

**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 PERIOD FROM 29 JUNE 2000 TO**  
**31 DECEMBER 2001**



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Directors	
Chairman	The Rt Hon Lord Harris of High Cross
Deputy Chairman	Sir Peter Walters
Treasurer	Professor Harold Rose
Executive Director	Dr David Green
	Patrick Barbour
	Professor Kenneth Minogue
	The Honourable Justin Shaw
	Robert Whelan
Secretary	Dr David Green
Registered Office	The Mezzanine Elizabeth House 39 York Road London SE1 7NQ
Website Address	<a href="http://www.civitas.org.uk">www.civitas.org.uk</a>
Bankers	Barclays Bank plc Pall Mall Corporate Banking Centre PO Box 15163 London SW1A 1QD
	COIF Charities Deposit Fund CCLA Investment Management Limited St Alphage House 2 Fore Street London EC2Y 5AQ
Auditors	Littlejohn Frazer Chartered Accountants and Registered Auditors 1 Park Place Canary Wharf London E14 4HJ
Charity Registration Number	1085494
Company Registration Number	4023541

The Directors present their report and the audited Financial Statements for the period from the incorporation of the Company on 29 June 2000 to 31 December 2001.

### **1. Constitution and Objects**

Civitas Limited, also known as the Institute for the Study of Civil Society, was incorporated on 29 June 2000. The Company is established under its Memorandum and Articles of Association amended on 23 November 2000 (and registered with the Charity Commission on 12 March 2001), and is a registered charity, number 1085494.

Details of its Directors and advisors are set out on page 2. Dr Green and Mr Whelan were appointed Directors on 29 June 2000, and the other Directors were all appointed on 6 February 2001. In addition, Margaretta Nominees Limited was appointed a Director on 29 June 2000 for the purposes of incorporating the Company, and subsequently resigned on the same date.

On 31 December 2001, the unincorporated charity also called Civitas, by agreement with the Charity Commissioners, transferred all its assets and liabilities at that date to this Company. The Company has the same objects as the unincorporated charity. The unincorporated charity will be closed down following the transfer of assets and liabilities, and will be removed from the Register of Charities in due course.

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.

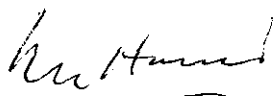
### **2. Review of the Period's Activities and Achievements**

The Company commenced operations on 1 January 2002, following the transfer of the assets and liabilities from the unincorporated charity on 31 December 2001.

### **3. Review of the Financial Statements**

At 31 December 2001 the Company had net assets of £549,628 represented by unrestricted general purpose funds of £275,628, designated funds of £50,000, and restricted funds of £224,000. These are considered available and adequate to fulfil the obligations of the charity for the foreseeable future. The policy of the Directors 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.

On behalf of the Directors



**The Rt Hon Lord Harris of High Cross**  
Chairman

10 April 2002

The Company's constitution and charity and company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the surplus or deficit of the Company for that period. In preparing those Financial Statements the Directors 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 Directors 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CIVITAS LIMITED**

We have audited the Financial Statements of Civitas Limited for the year ended 31 December 2001, which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These Financial Statements have been prepared under the historical cost and the accounting policies set out therein.

**Respective Responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' Report.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if 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 directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

**Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes 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 Directors 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 of the state of the Company's affairs as at 31 December 2001 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Littlejohn Frazer

Chartered Accountants  
and Registered Auditors

1 Park Place  
Canary Wharf  
London E14 4HJ

10 April 2002

Income and Expenditure	2001 Unrestricted Funds	2001 Designated Funds	2001 Restricted Funds	2001 Total Funds
<b>Incoming Resources</b>				
Transfer of funds from unincorporated charity (note 7)	275,628	50,000	224,000	549,628
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances carried forward at 31 December 2001	£275,628	£50,000	£224,000	£549,628
	<hr/>	<hr/>	<hr/>	<hr/>

The Notes on pages 8 to 10 form part of these Financial Statements.

**CIVITAS LIMITED**  
**THE INSTITUTE FOR THE STUDY OF CIVIL SOCIETY**

**BALANCE SHEET**  
**At 31 December 2001**

	Note	2001
<b>Fixed Assets</b>		
Tangible fixed assets	3	10,224
Fixed asset investments	4	8,680
		<hr/>
		18,904
<b>Current Assets</b>		
Sundry debtors		17,658
Income tax recoverable		4,709
VAT recoverable		5,618
Staff season ticket loans		3,802
Cash at bank and in hand		530,659
		<hr/>
		562,446
		<hr/>
<b>Liabilities: amounts falling due within one year</b>		
Sundry creditors		25,480
Tax and social security costs		6,242
		<hr/>
		31,722
		<hr/>
<b>Net Current Assets</b>		530,724
		<hr/>
<b>Net Assets</b>		£549,628
		<hr/>
<b>Funds</b>		
Unrestricted funds		275,628
Designated funds	5	50,000
Restricted funds	6	224,000
		<hr/>
		£549,628
		<hr/>

Approved by the Directors on 10 April 2002.



The Rt Hon Lord Harris of High Cross

  
Professor Harold Rose

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The Notes on pages 8 to 10 form part of these Financial Statements.



## 1. Accounting Policies

### Basis of Accounting

The Financial Statements are prepared in accordance with the Companies Act, the Charities Act and the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commissioners in October 1995, and with applicable accounting standards.

The particular policies adopted by the trustees are described below.

### Accounting convention

The Financial Statements are prepared under the historical cost convention apart from fixed asset investments, which are stated at market value.

### 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

Resources expended are recognised on an accruals 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, as follows:

Office furniture and equipment	33% per annum
Motor vehicle	25% per annum

## 2. Information regarding Directors and employees

None of the Directors received any remuneration from the Company during the period. There were no other employees until they transferred to the Company on 31 December 2001. All of the staff remuneration for the period is included in the Financial Statements of the unincorporated charity.

<b>3. Tangible fixed assets</b>			
<b>Cost</b>	Office furniture and equipment	Motor vehicle	Total
Transfer from unincorporated charity (see note 7)	17,140	4,000	21,140
	<hr/>	<hr/>	<hr/>
At 31 December 2001	17,140	4,000	21,140
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
Transfer from unincorporated charity (see note 7)	8,916	2,000	10,916
	<hr/>	<hr/>	<hr/>
At 31 December 2001	8,916	2,000	10,916
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 December 2001	£8,224	£2,000	£10,224
	<hr/>	<hr/>	<hr/>
<b>4. Fixed asset investments</b>			<b>2001</b>
<b>Quoted investments:</b>			
Transfer from unincorporated charity (see note 7)			8,680
			<hr/>
Market value at 31 December 2001			£8,680
			<hr/>
Historical cost/original market value when donated			£10,157
			<hr/>
<b>5. Designated funds</b>			<b>2001</b>
Transfer from unincorporated charity (see note 7)			50,000
			<hr/>
Balance at 31 December 2001			£50,000
			<hr/>

The lease on the current premises used by Civitas expires in March 2004, and the Trustees have established a relocation reserve fund to contribute towards the cost of securing new premises.

<b>6. Restricted funds</b>		<b>2001</b>
Transfer from unincorporated charity (see note 7)		224,000
		<hr/>
<b>Balance at 31 December 2001</b>		<b>£224,000</b>
		<hr/>
The restricted funds comprise two items:		
The Stockholm Network fund of £173,000 is to run a network of think tanks in Europe, established to share ideas between other European countries. It organises seminars and publishes pamphlets.		
The Health Alternatives Project fund of £51,000 is to cover a study of about eight overseas health systems to discover the lessons for Britain.		
<b>7. Transfer of assets and liabilities from the unincorporated charity Civitas</b>		
On 31 December 2001, the assets and liabilities of the unincorporated charity were transferred to the Company. The assets and liabilities transferred at that date were as follows:		
Tangible fixed assets (see note 3)		
Cost		21,140
Accumulated depreciation		10,916
		<hr/>
		10,224
Fixed asset investments (see note 4)		8,680
		<hr/>
		18,904
Current assets		
Debtors and prepayments	31,787	
Cash at bank and in hand	530,659	
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	562,446	
Liabilities: amounts falling due within one year	31,722	
	<hr/>	
Net current assets		530,724
		<hr/>
Total assets less current liabilities transferred to Civitas Limited		£549,628
		<hr/>
Represented by:		
Unrestricted funds		275,628
Designated funds		50,000
Restricted funds		224,000
		<hr/>
Total funds transferred to Civitas Limited		£549,628
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