

CIVITAS LIMITED
THE INSTITUTE FOR THE STUDY OF CIVIL SOCIETY
(Registered Charity number 1085494)
(Company limited by Guarantee, Registration number 04023541)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010

	Page
Legal and Administrative Information	3
Trustees' Report	4 - 9
Independent Auditor's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 - 18

Trustees/Directors of the Charitable Company

Chairman and Acting Treasurer	Ivan Bradbury Meg Allen Dr Philip Brown The Hon Mrs Silvia Le Marchant Professor Kenneth Minogue Douglas Myers CBE The Honourable Justin Shaw Lord Vinson of Roddam Dene
--------------------------------------	---

Other Officers of the Charity

Executive Director	Dr David Green
---------------------------	----------------

Company Secretary	Dr David Green
--------------------------	----------------

Registered Office	55 Tufton Street London SW1P 3QL
--------------------------	-------------------------------------

Website Address	www.civitas.org.uk
------------------------	--

Bankers	Barclays Bank plc Pall Mall Corporate Banking Centre PO Box 15163, London SW1A 1QD The Cooperative Bank PO Box 250, Skelmersdale WN8 6WT COIF Charities Deposit Fund CCLA Investment Management Limited 80 Cheapside, London EC2V 6DZ Scottish Widows Bank plc PO Box 12757 67 Morrison Street, Edinburgh EH3 8YJ
----------------	---

Independent Auditor	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
----------------------------	---

Charity Registration Number	1085494
------------------------------------	---------

Company Registration Number	04023541
------------------------------------	----------

The Trustees (who are also the Directors of the Charitable Company Limited by Guarantee) present their report for the year ended 31 December 2010. The presentation of the Financial Statements reflects the requirements of the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005), the Companies Act 2006, and the Charity's governing document as outlined below.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the Financial Statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these Financial Statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards 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 Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Constitution and Objectives

Civitas Limited, also known as the Institute for the Study of Civil Society, is established under its Memorandum and Articles of Association dated 29 June 2000 and amended on 23 November 2000, and is a registered charity, number 1085494.

Details of the Company's current Trustees, other Officers and Advisors are set out on page 3. In addition, Sir Peter Walters, Patrick Barbour and Michael Stone DL also served as Trustees during the year until they resigned on 15 June 2010, 15 June 2010 and 14 September 2010 respectively.

Under the Company's Memorandum of Association, the Charity is established to advance the study and understanding of religion and ethics in Society and any other charitable purpose.

Organisation of the Charity

The Trustees supervise the management and administration of the Charity. The day to day running of the Charity is delegated to the Executive Director.

Trustees with relevant experience and expertise are recruited on merit from among those with a demonstrated commitment to the aims of the charity. New trustees receive training through board meetings with other trustees.

Review of the Year's Achievements and Performance

Aims and Programmes

The Trustees have considered the Charity Commission guidelines on public benefit and are satisfied that Civitas benefits the public by pursuing the following aims:

- Discovering solutions to social problems.
- Implementing pioneering projects to demonstrate what can be accomplished.
- Supplying schools with teaching materials and guest speakers.
- Supporting informed public debate and encouraging consensus by:
 - Providing accurate factual information on today's social issues.
 - Publishing informed comment and analysis.
 - Bringing together leading protagonists in open discussion.

Our work falls into two main groups: the services we provide for the public, and our research and educational programmes. We provide two main services. First, we offer primary education for children who are falling behind at school and unable to afford the most costly private alternatives; and second, we provide teaching materials and speakers for schools. Our research and educational work is designed to facilitate informed public debate on important issues of the day by producing objective and balanced publications and arranging seminars and conferences to stimulate mutual learning through open discussion.

PRIMARY EDUCATION FOR CHILDREN FALLING BEHIND AT SCHOOL

Supplementary Schools

Many primary school pupils are not learning the basics. On Saturdays and after school hours during weekdays we provide lessons in English and maths for children who have fallen behind. We use a no-frills approach which concentrates on high quality teaching along traditional lines to enable children to master essential skills quickly. We emphasise small class sizes, reading through synthetic phonics and mental arithmetic.

Civitas operates seventeen supplementary schools: eleven in London, with the others in Yorkshire, the North East, Birmingham and Norfolk. The schools provide additional English and maths lessons for over 500 primary-aged children each week. Our pupils tend to come from disadvantaged backgrounds. Although many of the parents have high aspirations for their children, they often lack the skills and experience to help them continue learning outside regular school hours.

The aim of the project is to encourage disadvantaged children to be high-achievers, to reach their full academic potential and thereby to open up new opportunities. Class sizes are small and our dedicated teachers use traditional teaching methods. The children also benefit from a two-week summer school and half-term classes. The effect of the schools on the lives of the children is noticeable in the short-term, and in the long-term it is incalculable. As a result of attending the schools we hope and expect that the children will do better at school and university and find themselves with more options when they join the world of work. We hope they will become prosperous and responsible citizens.

The demand for what the schools are offering is effectively limitless and we have hundreds of children on our waiting lists. To assist policymaking by both the public and third sectors we aim to make the classes replicable and to ensure that as far as possible they can be scaled up. We are actively increasing the number of supplementary schools.

Other Education Projects

Children who have been excluded from school are often completely failed by the system. From 2005 until July 2010, as part of a joint project with the London Boxing Academy (LBA), we taught English, maths and information and communications technology (ICT) to teenagers who had been excluded from school. The aim was to reach 14-16 year-olds, who had often been in trouble with the police, by offering boxing and fitness training. Our role was to teach English, maths and other GCSE subjects.

Review of the Year's Achievements and Performance (continued)

The co-founder of the LBA, Chris Hall, has now started a new project for similar young people, the Footsteps Football Academy, also in Haringey. We provide some financial support and part-time remedial teachers for young people who lack basic literacy skills.

Civitas facilitated and supported the setting up of the New Model School Company (NMS), a not for profit company, independent from Civitas, which aims to make excellent traditional education available at a more affordable cost. Through the NMS we helped to establish a primary school in London, Maple Walk School, with the aim of keeping the fees as low as economically possible. Although the starting of the NMS was initially facilitated by Civitas, it has never been a subsidiary. It is an independent not-for-profit company funded by independent shareholders and private trusts.

Due to the generosity of one of our donors, we also run a dyslexia bursary scheme for children with special learning difficulties.

TEACHING MATERIALS AND TALKS FOR SCHOOLS

We supply schools with speakers and teaching materials in two areas: Britain's relationship with Europe and the role of the family and marriage in a free and democratic society.

The European Union: As part of our continuing effort to ensure that schools are supplied with objective materials about the EU we provide a network of speakers willing to talk to schools, whether in normal lessons or lunchtime or after-school meetings. Our speakers' panel now comprises over 190 lords, MPs, MEPs, journalists, academics, business leaders and political activists. Civitas has arranged over 870 EU talks and debates during the past three academic years.

In March 2009 we held a fourth conference for over 300 sixth formers who are studying subjects that cover the EU debate. Factsheets have been prepared for use in schools, covering topics such as the CAP and the impact on the developing world. Their preparation is overseen by independent advisers from schools; and elsewhere to ensure objectivity. They are free at our website (www.civitas.org.uk/eufacts) and were downloaded over 300,000 times in 2010 and are currently being used in over 650 schools with sixth forms, which is about a quarter of the total number. The remarks of this teacher in Lincoln are typical: 'It's good to see an organisation that seems to appreciate the needs of schools by supplying usable material instead of just 'ideas'!'.

Family and Marriage: The main school subject in which the issue of the family and marriage is raised is Personal, Social Health and Economic Education (PSHE). We supply educational materials, including lesson notes, for teachers of PSHE. Several factsheets have proved popular, either in hard copy or via our web site. In calendar year 2010, just over 200,000 copies of the factsheets were downloaded by schools. The pamphlet, *Does Marriage Matter?*, is also in demand with 2,500 downloads in 2010. It sets out the social science evidence about family, marriage and the consequences of family breakdown.

RESEARCH - IMPROVING THE STOCK OF PUBLIC KNOWLEDGE

Facilitating Informed Public Debate

We facilitate informed public debate by providing accurate factual information on the social issues of the day, publishing informed comment and analysis, and bringing together leading protagonists in open discussion. Civitas never takes a corporate view on any of the issues tackled during the course of this work. Our current focus is on issues such as education, health, crime, social security, manufacturing and immigration. Our online reports on these and other issues are widely sought after and in 2008 nearly 800,000 documents were downloaded.

We ensure that there is strong evidence for all our conclusions and present the evidence in a balanced and objective way. Our publications are refereed by at least two independent commentators, who may be academics or experts in their field.

Review of the Year's Achievements and Performance (continued)

EVENTS

On 16 December 2009 Matthew Taylor, Chief Executive of the RSA, gave a lunchtime seminar entitled *Has Neuroscience made Political Ideas Obsolete?*

On 13 January 2010 Philip Hammond MP, Shadow Chief Secretary to the Treasury, led a working dinner at Shepherd's Restaurant entitled *How to Encourage Economic Growth and a Revival of Manufacturing*, focusing on how to make Britain an attractive home for free enterprise, in particular manufacturing, taking into account energy costs and how to use the tax system to retract business to the UK.

On 8 February Professor Robert Rowthorn, from the University of Cambridge, gave a lunchtime seminar, *Do we face a Balance of Payments Crisis*, which precedes his report *Prospects for the UK Balance of Payments*. Discussion centred around what will happen to the UK current account balance over the next decade, whether we have put too much faith in finance at the expense of manufacturing and tackling the deficit with policies designed to boost UK trade performance.

On 18 February Irwin Stelzer, the American economist and political columnist for the US and UK, gave a lunchtime seminar about *China and Free Trade*. Questions such as the undervaluation of Chinese currency and its effects, as well as the implications of free trade producing huge growth in material well-being, were debated.

On 28 January and 24 February Young Civitas for Medics held its second and third events: *The price of a life: rationalising cost-effective medicine* at BMA House, and *Who's the boss? Doctors, managers and professionals* at the Royal College of Physicians. Both were attended by over 200 medical students.

On 17 March 2010, Civitas and the Socialist Health Association co-hosted an evening debate entitled *This house believes that a market will deliver quality and efficiency in healthcare better than central planning ever could*. Proposing the motion were Professor Steve Smith, Principal of the Faculty of Medicine at Imperial College London and CEO of Imperial College Healthcare NHS Trust, and James Gubb. Opposing were Neal Lawson, Chair of Compass and Dr Jonathan Tomlinson, of the Lawson Practice. The debate was chaired by Martin Rathfelder, Director of the Socialist Health Association.

On 30 March 2010, Polly Toynbee, Guardian columnist and President of the British Humanist Association, and Philip Blond, theologian and cultural commentator, debated the motion *Does the decline of religion in the UK matter?* at a lunchtime seminar chaired by Anastasia de Waal.

On 9 April 2010 Michael Scott, CEO of NHS Westminster and Piers Ricketts of KPMG, discussed *What is world class commissioning?* in a lunchtime seminar.

On 21 April 2010 Bill Moyes, former executive chairman of Monitor, gave a lunchtime seminar entitled *Who should run the NHS?* It focused on the possibilities of returning to a mutual insurance model where the Department of Health and NHS could act as commissioners, rather than monopoly suppliers of healthcare, and advocated greater competition and patient choice.

On 27 May 2010, David Green and John Willman debated industrial policy at a lunchtime seminar entitled *Is there a free market case for industrial policy?* Discussion focused on whether state intervention would best foster industrial growth, the role international corporations should have in British interests and how to stimulate local entrepreneurship.

On 12 April and 25 May, Young Civitas for Medics held its fourth and fifth events entitled *The implications of the recession for the NHS* with Nigel Edwards of the NHS Confederation and Aidan Halligan of UCLH NHS Foundation Trust, and *The NHS: the envy of the world* with Steve Smith.

On 9 June Professor Larry Mead discussed prospects for welfare reform and the advantages of viewing work as a civic duty beyond its economic benefits.

Review of the Year's Achievements and Performance (continued)

On 23 June, Dr Paul Woolley spoke at an evening seminar on capital markets, and ways to prevent market irregularities that generate social disadvantages.

On 29 June, Daniel Hannan MEP discussed prospects for direct democracy at an evening seminar chaired by David Green. Hannan argued that the use of open primaries, referenda, and enabling electorates to recall MPs are fundamental to reinvigorate British democracy.

On 12 July, Ruth Lea and Jeremy Nicholson launched their latest report for the Civitas Manufacturing Renewal Project at a seminar on British energy policy and the threat to manufacturing. They discussed how green energy policies were driving intensive energy industries out of the UK.

On 14 July, the Civitas Health Unit hosted a seminar with Hamish Meldrum, Chairman of the Council of the British Medical Association. Dr Meldrum discussed why GPs are hesitant about the increased use of markets in NHS provision, as well as the Government's new policy that looks set to give GPs an expanded role as health care commissioners. It was chaired by James Gubb.

On 27 July, Civitas hosted a talk by David Davis MP on how to prevent a future systemic banking collapse. Numerous approaches were discussed including dividing up high-street and investment banking, and the use of larger capital reserve requirements.

On 3 November, Civitas hosted a talk by Ha-Joon Chang, Reader in the Political Economy of Development at Cambridge University. He argued that Britain should not rely on services as the only driver to economic growth, to the detriment of manufacturing.

On 5 November, Civitas hosted a talk by Peter Saunders on his book, *Social Mobility Myths*. He argued that the best empirical research on social mobility suggested that native intelligence plays a substantial role in deciding someone's social class destination and income.

On 26 November, Civitas hosted a talk by Sir Alan Rudge, Chairman of the ERA foundation. He discussed the risks posed to manufacturing by widespread foreign ownership of British businesses.

PUBLICATIONS

- *A Liberal Education and the National Curriculum* by David Conway (January)
- Civitas Review: Cover story: *Time for Turning* by David Merlin-Jones (January)
- *Prospects for the UK Balance of Payments* by Robert Rowthorn and Ken Coutts with a commentary by Bill Martin (March)
- *Prosperity with Principles* by David Green (April)
- *Social Mobility Myths* by Peter Saunders (June)
- *British Energy Policy and the Threat to Manufacturing* by Ruth Lea and Jeremy Nicholson (June)
- *A New Inquisition: religious persecution in Britain today* by Jon Gower Davies (June)
- *Licensed to Hug* (Second Edition) by Frank Furedi and Jennie Bristow (September)
- *Refusing Treatment: The NHS and market-based reform* by Laura Brereton and James Gubb (October)
- *Women, Islam and Western Liberalism* by Faisal al Yafai (ed.) (October)

ONLINE REPORTS

- *The Secrets of Academies' Success* by Anastasia de Waal (December)
- *Markets in Health Care: the theory behind the policy* by James Gubb and Oliver Meller-Herbert (December)
- *Corporation Tax: beating the competition* by Richard Baron and Corin Taylor (February)
- *Not 'Challenging Myths' but Mythical Challenges* by Mervyn Stone (February)
- *The Impact of the NHS Market: an overview of the literature* by Laura Brereton and Vilashiny Vasoodaven (March)
- *Formulas at War Over Two Sorts of Inequality in Health Funding* by Mervyn Stone (May)
- *The Potential Consequences of Kenneth Clarke's Crime Policy* by David Green (June)

Review of the Year's Achievements and Performance (continued)

- *Government Plans to Transfer Commissioning Responsibility from PCTs to GPs* by James Gubb (July)
- *Practically Irrelevant: 'vocational' qualifications in schools not fit for purpose* by Anastasia de Waal (August)
- *Prison, Community Sentencing and Crime* by Ken Pease (August)
- *The Industrial and Commercial Finance Corporation: Lessons from the past for the future* by David Merlin-Jones (October)
- *NHS White Paper proposals for GP commissioning: does size matter?* by Sebastian Baird, James Gubb and Kieran Walshe (October)
- *'Rock Solid?' An investigation into the British cement industry* by David Merlin-Jones (November)
- *A New Secret Garden? Alternative Provision, Exclusion and Children's Rights* by Tom Ogg with Emily Kaill (November)

Financial Position and Reserves Policy

At 31 December 2010 the Company had net assets of £981,194 (2009 - £677,674), represented by unrestricted general purpose funds of £277,690 (2009 - £308,292) and restricted funds of £703,504 (2009 - £369,382). These are considered available and adequate to fulfil the obligations of the charity for the foreseeable future.

The policy of the Trustees is to maintain a financial reserve up to the equivalent of an average year's expenditure, to be exceeded only for specified purposes such as provision for premises or projects subject to restricted funding.

Risk Management

The Trustees confirm that they have identified and reviewed the major risks to which the Charity is exposed, and have established systems to mitigate those risks.

The principal risk facing the Charity is that it does not raise sufficient income to be able to cover the cost of its charitable activities and governance costs.

Charitable donations

During the year the Charity made charitable donations to the Footsteps Football Academy, a Community Interest Company set up to help underprivileged youths, totalling £22,000 during the year (2009 - £NIL).

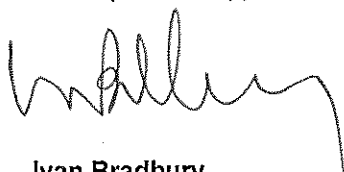
Disclosure of Information to the Independent Auditor

So far as each Trustee is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Trustee has taken all the steps that he ought to have taken as a Director of the Company in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

Littlejohn LLP has signified its willingness to continue in office as statutory auditor.

This report was approved on 3 June 2011 and signed on behalf of the Trustees by



Ivan Bradbury
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CIVITAS LIMITED

We have audited the Financial Statements of Civitas Limited for the year ended 31 December 2010, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 11. These Financial Statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Malcolm Reddihough (Senior Statutory Auditor)
For and on behalf of Littlejohn LLP, Statutory Auditor
8 June 2011

1 Westferry Circus
Canary Wharf
London E14 4HD

CIVITAS LIMITED
THE INSTITUTE FOR THE STUDY OF CIVIL SOCIETY (incorporating an Income and Expenditure Account)
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 December 2010

Income and Expenditure	Note	2010 Unrestricted Funds	2010 Restricted Funds	2010 Total Funds	2009 Total Funds
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income - Donations		278,736	1,015,739	1,294,475	697,878
Activities for generating funds:					
- Membership programme		18,442	-	18,442	20,695
- Subscriptions		3,013	-	3,013	5,455
Investment income - Interest and dividends receivable		4,594	-	4,594	11,342
Incoming resources from charitable activities:					
- Conference		-	-	-	1,644
- Publication sales		24,479	-	24,479	26,916
- Sundry income		2,713	-	2,713	1,664
Total Incoming Resources		331,977	1,015,739	1,347,716	765,594
Resources Expended					
Cost of generating funds - Marketing		1,211	-	1,211	2,604
Charitable activities:					
- Curriculum Project		-	7,720	7,720	-
- Dyslexia Bursary Project		-	1,293	1,293	10,431
- European Relations Project		-	32,056	32,056	28,069
- Family Studies Project		-	12,000	12,000	5,595
- Health Alternatives Project		-	15,850	15,850	30,350
- London Boxing Academy Project		-	67,218	67,218	94,736
- New Model School Project		-	138,191	138,191	49,322
- New Model School (Designated Fund)		4,659	-	4,659	-
- New Model School Bursary Project		-	6,960	6,960	-
- Our Island Story Project		-	1,376	1,376	-
- Science & Technology Project		-	108,871	108,871	68,454
- Supplementary Schools Project		-	285,706	285,706	273,465
- Young Civitas For Medics Project		-	5,843	5,843	2,795
- Book publishing		26,704	-	26,704	26,165
- Seminars and meetings		5,742	-	5,742	2,998
- Research		210,421	-	210,421	206,028
Governance costs	3	113,842	683,084	113,842	100,752
Total Resources Expended		362,579	683,084	1,045,663	901,764
Net Incoming/(Outgoing) Resources for the Year		(30,602)	332,655	302,053	(136,170)
Other Recognised Gains and Losses					
Unrealised surplus on investment asset	6	-	1,467	1,467	-
Net Movement in Funds		(30,602)	334,122	303,520	(136,170)
Fund balances brought forward		308,292	369,382	677,674	813,844
Fund balances carried forward	11	£277,690	£703,504	£981,194	£677,674

The Company has no recognised gains or losses other than as stated above. All of the activities represent continuing activities of the Company.

The Notes on pages 13 to 18 form part of these Financial Statements.

	Note	2010	2009
Fixed Assets			
Tangible fixed assets	5	4,504	1,876
Investments	6	17,849	-
Current Assets			
Stock of books for resale		10,480	12,993
Loan to New Model School	8	-	125,000
Sundry debtors and prepayments		11,780	-
VAT recoverable		3,353	2,763
Cash at bank and in hand		1,354,828	714,844
		<u>1,380,441</u>	<u>855,600</u>
Creditors: Amounts Falling Due Within One Year			
Deferred income	7	150,000	-
Sundry creditors		7,124	38,233
Tax and social security costs		14,476	16,569
		<u>171,600</u>	<u>54,802</u>
Net Current Assets		<u>1,208,841</u>	<u>800,798</u>
Total Assets less Current Liabilities		<u>1,231,194</u>	<u>802,674</u>
Creditors: Amounts Falling Due After More Than One Year			
Deferred income	7	250,000	-
Restricted purpose loan	8	-	125,000
		<u>250,000</u>	<u>125,000</u>
Net Assets	11	<u>£981,194</u>	<u>£677,674</u>
Funds			
Restricted funds	10	703,504	369,382
Unrestricted funds		277,690	308,292
		<u>£981,194</u>	<u>£677,674</u>
Total Funds	11	<u>£981,194</u>	<u>£677,674</u>

These Financial Statements were approved and authorised for issue by the Board of Trustees on 3 June 2011, and were signed on its behalf by


Ivan Bradbury

Trustee


The Hon Mrs Silvia Le Marchant

Trustee

The Notes on pages 13 to 18 form part of these Financial Statements.

1. Accounting Policies

Basis of accounting

The Financial Statements are prepared under the historical cost convention apart from fixed asset investments, which are stated at market value, and in accordance with the Companies Act 2006, the Charities Act 1993, the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in March 2005), and applicable accounting standards. The specific accounting policies adopted are set out below.

Incoming resources

Donations and subscriptions are included as income as soon as they are received, unless the donor has imposed pre-conditions on the use of the funds, in which case the donations are carried forward until the pre-conditions are met. Grants and statutory funding are recognised once the resource is receivable by the charity and can be measured with reasonable reliability. Gifts in kind, such as assets given for use by the charity are recognised as income when received and are recorded at their estimated market value. Assets given for distribution by the charity are recognised as income when distributed. Voluntary help is not recognised in the Statement of Financial Activities.

Resources expended

All expenditure is accounted for on an accruals basis. Staff salaries are allocated to charitable activities or governance costs on a time-spent basis.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less any residual value, evenly over its expected useful life. Office furniture and equipment has an expected useful life of between 3 and 5 years.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Operating leases

Rentals paid under operating leases are charged to income as incurred.

Taxation

As a charity, Civitas Limited is generally exempt from taxation with the exception of Value Added Tax. The charity is registered for VAT and expenditure is stated excluding any related VAT.

Fund accounting - restricted, designated and unrestricted funds

Restricted funds comprise donations and grants that have been received for specific purposes or have been subject to specific conditions imposed by the donor. Designated funds comprise unrestricted funds set aside by the Trustees for specific purposes. Unrestricted funds may be used for the purposes of the charity at the Trustees' discretion.

Investments

Investments are included in the Financial Statements at their market value. Unrealised gains and losses are included in the Statement of Financial Activities and are computed by reference to the market value of the investments at the beginning of the year. Gains or losses arising from the sale of investments are shown as realised.

1. Accounting Policies (continued)

Pension Contributions

The Charity operates a defined contribution pension scheme for certain of its senior employees. The funds of the scheme are administered by Trustees and are separate from the Charity. Contributions are paid by the Charity and employees. The pension charge represents contributions payable by the Charity for the year. The Charity's liability is limited to the amounts of the contribution.

2. Information regarding Trustees and Employees	2010	2009
Staff costs:		
Civitas Limited staff:		
Wages and salaries, including benefits	459,597	513,888
Redundancy cost	-	30,000
Social security costs	46,625	51,652
Pension contributions	28,733	23,538
	<u>£534,955</u>	<u>£619,078</u>
Supplementary Schools project teaching staff:		
Wages and salaries	138,324	85,901
Social security costs	693	260
	<u>£139,017</u>	<u>£86,161</u>
Total staff costs	<u>£673,972</u>	<u>£705,239</u>
The average number of persons employed by the Company during the year was:		
Civitas staff	17	19
Supplementary Schools project teaching staff (part time)	44	52
	<u>61</u>	<u>71</u>

There was one employee with emoluments for the year in the range £90,000 to £100,000 (2009 – one between £90,000 and £100,000) and, in addition, the Company paid £17,329 (2009 - £14,416) in the year for the provision of money purchase pension benefits for this employee. No other employees received emoluments for the year in excess of £60,000 (2009 – one employee received emoluments in the range £50,000 to £60,000, together with a £30,000 redundancy payment and £4,242 for the provision of money purchase pension benefits). The Trustees were not remunerated, and did not reclaim any expenses in the year (2009 – Nil).

3. Governance Costs

	2010 Unrestricted Funds	2010 Restricted Funds	2010 Total Funds	2009 Total Funds
Accountancy	7,583	-	7,583	1,146
Depreciation	3,522	-	3,522	2,838
Independent auditors' remuneration	2,750	-	2,750	2,500
Postage	9,900	-	9,900	7,723
Rent and rates	54,062	-	54,062	24,502
Staff salaries/redundancy costs – administration	22,908	-	22,908	51,200
Stationery and computer supplies	9,616	-	9,616	6,288
Sundry expenses	2,983	-	2,983	2,748
Telephone	518	-	518	1,807
	<hr/>	<hr/>	<hr/>	<hr/>
	£113,842	£-	£113,842	£100,752
	<hr/>	<hr/>	<hr/>	<hr/>

4. Operating Lease Obligations

The minimum lease payments to which the Company is committed under a non-cancellable operating lease for the coming year total £39,000, on a property lease expiring in more than five years from the balance sheet date (2009 - £nil).

5. Tangible Fixed Assets

Cost	Office furniture and equipment
At 31 December 2009	30,208
Additions	6,150
Disposals	(6,684)
	<hr/>
At 31 December 2010	29,674
	<hr/>
Depreciation	
At 31 December 2009	28,332
Charge for the year	3,522
Disposals	(6,684)
	<hr/>
At 31 December 2010	25,170
	<hr/>
Net Book Value	
At 31 December 2010	£4,504
	<hr/>
At 31 December 2009	£1,876
	<hr/>

The Company had no capital commitments at 31 December 2010 (2009 – Nil).

6. Fixed Asset Investments	2010	2009
Quoted investments:		
Market value at 31 December 2009	-	-
Additions - restricted donation	16,382	-
Increase in market value	1,467	-
	<hr/>	<hr/>
Market value at 31 December 2010	£17,849	£-
	<hr/>	<hr/>
Original market value when donated to the Company	£16,382	£-
	<hr/>	<hr/>

7. Deferred Income

During the year the Company received a donation of £400,000 which has been deferred in accordance with the donor's restrictions on when the income should be spent (2009 – Nil).

8. Restricted Purpose Loan

In 2005, the Company received an interest free unsecured loan with no fixed repayment date from a charitable trust for the restricted purpose of supporting the development of the New Model School, and the Company in turn loaned these funds on to the New Model School on similar terms. On 8 December 2010, the trustees of the charitable trust decided to convert the loan to the Company into a restricted donation, and on the same date, the Company converted its equivalent loan to the New Model School into a charitable grant.

9. Related Parties

The former Chairman of the Board of Trustees and the former Deputy Director of Civitas Limited are both also Directors of The New Model School Company Limited ("New Model School"), a separate company set up during 2004 as a result of a Civitas project. Civitas has no interest in the shares issued by New Model School. Civitas had no legal or financial obligations to New Model School as at 31 December 2010 (2009 – £Nil). Funds raised by Civitas for the benefit of the New Model School Project are spent at the discretion of Civitas, but funds that were received by way of restricted purpose loan were loaned on to the New Model School on similar terms – the outstanding loan of £125,000 to New Model School was converted into a charitable grant on 8 December 2010 (see note 8). In March 2006, New Model School signed a three-year lease on its school premises, terminable on one-term's notice, at a rent of £13,575 per annum; Civitas, along with another unrelated party, was previously a guarantor of the rent paid on this lease by the New Model School but this guarantee ceased during 2009. In November 2006, Civitas took out a lease on adjoining premises to the School at an annual rent of £12,000, and were committed to pay this rent and the associated business rates on this property until October 2010; during the year £2,229 was paid (2009 - £14,408), shown as an expense in the New Model School Project Fund within restricted funds. In addition, no charge (2009 – £10,551) was made to New Model School towards Civitas administration costs relating to New Model School activities. During the year Civitas contributed £6,960 (2009 – Nil) towards pupils' bursaries at the New Model School and also made a donation of £10,962 towards their IT project (2009 – Nil).

10. Restricted Funds	Balance at 31 December 2009	Income	Expenditure	Balance at 31 December 2010
Community Studies Project Fund	18,770	-	-	18,770
Curriculum Project Fund	-	17,849	7,720	10,129
Dyslexia Bursary Project Fund	4,910	-	1,293	3,617
European Relations Project Fund	54,408	46,941	32,056	69,293
Family Studies Project Fund	6,684	12,000	12,000	6,684
Health Alternatives Project Fund	-	15,850	15,850	-
London Boxing Academy Project Fund	40,218	27,000	67,218	-
New Model School Project Fund	13,191	125,000	138,191	-
New Model School Bursary Fund	6,960	-	6,960	-
Our Island Story Project Fund	14,667	-	1,376	13,291
Science & Technology Project Fund	25,546	300,000	108,871	216,675
Supplementary Schools Project Fund	180,323	465,816	285,706	360,433
Young Civitas for Medics Project Fund	3,705	6,750	5,843	4,612
Totals	£369,382	£1,017,206	£683,084	£703,504

The Community Studies Project Fund was set up to support work on a study of the moral and cultural roots of a free society.

The Curriculum Project Fund was set up to support the development, publication and promotion of a curriculum for primary and secondary schools.

The Dyslexia Bursary Fund was set up to provide teaching support for young people with special educational needs, especially but not only, dyslexia.

The European Relations Project Fund was set up to provide a network of speakers for schools and universities on issues relating to our relations with other European countries, and to provide teaching materials about the EU for schools.

The Family Studies Project Fund was set up to advance study of the family and marriage.

The Health Alternatives Project Fund was set up to cover the cost of studying overseas health systems to discover the lessons for Britain.

The London Boxing Academy Project Fund was set up to educate children who have been permanently excluded from school.

The New Model School Project Fund was set up to support the work of the New Model School in providing high quality private education for the children of parents on low incomes.

The New Model School Bursary Fund was set up to provide educational opportunities for children from low-income backgrounds at the New Model School or elsewhere.

The Our Island Story Project Fund was set up to encourage schools to teach narrative history, especially by using the book, Our Island Story by H E Marshall.

The Science & Technology Project Fund was set up to support research and educational work on the role of science, technology and manufacturing.

The Supplementary Schools Project Fund was set up to support a network of supplementary schools held on Saturdays or after school on weekdays to teach mainly (but not only) English and maths to children who have fallen behind the expected standard for their age.

The Young Civitas for Medics Project Fund was established to organise events at which medical students can debate the future of health care.

11. Analysis of Total Funds as at 31 December 2010

	Fixed Assets	Net Current Assets	Creditors Due After One Year	Total
Restricted funds:				
Community Studies Project Fund	-	18,770	-	18,770
Curriculum Project Fund	17,849	(7,720)	-	10,129
Dyslexia Bursary Project Fund	-	3,617	-	3,617
European Relations Project Fund	-	69,293	-	69,293
Family Studies Project Fund	-	6,684	-	6,684
Our Island Story Project Fund	-	13,291	-	13,291
Science & Technology Project Fund	-	216,675	-	216,675
Supplementary Schools Project Fund	-	610,433	(250,000)	360,433
Young Civitas for Medics Project Fund	-	4,612	-	4,612
	<hr/>	<hr/>	<hr/>	<hr/>
	17,849	935,655	(250,000)	703,504
Unrestricted funds	4,504	273,186	-	277,690
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	£22,353	£1,208,841	£(250,000)	£981,194
	<hr/>	<hr/>	<hr/>	<hr/>