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**CHARITY TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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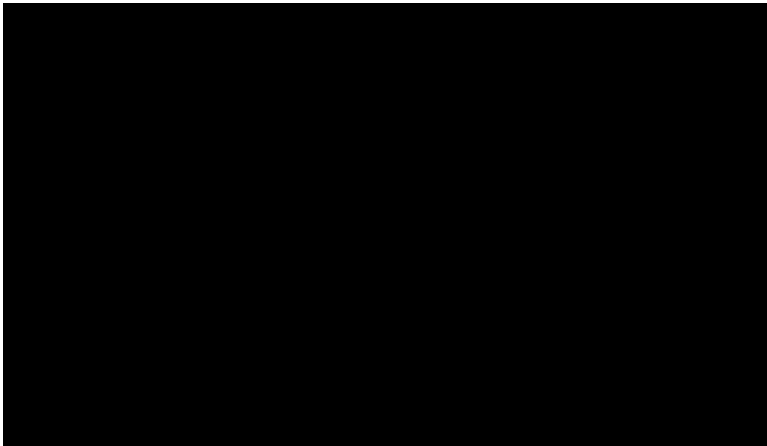
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS CHARITY TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Charity Trustees**



**Charity registered number**

SC030332

**Principal office**

First Floor  
Glendevon House  
The Castle Business Park  
Stirling  
FK9 4TZ

**Honorary Fellows**



**Secretary**



**Executive Team**



**Independent auditor**

French Duncan LLP  
Statutory Auditors & Chartered Accountants  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
FK7 7WT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS CHARITY TRUSTEES AND  
ADVISERS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Bankers**

Bank of Scotland  
63 High Street  
Dunblane  
FK15 0EJ

Virgin Money  
Jubilee House  
Gosforth  
Newcastle Upon Tyne  
NE3 4PL

**Solicitors**

Thomas McFarlane  
Suites 4 & 5  
13 Main Street  
Milngavie  
Glasgow  
G62 6BJ

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### CHARITY TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The Charity Trustees present their annual report together with the audited financial statements of Keep Scotland Beautiful (the 'charity') for the year ended 31 March 2021. The Charity Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### Objectives and activities

##### ● PURPOSE

Our purposes, as contained in our Constitution are:

To protect, conserve and enhance the environmental sustainability of Scotland and elsewhere for local people, communities, visitors and general public benefit. To inspire, inform, engage and educate people about the natural, built and cultural environment, promoting awareness of the ways in which it is at risk and how they can act to minimise this.

To make use of the opportunities presented by the natural, built and cultural environment, and associated heritage, to create opportunities to advance education, promote health, provide recreation, and further citizenship and community development.

##### ● AIM

Our aims as defined in our 'Vision Statement' are as follows:

A clean, green, sustainable Scotland.

We seek to achieve our aims through our 'Mission Statement' as follows:

Keep Scotland Beautiful is the charity that aims to change behaviour to improve the environment, the quality of people's lives, their well-being and the places that they care for.

Our aims are derived from our purposes and our Charity Trustees have set the vision and mission statements and strategic objectives and are clear that working towards or achieving these will further our purposes and provide universal public benefit.

Our strategies for achieving our aims are through our four strategic objectives as follows:

- Combat climate change: Scotland achieves its net zero ambition
- Protect and enhance places: Scotland's places and their heritage are restored
- Reduce litter and waste: Scotland is litter free and has a circular economy
- Develop an effective organisation: Our charity has the capacity to lead change

Under our four strategic objectives, there are a range of measurable outcomes, some long-term, others shorter-term. The successful completion of the shorter-term outcomes contributes to working towards our long-term outcomes and further the achievement of our charitable purpose. The criteria or measures we use to assess success of the outcomes are linked to our four strategic objectives and the Scottish Government's National Performance Framework and United Nations Sustainable Development Goals. Our annual review and associated information reports against these objectives.

We carry out an annual consultation and data gathering exercise to assess how successful and effective we have been in achieving our vision, mission, strategic objectives and outcomes. Consultation is undertaken by way of a detailed questionnaire sent to key stakeholders across the following groups: partners; service users;

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Objectives and activities (continued)

employees and volunteers. We ask them to assess how we have performed against our stated vision, mission, strategic objectives and outcomes. Additionally, we gather data and collate case studies. Both these approaches gather qualitative and quantitative data. We undertake an internal assessment of our progress using our own self-improvement framework and use the European Framework for Quality Management (EFQM).

We have included examples of our achievements against these criteria or measures, linked to our four strategic objectives, within the Achievements and Performance section of the Strategic Report.

The main or significant charitable activities undertaken by us during 2020/2021 were:

- Beautiful Scotland
- Canal College®
- Canal Cultural Heritage
- Clean Up Scotland
- Climate Challenge Fund
- Climate Ready Classrooms
- Eco-Schools Scotland
- Environmental Audits, Assessments and Training
  - Climate Emergency Training
  - Bespoke Audits and Assessments
  - Environmental Housing Assessments
  - LEAMS
  - National Award for Environmental Excellence®
  - Local Environmental Quality Training
- Green Flag award for parks and open spaces
- It's Your Neighbourhood
- My Beach, Your Beach
- Scotland's Beach Awards
- Upstream Battle®
- Wrigley's Litter Less
- Young Reporters Scotland

More details regarding our main or significant charitable activities are included in the Achievements and Performance section of the Strategic Report.

Social Investment does not form a material part of our investment activities.

#### • GRANT MAKING POLICIES

We have certain grant-making activities which have been authorised by our Charity Trustees. These are:

- Grants may be made to authorised recipients of grants from the Climate Challenge Fund and Community Climate Asset Fund.
- Grants may be made to community groups, councils and individuals to tackle litter and fly-tipping
- Grants may be made to community groups and other organisations for environmental initiatives.
- Grants may be made to schools in conjunction with the Wrigley Litter Less Campaign.

The charity has robust and comprehensive procedures and systems for the processing, assessing and approval of grant applications and for the authorisation and payment of grant funds.

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Objectives and activities (continued)

##### ● USE OF VOLUNTEERS

Our Charity Trustees gratefully acknowledge the contribution made by Charity Trustees, its employees and the many volunteers who provide outstanding and vital support across Scotland for our work as a charity. Examples include: the volunteers who undertake clean-ups at a local level as part of the Clean up Scotland programme; volunteers who serve on the charity's various advisory groups and volunteers from the communities throughout Scotland who participate in the Beautiful Scotland, It's Your Neighbourhood, Scotland's Beach Award and the Green Flag Award for parks and open spaces programmes, in particular those who give generously of their time as judges or assessors.

#### Strategic report

#### Achievements and performance

##### ● POLICY

We support the ambitions of the United Nations Sustainable Development Goals, or Global Goals.

In aligning our work to the Global Goals, we have a clear view on how we contribute to, support, and promote understanding of, and engagement with, sustainable development. We are committed to evidencing and demonstrating how our activities contribute to the Global Goals.

Across our own activities we have identified where we have the biggest potential to contribute to the 17 Global Goals and their 169 targets. We have identified eight key goals that we can strongly evidence contribution to.

The vision of the Global Goals international action plan is to set out a positive vision for the future - to tackle poverty and inequality and promote sustainable development across the world. There are 17 Global Goals which form the basis of a global partnership for sustainable development.

As a member of the Foundation for Environmental Education we continued to lead internationally by fully embedding the United Nations' Sustainable Development Goals into the Eco-Schools Scotland award criteria.

We continued to develop and build on our work to shape and influence legislation, policy and practice. We promoted and supported action across the public, private and voluntary sectors on local, national and global sustainability issues.

We submitted responses to 12 consultations and two formal submissions including on proposals to introduce market restrictions on single-use plastic items in Scotland, the Cleaner Air for Scotland consultation and the National Planning Framework Position Statement.

As part of the SDG Scotland Network's Steering Group, with Catherine Gee holding the position of Vice-Chair, we have continued to build awareness of the Goals across Scottish society. We teamed up with over 70 other organisations across Scotland as part of the SDG Network Scotland to write an open letter to Scotland's First Minister and other Party Leaders in Scotland asking them to bring forward a Wellbeing and Sustainable Development (Scotland) Bill during the next Parliament.

We continue to be full members of Scottish Environment LINK, enabling us to combine our talents and expertise with that of partners across the environment sector in Scotland to advocate for ambitious action on a variety of issues, including circular economy.

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

We published our report 'Time for a new approach to tackling litter', shining a spotlight on recent trends regarding Scotland's local environmental quality and setting out our proposals as to how the decline in the condition of our communities can be reversed.

We partnered with the Scottish Government and Zero Waste Scotland to host the Scottish Litter Summit to reinvigorate a collaborative approach to tackling the nation's litter emergency and levels of dog fouling and graffiti.

Five motions were raised by MSPs in the Scottish Parliament in support of our work.

#### ● AUDITS, ASSESSMENTS AND AWARDS

##### Environmental Housing Assessments

Linked to the National Award for Environmental Excellence®, the housing standards assessments are aimed at social housing providers throughout the country, providing a clear and consistent approach to environmental standards within housing stock. The assessments are carried out by our staff who measure and provide advice and recommendations for improvements across five different elements including internal and external management, waste management, environmental policies and community activity. In 2020/21, our housing assessment work had to stop temporarily due to COVID restrictions.

*This activity contributes towards Global Goal 12, Target 12.6.*

##### Green Flag Award for parks and open spaces

The Green Flag Award scheme is the benchmark national standard for parks and green spaces in the UK. We currently oversee the delivery of the scheme in Scotland as part of a UK wide partnership led by Keep Britain Tidy.

The scheme was launched in 1996 to recognise the best green spaces in the UK. The first flags were raised in 1997 and the scheme continues to provide the benchmark against which parks and green spaces are measured.

Parks are assessed by volunteer judges with a background in parks management, conservation or ecology. In the 2020/21 period there were 60 Green Flag judges who were all trained and supported by us.

The Green Flag Award is presented annually, during Love Parks Week in July, and is valid year-round. Applicants are judged against testing criteria which include assessing whether the park or green space is welcoming, safe, well maintained and secure. In the autumn of 2020, we awarded 77 parks and green spaces with the Green Flag Award across 16 local authority areas. We also promote the People's Choice vote where members of the public vote for their favourite award park – Strathaven Park in South Lanarkshire was the Scottish winner again in 2020 and featured in the UK's top ten for the fifth year running.

*This activity contributes towards Global Goal 11, Target 11.7.*



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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### LEAMS

We co-ordinate local authority audits and carry out validation audits using the Local Environmental Audit Management System (LEAMS) to provide a robust overview and a dataset using more than 10,000 data points from across Scotland. We provide training, events, and support to local authorities. We also compile the data which provides the basis of the information on street cleanliness and local environmental quality which is reported by local authorities across Scotland through the Local Government Benchmarking Framework.

*This activity contributes towards Global Goal 11, Target 11.7.*

#### Litter Monitoring System (LMS) transition in partnership with Zero Waste Scotland

We have been working in partnership with Zero Waste Scotland in developing the Litter Monitoring System (LMS). LMS was designed to facilitate data capture, display and analysis on litter and flytipping and we have worked with local authorities to trial the system and make adjustments so it can be used as a useful management tool, as well as allow a transition from LEAMS to LMS as a national monitoring programme.

*This activity contributes towards Global Goal 11, Target 11.7 and Global Goal 17, Target 17.17.*

#### National Award for Environmental Excellence®

National Award for Environmental Excellence® provides an independent audit, assessment and accreditation process as part of an organisation's journey to improving local environmental quality.

It provides a standardised method to assess and benchmark environmental achievement and improvements whilst giving clear insights into the impact on local environmental quality and the role of the organisation within its local community. It sets the foundation for an effective and robust organisation-wide environmental management system.

National Award for Environmental Excellence® is presented following independent validation audits by one of our local environmental quality experts. The score given for the audits will then determine the level of environmental excellence achieved – bronze, silver or gold. Each organisation is provided with a detailed report on recommendations for improvements to help the organisation on the journey towards a gold accreditation.

Through our awards and audits activity, over 60 individual business locations across Scotland have been accredited with our National Award for Environmental Excellence®, including SP Energy Networks and Scotmid. In 2020/21 no organisations received our National Award for Environmental Excellence® due to the Covid-19 pandemic.

*This activity contributes towards Global Goal 12, Target 12.6.*

#### Inclusion of carbon within National Award for Environmental Excellence®

As we move towards a net-zero nation, we have developed our National Award for Environmental Excellence® to include carbon management, supporting businesses and organisations to achieve the ambitious carbon reduction goals. This update includes new criteria around measurement, targets and action on emissions, as well as training and resources. The updated award is in its pilot and review stage, and we will welcome new applicants in late 2021.

*This activity contributes towards Global Goal 13, Target 13.3.*

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### Partnership with Wheatley Group

We continued our partnership with Wheatley Group, despite activities being restricted as a result of the pandemic, in 2020-21 we worked in 17 local housing areas, assessing 43 multi-storey buildings and 140 tenements.

*This activity contributes towards Global Goal 12, Target 12.6.*

##### Scotland's Beach Award

Scotland's Beach Awards are the benchmark for quality beaches which are well managed and enjoyed by people across Scotland.

Award flags have been flying at beaches around Scotland for 28 years, recognising some of Scotland's most well-loved beaches.

Scotland's Beach Award recognises clean, well-managed and sustainable beaches. Awarded beaches demonstrate excellent beach management and environmental best practice ensuring the maintenance of high standards.

In 2020, 52 beaches from across Scotland were recognised with the Award, from Shetland to Scottish Borders.

*This activity contributes towards Global Goal 14, Target 14.1.*

#### ● CAMPAIGNS AND RESEARCH

##### Clean Up Scotland

Clean Up Scotland is our national campaign to build community pride and make Scotland clean for future generations. From its conception, our Clean Up Scotland campaign has actively encouraged support from local communities, businesses and organisations to deliver practical, local action to change behaviours and improve the standard of local environmental quality.

We have built a coalition of supporters for Clean Up Scotland, including politicians and national and local government, small and large businesses, public bodies and charities. Organisations such as Zero Waste Scotland, McDonald's, and Scottish Water continued to support the campaign.

Due to the pandemic our annual Spring Clean campaign was cancelled in 2020. However, 75 litter picks took place across the year.

We supported 838 people, including 345 young people, to remove over 8 tonnes of litter from our streets in 2020/21.

6 of the clean ups took place on a beach and 21 took place in SIMD quintiles 1-3. To celebrate the success and hard work of those who took part in our Clean Up Scotland campaign, we awarded 5 people with a Clean Up Scotland Hero award.

*This activity contributes towards Global Goal 12, Target 12.5.*

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### My Beach, Your Beach

Working in partnership with SEPA and several local authorities, we ran our exciting campaign My Beach, Your Beach again in 2020, in six locations where the quality of the bathing water was considered to be at risk. The aim of the campaign was to help keep our beaches and bathing waters clean for all to enjoy. With lockdown restrictions in 2020 there was an increase in online campaign engagement activity and 510,905 people were reached through social media, web and press activity.

77% of beach users noticed our My Beach, Your Beach campaign materials at the targeted beaches and 80% would like more campaign activity next year.

*This activity contributes towards Global Goal 6, Target 6.3*

##### Upstream Battle®

Over the last two years, our award-winning campaign to tackle marine litter from source to sea, Upstream Battle, has been raising awareness, gathering evidence and inspiring action in Glasgow and the Clyde Valley.

The campaign has successfully brought together a diverse range of stakeholders from the public and private sectors, along with communities from and up and down the Clyde Valley, to focus on developing innovative approaches to tackling this vital environmental challenge that has clear links to the wider debate regarding the Climate Emergency.

On World Oceans Day (8 June 2020) we published our first Upstream Battle Citizen Science Report which highlighted the finding of eighteen months of surveys undertaken by Anchor Groups and supporters up and down the Clyde Valley.

In 2020 we received funding from Crown Estate Scotland to continue work on the Clyde, focusing on community engagement.

*This activity contributes towards Global Goal 14, Target 14.1.*

#### ● COMMUNITY ENGAGEMENT

##### Beautiful Scotland

Beautiful Scotland is a long-established community environmental improvement programme which we run in partnership with the Royal Horticultural Society (RHS) under the Britain in Bloom campaign. Beautiful Scotland supports groups across Scotland as they seek to improve and enhance their local environment. The programme is for a whole village/town etc. In many cases, one group leads the entry, working in partnership with a wide range of other groups, organisations and the local authority. Beautiful Scotland is based on the three pillars of horticultural achievement, environmental responsibility and community participation and has an extensive set of awards and certificates which accord with the spectrum of activity of Keep Scotland Beautiful. Winners can progress to represent Scotland in the UK-wide RHS Britain in Bloom finals.

In 2020, due to the pandemic, we were sadly unable to run the competition element of Beautiful Scotland. Instead, we developed a suite of online support and resources and encouraged communities to register. Every group was awarded a Certificate of Recognition to celebrate everything they'd managed to achieve despite the difficult circumstances. 42 groups were recognised, with 30% from areas with Scottish Index of Multiple Deprivation categorisations 1-3.

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### *Judge and assessor training*

Beautiful Scotland involves volunteer judge training to ensure that the groups being assessed have set goals to involve the community, improve environmental responsibility and deliver horticultural projects in their village, town, city etc. In 2020 there were 19 Beautiful Scotland judges.

Volunteer judges are trained to provide advice and to support communities with information on, for example, horticultural practices and the positive outcomes gained from improved environmental sustainability. In 2020, despite no judging visits, our judges supported groups by sharing their expertise and guidance through our online live Q&A sessions, phone calls and our regular e-newsletter.

##### *Beautiful Scotland celebration*

In 2020, our usual award ceremony couldn't take place. Instead, 90 delegates from community groups, local authorities and businesses across Scotland gathered for an online celebration of their achievements in improving their local communities and making them beautiful.

*This activity contributes towards Global Goal 11, Target 11.7.*

#### Climate Challenge Fund (CCF)

The Scottish Government's Climate Challenge Fund (CCF) provides grants and support for community-led organisations to tackle climate change by running projects that reduce local carbon emissions.

Until 30 June 2021, we managed the CCF on behalf of the Scottish Government and our CCF staff supported applicants and those awarded grants. We also offered free training, events and support to help communities across Scotland build their capacity to tackle climate change through the CCF Capacity Building Programme.

The CCF has supported projects involving energy efficiency improvements to community owned buildings, home energy efficiency advice, lower carbon travel options, community growing initiatives and schemes to tackle waste.

In 2020/21 we distributed £5.2m of Climate Challenge Fund grants to communities across Scotland. Of this, 24% went to ethnic minority groups and 17% went to projects in areas of multiple deprivation. 128,769 people were involved in a Climate Challenge Fund project and over 140,000 volunteer hours were given to Climate Challenge Fund projects.

*This activity contributes towards Global Goal 13, Target 13.3.*

#### It's Your Neighbourhood

It's Your Neighbourhood is a non-competitive initiative, which we run in partnership with the RHS to celebrate the work of community projects across Scotland. It runs alongside Beautiful Scotland and is based on the three pillars of community participation, environmental responsibility and gardening achievement.

It's Your Neighbourhood is designed to attract volunteer-led community groups which are cleaning and beautifying their neighbourhoods, whether through community allotments, after school wildlife clubs, school eco-groups, Friends of Park groups, or adopting pieces of derelict land. We support and encourage participating groups from across Scotland, and reward through a series of certificates to acknowledge the good work being done on behalf of their communities.

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

##### Achievements and performance (continued)

In 2020, due to the pandemic, we were sadly unable to offer the assessment visit element of It's Your Neighbourhood. Instead, we developed a suite of online support and resources and encouraged communities to register. Every group was awarded a Certificate of Recognition to celebrate everything they'd managed to achieve despite the difficult circumstances. 153 groups were recognised, with 38% from areas with Scottish Index of Multiple Deprivation categorisations 1-3.

##### *Volunteer assessor training and support*

It's Your Neighbourhood involves volunteer assessor training to ensure that the groups being assessed are supported and encouraged to involve the community, improve environmental responsibility and deliver gardening projects in their area. In 2020 there were 29 It's Your Neighbourhood assessors.

Volunteer assessors are trained to provide advice and to support communities with information on, for example, gardening practices and the positive outcomes gained from improved environmental sustainability. In 2020, despite no assessor visits, our assessors supported groups by sharing their expertise and guidance through our online live Q&A sessions, phone calls and our regular e-newsletter.

##### *Beautiful Scotland and Its Your Neighbourhood celebration*

In 2020, our usual seminar and presentation of It's Your Neighbourhood certificates couldn't take place. Instead, 50 delegates from community groups, local authorities and businesses across Scotland gathered for an online seminar and celebration of their achievements in improving their local communities and making them beautiful.

*This activity contributes towards Global Goal 11, Target 11.7.*

#### Placemaking Through Heritage

Placemaking Through Heritage started in April 2020, it is a three year project aiming to inspire a creative and vibrant Scotland – motivating local residents to become more involved in looking after, protecting and managing their local place for generations to come.

The project, funded by Historic Environment Scotland, will work within a number of communities across Scotland to recognise the heritage story of that place. This will be done through a wide range of activities that will consider the importance of the built, natural and cultural heritage. Each community has a unique heritage so activities will be tailored to their specific needs and will include developing traditional skills, storytelling, supporting mental health through the creation of guided walks and heritage trails and learning about the impact of climate change on heritage. In addition, we will work with young people delivering units within the Cultural Heritage SVQ to develop heritage skills in a real-world context.

The first year of the project coincided with lockdown so the programme had to be adapted. We developed an online hub where we offered training to educators on how to engage young people with heritage and organised a range of talks from exploring archives to researching their family trees.

*This activity contributes towards Global Goal 11, Target 11.4.*

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

#### • EDUCATION AND TRAINING

##### Canal College

Canal College is a heritage skills focused employability project which helps people boost their life and work chances whilst protecting the nation's canal heritage. The programme is available in Falkirk, Inverness and West Dunbartonshire, and is aimed at people aged 16+ who are not in employment and who are looking to progress into a job, further education or training.

In 2020/21 37 people took part in the programme, learning new skills including around archaeology, conservation and canal maintenance whilst also working towards accredited qualifications and awards.

*This activity contributes towards Global Goal 4; Target 4.4.*

##### Capacity Building Programme

Through our management of the CCF, we also provided the Capacity Building Programme (CBP). In addition to offering a toolkit of support for CCF Grant Recipients, the CBP aims to develop the capacity of any community-led organisation in Scotland wishing to tackle climate change by offering a series of training events, networking opportunities and resources.

During the 2020/21 period, 12 training and networking events took place, attended by 442 delegates.

*This activity contributes towards Global Goal 13, Target 13.3.*

##### Climate Emergency Training

Since we became accredited as a Carbon Literacy Training Organisation, we have supported over 2,622 people to gain their Carbon Literacy certification. We have engaged with participants across business, community and school settings, delivering our training to a diverse audience.

In 2020/21 we delivered Climate Emergency training to over 200 staff across a range of organisations, including Glasgow City Council, Scottish Power, VisitScotland, Scottish Borders Council and Skills Development Scotland.

In addition, in 2021 we were excited to launch additional training opportunities for youth workers and young people, funded by the Scottish Government. We have designed both courses to help participants develop an understanding of climate change and the actions we can all take to tackle it.

*This activity contributes towards Global Goal 13, Target 13.3.*

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### Climate Emergency Training for Community Leaders

The Climate Emergency Training for Community Leaders programme aimed to provide training similar to the significant climate change education programme for community leaders delivered as part of the Climate Challenge Fund to a wide range of community leaders across Scotland, including Community Councils, Development Trusts and voluntary organisations. The programme was funded by the Scottish Government through the Community Climate Leadership Programme. Seven four-week blocks of training were delivered between June 2020 and February 2021, as a result of the pandemic, these were delivered online. Each block had between 2 and 3 live webinar sessions per week. Across the seven blocks 215 Community Leaders attended the training, 145 of which completed the assessment form and were certified as Carbon Literate.

*This activity contributes towards Global Goal 13, Target 13.3.*

##### Climate Emergency Training for Youth Leaders

The course was jointly developed by Keep Scotland Beautiful and YouthLink Scotland. The training was aimed at people working across the full range of youth work settings in the public and community sector, including uniformed organisations. It was designed to be accessible to people with little or no understanding of climate change as well as for those who had some understanding and knowledge but wanted to know more in order to help them to better engage with young people on the issue. Despite the challenges of Covid, the project was successful in achieving almost all of its aims, with 248 youth workers completing the training programme, of which 155 applied for, and received, certificates of Carbon Literacy from the Carbon Literacy Project. 25 youth workers completed the additional 'trainer training' and a toolkit of climate change activities for young people has been developed with 18 different activities that collectively have been downloaded more than 500 times.

*This activity contributes towards Global Goal 13, Target 13.3.*

##### Climate Ready Classrooms

Our Climate Ready Classrooms project prepares young people to join a national network of carbon literate ambassadors who plan and act on climate change issues within their own schools and communities. It is a one-day accredited Carbon Literacy training course for secondary schools which has been designed for young people aged 14–17 years, along with their teachers, head teachers, CLD practitioners and youth and children's workers.

During lockdown and with the continuing restrictions in place meaning that we could not go into schools, we adapted the course and delivered it online to 779 students and 17 teachers from 22 schools.

In addition, we took a further 62 teachers from 56 schools through an online Train the Trainer version of the course meaning they are now qualified to teach our materials to their students, allowing the students to become accredited as Carbon Literate.

*This activity contributes towards Global Goal 13, Target 13.3.*

##### Eco Schools Scotland

Eco-Schools is the largest sustainable schools programme in the world and is operated internationally by the Foundation for Environmental Education (FEE).

The Eco-Schools programme connects pupils and teachers at 56,000 schools in 70 countries in the biggest learning network in the world, concentrating their efforts by taking action on environmental and sustainability topics that are important to them.

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

##### Achievements and performance (continued)

Supported by funding from the Scottish Government, Eco-Schools Scotland, is an initiative designed to encourage whole-school community action on Learning for Sustainability. Eco-Schools is used as an environmental management tool, a learning resource and a recognised award scheme which empowers children and young people to take action towards an economically, socially and environmentally just world.

The initiative provides a framework for learning and action which affords a wealth of opportunities for linking sustainable development education, global citizenship and outdoor learning. Eco-Schools weaves these elements together through the everyday curricular work undertaken by schools and encourages closer links between schools and the communities around them.

The Eco-Schools programme supports the objectives within the UN Global Action Programme (GAP) for Education for Sustainable Development. The GAP has two primary objectives:

1. To reorient education and learning so that everyone has the opportunity to acquire the knowledge, skills, values and attributes to empower them to contribute to sustainable development.
2. To strengthen education and learning in all agendas, programmes and activities that promote sustainable development.

As part of the Eco-Schools programme the International Green Flag Award is designed to encourage pupil-led, whole school action for the environment. It is a recognised award scheme that accredits schools that make a commitment to continuously improve environmental performance. Despite the impact of the pandemic, during the year, 35 schools were awarded their first Eco-Schools Scotland Green Flag and 183 Green Flags were renewed. We delivered 20 Eco-Schools 'twilight' webinar sessions, attended by a total of 795 teachers.

*This activity contributes towards Global Goal 4; Target 4.7.*

##### Food and Environment

Our work on Food and the Environment looks at the impacts of food choices on the environment and celebrates food that is good for people and the planet. During 2020/21 we undertook a wide range of activities around this topic, in addition to creating resources to support schools to engage with the Food and the Environment topic for Eco-Schools Scotland.

We ran our national One Planet Picnic, an informal way for people to think about food and sustainability. It was offered as a way for people to discover the seasonal foods and places local to them, reduce food waste, and to share some great tastes and recipes with each other. 'At Home' resources were created to support blended learning and household participation during Covid restrictions. Over 4,600 people from 20 different local authority areas took part in a One Planet Picnic.

In partnership with the Garden for Life Forum, we held our 5th annual Pocket Garden design competition for schools across Scotland. We received over 100 entries from schools across 18 Scottish Local Authority areas looking at the themes of 2021 Year of Coasts and Waters, Celebrating Nature on Your Doorstep, and Wildlife Gardening. The entries were of a very high standard, and 36 winning designs were invited to create their designs in school and share photographs of their process and final gardens in our digital showcase. A further 4 winners from the 2020 competition also created their gardens this year. The public could vote for their favourite pocket garden on the digital showcase generating over 11,000 votes. BBC Beechgrove Garden featured Pocket Gardens in a broadcast celebrating young garden designers and their wonderful creations.

*This activity contributes towards Global Goal 4; Target 4.7.*



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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### Local environmental quality training

We provided training throughout the year for LEAMS and other environmental quality related matters, including waste management, fixed penalty notices and abandoned vehicles. As a result of the pandemic, this area of work was restricted in 2020/21 - we provided two online training courses for local authority delegates.

*This activity contributes towards Global Goal 11, Target 11.7.*

##### Wrigley's Litter Less

Litter Less is a FEE initiative run in 15 countries and is funded by the Wrigley Company Foundation. It encourages children and young people to take their work on litter and local environmental quality beyond the school gate and affect long-term behaviour change in their community. We offer it through the Eco-Schools programme – this is our ninth year running the campaign. During 2020/21 we awarded 26 schools and nurseries with funding as part of the Wrigley Litter Less campaign. The money supported youngsters from across Scotland to tackle our growing litter problem.

*This activity contributes towards Global Goal 4; Target 4.7.*

##### Young Reporters Scotland

Young people aged between 11 and 25 who care about the environment and make a positive change in their community are supported to enter our Young Reporters Scotland competition. This activity provides an opportunity to investigate and report on an environmental or sustainability issue which matters to them, helping make their voices heard.

Our Young Reporters Scotland programme is part of the international Young Reporters for the Environment (YPE) programme, which runs in 34 countries around the world, coordinated internationally by the Foundation for Environmental Education. The programme inspires young people to increase knowledge and awareness of an economically, socially and environmentally just world.

During 2021, our Young Reporters programme provided filmmaking skills training to 74 educators across Scotland. We also partnered with our Climate Change team to support entries from their Youth Climate Film Project. Four entries were put forward to the international Young Reporters for the Environment competition, one of which won joint first place in their age category. A report entitled Global Report was entered in the 15-18 Written Article category.

*This activity contributes towards Global Goal 4; Target 4.4.*

##### Difference to circumstances of beneficiaries and wider benefits to society

We believe that our main or significant charitable activities provide a universal public benefit for those living in, working in or visiting Scotland. Our purposes state clearly what we believe this universal public benefit comprises:

To protect, conserve and enhance the environmental sustainability of Scotland and elsewhere for local people, communities, visitors and general public benefit. To inspire, inform, engage and educate people about the natural, built and cultural environment, promoting awareness of the ways in which it is at risk and how they can act to minimise this.

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**KEEP SCOTLAND BEAUTIFUL**

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**CHARITY TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Strategic report (continued)****Achievements and performance (continued)**

To make use of the opportunities presented by the natural, built and cultural environment, and associated heritage, to create opportunities to advance education, promote health, provide recreation, and further citizenship and community development.

**Financial review****• FINANCIAL REVIEW AT END OF REPORTING PERIOD**

During 2020/2021 we had income of £10,899,714 and expenditure of £10,151,190. Our total funds on 31 March 2021 are £4,333,709.

**• PRINCIPAL RISKS AND UNCERTAINTIES**

We have a Corporate Risk Register which deals with major risks under the following categories; political; financial; legal; reputational and organisational. The Corporate Risk Register is monitored regularly by the Executive Team, Audit Committee and the Board of Charity Trustees. The impact of the Covid-19 pandemic continued to be part of the Corporate Risk Register and these are being managed and mitigated.

The section below 'Plans for Future Periods' includes information on factors likely to be of relevance for us over the next year in relation to financial performance. These also help to address the financial risks noted above.

**Covid-19 Pandemic:**

The effects of the Covid-19 Pandemic on the organisation continued during the year. The organisation continued to access the Furlough Scheme for certain activities which it had to put on hold and regularly reviewed the impact of the pandemic within its risk management procedures. Maintenance of the health, safety and wellbeing of employees, volunteers and supporters has been paramount. The employee group continued to work temporarily from home locations and we successfully maintained business continuity during the year. Towards the end of the year, most activities had resumed and we achieved a satisfactory financial performance during the year.

**• GOING CONCERN**

Since early 2020, the UK and the world has continued to face unprecedented uncertainty and disruption as a result of Covid-19 and this continued during 2020/2021. The Charity Trustees continue to look carefully at risks and challenges ahead and feel that we are in a relatively strong position given our level of unrestricted reserves which is reflected in our Reserves Policy. Charity Trustees have identified opportunities for unrestricted income and the charity is investing resources to realise these income opportunities. Charity Trustees are also reviewing opportunities for restricted grant funding from established donors. Full details of any going concern implications for the charity post year-end are noted in section 1.2 in accounting policies.

After making appropriate enquiries, the Charity Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### ● STATEMENT OF POLICY ON RESERVES

We believe that identifying and managing risk is an important part of good charity governance and we control risk by means of our Corporate Risk Register process. We believe that identified risks need to be managed. Holding reserves is part of our strategy for managing the impact of an identified risk should it occur. We also aim to ensure that our reserves policy reflects guidance published by OSCR.

Our 'Statement of Policy on Reserves' is intended to explain to existing and potential funders, donors, beneficiaries and the public why we are holding a particular amount of reserves or designated funds. It is intended that this policy will give confidence to interested parties that our finances are being properly managed and will also provide an indicator of future funding needs and our overall resilience.

We are a charity with a simple structure and uncomplicated activities. For example, we have no endowed funds, no owned property, no borrowing, no defined benefit pension scheme and we do not carry out activities through a trading subsidiary.

Reserves and designated funds are required for two reasons:

1. to enable continuing charitable activities to be carried out
2. to avoid unplanned and unmanaged closure and insolvency.

Our 'Statement of Policy on Reserves' refers to 1) General Funds which are to cover Closure and Wind-Up, and Contingencies and 2) Designated Funds allocated for specific agreed activities.

#### **Amount of funds**

The total amount of funds is £4,333,709 of which £2,959,710 is restricted and £1,373,999 is unrestricted.

#### ● PRINCIPAL FUNDING SOURCES

Our principal funding sources are grants and donations £9,746,427 (2020 - £8,547,139), charitable activities £1,147,825 (2020 - £1,211,856) and interest on cash deposits £5,462 (2020 - £22,471). The most significant grant-funder is the Scottish Government £9,252,821 (2020 - £7,832,051) of which £8,705,236 (2020 - £7,229,943) is restricted funding solely to enable us to distribute Climate Challenge Fund (including Community Climate Asset Fund) grants to the grant recipients. The funds for Climate Challenge Fund (including Community Climate Asset Fund) grants are managed from a completely separate bank account and are isolated from our other funds.

Therefore £8,705,236 out of our total income of £10,899,714 is restricted solely for the purpose of distributing Climate Challenge Fund (including Community Climate Asset Fund) grants.

#### ● INVESTMENT POLICY AND OBJECTIVES

Our investment policy is to restrict investments to cash deposits with UK banks. Every effort is made to secure the most favourable interest terms available. We review the market and move deposits as and when better terms are available.

#### **Material financial investments social, environmental or ethical considerations**

We have no material financial investments as our investment policy is to restrict investments to cash deposits. For ethical and probity reasons the policy requires deposits to be with UK banks.

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**KEEP SCOTLAND BEAUTIFUL**

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**CHARITY TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Performance of material fundraising activities**

There were no material fundraising activities.

**Fund or subsidiary undertaking materially in deficit**

We have no subsidiary undertakings and none of our restricted funds is materially in deficit.

**Financial effects due to significant events**

There were no financial effects due to significant events during 2020/2021 over and above managing the SCIO through the Covid-19 pandemic and this will continue to be a factor to consider during 2021/2022.

**Disposing of tangible fixed assets**

We have no funds which can only be realised by disposing of fixed assets or programme related investments.

**Material pension liability**

We do not have a material pension liability.

**Structure, governance and management**

**• GOVERNING DOCUMENT**

We are a Scottish Charitable Incorporated Organisation (SCIO). Our governing document is our SCIO Constitution.

All members of the SCIO are designated as our Charity Trustees. Our governing document does not allow employees to be charity trustees.

**• RECRUITMENT AND APPOINTMENT OF CHARITY TRUSTEES AND SECRETARY**

Our Charity Trustees are recruited by advertising from time to time and by direct applications from individuals for membership of the SCIO. All applications for membership are considered by our Charity Trustees. Once appointed to membership of the SCIO, the person is also appointed as a member and designated as a Charity Trustee. Our Charity Trustees hold office for three years and are eligible for re-appointment. Our Charity Trustees elect a Chair at their first meeting after each Annual General Meeting and may elect other office bearers if they think fit. At present the Chair is the only elected office bearer. Our Secretary is appointed by our Charity Trustees.

No other person or external body is entitled to appoint Charity Trustees.

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## KEEP SCOTLAND BEAUTIFUL

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### CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Structure, governance and management (continued)

##### ● INDUCTION AND TRAINING OF NEW CHARITY TRUSTEES

New Charity Trustees receive induction from our Chair and Chief Executive and are given the portfolio of materials which form our 'Governance Framework'. Other training is provided in a range of ways to Charity Trustees. This is being reviewed as part of the Governance Review.

In early 2021 a recruitment campaign commenced to increase and diversify representation on the Board of Charity Trustees. Following significant interest and a rigorous selection process, appointments were confirmed in June 2021 with three new Charity Trustees joining in July 2021 and a further three will join in November 2021.

In April 2021, due to ill health, our Chair, Lindsay Montgomery stood down and subsequently Tom Brock was appointed our new Chair at an extraordinary meeting on 3 April 2021. We are extremely grateful to our former Chair for the enthusiasm, dedication and commitment he provided to the role and the charity. In addition, a long-standing Charity Trustee and former employee, John Frater, retired from the board and he, along with Lindsay, were appointed Honorary Fellows on 1 July 2021.

##### ● PAY POLICY FOR SENIOR STAFF

The remuneration of employees on our Executive Team is decided by the Remuneration Committee which also maintains oversight of all employee remuneration.

##### ● RELATED PARTY RELATIONSHIPS

We are not part of a wider network and have no related parties or subsidiary undertakings. We are a member of key organisations: the Foundation for Environmental Education (FEE); Scottish Environment LINK; Scottish Council for Voluntary Organisations and Stop Climate Chaos Scotland.

##### ● ORGANISATIONAL STRUCTURE

We are structured as a Board of Charity Trustees with two committees: the Audit Committee and the Remuneration Committee. Only our Charity Trustees are members of the committees, although our employees may be in attendance for part or all of meetings. In addition, the Charity Trustees form working groups from time to time and currently include, Fundraising, Trading, Communications.

We have paid employees, the most senior of whom is the Chief Executive who reports to our Board of Charity Trustees. All our other employees report to the Chief Executive. Our most senior employees, including the Chief Executive, form our Executive Team. Our Board of Charity Trustees has responsibility for the appointment of our Chief Executive.

Decisions of strategic significance, high importance or regarding policy are taken by our Board of Charity Trustees. Day-to-day decisions are made by our Executive Team or delegated to other employees. Our Board of Charity Trustees has a scheme of delegation in place and our 'Governance Framework' contains details of the delegated powers.

Our Charity Trustees are progressing with an ongoing Governance Review, led by the Chair, covering a range of key issues and areas of activity including: Charity Trustee training, updating key documents; reporting; codes of conduct and the accessibility of information.

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**KEEP SCOTLAND BEAUTIFUL**

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**CHARITY TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Plans for future periods****Summary of plans for future and charity trustees' perspective of the future direction**

The COVID pandemic continued to pose many challenges to the organisation but has also presented significant new opportunities. We continue to demonstrate an agility and flexibility in our approach including enhanced engagement between our Charity Trustees and Executive Team. Our Board of Trustees will be significantly strengthened with the appointment of six new Charity Trustees in 2021/2022. We also appointed two new Honorary Fellows.

Our refreshed strategy continues to provide a vision and focus for the organisation, for our staff and for our partners. The ongoing pandemic presented an opportunity for us to refocus our activity and take advantage of digital delivery platforms to augment our range of programmes and services. The revised trading strategy is focussed on programmes and services that deliver value to our stakeholders and to our charity. Demand for our services in this area remains strong and engagement with new and existing partners continues to develop. Programme and service development is an important element of our business model as we seek to develop longer term and higher value relationships.

The organisation continues to reduce its carbon emissions and to develop policy that ensures that we will become 'net zero' by 2030.

Evolving and developing policy from the UK and Westminster governments continues to provide a focus for public and private sector organisations around key environmental issues. We will continue to develop and evolve our programme of activity to support organisations to achieve their net zero and sustainability plans. COP26 has already created impetus for positive change across the public and private sector and it is anticipated that this will create further demand for the range of programmes that we offer.

We will invest in organisational development and seek to maintain updated work practices and maintain high standards in Health and Safety and safeguarding.

With our current premises lease ending during the year, we have the opportunity to create and provide a new hub that will enable a better form of working for our staff as well as reducing overhead costs.

We continue to be optimistic and excited about the increased focus, attention and awareness of environmental issues. With continued pressure and calls for action to be taken to address significant environmental challenges such as climate change and environmental quality, by achieving our charitable objectives, we aim to have a bigger beneficial impact for Scotland's environment and Scotland's people.

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**KEEP SCOTLAND BEAUTIFUL**

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**CHARITY TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Statement of Charity Trustees' responsibilities**

The Charity Trustees are responsible for preparing the Charity Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Charity Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Charity Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditor**

Each of the persons who are Charity Trustees at the time when this Charity Trustees' report is approved has confirmed that:

- so far as that Charity Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Charity Trustee has taken all the steps that ought to have been taken as a Charity Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

The auditor, French Duncan LLP, has indicated their willingness to continue in office. The designated Charity Trustees will propose a motion reappointing the auditor at a meeting of the Charity Trustees.

Approved by order of the members of the board of Charity Trustees on 17 November 2021 and signed on their behalf by:



(Chair, Board of Charity Trustees)

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**KEEP SCOTLAND BEAUTIFUL**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEP SCOTLAND BEAUTIFUL**

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**Opinion**

We have audited the financial statements of Keep Scotland Beautiful (the 'charity') for the year ended 31 March 2021 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Charity Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Charity Trustees with respect to going concern are described in the relevant sections of this report.



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**KEEP SCOTLAND BEAUTIFUL**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEP SCOTLAND BEAUTIFUL  
(CONTINUED)**

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**Other information**

The Charity Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Charity Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of charity trustees**

As explained more fully in the charity trustees' responsibilities statement, the Charity Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Charity Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Charity Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Charity Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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**KEEP SCOTLAND BEAUTIFUL**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEP SCOTLAND BEAUTIFUL  
(CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

***The extent to which the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Charity Trustees and other management, and from our charity sector knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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**KEEP SCOTLAND BEAUTIFUL**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEEP SCOTLAND BEAUTIFUL  
(CONTINUED)**

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- inspecting any legal invoices.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Charity Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**French Duncan LLP**

Statutory Auditors & Chartered Accountants  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
FK7 7WT

Date: 19 November 2021

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## KEEP SCOTLAND BEAUTIFUL

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	331,989	9,414,438	9,746,427	8,547,139
Charitable activities	4	1,144,186	3,639	1,147,825	1,211,856
Investments	5	2,093	3,369	5,462	22,471
<b>Total income</b>		<b>1,478,268</b>	<b>9,421,446</b>	<b>10,899,714</b>	<b>9,781,466</b>
<b>Expenditure on:</b>					
Charitable activities	6	1,349,577	8,801,613	10,151,190	10,534,045
<b>Total expenditure</b>		<b>1,349,577</b>	<b>8,801,613</b>	<b>10,151,190</b>	<b>10,534,045</b>
<b>Net income/(expenditure)</b>					
Transfers between funds	14	128,691 47,414	619,833 (47,414)	748,524 -	(752,579) -
<b>Net movement in funds</b>		<b>176,105</b>	<b>572,419</b>	<b>748,524</b>	<b>(752,579)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,197,894	2,387,291	3,585,185	4,337,764
Net movement in funds		176,105	572,419	748,524	(752,579)
<b>Total funds carried forward</b>		<b>1,373,999</b>	<b>2,959,710</b>	<b>4,333,709</b>	<b>3,585,185</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 47 form part of these financial statements.

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**KEEP SCOTLAND BEAUTIFUL**

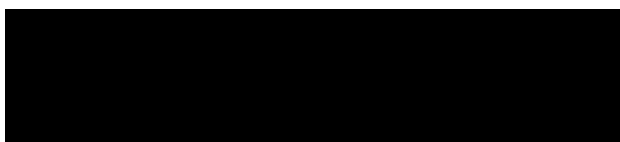
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**BALANCE SHEET  
AS AT 31 MARCH 2021**

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	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors	11	332,745	558,842
Investments	12	-	252,000
Cash at bank and in hand		4,268,240	2,968,753
		<u>4,600,985</u>	<u>3,779,595</u>
Creditors: amounts falling due within one year	13	(267,276)	(194,410)
<b>Net current assets</b>		<u>4,333,709</u>	<u>3,585,185</u>
<b>Total net assets</b>		<u><u>4,333,709</u></u>	<u><u>3,585,185</u></u>
<b>Charity funds</b>			
Restricted funds	14	2,959,710	2,387,291
Unrestricted funds	14	1,373,999	1,197,894
<b>Total funds</b>		<u><u>4,333,709</u></u>	<u><u>3,585,185</u></u>

The financial statements were approved and authorised for issue by the Charity Trustees on 17 November 2021 and signed on their behalf by:



The notes on pages 29 to 47 form part of these financial statements.

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**KEEP SCOTLAND BEAUTIFUL**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	17	<b>1,042,025</b>	<b>(948,712)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		<b>5,462</b>	<b>22,471</b>
Proceeds from sale of investments		<b>252,000</b>	<b>-</b>
<b>Net cash provided by investing activities</b>		<b>257,462</b>	<b>22,471</b>
<b>Change in cash and cash equivalents in the year</b>		<b>1,299,487</b>	<b>(926,241)</b>
Cash and cash equivalents at the beginning of the year		<b>2,968,753</b>	<b>3,894,994</b>
<b>Cash and cash equivalents at the end of the year</b>	18	<b>4,268,240</b>	<b>2,968,753</b>

The notes on pages 29 to 47 form part of these financial statements

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies****1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Keep Scotland Beautiful meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements have been prepared in GBP as this is the functional and presentational currency of the charity.

The following principal accounting policies have been applied:

**1.2 Going concern**

In common with other charitable organisations, Keep Scotland Beautiful is dependent on income from its donors, grant givers and other supporters to ensure its objectives continue to be achieved for the longer term. The Charity Trustees have reviewed and updated the charity's forecasts and cashflows in light of the ongoing Covid-19 pandemic and the potential impact on future income streams and activities including actions that could be taken should income reduce. The charity has good relationships with its suppliers and funders and has no reason to believe that this will not continue in the current and future years. After taking all these factors into account, the Charity Trustees are of the opinion that Keep Scotland Beautiful has and will have adequate financial resources to continue its activities for at least 12 months from when the accounts are approved and hence the accounts are prepared on a going concern basis.

**1.3 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)****1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

The charity is registered for VAT. Under partial exemption rules, where applicable, costs and expenditure incurred are inclusive of VAT.

**1.5 Government grants**

Grants of a revenue nature are credited to the statement of financial activities as the related expenditure is incurred.

**1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.7 Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.8 Tangible fixed assets**

From 1 April 2005 fixed asset additions are no longer being capitalised but are being written off through the statement of financial activities in the year of purchase. This approach will be reviewed and updated should the charity purchase an asset or assets of the size and value it considers appropriate for capitalisation.



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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)****1.9 Investments**

Monies held on deposit with a maturity date exceeding three months are classified as current asset investments.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 Liabilities**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.13 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**1.14 Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

**1.15 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (continued)**

**1.16 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Charity Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Charity Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Critical accounting estimates and areas of judgement**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires the charity trustees to exercise judgement in applying the charity's accounting policies. The charity trustees have reviewed these and concluded there are no areas requiring a higher degree of judgement, or complexity, and no areas where assumptions or estimates are most significant to the financial statements.

**3. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
<b>Grants</b>				
The Scottish Government - Programmes	181,200	9,071,621	<b>9,252,821</b>	7,832,051
Other contributions	150,789	295,097	<b>445,886</b>	557,296
	<hr/> 331,989	<hr/> 9,366,718	<hr/> <b>9,698,707</b>	<hr/> 8,389,347
Donations	<hr/> -	<hr/> 47,720	<hr/> <b>47,720</b>	<hr/> 157,792
<b>Total 2021</b>	<hr/> 331,989	<hr/> 9,414,438	<hr/> <b>9,746,427</b>	<hr/> 8,547,139
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> 323,700	<hr/> 8,223,439	<hr/> 8,547,139	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Income from charitable activities**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Invoiced income	1,144,186	3,639	<b>1,147,825</b>	1,211,856
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>1,147,720</i>	<i>64,136</i>	<i>1,211,856</i>	
	<hr/>	<hr/>	<hr/>	

**5. Investment income**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Deposit account interest	2,093	3,369	<b>5,462</b>	22,471
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>14,071</i>	<i>8,400</i>	<i>22,471</i>	
	<hr/>	<hr/>	<hr/>	

**6. Analysis of expenditure on charitable activities**

**Summary by fund type**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Invoiced income	1,076,377	5,464	<b>1,081,841</b>	1,442,612
Grant and donation funded activities	273,200	8,796,149	<b>9,069,349</b>	9,091,433
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total 2021</b>	<b>1,349,577</b>	<b>8,801,613</b>	<b>10,151,190</b>	<b>10,534,045</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<i>1,453,020</i>	<i>9,081,025</i>	<i>10,534,045</i>	
	<hr/>	<hr/>	<hr/>	

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Invoiced income	831,200	250,641	<b>1,081,841</b>	1,442,612
Grant and donation funded activities	8,860,377	208,972	<b>9,069,349</b>	9,091,433
<b>Total 2021</b>	<b>9,691,577</b>	<b>459,613</b>	<b>10,151,190</b>	10,534,045
<i>Total 2020</i>	<i>9,942,889</i>	<i>591,156</i>	<i>10,534,045</i>	

## Analysis of direct costs

	Invoiced income 2021 £	Grant and donation funded activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	757,436	804,655	<b>1,562,091</b>	1,693,434
Materials and promotions	46,421	77,586	<b>124,007</b>	186,999
Travel and subsistence	11,814	4,069	<b>15,883</b>	88,101
Postage and carriage	1,342	4,365	<b>5,707</b>	8,913
Meetings and conferences	192	270	<b>462</b>	4,958
Professional fees	13,995	18,455	<b>32,450</b>	151,355
Grants payable to institutions	-	7,950,977	<b>7,950,977</b>	7,809,129
<b>Total 2021</b>	<b>831,200</b>	<b>8,860,377</b>	<b>9,691,577</b>	9,942,889
<i>Total 2020</i>	<i>1,073,923</i>	<i>8,868,966</i>	<i>9,942,889</i>	

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 7. Analysis of expenditure by activities (continued)

## Analysis of support costs

	Invoiced income 2021 £	Grant and donation funded activities 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	62,928	62,929	125,857	152,343
Premises and general costs	110,392	114,363	224,755	240,184
IT costs	21,513	17,452	38,965	37,433
Bank charges	1,291	476	1,767	1,368
Staff recruitment and training	6,211	2,723	8,934	21,078
Bad debt write off	-	-	-	15,630
Professional fees	12,124	-	12,124	34,181
Governance costs	36,182	11,029	47,211	88,939
<b>Total 2021</b>	<b>250,641</b>	<b>208,972</b>	<b>459,613</b>	<b>591,156</b>
<i>Total 2020</i>	<i>368,689</i>	<i>222,467</i>	<i>591,156</i>	

Governance costs include an allocation of staff costs, depending on the time spent on these activities, amounting to £28,457 (2020 - £46,668).

## Grants payable to institutions

	2021 £	2020 £
Climate Challenge Fund	5,136,632	7,802,404
Climate Challenge Asset Fund	2,809,946	-
Wrigleys Litter Less Campaign	4,399	6,725
	<b>7,950,977</b>	<b>7,809,129</b>

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**8. Auditor's remuneration**

	<b>2021</b> £	<i>2020</i> £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	<b>18,517</b>	<i>17,920</i>
Fees payable to the charity's auditor for non-audit services	<b>12,124</b>	<i>34,181</i>
	<hr/>	<hr/>

**9. Staff costs**

	<b>2021</b> £	<i>2020</i> £
Wages and salaries	<b>1,434,039</b>	<i>1,608,525</i>
Social security costs	<b>134,874</b>	<i>138,256</i>
Contribution to defined contribution pension schemes	<b>147,492</b>	<i>145,664</i>
	<hr/>	<hr/>
	<b>1,716,405</b>	<i>1,892,445</i>
	<hr/>	<hr/>

Payments in respect of compensation for loss of office are provided in the financial statements in the year of termination of office. The aggregate compensation payable for the year was £Nil (2020 - £48,937).

The average number of persons employed by the charity during the year was as follows:

	<b>2021</b> <b>No.</b>	<i>2020</i> <i>No.</i>
	<b>54</b>	<i>58</i>
	<hr/>	<hr/>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>2021</b> <b>No.</b>	<i>2020</i> <i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>-</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>

The charity considers its key management personnel comprise the charity trustees and the executive team. The total employment benefits including employer pension contributions of the key management personnel were £165,838 (2020 - £218,831).

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Charity Trustees' remuneration and expenses**

During the year, no Charity Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, expenses totalling £186 were reimbursed or paid directly to 1 Charity Trustee (2020 - £6,155 to 6 Charity Trustees).

**11. Debtors**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
<b>Due within one year</b>		
Trade debtors	<b>276,262</b>	<i>504,300</i>
Prepayments and accrued income	<b>56,483</b>	<i>54,542</i>
	<b>332,745</b>	<i>558,842</i>

**12. Current asset investments**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Unlisted investments (liquid)	<b>-</b>	<i>252,000</i>

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Trade creditors	<b>65,506</b>	<i>103,760</i>
Other taxation and social security	<b>96,968</b>	<i>64,452</i>
Other creditors	<b>18,436</b>	<i>-</i>
Accruals and deferred income	<b>86,366</b>	<i>26,198</i>
	<b>267,276</b>	<i>194,410</i>
	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>£</i>
Deferred income at 1 April 2020	<b>6,778</b>	<i>11,745</i>
Resources deferred during the year	<b>57,405</b>	<i>6,778</i>
Amounts released from previous periods	<b>-</b>	<i>(11,745)</i>
	<b>64,183</b>	<i>6,778</i>

The deferred income relates to income received in advance for services to be provided during 2021-22.



## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Statement of funds

## Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Strategic Development Fund	68,738	6,959	(24,383)	-	51,314
Scottish Canal Heritage Improvements	100,000	-	-	-	100,000
Local Environmental Quality Activities	125,000	-	-	-	125,000
	<b>293,738</b>	<b>6,959</b>	<b>(24,383)</b>	<b>-</b>	<b>276,314</b>
<b>General funds</b>					
General Funds	904,156	1,471,309	(1,325,194)	47,414	1,097,685
<b>Total Unrestricted funds</b>	<b>1,197,894</b>	<b>1,478,268</b>	<b>(1,349,577)</b>	<b>47,414</b>	<b>1,373,999</b>
<b>Restricted funds</b>					
Education	65,596	189,603	(199,824)	-	55,375
Community Programmes	162,248	38,855	(72,014)	-	129,089
Climate Challenge Fund	1,759,701	5,206,937	(5,136,575)	-	1,830,063

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Statement of funds (continued)

## Statement of funds - current year (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Climate Emergency Action Grants	21,967	23,513	(14,405)	-	31,075
SDE Grants	35,257	38,267	(21,014)	-	52,510
LEQ Grants	13,118	52,000	(56,801)	-	8,317
General Donations	69,118	13,365	(29,756)	-	52,727
UK Litter Prevention Initiative	3,000	-	-	-	3,000
Upstream Battle	13,275	8,000	(6,173)	-	15,102
Cup Movement	10,540	-	(1,618)	-	8,922
Climate Ready Classrooms	2,235	129,517	(129,428)	-	2,324
Canal College	54,187	163,689	(164,100)	-	53,776
Canal Heritage	-	40,936	(40,537)	-	399
SWT Transition and Contingency	10,477	16,500	-	-	26,977
Communities and Youth Climate Emergency Action	166,572	264	(119,422)	(47,414)	-
Climate Challenge Asset Fund	-	3,500,000	(2,809,946)	-	690,054
	<u>2,387,291</u>	<u>9,421,446</u>	<u>(8,801,613)</u>	<u>(47,414)</u>	<u>2,959,710</u>
<b>Total of funds</b>	<u><u>3,585,185</u></u>	<u><u>10,899,714</u></u>	<u><u>(10,151,190)</u></u>	<u><u>-</u></u>	<u><u>4,333,709</u></u>

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Statement of funds (continued)

## Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Strategic Development Fund	128,658	-	(59,920)	-	68,738
Scottish Canal Heritage Improvements	-	-	-	100,000	100,000
Local Environmental Quality Activities	-	-	-	125,000	125,000
	<u>128,658</u>	<u>-</u>	<u>(59,920)</u>	<u>225,000</u>	<u>293,738</u>
<b>General funds</b>					
General Funds	<u>1,036,765</u>	<u>1,485,491</u>	<u>(1,393,100)</u>	<u>(225,000)</u>	<u>904,156</u>
<b>Total Unrestricted funds</b>	<u>1,165,423</u>	<u>1,485,491</u>	<u>(1,453,020)</u>	<u>-</u>	<u>1,197,894</u>
<b>Restricted funds</b>					
Education	43,578	249,927	(227,909)	-	65,596
Community Programmes	306,288	11,800	(155,840)	-	162,248
Climate Challenge Fund	2,339,369	7,229,943	(7,809,611)	-	1,759,701

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Statement of funds (continued)

## Statement of funds - prior year (continued)

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Climate Emergency Action Grants	21,967	-	-	-	21,967
SDE Grants	59,893	24,613	(49,249)	-	35,257
LEQ Grants	1,450	50,150	(38,482)	-	13,118
General Donations	141,739	27,696	(100,317)	-	69,118
Anti Roadside Litter	69,186	618	(69,804)	-	-
UK Litter Prevention Initiative	3,000	-	-	-	3,000
Upstream Battle	102,498	26,811	(116,034)	-	13,275
Cup Movement	83,373	23,661	(96,494)	-	10,540
Climate Ready Classrooms	-	48,284	(46,049)	-	2,235
Canal College	-	336,981	(282,794)	-	54,187
Canal Heritage	-	36,949	(36,949)	-	-
SWT Transition and Contingency	-	35,822	(25,345)	-	10,477
Communities and Youth Climate Emergency Action	-	192,720	(26,148)	-	166,572
	3,172,341	8,295,975	(9,081,025)	-	2,387,291
<b>Total of funds</b>	<b>4,337,764</b>	<b>9,781,466</b>	<b>(10,534,045)</b>	<b>-</b>	<b>3,585,185</b>

## KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 15. Summary of funds

## Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Designated funds	293,738	6,959	(24,383)	-	276,314
General funds	904,156	1,471,309	(1,325,194)	47,414	1,097,685
Restricted funds	2,387,291	9,421,446	(8,801,613)	(47,414)	2,959,710
	<b>3,585,185</b>	<b>10,899,714</b>	<b>(10,151,190)</b>	<b>-</b>	<b>4,333,709</b>

## Summary of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Designated funds	128,658	-	(59,920)	225,000	293,738
General funds	1,036,765	1,485,491	(1,393,100)	(225,000)	904,156
Restricted funds	3,172,341	8,295,975	(9,081,025)	-	2,387,291
	<b>4,337,764</b>	<b>9,781,466</b>	<b>(10,534,045)</b>	<b>-</b>	<b>3,585,185</b>

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**KEEP SCOTLAND BEAUTIFUL**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**15. Summary of funds (continued)****Restricted Funds**

The SCIO frequently receives incoming resources in advance of the expenditure on the activity funded by the grant or donation. The timing of the expenditure is within the discretion of the charity. These incoming resources are restricted and allocated to the relevant fund. The restricted funds held at the end of the year are for ongoing and planned activities and in particular:

Local environmental quality campaigns and community initiatives  
Heritage activities including training and skills development  
Climate challenge fund grants for community groups across Scotland

**Unrestricted Funds**

The unrestricted funds comprise one general fund and three designated funds.

The General Fund contains funds to allow a planned and managed closure of the charity in the very unlikely event that this should be necessary. The reserve is sufficient to cover foreseeable costs including meeting statutory obligations to employees, paying creditors and paying any amount outstanding on the premises' lease either to termination or the next available break option, whatever comes first. The amount required for the General Fund will be calculated on a planned basis twice each year and any other times as required by circumstances. The General Fund will be partly invested and will also be used to finance planned short-term deficits in the cash budget.

The three designated funds comprise:

The Strategic Development fund contains funds to finance planned commitments that cannot be met by future income alone or for significant projects that require investment, 'matched funding' or simply activities which Charity Trustees wish to undertake which have no other funding available.

The Scottish Canal Heritage Improvements fund is designated for specific activities related to improvements to heritage infrastructure on the Scottish canal network.

The Local Environmental Quality Activities fund is designated for specific activities related to improving the quality of local environments across Scotland.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Current assets	1,641,275	2,959,710	<b>4,600,985</b>
Creditors due within one year	(267,276)	-	<b>(267,276)</b>
<b>Total</b>	<u>1,373,999</u>	<u>2,959,710</u>	<u><b>4,333,709</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Current assets	1,392,304	2,387,291	3,779,595
Creditors due within one year	(194,410)	-	(194,410)
<b>Total</b>	<u>1,197,894</u>	<u>2,387,291</u>	<u>3,585,185</u>

**17. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021 £</b>	<b>2020 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>748,524</b>	(752,579)
<b>Adjustments for:</b>		
Decrease/(increase) in debtors	<b>226,097</b>	(185,873)
Increase/(decrease) in creditors	<b>72,866</b>	12,211
Dividends, interest and rents from investments	<b>(5,462)</b>	(22,471)
<b>Net cash provided by/(used in) operating activities</b>	<u><b>1,042,025</b></u>	<u>(948,712)</u>

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**18. Analysis of cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>594</b>	<b>594</b>
Bank accounts	<b>4,267,646</b>	<b>2,968,159</b>
<b>Total cash and cash equivalents</b>	<b>4,268,240</b>	<b>2,968,753</b>

**19. Analysis of changes in net debt**

	<b>At 1 April 2020</b>	<b>Cash flows</b>	<b>At 31 March 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>2,968,753</b>	<b>1,299,487</b>	<b>4,268,240</b>
Liquid investments	<b>252,000</b>	<b>(252,000)</b>	<b>-</b>
	<b>3,220,753</b>	<b>1,047,487</b>	<b>4,268,240</b>

**20. Contingent liabilities**

During 2020/21 the Climate Challenge Fund and Climate Challenge Asset Fund awards totalled £8,680,223 of which £6,039,130 was claimed by 31 March 2021 leaving a potential liability of £2,641,103.

**21. Pension commitments**

Arrangements have been made for the charity to be a member of The Pensions Trust and to offer qualifying employees membership of either the Money Purchase Plan or the Flexible Retirement Plan and, subsequently, the Flexible Retirement Plan only. The arrangements in place with the Pensions Trust are a defined contribution pension scheme.

The pension charge for the period to 31 March 2021 is £147,492 (2020 - £145,664). Contributions totalling £18,436 (2020 - £Nil) were payable to the fund at 31 March 2021 and are included in creditors.



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**22. Operating lease commitments**

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b> £	<i>2020</i> £
<b>Amounts payable:</b>		
Not later than 1 year	<b>42,362</b>	<i>42,362</i>
	<u><u>42,362</u></u>	<u><u>42,362</u></u>

The following lease payments have been recognised as an expense in the statement of financial activities:

	<b>2021</b> £	<i>2020</i> £
Operating lease rentals	<b>83,825</b>	<i>84,109</i>
	<u><u>83,825</u></u>	<u><u>84,109</u></u>

**23. Indemnity Insurance**

The charity trustees and officers of the charity are indemnified out of the assets of the charity 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 charity.

The annual premium was £12,730 (2020 - £6,147).

**24. Post balance sheet events**

Keep Scotland Beautiful has managed the climate challenge fund for a number of years. Since the year end this arrangement came to an end on 30 June 2021 and unspent funds of £780,726 will be repaid to the Scottish Government.