% April 2004 to March 2005, 3.75% for other service	2.35% post April 2005, 3.25% April 2004 to March 2005, 3.50% for other service
Rate of increase in inflation linked deferred pensions	2.40%	2.60%	3.00%	3.65%	3.25%
Discount rate	4.70%	4.60%	5.50%	5.50%	6.70%
Inflation assumptions (CPI)	2.40%	2.60%	3.00%	3.65%	3.25%

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

	<b>31-Mar-13</b>	<b>31-Mar-12</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>31-Mar-09</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Value</b>					
Equities	5,962,000	5,038,000	5,132,000	4,693,000	3,025,000
Bonds	2,418,000	2,669,000	2,725,000	2,794,000	2,374,000
Cash	314,000	60,000	63,000	34,000	378,000
Total Market value of assets	8,694,000	7,767,000	7,920,000	7,521,000	5,777,000
Present value of scheme liabilities	11,769,000	12,263,000	10,445,000	11,310,000	8,036,000
Surplus / (Deficit) in the Scheme	(3,065,000)	(4,496,000)	(2,525,000)	(3,789,000)	(2,259,000)

**Long term expected rate of return**

Equities	6.55%	6.85%	7.10%	7.30%	6.75%
Bonds	3.69%	3.30%	5.00%	5.00%	5.75%
Cash	0.50%	0.50%	0.50%	0.50%	0.50%

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 4% 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 FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013

	2013 £	2012 £
<b>Analysis of the amount charged to Net Outgoing resources</b>		
Current service cost	-	-
Settlements and Curtailments	-	-
Past service cost	-	-
Total operating charge	<u>-</u>	<u>-</u>

**Analysis of the amount credited / (charged) to the statement of financial activities (SOFA)**

Expected return on pension scheme assets	432,000	491,000
Interest on pension scheme liabilities	(557,000)	(560,000)
Net (Interest)/return	<u>(125,000)</u>	<u>(69,000)</u>

**Analysis of amount recognised in statement of financial activities (SOFA)**

Actual return less expected return on pension scheme assets	557,000	(309,000)
Experience gains and losses arising on the scheme liabilities	(185,000)	(100,000)
Changes in assumptions underlying the present value of scheme liabilities	948,000	(1,682,000)
Actuarial (loss)/ gain recognised in the SOFA	<u>1,320,000</u>	<u>(2,091,000)</u>

**Movement in surplus/(deficit) during the year**

(Deficit) in scheme at beginning of the year	(4,496,000)	(2,525,000)
Movement in the year:		
Current service cost	-	-
Contributions	236,000	189,000
Past service costs	-	-
Settlements and Curtailments	-	-
Net finance income	(125,000)	(69,000)
Actuarial gain/(loss)	1,320,000	(2,091,000)
(Deficit) in scheme at end of the year	<u>(3,065,000)</u>	<u>(4,496,000)</u>

From 1<sup>st</sup> August 2008 when the final benefit scheme was closed to further accrual all members were entitled to inflation linked deferred pensions and the link to salary was lost. The £125k (2012: £69k) net interest is included in the Statement of Financial Activities under charitable activities.

	31-Mar-13 £	31-Mar-12 £	31-Mar-11 £	31-Mar-10 £	31-Mar-09 £
Difference between the expected and actual return on scheme assets	557,000	(309,000)	114,000	1,392,000	(1,791,000)
Experience of gains and (losses) on scheme liabilities	(185,000)	(100,000)	144,000	184,000	(64,000)
Total amount recognised in SOFA	1,320,000	(2,091,000)	1,225,000	(1,546,000)	(1,952,000)

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013**24. TRUSTEES' REMUNERATION AND EXPENSES**

The directors of the company are the trustees under Charity Law and received no remuneration

Reimbursement for travel and other costs in attending meetings was paid to 10 trustees and amounted to £11,701 (2012 - £3,069).

**25. UNRESTRICTED FUNDS**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Balance of general fund at 1 April 2012	<b>(3,531,730)</b>	(1,578,517)
Retained unrestricted surplus for the financial year	<b>523,838</b>	137,787
Actuarial Gain/(Loss) on pension liability	<b>1,320,000</b>	(2,091,000)
Balance of general fund at 31 March	<b><u>(1,687,892)</u></b>	<b><u>(3,531,730)</u></b>

**26. OTHER COMMITMENTS - Operating Leases****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.

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Land and Buildings:		
Within one year	<b>48,476</b>	-
Two to five years	<b>56,453</b>	150,830
More than five years	-	-
	<b><u>104,929</u></b>	<b><u>150,830</u></b>
Other:		
Within one year	-	13,544
Two to five years	<b>11,230</b>	4,772
	<b><u>11,230</u></b>	<b><u>18,316</u></b>

**KEEP BRITAIN TIDY****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013****27. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES**

	<b>2013</b>	2012
	<b>£</b>	<b>£</b>
Net incoming resources before other recognised gains and losses	<b>1,213,008</b>	285,800
Increase in funds due to merger with Waste Watch	-	(490,095)
Bank interest receivable	<b>(27,463)</b>	(42,260)
Depreciation Charges	<b>29,545</b>	21,266
(Increase) / Decrease in Debtors	<b>192,639</b>	137,611
(Decrease) / Increase in Creditors	<b>(254,456)</b>	(284,369)
Defined benefit pension contributions paid less net finance income	<b>(111,000)</b>	(120,000)
(Decrease) / Increase in Provisions	<b>(55,239)</b>	78,877
Net Cash Inflow / (Outflow) from Operating Activities	<b><u>987,034</u></b>	<b><u>(413,170)</u></b>

**28. SUBSIDIARY COMPANIES**

Tidy Britain Enterprises and Waste Watch Services Limited were subsidiary companies of the company.

Tidy Britain Enterprises ceased trading a number of years ago and an application to voluntarily strike off the company was made in August 2011. The company was formally dissolved on 27 December 2011.

Waste Watch Services limited ceased trading following the merger of Waste Watch and Keep Britain Tidy in 2011. An application to voluntarily strike off Waste Watch Services Limited was made in January 2013 and the company was formally dissolved on 30 April 2013.

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

ENCAMS Enterprises Limited traded during the year and sold advertising and exhibition space for the Company, received rent from a third party for the subletting of office space and collected commission on commercial agreements. The Company provided staff on secondment to enable ENCAMS Enterprises Limited to carry out its activities. ENCAMS Enterprises transferred by Gift Aid all profits from its activities to Keep Britain tidy. 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 results of ENCAMS Enterprises Limited for the year ended 31<sup>st</sup> March 2013 were as follows:-

KEEP BRITAIN TIDYNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>st</sup> MARCH 2013

	2013 £	2012 £
<b>TURNOVER</b>	<b>114,826</b>	<b>196,719</b>
<b>COST OF SALES</b>	<b>(55,066)</b>	<b>(66,325)</b>
<b>GROSS PROFIT</b>	<b>59,760</b>	<b>130,394</b>
<b>ADMINISTRATIVE EXPENSES</b>	<b>(58,896)</b>	<b>(50,000)</b>
<b>OPERATING PROFIT /(LOSS)</b>	<b>864</b>	<b>80,394</b>
<b>INTEREST RECEIVABLE</b>		-
<b>PROFIT BEFORE TAX</b>	<b>864</b>	<b>80,394</b>
<b>TAXATION</b>	-	-
<b>PROFIT AFTER TAX</b>	<b>864</b>	<b>80,394</b>
<b>BALANCE BROUGHT FORWARD</b>	-	-
<b>GIFT AID</b>	<b>(864)</b>	<b>(80,394)</b>
<b>BALANCE CARRIED FORWARD</b>	-	-
 <b>CURRENT ASSETS</b>	 <b>142,725</b>	 <b>204,182</b>
<b>CURRENT LIABILITIES</b>	<b>(142,725)</b>	<b>(204,182)</b>

**29. RELATED PARTY TRANSACTIONS**

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

	2013 £	2012 £
Staff and other costs charged	132,832	109,420
Gift Aid receivable	864	80,393
Due from ENCAMS Enterprises Limited (Note 14)	<u>133,696</u>	<u>189,813</u>