
KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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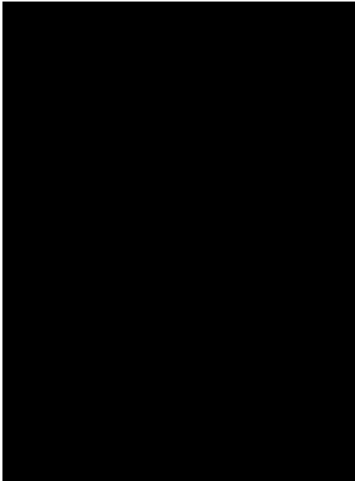
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS CHARITY TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Charity Trustees



FRSE (resigned 7 April 2021)

(appointed 9 July 2021)

(9 July 2021)

(July 2021)

(June 2021)

(16 November 2021)

(16 November 2021)

(November 2021)

Charity registered number

SC030332

Principal office

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

Honorary Fellows



(appointed 1 July 2021)

CBE, FRSE (appointed 1 July 2021)

Secretary



Executive Team



, Chief Executive

Deputy Chief Executive

Independent auditor

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

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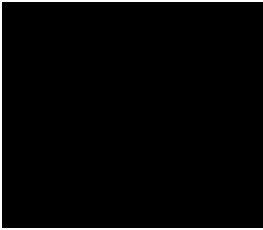
**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS CHARITY TRUSTEES AND
ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Bankers

Bank of Scotland
63 High Street
Dunblane
FK15 0EJ

Virgin Money
Jubilee House
Gosforth
Newcastle Upon Tyne
NE3 4PL

Solicitors



KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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 2022. 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.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

● STRATEGIES

Our strategies for achieving our aims are through our four strategic objectives, which are 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, both short and long 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, the Scottish Government's National Performance Framework and United Nations Sustainable Development Goals. Our annual Impact 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; 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.

● 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.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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.

● **Main activities undertaken to further the charity's purposes for the public benefit**

The main or significant charitable activities undertaken by us during 2021/2022 were:

Beautiful Scotland
Canal College ®
Canal Cultural Heritage
Clean Up Scotland
Climate Emergency Training
Climate Ready Classrooms
Climate Festival
Community Climate Action Plans
COP26 Youth Climate Programme
Eco-Schools Scotland
Green Flag award for parks and open spaces
It's Your Neighbourhood
LEAMS and LMS
Local Environmental Quality Training
National Award for Environmental Excellence ®
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.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report

Achievements and performance

● POLICY

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

The Global Goals are an international call to action to protect the planet, improve the lives and prospects of everyone everywhere, and to end poverty. They are considered to be the blueprint for achieving a better and more sustainable future for all, addressing the global challenges that we all face. There are 17 Global Goals, along with 169 targets. These form the basis of the global UN partnership for sustainable development. As an organ refer to both Global Goals and SDGs interchangeably.

Across our own activities we have identified where we have the biggest potential to contribute to the goals and their associated targets. There are eight key goals that we can strongly evidence our contribution to and will be refreshing our SDG mapping in the coming year. The eight are:

- SDG 4 – Quality Education
- SDG 6 – Clean Water and Sanitation
- SDG 8 – Decent Work and Economic Growth
- SDG 11 – Sustainable Cities and Communities
- SDG 12 – Responsible Consumption and Production
- SDG 13 – Climate Action
- SDG 14 – Life Below Water
- SDG 17 – Partnerships for the Goals

Aligning our work to the SDGs enables us to understand clearly how we contribute to, support, and promote understanding of, and engagement with, sustainable development more broadly. We remain committed to evidencing, monitoring, evaluating, and demonstrating how our activities contribute to the Global Goals. We continue to deliver and develop the Eco-Schools Scotland programme as members of the Foundation for Environmental Education (FEE); the SDGs are embedded into the programme's award criteria.

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

During the year April 2021 to March 2022, we submitted responses to 11 consultations including Government strategy consultations on the new National Litter and Flytipping Strategy and the Marine Litter Strategy, and NHS Scotland's Climate Emergency and Sustainability Strategy. In addition to consultations, we also completed two formal submissions. In partnership with the Scottish Government, Zero Waste Scotland, and Scottish Environment Protection Agency we developed, hosted and delivered a range of consultation engagement events in relation to the new National Litter and Flytipping Strategy public consultation.

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 and biodiversity. We contribute to and regularly endorse the responses that Scottish Environment LINK make to consultations along with other formal submissions and position statements – an example of the way in which our Charitable values – Collaborate, Positive, Ambitious, Innovative, Influential – enable us to influence and participate in the policy-making process at a national level.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

Alongside Scottish Environment LINK, Fidra, and the Marine Conservation Society we form the secretariat for the Scottish Parliament Cross-Party Group (CPG) on Circular Economy. The circular economy CPG exists to help the Scottish Parliament address and better understand issues around the establishment of a Circular Economy in Scotland bringing together a range of stakeholders with an interest and/or expertise in the adoption of circular economic practices.

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.

During the period, we published the 2021 Scottish Litter Survey. This survey acts as a baseline assessment of public perceptions and attitudes towards litter and littering behaviours across the country; the research found that 88% of Scots believe that litter is a national problem.

Keep Scotland Beautiful was mentioned in 25 motions raised by MSPs in the Scottish Parliament.

● 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.

This activity contributes towards Global Goal 12, Target 12.6.

Green Flag Award® for parks and open spaces

The Green Flag Award® scheme recognises and rewards well managed parks and green spaces and sets the benchmark standard for recreational outdoor spaces across the UK, and around the world. We currently oversee the delivery of the scheme in Scotland as part of the UK wide partnership led by Keep Britain Tidy.

The first Green Flags were awarded in 1997 and the scheme continues to provide the benchmark against which parks and green spaces are measured, both across the UK and, when the scheme expanded in 2008, to other countries across the world.

Parks are assessed by volunteer judges with a background in parks management, conservation, or ecology. In the 2021/2022 period there were 106 Green Flag judges who were all trained and supported by us.

The Green Flag Award® is presented annually during July as part of Love Parks Week and is valid year-round for one year. Applicants are judged against a set of award criteria which include assessing whether the park or green space is welcoming, safe, well maintained and secure. In 2021, we awarded 77 parks and green spaces with the Green Flag Award® across 17 local authority areas. We also promote the People's Choice vote where members of the public vote for their favourite award park with Strathaven Park in South Lanarkshire and Eorpie Park on the Isle of Lewis both featuring within the 2021 UK Top 10. This is the sixth year running that Strathaven Park has featured in the UK's top ten.

This activity contributes towards Global Goal 11, Target 11.7.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

LEAMS and Litter Monitoring System transition in partnership with Zero Waste Scotland

Through the Local Environmental Audit Management System (LEAMS) we co-ordinate local authority audits and carry out validation audits which provides a robust overview and a dataset of more than 10,000 data points from across Scotland. In addition, we provide training, events, and support to local authorities and other public bodies. We compile the data into reports – providing the basis of the evidence and information on street cleanliness and local environmental quality – which are used and reported by Scottish local authorities through the Local Government Benchmarking Framework.

We work in partnership with Zero Waste Scotland to develop 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. This also enables the 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 in environmental improvement.

It provides a standardised method to assess and benchmark environmental and carbon management as well as providing clear insights into organisational impact on local environmental quality and their role within the surrounding 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. In addition to accreditation, each organisation is provided with a detailed report and recommendations. This illustrates to the organisation the continual improvements that can be made on the journey towards gold or platinum 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 addition, over 130 locations from shopping centres to cultural and leisure trusts have been audited for an award. In 2021/2022 we presented both The Royal Yacht Britannia and Fingal with silver level National Award for Environmental Excellence®.

This activity contributes towards Global Goal 12, Target 12.6.

Partnership with Wheatley Group

We continued our partnership with Wheatley Group – Scotland's leading housing, care and property-management group – which is now into its 5th year. Over the course of the partnership so far, we have trained over 200 Wheatley staff and tenants in environmental standards and helped to carry out over 1,500 assessments in Wheatley neighbourhoods across central Scotland.

This activity contributes towards Global Goal 12, Target 12.6.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

Scotland's Beach Award

Scotland's Beach Award is the benchmark for quality beaches; celebrating clean, well-managed, and sustainable beaches enjoyed by people across Scotland. Awarded beaches demonstrate excellent beach management and environmental best practice ensuring the maintenance of high standards.

Award flags have been flying at beaches around Scotland for almost 30 years, recognising some of Scotland's most-loved beaches. From Shetland to the Scottish Borders 52 beaches across Scotland were recognised with the Award in 2021.

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 the outset, 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.

Due to COVID-19 restrictions our 2021 annual Spring Clean campaign was held during summer, and in partnership with Keep Britain Tidy and Keep Wales Tidy we encouraged people and organisations to pledge to be part of the Million Mile Mission converting the minutes spent litter picking into miles. In total 1,568,876 minutes were pledged to the campaign. The 2021 Spring Clean campaign received funding support from Coca Cola, McDonalds, and Helping Hand.

We supported 8,780 people, including 5,427 young people, to remove over 87 tonnes of litter from our streets in 2021/2022. 80 of the Clean Up events took place in the marine environment, and 81 took place in Scottish Index of Multiple Deprivation (SIMD) quintiles 1-3. To celebrate the success and hard work of those who took part in our Clean Up Scotland campaign, we awarded 7 people with a Clean Up Scotland Hero award.

This activity contributes towards Global Goal 12, Target 12.5.

Highland Community Waste Partnership

On 1 April 2022 the Highland Community Waste Partnership (HCWP) officially launched, bringing together eight organisations across the Highlands, and coordinated by Keep Scotland Beautiful. This project is a £1.5m three-year project funded by The National Lottery Community Fund. The HCWP is a community-led initiative which aims to reduce waste across communities by changing the ways in which people consume – that is buy, use, and dispose – of things. This will help cut costs, grow local, grassroots initiatives and transform the way we live to reduce our environmental impact.

This activity contributes towards Global Goal 12, Target 12.5.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Strategic report (continued)**Achievements and performance (continued)****My Beach, Your Beach**

In collaboration with SEPA and several local authorities, and with funding from Scottish Government, our exciting campaign My Beach, Your Beach ran again in 2021. The aim of the campaign is to support bathing water quality improvements with a focus on beach stewardship. It does this by raising awareness of issues, and by encouraging behaviour change – targeting both local audiences and visitors to the beach.

My Beach, Your Beach joined forces with Scotrail (with support from Network Rail), reminding and encouraging beach-goers travelling by train to respect, protect, and enjoy the sand and sea wherever they visit. Scotrail promoted the campaign messaging via a number of channels including social media and at a number of train stations along the Ayrshire coast.

Following the COVID-19 pandemic there was an increase in online campaign engagement activity, and this trend continued into the 2021 campaign with more than 918,100 people reached through social media, web, and press activity (an increase of over 407,000 people).

For summer 2021 a suite of My Beach, Your Beach materials were made available at a number of selected Scottish Beach Award awarded beaches in order to test their effectiveness as a resource to support beach managers. The pilot confirmed the impact of the My Beach, Your Beach campaign messaging and materials, and also highlighted the added value that the messaging can have on improving local environmental quality.

This activity contributes towards Global Goal 6, Target 6.3

Scotland's Climate Festival

During the UNFCCC COP26 in November 2021 we launched Scotland's Climate Festival with support from Scottish Government. The programme supported 62 community festivals across 17 local authorities and distributed almost £15,000 in seed funding to local groups to create climate festival events.

We published a report to celebrate the successes of the programme.

This activity contributes towards Global Goal 13, Target 13.3.

Upstream Battle®

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 across the Clyde Valley, and this year we have expanded the campaign adding Upstream Battle® on the Tay to our activities.

The broader 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, and along the River Tay – the longest river in Scotland – to focus on developing innovative approaches to tackling the marine litter environmental challenge and its clear links to the wider debate regarding issues such as the climate emergency, circular economy, and biodiversity decline.

We published a number of reports relating to the campaign, including an Upstream Battle® on the Clyde Phase 2 report, and a Phase 1 report regarding our work along the Tay. In 2021/2022 funding for our Upstream Battle® on the Clyde activities was secured from Crown Estate and BAE systems, with our work through Upstream Battle® on the Tay funded by Crown Estate Scotland, Marine Scotland, CCEP, Ocean Conservancy, and RSA.

This activity contributes towards Global Goal 14, Target 14.1.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

● 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, and 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 associated awards and certificates which align with the activities of Keep Scotland Beautiful. Winners can progress to represent Scotland in the UK-wide RHS Britain in Bloom finals.

Due to continuing difficulties associated with the COVID-19 pandemic, the option to submit a non-judged entry remained with 22 groups receiving an award. A further 27 groups entered the judged category. Of these entries over 50% were located within the SIMD quintiles 1-3. The participating groups registered a total of 62,593 volunteer hours.

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, or city. In 2021 there were 14 Beautiful Scotland judges, registering 1,141 volunteer hours.

Our 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. Following similar activities during the height of the COVID-19 pandemic, the judges shared their knowledge and expertise through a series of online seminars

Beautiful Scotland and It's Your Neighbourhood celebration

Our usual award ceremony again could not take place in person, and instead, 100 delegates from community groups, local authorities and businesses across Scotland involved in our Beautiful Scotland and It's Your Neighbourhood initiatives 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.

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.

The initiative 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 their environmental improvements through a series of certificates to acknowledge the good work being done on behalf of their communities.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Strategic report (continued)

Achievements and performance (continued)

In 2021, 202 groups were assessed and recognised for their hard work and effort – with 16% of these located in SIMD quintile 1-3 areas. We continued to host online seminars and offer our suite of online support and resources and encouraged communities to register.

The groups across the initiative registered a magnificent 125,330 volunteer hours.

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 2021 there were 23 volunteer assessors, registering 937 volunteer hours.

Our 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.

Following similar activities during the height of the COVID-19 pandemic, the judges shared their knowledge and expertise through a series of online seminars.

Beautiful Scotland and It's Your Neighbourhood celebration

Our usual award ceremony again could not take place in person, and instead, 100 delegates from community groups, local authorities and businesses across Scotland involved in our Beautiful Scotland and It's Your Neighbourhood initiatives 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.

Placemaking Through Heritage

Placemaking Through Heritage started in April 2020 and 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 was adapted to an online hub, and in the second year activities were able to return to face-to-face. Activities in this year have included work with users of the Union Canal, and the local community of Twechar – a former pit village.

This activity contributes towards Global Goal 11, Target 11.4.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Strategic report (continued)**Achievements and performance (continued)****Climate Challenge Fund (CCF)**

The Scottish Government's Climate Challenge Fund (CCF) provided 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.

Supported projects included those involving energy efficiency improvements to community owned buildings, home energy efficiency advice, lower carbon travel options, community growing initiatives, and schemes to tackle waste. Projects were located across all 32 of Scotland's local authorities, and in the last four years of the fund over £36m was awarded to 298 projects.

The fund had significant reach over its duration, and we published a report celebrating its successes.

Community Climate Action Plans (CCAP)

In December 2021 we launched an exciting new programme supporting seven communities across Scotland to develop bespoke climate action plans with funding from the Scottish Government as part of Scotland's COP26 community engagement programme.

The programme supported groups to reimagine their communities with a low-carbon future in mind, and to develop a bespoke plan for action that tackles the climate crisis and helps Scotland to meet the ambition of becoming a net zero nation by 2045.

This activity contributes towards Global Goal 13, Target 13.3.

COP26 Scottish Youth Climate Programme

Working in partnership with YoungScot and Youth Link, and with funding from Scottish Government, we delivered the Cop26 Scottish Youth Climate Programme, ensuring that young people can play a key role in Scotland's response to the climate emergency.

The programme was co-designed with young people from across Scotland, and included training, networking events, and support to youth leaders and young people. As part of the programme, we provided accredited Climate Emergency Training to young people, youth workers, and those who work with young people.

This activity contributes towards Global Goal 13, Target 13.3.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Strategic report (continued)

Achievements and performance (continued)

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.

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.

● INVESTMENT PERFORMANCE

We have no material financial investments. All funds are held as cash with UK banks.

● PERFORMANCE OF MATERIAL FUNDRAISING ACTIVITIES

There were no material fundraising activities.

Financial review

● FINANCIAL REVIEW AT END OF REPORTING PERIOD

During 2021/2022 we had income of £2,539,233 and expenditure of £5,108,877. Our total funds on 31 March 2022 are £1,764,065. There was a significant change in our income and expenditure profile during the year due to the planned cessation of the Climate Challenge Fund and the associated grant funds. This has particularly affected our restricted income and expenditure and the restricted funds position and has had no material impact on our financial sustainability and levels of unrestricted funds.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

● 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, the Risk and Audit Committee and ultimately 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 on '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. The use of the 'Furlough' programme by KSB was concluded in May 2021.

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. During this period we terminated the lease on the previous office accommodation and moved into a smaller unit. The staff team began to return to the office environment in the last quarter of the financial year. With the experience of the previous year and the agility and flexibility that had been deployed across the full range of activity we achieved a satisfactory financial performance during the year.

● GOING CONCERN

The disruption of Covid-19 continued during the year and the world faces newer, unprecedented uncertainty and disruption. 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.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

● 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.

We aim to maintain levels of free reserves such that they are sufficient to cover the costs associated with a managed closure and wind-up.

● PRINCIPAL FUNDING SOURCES

Our principal funding sources are grants and donations (£1,429,025), charitable activities (£1,105,010) and interest on cash deposits (£5,198).

The total amount of funds is £1,764,065 of which £574,235 is restricted and £1,189,830 is unrestricted.

● 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.

Social investment activities

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

Fund or subsidiary undertaking materially in deficit

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

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Financial effects due to significant events

There were no financial effects due to significant events during 2021/22 over and above managing the SCIO through the Covid-19 pandemic.

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.

We do not have corporate charity trustees.

None of our Charity Trustees holds title to property belonging to the charity or held title to property belonging to the charity during the reporting period.

No funds are held as a custodian trustee on behalf of others. Until 30 June 2021, we managed and administered Climate Challenge Fund grants on behalf of the Scottish Government which we distributed to community groups across Scotland. On closure of this programme, we returned all remaining, unallocated, grant funds to the Scottish Government.

KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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 in November 2021.

In April 2021, due to ill health, our Chair, [REDACTED] stood down and subsequently [REDACTED] was appointed our new chair at an extraordinary meeting on 3 April 2021. The SCIO is extremely grateful to our former Chair for the enthusiasm, dedication and commitment he provided to the role. In addition, a long-standing Charity Trustee and former employee [REDACTED], retired from the board and he, along with [REDACTED] were appointed as 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.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods

Summary of plans for future and Charity Trustees' perspective of the future direction

The Covid-19 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 Charity Trustees was enhanced by the addition of 6 Charity Trustees between July 2021 and October 2021.

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 Scottish 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.

We moved fully into a new 'hub' office environment in April 2022 providing a flexible working environment for the staff team reflecting the new hybrid approach to working both from an office and home 'base'.

KSB will not be immune to the effects of the cost of living/energy and higher inflationary environment. Decisions taken in previous financial years and the reduction in lease costs has mitigated the worst effects of this fiscal environment but the Charity Trustees will continue to monitor the effect on the organisation regularly and take further measures where required.

The anticipated pressures on fiscal settlements at national and local government levels are recognised but so too is the commitment that has been made around a determination on the reduction of litter through a national litter strategy and a renewed commitment for the public sector towards net zero carbon emissions, two of KSB's key priorities. KSB will continue to engage national and local government on programmes that provide cost effective interventions to immediate local environmental issues.

We will conclude discussions around our new strategy, having engaged our staff team, Charity Trustees and wider network. The strategy will further refine the core mission and priorities for the organisation as we seek to address local environmental issues, provide education, advice and support for the wider public and enable people and organisations to take action on the environment.

KSB will engage Scottish Education with a refreshed Education programme – Climate Action Schools – a suite of established education programmes (including the internationally acclaimed Eco-Schools programme and the SQA accredited – Climate Ready Schools programme) for nursery, primary and secondary schools. Climate Action Schools is designed to provide the knowledge to children, young people and teachers and enable them to be climate literate. We will also launch a new Biodiversity programme – LEAF – which focusses on the importance of forests and nature as learning environments.

KEEP SCOTLAND BEAUTIFUL

CHARITY TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods (continued)

Our international partnership with Keep New Zealand Beautiful (KNZB) to enable both organisations to flourish was announced in early 2022. Since then, KNZB has launched its own adapted version of Climate Ready Classrooms in New Zealand following support from KSB's Education team. We are looking forward to closer working on issues around local environmental quality and data collection.

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.

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.

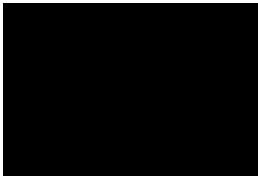
KEEP SCOTLAND BEAUTIFUL

**CHARITY TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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 and signed on their behalf by:



Charity Trustees)

Date: 05 December 2022

KEEP SCOTLAND BEAUTIFUL

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

Opinion

We have audited the financial statements of Keep Scotland Beautiful (the 'charity') for the year ended 31 March 2022 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 2022 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.

KEEP SCOTLAND BEAUTIFUL

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Charity Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

KEEP SCOTLAND BEAUTIFUL

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

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
- 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.

KEEP SCOTLAND BEAUTIFUL

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

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; and
- enquiring of management as to actual and potential litigation and claims.

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 directors 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. 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: 05 December 2022

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 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from:					
Donations and legacies	2	376,200	1,052,825	1,429,025	9,746,427
Charitable activities	3	849,345	255,665	1,105,010	1,147,825
Investments	4	5,198	-	5,198	5,462
Total income		1,230,743	1,308,490	2,539,233	10,899,714
Expenditure on:					
Charitable activities	5	1,414,912	3,693,965	5,108,877	10,151,190
Total expenditure		1,414,912	3,693,965	5,108,877	10,151,190
Net movement in funds		(184,169)	(2,385,475)	(2,569,644)	748,524
Reconciliation of funds:					
Total funds brought forward		1,373,999	2,959,710	4,333,709	3,585,185
Net movement in funds		(184,169)	(2,385,475)	(2,569,644)	748,524
Total funds carried forward		1,189,830	574,235	1,764,065	4,333,709

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

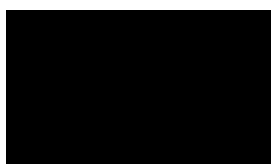
The notes on pages 29 to 45 form part of these financial statements.

KEEP SCOTLAND BEAUTIFUL

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Current assets			
Debtors	10	544,903	332,745
Cash at bank and in hand		1,512,680	4,268,240
		2,057,583	4,600,985
Creditors: amounts falling due within one year	11	(293,518)	(267,276)
Net current assets		1,764,065	4,333,709
Total net assets		1,764,065	4,333,709
Charity funds			
Restricted funds	12	574,235	2,959,710
Unrestricted funds	12	1,189,830	1,373,999
Total funds		1,764,065	4,333,709

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



(Charity Trustees)

Date: 05 December 2022

The notes on pages 29 to 45 form part of these financial statements.

KEEP SCOTLAND BEAUTIFUL

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used by)/provided by operating activities	15	(2,760,758)	1,042,025
Cash flows from investing activities			
Dividends, interest and rent from investments		5,198	5,462
Proceeds from sale of investments		-	252,000
Net cash provided by investing activities		5,198	257,462
Change in cash and cash equivalents in the year		(2,755,560)	1,299,487
Cash and cash equivalents at the beginning of the year		4,268,240	2,968,753
Cash and cash equivalents at the end of the year	16	1,512,680	4,268,240

The notes on pages 29 to 45 form part of these financial statements

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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. Income is also generated through invoiced services and training. The Charity Trustees have reviewed and updated the charity's forecasts and cash flows for any ongoing impact of the pandemic and the current economic uncertainties and inflationary pressures including the potential impact on future income streams and activities and 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.

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants				
The Scottish Government - Programmes	315,000	755,213	1,070,213	9,252,821
Other contributions	61,200	251,657	312,857	445,886
	<hr/> 376,200	<hr/> 1,006,870	<hr/> 1,383,070	<hr/> 9,698,707
Donations	-	45,955	45,955	47,720
Total 2022	<hr/> 376,200	<hr/> 1,052,825	<hr/> 1,429,025	<hr/> 9,746,427
<i>Total 2021</i>	<hr/> 331,989	<hr/> 9,414,438	<hr/> 9,746,427	

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Invoiced income	849,345	255,665	1,105,010	1,147,825
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	<u>1,144,186</u>	<u>3,639</u>	<u>1,147,825</u>	

4. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Deposit account interest	5,198	-	5,198	5,462
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	<u>2,093</u>	<u>3,369</u>	<u>5,462</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Invoiced income	1,041,911	67,553	1,109,464	1,081,841
Grant and donation funded activities	373,001	3,626,412	3,999,413	9,069,349
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2022	<u>1,414,912</u>	<u>3,693,965</u>	<u>5,108,877</u>	<u>10,151,190</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2021</i>	<u>1,349,577</u>	<u>8,801,613</u>	<u>10,151,190</u>	

KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Invoiced income	648,577	460,887	1,109,464	1,081,841
Grant and donation funded activities	3,740,934	258,479	3,999,413	9,069,349
Total 2022	4,389,511	719,366	5,108,877	10,151,190
<i>Total 2021</i>	<i>9,691,577</i>	<i>459,613</i>	<i>10,151,190</i>	

Analysis of direct costs

	Invoiced income 2022 £	Grant and donation funded activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	551,425	966,236	1,517,661	1,562,091
Materials and promotions	49,570	69,635	119,205	124,007
Travel and subsistence	22,468	11,616	34,084	15,883
Postage and carriage	855	827	1,682	5,707
Meetings and conferences	34	98	132	462
Professional fees	24,225	52,440	76,665	32,450
Grants payable to institutions	-	2,640,082	2,640,082	7,950,977
Total 2022	648,577	3,740,934	4,389,511	9,691,577
<i>Total 2021</i>	<i>831,200</i>	<i>8,860,377</i>	<i>9,691,577</i>	

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Invoiced income 2022 £	Grant and donation funded activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	56,436	68,977	125,413	125,857
Premises and general costs	304,645	147,627	452,272	224,755
IT costs	23,544	21,343	44,887	38,965
Bank charges	605	860	1,465	1,767
Staff recruitment and training	4,061	5,190	9,251	8,934
Professional fees	23,080	-	23,080	12,124
Governance costs	48,516	14,482	62,998	47,211
Total 2022	<u>460,887</u>	<u>258,479</u>	<u>719,366</u>	<u>459,613</u>
<i>Total 2021</i>	<u>250,641</u>	<u>208,972</u>	<u>459,613</u>	

Governance costs include an allocation of staff costs, depending on the time spent on these activities, amounting to £27,759 (2021 - £28,457).

Grants payable to institutions

	2022 £	2021 £
Climate Challenge Fund	2,012,157	5,136,632
Climate Challenge Asset Fund	608,527	2,809,946
Wrigleys Litter Less Campaign	2,300	4,399
Climate Festival Grant	10,200	-
Scotland's Climate Festival Seed Fund	4,481	-
Miscellaneous	2,417	-
	<u>2,640,082</u>	<u>7,950,977</u>

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Auditor's remuneration

	2022	<i>2021</i>
	£	£
Fees payable to the charity's auditor for the audit of the charity's annual accounts	19,200	<i>18,517</i>
Fees payable to the charity's auditor for non-audit services	18,448	<i>12,124</i>
	<hr/>	<hr/>

8. Staff costs

	2022	<i>2021</i>
	£	£
Wages and salaries	1,401,705	<i>1,434,039</i>
Social security costs	130,085	<i>134,874</i>
Contribution to defined contribution pension schemes	139,043	<i>147,492</i>
	<hr/>	<hr/>
	1,670,833	<i>1,716,405</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 £18,257 (2021 - £Nil).

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

	2022	<i>2021</i>
	No.	No.
	48	<i>54</i>
	<hr/>	<hr/>

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

	2022	<i>2021</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	1	<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 £169,595 (2021 - £165,838).

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Charity Trustees' remuneration and expenses

During the year, no Charity Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £NIL were reimbursed or paid directly to Charity Trustee (2021 - £186 to 1 Charity Trustee).

10. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	473,698	276,262
Prepayments and accrued income	71,205	56,483
	<u>544,903</u>	<u>332,745</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	34,713	65,506
Other taxation and social security	92,990	96,968
Other creditors	18,689	18,436
Accruals and deferred income	147,126	86,366
	<u>293,518</u>	<u>267,276</u>
	2022 £	2021 £
Deferred income at 1 April 2021	64,183	6,778
Resources deferred during the year	105,687	57,405
Amounts released from previous periods	(41,777)	-
	<u>128,093</u>	<u>64,183</u>

The deferred income relates to income received in advance for services to be provided during 2022-23.

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Strategic Development Fund	51,314	-	(5,980)	55,000	100,334
Scottish Canal Heritage Improvements	100,000	-	-	-	100,000
Local Environmental Quality Activities	125,000	-	(54,876)	-	70,124
	<u>276,314</u>	<u>-</u>	<u>(60,856)</u>	<u>55,000</u>	<u>270,458</u>
General funds					
General Funds	1,097,685	1,230,743	(1,354,056)	(55,000)	919,372
	<u>1,373,999</u>	<u>1,230,743</u>	<u>(1,414,912)</u>	<u>-</u>	<u>1,189,830</u>

KEEP SCOTLAND BEAUTIFUL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted funds					
Education	55,375	390,273	(242,961)	-	202,687
Community Programmes	129,089	10,000	(78,085)	-	61,004
Climate Challenge Fund	1,830,063	181,093	(2,011,156)	-	-
Climate Action Grants	31,075	294,755	(283,837)	-	41,993
SDE Grants	52,510	14,177	(31,272)	-	35,415
My Beach, Your Beach	8,317	56,000	(53,144)	-	11,173
General Donations	52,727	25,955	(25,343)	-	53,339
UK Litter Prevention Initiative	3,000	-	-	-	3,000
Upstream Battle	15,102	146,712	(73,229)	-	88,585
Cup Movement	8,922	633	(4,885)	-	4,670
Climate Ready Classrooms	2,324	104,760	(90,385)	-	16,699
Canal College	53,776	114,722	(131,498)	-	37,000
Canal Heritage	399	45,688	(40,491)	-	5,596
SWT Transition and Contingency	26,977	1,833	(15,736)	-	13,074
Climate Challenge Asset Fund	690,054	(80,528)	(609,526)	-	-
Community Highland Waste Partnership	-	2,417	(2,417)	-	-
	<u>2,959,710</u>	<u>1,308,490</u>	<u>(3,693,965)</u>	<u>-</u>	<u>574,235</u>
Total of funds	<u>4,333,709</u>	<u>2,539,233</u>	<u>(5,108,877)</u>	<u>-</u>	<u>1,764,065</u>

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
Designated funds					
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
	<hr/> 293,738	<hr/> 6,959	<hr/> (24,383)	<hr/> -	<hr/> 276,314
General funds					
General Funds	904,156	1,471,309	(1,325,194)	47,414	1,097,685
Total Unrestricted funds	<hr/> 1,197,894	<hr/> 1,478,268	<hr/> (1,349,577)	<hr/> 47,414	<hr/> 1,373,999

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Restricted funds					
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
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>
Total of funds	<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 2022**

13. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Designated funds	276,314	-	(60,856)	55,000	270,458
General funds	1,097,685	1,230,743	(1,354,056)	(55,000)	919,372
Restricted funds	2,959,710	1,308,490	(3,693,965)	-	574,235
	4,333,709	2,539,233	(5,108,877)	-	1,764,065

Summary of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
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
	3,585,185	10,899,714	(10,151,190)	-	4,333,709

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. 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

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.

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Current assets	1,483,348	574,235	2,057,583
Creditors due within one year	(293,518)	-	(293,518)
Total	1,189,830	574,235	1,764,065

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2022 £	2021 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,569,644)	748,524
Adjustments for:		
(Increase)/decrease in debtors	(212,158)	226,097
Increase in creditors	26,242	72,866
Dividends, interest and rent from investments	(5,198)	(5,462)
Net cash (used in)/provided by operating activities	<u><u>(2,760,758)</u></u>	<u><u>1,042,025</u></u>

16. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	439	594
Bank accounts	1,512,241	4,267,646
Total cash and cash equivalents	<u><u>1,512,680</u></u>	<u><u>4,268,240</u></u>

KEEP SCOTLAND BEAUTIFUL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Analysis of changes in net debt

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	£
Cash at bank and in hand	<u>4,268,240</u>	<u>(2,755,560)</u>	<u>1,512,680</u>

18. 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 2022 is £139,043 (2021 - £147,492). Contributions totalling £18,689 (2021 - £18,436) were payable to the fund at 31 March 2022 and are included in creditors.

19. Operating lease commitments

At 31 March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Amounts payable:		
Not later than 1 year	53,772	42,362
Later than 1 year and not later than 5 years	88,873	-
	<u>142,645</u>	<u>42,362</u>

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

	2022 £	2021 £
Operating lease rentals	<u>62,258</u>	<u>83,825</u>
-		

20. 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 £12,866 (2021 - £12,730).