

CIVITAS LIMITED
THE INSTITUTE FOR THE STUDY OF CIVIL SOCIETY
(Registered Charity number 1085494)
(Company limited by Guarantee, Registration number 4023541)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008



	Page
Legal and Administrative Information	2
Report of the Trustees	3 - 7
Report of the Independent Auditors	8
Statement of Financial Activities	9
Balance Sheet	10
Accounting Policies	11
Notes to the Financial Statements	12 - 15

Trustees/Directors of the Charitable Company

Chairman	The Honourable Justin Shaw
Deputy Chairman	Sir Peter Walters
Treasurer	The Hon Mrs Silvia Le Marchant Meg Allen Patrick Barbour Ivan Bradbury Dr Philip Brown Professor Kenneth Minogue Douglas Myers CBE Michael Stone DL Lord Vinson of Roddam Dene

Other Officers of the Charity

Executive Director	Dr David Green
Deputy Director	Robert Whelan

Company Secretary	Dr David Green
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Registered Office	77 Great Peter Street London SW1P 2EZ
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Website Address	www.civitas.org.uk
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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
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Independent Auditors	Littlejohn LLP Chartered Accountants and Registered Auditors 1 Westferry Circus Canary Wharf London E14 4HD
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Charity Registration Number	1085494
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Company Registration Number	4023541
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The Trustees (who are also the Directors of the Charitable Company Limited by Guarantee) present their report for the year ended 31 December 2008. 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 1985, and the Charity's governing document as outlined below.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Annual 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period. In preparing these Financial Statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities.

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 2. Michael Stone was appointed as an additional Trustee 9 December 2008.

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 and his Deputy.

Trustees with relevant experience and expertise are recruited on merit from among those with a demonstrated commitment to the aims of the charity.

Review of the Year's Achievements and Performance

Summary

In order to achieve its objectives the Charity does the following:

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

Aims and Programmes

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 failed by the school system 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.

CIVITAS SCHOOLS

There are a number of reasonably priced private schools, but many are too expensive for the majority of people. We aim to provide high quality primary education for all sections of society, regardless of parental income. We achieve this aim with three programmes, the New Model School, our supplementary schools, and our partnership with the London Boxing Academy to give a second chance to disruptive pupils.

The New Model School

We have established a primary school in London, the New Model School, whose fees are kept as low as economically possible without making a loss. At present the fees are about £5,000 per year, some 40-50% lower than many London-based private schools. For parents unable to afford even modest fees we are building up a bursary fund to provide free and subsidised places.

Although it was established by Civitas, the New Model School is not a subsidiary. It is an independent organisation registered as a company whose constitution is based on the 'philanthropy and five per cent' model. Shareholders buy shares in blocks of £100 and for each £100 of shares they must make an interest-free loan of £1,000. The maximum dividend payable on the shares is 5%, but no dividend will be paid for the first few years of the project. Civitas has supported the start-up costs of the school, but now that it is economically viable Civitas focuses on widening the access of children from less advantaged backgrounds. Having founded the first school, the aim is to establish others and also to develop a model that can be replicated by other groups elsewhere in country in order to reach as many children as possible.

Supplementary Schools

Many primary schools in inner city areas fail to teach 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.

We are currently providing fourteen supplementary schools for over 350 children a week. Most are in London - Bethnal Green, the Kings Cross area (three schools), Hammersmith, Camberwell and Kilburn. Five are in other parts of the country: Yardley Wood in Birmingham, Keighley, Great Yarmouth, and Bradford and County Durham. The children also benefit from a two-week summer school and half-term classes. We are actively increasing the number of supplementary schools by enlisting hard-to-reach children, including the children of immigrants, one of the groups most affected by poor quality schools.

A second chance for disruptive pupils

In North East London there are 15 year olds who cannot read the number on the front of a bus, live constantly under threat from unprovoked violence, beyond protection from the law and with little hope for any other future. In October 2006, we started working in partnership with the London Boxing Academy (LBA) in Tottenham to provide academic lessons for youths who have been permanently excluded from their schools. Many have criminal records. Boxing helps to channel aggression and is extremely effective in changing negative attitudes by emphasising respect, discipline and commitment.

The 28 students receive lessons in the fundamentals of maths, English and ICT, leading to nationally recognised basic skills qualifications and GCSEs. They are taught in groups of six by one teacher and one assistant and receive a great deal of personal attention. The programme is firmly focused on providing students with everyday tools, such as reading and mental arithmetic, to enable them to get a job and avoid crime. Of the 12 boys old enough to take GCSEs in 2008, 11 passed in at least one subject, and one obtained a grade C. By ordinary standards their achievements were poor, but previously they had been expected to leave school with no qualifications at all. Ten of the 12 boys went on to further education or a job.

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

PROVIDING TEACHING MATERIALS AND SPEAKERS 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 about 200 speakers willing to talk to schools, whether in normal lessons or lunchtime or after-school meetings. Talks have been held in 300 schools so far. Some schools have asked for debates involving speakers from both sides and 50 have been held to date.

In February 2008 we held a third conference for about 500 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 and are being downloaded at the rate of over 2,000 copies per year. They have been welcomed by teachers and over 200 schools have ordered free CDs. 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 and Health 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 2008 over 195,000 factsheets were downloaded. The pamphlet, *Does Marriage Matter?*, is also in demand with 2,500 downloads in 2008. It sets out the social science evidence about family, marriage and the consequences of family breakdown.

RESEARCH AND EDUCATIONAL PROGRAMMES

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 and immigration. Our online reports on these and other issues are widely sought after and in 2008 over 700,000 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.

The publications issued during 2008 were:

The Butterfly Book A Reading and Writing Course by Irina Tyk
Crimes of the Community: Honour-based Violence in the UK by James Brandon and Salam Hafez
Civitas Review, Volume 5 Number 1 (February 2008)
Second Thoughts on the Family by Anastasia de Waal
The Public and the Police by Harriet Sergeant
Swedish Lessons by Nick Cowen
Licensed to Hug by Frank Furedi and Jennie Bristow
Virtual Caliphate by James Brandon
Civitas Review Volume 5, Number 2 (August 2008)
The Butterfly Grammar by Irina Tyk

Inspecting the Inspectorate edited by Anastasia de Waal
Checking-Up on Doctors: A review of the Quality and Outcomes Framework for GPs by James Gubb and Grace Li
Total Recall: How Direct Democracy Can Improve Britain by Nick Cowen

Online reports:

Critical Mass: Government's 'Small' Infant Classes too Big by Anastasia de Waal
Testing is good – it's Sats tests that are bad by Anastasia de Waal
Nice to rule over the QOF? by James Gubb
Why Are We Waiting? by James Gubb

The seminars held during 2008 were as follows:

The Intimate Theatre gave a dramatized reading of **Joseph Addison's Cato** (1713) on 16 January 2008.

The **Third Annual EU Conference** for over 500 sixth-formers was held on 31 January 2008 at the Emmanuel Centre with talks based around the question: 'Reform or bust?'

On 19 February 2008, at the House of Commons, a debate examined whether competition is the solution to the NHS's problems. Speakers included **Aidan Halligan, Chris Ham, Nick Seddon, and Parveen Kumar**.

Caroline Fourest discussed the forthcoming English translation of her book *Brother Tariq: The Doublespeak of Tariq Ramadan*.

On 28 February 2008, a breakfast debate on School Choice, sponsored by the Girls Day School Trust at the Royal Society. The speakers included **David Green, Barbara Harrison, Michael Gove MP and Lord Adonis**.

On 25 March 2008, **Baroness Neville-Jones**, Shadow Minister for Security gave a lunchtime seminar on *Counter-terrorism: the next steps*.

On 1 April 2008, **Nazir Afzal** from the Crown Prosecution Service gave a seminar on Honour Crime.

Sir Ken Macdonald QC gave a seminar on pre-charge detention on 8 April 2008.

A health service debate was held at the House of Commons on the evening of 13 May 2008. It addressed the question of the third sector and social enterprise in health and asked if it is the way forward. Panellists included Harry Cayton, Mo Girach, Sir Muir Gray, Mike Parish and Lord Mawson.

The Boxing Gala Dinner was held on 14 May 2008 at the Royal Garden Hotel.

Prof. Alain C. Enthoven spoke on *Lessons for the NHS? Dutch insurance and US integrated delivery systems* on 14 May 2008.

Martin Wolf gave a seminar entitled *Credit Crunch, Morality and Liberalism* on 19 May 2008.

Richard Hardie and A. Atwood gave a seminar on local authorities and academies including lessons from Hackney on 29 May 2008.

The Royal College of Surgeons hosted a health service seminar on 29 May 2008. The topic was polyclinics and whether they were an integrating or disintegrating force. Panellists were Professor Steve Field, Professor Steve Smith, Dr Oliver Bernath, Professor Martin Roland and Professor Sir Ian Kennedy.

Piers Le Marchant gave a talk on Sharia Finance on 11 June 2008.

On 25 June 2008, **Anastasia de Waal** held a seminar following the publication of her book, *Second thoughts on the Family*.

On 30 June 2008, **Maajid Nawaz** of the Quilliam Foundation considered the compatibility of Islam with liberal democracy.

Philip Bobbitt gave a lunchtime seminar on 3 July 2008 on terror and consent.

Civitas' series of debates, aimed at providing an impartial forum for debate on key themes in Lord Darzi's review, continued with another extremely well-attended event. On 16 July 2008, in the Grand Committee Room of the House of Commons, delegates heard from **Mark Britnell, Mike Farrar, Dr Mike Dixon and Dr Tim Richardson** and debated the issue of commissioning in the NHS. **Professor David Fish** gave a commentary.

On 4 November 2008, **Bart Madden** spoke on Consumer Choice and the Regulation of Medicines.

On 26 November 2008, **James Gubb** held a meeting at the House of Commons with **Professor David Fish, Bernie Riberio, Professor Jenny Simpson and Professor Martin Marshall** to ask whether clinical leadership is lost or at a new dawn?

Dr Peter Neumann spoke on recruitment and mobilisation for the Islamist militant movement in Europe on 28 November 2008.

Ed Husain provided a talk on 4 December 2008 entitled 'Combating Islamist Extremism in Local Communities'.

Financial Position and Reserves Policy

At 31 December 2008 the Company had net assets of £813,844 (2007 - £1,049,085), represented by unrestricted general purpose funds of £390,880 (2007 - £479,325) and restricted funds of £422,964 (2007 - £569,760). 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 charitable activities and governance costs.

Disclosure of Information to Auditors

So far as each Trustee is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditors

Our independent auditors, Littlejohn, have transferred their business to Littlejohn LLP, a limited liability partnership. In accordance with section 26(5) of the Companies Act 1989, the Trustees have consented to the extension of the audit appointment of Littlejohn to its successor firm, Littlejohn LLP. Littlejohn LLP has signified its willingness to continue in office as auditors.

On behalf of the Trustees



The Honourable Justin Shaw
Chairman

21 May 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIVITAS LIMITED

We have audited the Financial Statements of Civitas Limited for the year ended 31 December 2008, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 10. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors

The Trustees' responsibilities for preparing the Financial Statements in accordance with applicable law, United Kingdom Accounting Standards and the Charities' Statement of Recommended Practice (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the Financial Statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the Financial Statements, and of whether the Accounting Policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985. In our opinion the information given in the Trustees' Report is consistent with the Financial Statements.


Littlejohn LLP
Chartered Accountants
and Registered Auditors
28 May 2009

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 2008

Income and Expenditure	Note	2008 Unrestricted Funds	2008 Restricted Funds	2008 Total Funds	2007 Total Funds
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income - Donations		186,458	651,368	837,826	1,015,687
Activities for generating funds:					
- Membership programme		24,790	-	24,790	29,218
- Subscriptions		3,982	-	3,982	4,726
Investment income - Interest and dividends receivable		52,390	-	52,390	51,668
Incoming resources from charitable activities:					
- Conference		-	2,927	2,927	-
- Publication sales		50,465	-	50,465	83,125
- Sundry income		2,931	-	2,931	1,315
Total Incoming Resources		321,016	654,295	975,311	1,185,739
Resources Expended					
Cost of generating funds:					
- Marketing		5,319	-	5,319	9,077
Charitable activities:					
- Centre For Social Cohesion Project		-	284,673	284,673	274,669
- Community Studies Project		-	1,230	1,230	-
- Dyslexia Bursary Project		-	8,595	8,595	11,064
- European Relations Project		-	47,269	47,269	27,526
- Family Studies Project		-	41,051	41,051	10,324
- Health Alternatives Project		-	14,406	14,406	29,993
- London Boxing Academy Project		-	82,425	82,425	41,633
- New Model School Project		-	46,324	46,324	10,739
- Our Island Story Project		-	255	255	4,953
- Social Cohesion Unit		-	17,970	17,970	-
- Supplementary Schools Project		-	256,893	256,893	165,889
- Book publishing		42,841	-	42,841	38,467
- Seminars and meetings		5,537	-	5,537	5,075
- Research		225,299	-	225,299	216,378
Governance costs	2	278,996 130,465	801,091 -	1,080,087 130,465	845,787 77,469
Total Resources Expended		409,461	801,091	1,210,552	923,256
Net Incoming Resources for the Year		(88,445)	(146,796)	(235,241)	262,483
Other Recognised Gains and Losses					
Realised surplus on disposal of investment asset	5	-	-	-	546
Net Movement in Funds		(88,445)	(146,796)	(235,241)	263,029
Fund balances brought forward		479,325	569,760	1,049,085	786,056
Fund balances carried forward	9	£390,880	£422,964	£813,844	£1,049,085

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

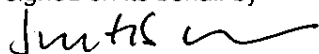
The Accounting Policies and Notes on pages 11 to 15 form part of these Financial Statements.

CIVITAS LIMITED
THE INSTITUTE FOR THE STUDY OF CIVIL SOCIETY

BALANCE SHEET
At 31 December 2008

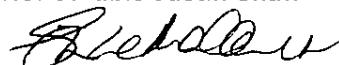
	Note	2008	2007
Fixed Assets			
Tangible fixed assets	4	3,502	3,720
Current Assets			
Stock of books for resale		13,709	18,638
Loan to New Model School (due after one year)	10	72,664	72,664
Rent deposit	6	5,325	5,325
Sundry debtors and prepayments		1,236	8,264
VAT recoverable		173	2,591
Staff season ticket loans		380	1,109
Cash at bank and in hand		868,054	1,095,061
		<hr/>	<hr/>
		961,541	1,203,652
Creditors: Amounts Falling Due Within One Year			
Sundry creditors		10,022	12,260
Tax and social security costs		16,177	21,027
		<hr/>	<hr/>
		26,199	33,287
Net Current Assets		<hr/>	<hr/>
		935,342	1,170,365
Total Assets less Current Liabilities		<hr/>	<hr/>
		938,844	1,174,085
Creditors: Amounts Falling Due After More Than One Year			
Restricted purpose loan	7	125,000	125,000
		<hr/>	<hr/>
Net Assets		<hr/>	<hr/>
		£813,844	£1,049,085
Funds			
Restricted funds	8	422,964	569,760
Unrestricted funds		390,880	479,325
		<hr/>	<hr/>
		£813,844	£1,049,085
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Approved and authorised for issue by the Board of Trustees on 21 May 2009
and signed on its behalf by



The Honourable Justin Shaw

Trustee



The Hon Mrs Silvia Le Marchant

Trustee

The Accounting Policies and Notes on pages 11 to 15 form part of these Financial Statements.

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 1985, 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 the 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.

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.

1. Information regarding Trustees and Employees	2008	2007
Staff costs:		
Wages and salaries, including benefits	578,438	476,060
Social security costs	60,325	51,419
Pension contributions	21,667	17,409
	<u>£660,430</u>	<u>£544,888</u>
 The average number of persons employed by the Company during the year was:	 23	 15
	<u>—</u>	<u>—</u>

There was one employee with emoluments for the year in the range £90,000 to £100,000 (2007 – one between £80,000 and £90,000) and, in addition, the Company paid £13,996 (2007 - £10,735) in the year for the provision of money purchase pension benefits for this employee. A second employee received emoluments for the year in the range £50,000 to £60,000 (2007 – below £50,000) and, in addition, the Company paid £4,118 (2007 - £3,948) 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 £50,000 (2007 – Nil). The Trustees were not remunerated, and did not reclaim any expenses in the year (2007 – Nil).

2. Governance Costs

	2008	2008	2008	2007
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	Funds
Accountancy	796	-	796	1,058
Depreciation	3,421	-	3,421	3,413
Independent auditors' remuneration	2,350	-	2,350	2,000
Insurance	-	-	-	478
Legal	25,600	-	25,600	-
Postage	11,539	-	11,539	10,986
Rent	44,479	-	44,479	25,669
Staff salaries – administration	33,219	-	33,219	25,601
Stationery and computer supplies	5,263	-	5,263	4,873
Sundry expenses	2,028	-	2,028	1,437
Telephone	1,770	-	1,770	1,954
	<u>£130,465</u>	<u>£-</u>	<u>£130,465</u>	<u>£77,469</u>

The exceptional legal costs were met in their entirety by an additional specific donation from a trustee, and thus did not have any impact on the charity's balance of unrestricted funds.

3. Operating Lease Obligations

The minimum lease payments to which the Company is committed under a non-cancellable operating lease for the coming year total £7,030, on a property lease expiring within one year from the balance sheet date (2007 - £28,120).

4. Tangible Fixed Assets	Office furniture and equipment
Cost	
At 31 December 2007	26,017
Additions	2,979
	<hr/>
At 31 December 2008	28,996
	<hr/>
Depreciation	
At 31 December 2007	22,297
Charge for the year	3,197
	<hr/>
At 31 December 2008	25,494
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Net Book Value	
At 31 December 2008	£3,502
	<hr/>
At 31 December 2007	£3,720
	<hr/>

The Company had no capital commitments at 31 December 2008 (2007 – Nil).

5. Fixed Asset Investments	2008	2007
Quoted investments:		
Market value at 31 December 2007	-	6,194
Disposals	-	(6,740)
Realised surplus on investment sold	-	546
Increase in market value	-	-
	<hr/>	<hr/>
Market value at 31 December 2008	£-	£-
	<hr/>	<hr/>
Historical cost/original market value when donated to the Company	£-	£-
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6. Rent Deposit

The rent deposit of £5,325 is subject to a charge created on 14 May 2007, under a deed in favour of The British and Foreign Bible Society, as security for all monies due under the terms of a lease which expired on 21 March 2009 but is continuing for a further six months on a tenancy at will basis.

7. Restricted Purpose Loan

The Company has received a loan from a charitable trust for the purpose of supporting the development of the New Model School. The loan is unsecured, interest free, and has no fixed repayment date, although the trust has confirmed that no repayment would be sought until at least 1 January 2010, and only then if the New Model School has made a trading surplus and is able to repay all or part of its associated loan from the Company.

8. Restricted Funds	Balance at 31 December 2007	Income	Expenditure	Balance at 31 December 2008
Centre For Social Cohesion Project Fund	153,423	131,250	284,673	-
Community Studies Project Fund	20,000	-	1,230	18,770
Dyslexia Bursary Project Fund	18,936	5,000	8,595	15,341
European Relations Project Fund	94,525	9,727	47,269	56,983
Family Studies Project Fund	37,330	10,000	41,051	6,279
Health Alternatives Project Fund	14,406	-	14,406	-
London Boxing Academy Project Fund	12,242	93,487	82,425	23,304
New Model School Project Fund	-	71,324	46,324	25,000
New Model School Bursary Fund	6,960	-	-	6,960
Our Island Story Project Fund	14,922	-	255	14,667
Social Cohesion Unit Project Fund	-	17,970	17,970	-
Supplementary Schools Project Fund	197,016	315,537	256,893	255,660
Totals	£569,760	£654,295	£801,091	£422,964

The Centre For Social Cohesion Project Fund and the Social Cohesion Unit Project Fund were set up to encourage racial and religious harmony. The Centre for Social Cohesion, set up during 2007, became an independent unconnected organisation on 18 June 2008.

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 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 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.

9. Analysis of Total Funds	Tangible Fixed Assets	Net Current Assets	Creditors Due After One Year	Total
Restricted funds:				
Community Studies Project Fund	-	18,770	-	18,770
Dyslexia Bursary Project Fund	-	15,341	-	15,341
European Relations Project Fund	-	56,983	-	56,983
Family Studies Project Fund	-	6,279	-	6,279
London Boxing Academy Project Fund	-	23,304	-	23,304
New Model School Project Fund	-	25,000	-	25,000
New Model School Bursary Project Fund	-	6,960	-	6,960
New Model School Restricted Purpose Loan	-	125,000	(125,000)	-
Our Island Story Project Fund	-	14,667	-	14,667
Supplementary Schools Project Fund	-	255,660	-	255,660
	-	547,964	(125,000)	422,964
Unrestricted funds	3,502	387,378	-	390,880
Total funds	£3,502	£935,342	£(125,000)	£813,844

10. Related Parties

The Chairman of the Board of Trustees and the 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. The registered office of New Model School is at the same address as Civitas, and a member of staff of New Model School works at that office, although no contribution to rent is currently paid to Civitas. Civitas had no legal or financial obligations to New Model School as at 31 December 2008 (2007 – £Nil). Funds raised by Civitas for the benefit of the New Model School Project are spent at the discretion of Civitas, but funds received by way of the restricted purpose loan are loaned on to the New Model School when required and are only due for repayment once the New Model School has made a trading surplus and has sufficient working capital to enable it to make such repayment; at 31 December 2008 the amount owed to Civitas was £72,664 (2007 - £72,664). 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, is a guarantor of the rent paid on this lease by the New Model School (2007 - £13,575). In November 2006, New Model School took out a second, one-year, lease on adjoining premises at an annual rent of £12,000, and Civitas has agreed to pay this rent and the associated business rates on this property; during the year £12,689 was paid, shown as an expense in the New Model School Loan Fund within restricted funds (2007 – £12,558). In addition, a charge of £5,000 was made to New Model School for the use of Civitas administration staff (2007 – £5,000).