

Charity Registration No. 1173608

Company Registration No. 09958251 (England and Wales)

SCHOOL OF CIVIC EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018



SCHOOL OF CIVIC EDUCATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|--------------------------|--|-----------------------------|
| Trustees | Dr I Krastev Prof C Coker Honourable T Gati H H M Levy Mr J Lloyd Ms E Nemirovskaya | (Appointed 8 December 2018) |
| | Ms R Nyberg Mr M Sohlman Lord R Skidelsky | |
| Charity number | 1173608 | |
| Company number | 09958251 | |
| Principal address | 31 Ryfold Road London SW19 8DF | |
| Registered office | 202 Grangewood House Oakwood Hill Loughton IG10 3TZ | |
| Auditor | Carter Backer Winter LLP 66 Prescott Street London E1 8NN | |

SCHOOL OF CIVIC EDUCATION

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SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2018

The trustees present their report along with the consolidated financial statements of the School of Civic Education (SCE) for the period ended 31 December 2018. SCE is a charity registered with registration number 1173608.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Purposes and Aims

The SCE's main purpose, as set out in the Objects and Powers in its Memorandum of Association, is to advance the education of the public in the principles of democracy, human rights, and the rule of law.

The SCE understands the importance of raising awareness and extending the public space for civil society activists and representatives of NGOs, educational, scientific and cultural communities and the media, and of engaging with the international expert community on topics critical to the development of civil society.

Objectives and activities

The SCE main objectives for the reporting year were:

- to increase the level of knowledge and understanding of the principles which form the basis of a state which is subject to the rule-of-law and the work of modern governments and societies among citizens of the countries of Central and Eastern Europe and the Former Soviet Union;
- to provide a discussion platform for the exchange of opinions and information on topical global issues and civil society development, and to share experience among theorists, practitioners and participants in SCE's activities;
- to facilitate constructive dialogue among socially active representatives of various cultures, professional spheres, and political views;
- to encourage civic responsibility and engagement at local, national and international levels.

In order to meet these objectives SCE developed and implemented a comprehensive programme which contained the following **key activities**:

1. The Programme on Fundamentals of Democracy and Civic Engagement for new participants;
2. The Advanced Programme *Civic Education for a Society of Citizens* for the most motivated and civically active alumni;
3. Issue-based workshops on the role of civil society in building a state based on the rule of law, which were organized in partnership with and hosted by SCE's academic partners in Europe;
4. An international forum on civil society in the international context for participants in the SCE's programmes and for representatives of associations supported by the Council of Europe;
5. Webinars, videos and publications on civic education, available for programme participants and a wider public, to provide opportunities for continuing learning and discussion;

SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

Activities Delivered During the Reporting Period

1. The Programme on *Fundamentals of Democracy and Civic Engagement*

- a. Three five-day-long educational seminars were held in Sweden, Spain and Greece to bring together over 160 participants from the Russian Federation, Armenia, Belarus, Greece, Poland, Lithuania, Azerbaijan, Georgia, and Ukraine. The workshops were organized in partnership with the Council of Europe, the Valsain Foundation (Spain), the Stockholm Institute for Transition Economies (Sweden), and the Civic School of Political Studies (Greece).

Intensive seminar programmes introduced new participants to fundamentals of democracy and civic engagement, human rights, freedom of speech and independent media, and contributed to the formation of future-oriented and critically thinking citizens with improved ability to analyse information and meet the challenges of modern society.

2. The Programme on *Fundamentals of Democracy and Civic Engagement*

The Programme is implemented in partnership with Stockholm School of Economics in Riga. Over the course of year 2018 three 5-day-long seminars for 20 prominent alumni was successfully held in Riga, Latvia. The Advanced Program ensured a highly qualitative, stimulating and interactive educational environment for socially active young people. The format of each seminar included a combination of key speeches on the central and most important issues on the global agenda delivered by renowned experts and public figures, a number of specially designed expert courses in the areas of social and human sciences, and interactive workshops aimed at strengthening skills necessary to develop civic projects of participants.

3. Issue-Based Workshops on the Role of Civil Society in Building a State Based on the Rule of Law

140 alumni of the SCE's Programme on *Fundamentals of Democracy and Civic Engagement* participated in various issue-based workshops organised by SCE partners:

- a. The seminar *What makes society work?* was organised in Stockholm by the Stockholm School of Transition Economies. The workshop programme was designed to give 30 young civil activists some theoretical background on the role of institutions in solving problems of cooperation, as well as to give some examples of how some organisations in different sectors in Sweden work.
- b. The International Forum for Democracy, held in Strasbourg and organised by the Council of Europe, was attended by 35 SCE alumni. The event hosted over 500 young civic leaders representing over 20 countries of Central and Eastern Europe. The forum was entitled *Is Populism a Problem?* with a focus on the role of civic organisations, political parties, and the media, in the context of rising populism in Europe and beyond.
- c. The thematic seminar on *Participatory Democracy in France* was held in Paris for a group of 15 representatives of municipal authorities and civil society. The seminar was designed in cooperation with *Paris City Council* to familiarise participants with the mechanisms of participatory democracy, and to demonstrate ways of involving citizens in public life. The programme included visits to district offices, municipalities and public institutions.

SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

4. International Forum on Global Civics in Berlin

An International Forum on civil society reinforcement was held by SCE in Berlin in November 2018 with participation and support of the Association of Schools of Political Studies of the Council of Europe (ASPS) and The Konrad-Adenauer Stiftung. Over 100 participants – members of civil societies from over 20 countries, as well as renowned public figures, prominent experts came to the Forum to articulate a global agenda, participate in discussions and shape expert opinion for future civil initiatives and practices.

The forum programme was designed to facilitate the exchange of views and opinions and to enhance networking and sharing of knowledge and experience among peers from different countries.

5. Webinars and videos on civic education

The SCE keeps its YouTube channel updated to provide its participants, alumni and the general public with fair and accurate information on international issues, particularly those relating to events in the post-Soviet space, as well as providing a virtual meeting point for networking and exchange. Importantly, informal networking among representatives of civil societies of different countries provides for creating direct links between alumni and re-building understanding and trust between people.

Synergy Effect

SCE draws on its successful partner relations with international public organisations, donor institutions, universities, think tanks and other institutions. The SCE's programme on civic education was implemented in collaboration with the Stockholm School of Economics, the Stockholm Institute of Transition Economics, the Valsain Foundation, the European Wergeland Centre, the Norwegian Institute of International Affairs, and the Council of Europe.

The SCE will continue to invite high-ranking politicians, parliamentarians, prominent economists and historians, academics, business leaders, and representatives of think tanks and mass media institutions to speak at seminars. Formal and informal communication with such experts provides participants with an immensely valuable experience, helping them to consider a topic from different points of view and to achieve a deeper understanding of the issues discussed.

How The SCE's activities deliver public benefit

Society at large benefits from enhanced knowledge and understanding of the principles which form the basis of a state which is subject to the rule of law and support civil society, which socially active participants typically acquire at the SCE's seminars. New professional and personal contacts established during SCE programmes considerably help to extend the exchange of best practice, methods and ideas for initiatives at the local, inter-regional and international levels.

An increasing number of participants have become engaged in independent, non-governmental initiatives to solve pressing social problems. As a direct result, wider segments of the population benefit from some 300 projects and initiatives successfully completed or being run by alumni of SCE programmes. Examples of such projects include promoting human rights and anti-corruption initiatives, media programmes, independent websites, electoral assistance, strengthening democratic institutions and the rule of law, projects focused on improving gender responsiveness and women's empowerment, and enhancing civic education for a wider public.

SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

Programme Management and Evaluation

SCE's programmes are supervised and directed by the Board of Directors on a regular basis, and in accordance with the practices and procedures set out in UK legislation applicable to companies with charitable status.

Checks and balances are provided by clear segregation of duties among the following: the Finance Committee, Chief Operating Officer, Finance Controller and independent accountants. A general audit of the SCE's accounts is conducted annually by external auditors. This maintains internal controls of the SCE's administration and eliminates the risk of potential conflict of interest or corruption.

Every SCE project is evaluated to assess its effect and make adjustments where necessary. The SCE uses established evaluation methods, including post-event surveys of participants' feedback, to measure outcomes and to ensure that the content and format of its programmes fit participants' needs. The SCE values the engagement of all its programme/project stakeholders, including partners, experts, and programme donors during the lifetime of the project, to ensure ownership and sustainability. The SCE invites its Trustees, and representatives of donor and partner organisations to participate in programme activities so that they receive feedback from all stakeholders. The information collected and analysed by the SCE's project managers, serves as a basis for further improvement and fine-tuning of its programmes.

Achievements and performance

Financial review

Reporting period

By the decision of the Trustees of September 14, 2018 the financial year of the SCE was changed from February 1 - January 31 to January 1 – December 31 in order to provide more consistency in financial reporting and analysis whether related to internal control, or donor reporting, or reporting to authorities.

Principal Funding Sources

SCE works to strengthen its financial sustainability and diversify its sources of core and project-related funding.

Aside from the minor income generated by donations from individuals, the principal funding sources for the charity are grants and voluntary contributions made by governmental institutions and private foundations in different countries. The donor institutions which supported SCE's activities in the reporting period were the following: The Council of Europe; The Charles Stewart Mott Foundation; The Norwegian Institute of International Affairs; The Foreign and Commonwealth Office (UK); The Permanent Representation of Finland to the Council of Europe; Stockholm Institute of Transition Economics (SITE); The Robert Bosch Foundation (Germany); and The Konrad Adenauer Foundation (Germany).

Plans for the Future

During the next few years, the SCE plans to further improve the programmes outlined above, in order to cultivate and support a new generation of experts, and to connect them with SCE's existing expert community.

The SCE is seeking to attract additional funding from charitable, corporate and individual donors.

The SCE intends to scale up mutually beneficial partnerships with European and international think tanks, universities and other institutions interested in educational and cultural enlightenment for the benefit of the wider public.

In addition, subject to the availability of funds, SCE plans to expand its Advanced Programme for motivated and engaged alumni, aimed at nurturing effective practitioners and leaders in local communities and enhancing international cooperation. This new programme will focus on extending the participants' national and international networks to support them in implementing social projects in a variety of fields for the benefit of the public good.

SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

Structure, governance and management

Governing Documents

The SCE is a company limited by guarantee, incorporated on 19th January 2016 and registered as a charity on 29th June 2017. It was established under a Memorandum of Association which sets out its Objects and Powers, and is governed by its Articles of Association. In the event of the company being wound up, each member is required to contribute an amount not exceeding £1.

Recruitment and Appointment of Board of Directors

The Directors of the SCE are Trustees for the purposes of charity law, and under the company's Articles are known as Members of the Board of Directors. Under the requirements of the Memorandum and Articles of Association the members of the Board of Directors are elected to serve for a period of three years, after which they may be re-elected at the next Annual General Meeting.

All Board Members give their time voluntarily and receive no financial benefits from the charity. Any expenses reclaimed from SCE are set out in note 6 to the annual accounts.

In 2018, five members of the Board of Directors retired by rotation and, being eligible, offered themselves for re-election. Two Directors resigned from the Board of Directors.

The following were Directors/Trustees during the reporting period:

| | |
|-------------------|-----------------------------|
| Dr I Krastev | |
| Prof C Coker | |
| Honourable T Gati | |
| H H M Levy | |
| Mr J Lloyd | |
| Ms E Nemirovskaya | (Appointed 8 December 2018) |
| Ms R Nyberg | |
| Mr M Sohlman | |
| Sir M Leigh | (Resigned 8 December 2018) |
| Lord R Skidelsky | |

Risk Management

Risk assessment and management is an important priority for SCE's Board of Directors and management in order to identify and address risks or factors that can threaten the achievement of SCE's objectives. In 2018, a systematic approach to risk assessment and management was put into practice by SCE's Board of Directors.

Organisational Structure

The SCE's Board of Directors meets minimum three times a year to decide the strategic direction the SCE should follow, and to assess the effectiveness of its risk management and policy. The Board consists of 9 members from a variety of professional backgrounds and is led by two co-chairpersons. The Financial Committee assists the Board in fulfilling its functions in relation to internal control and financial reporting, and in relation to monitoring compliance with the Charity Commission's legal and regulatory requirements, as well as assessing the effectiveness of the internal audit function.

SCHOOL OF CIVIC EDUCATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

Statement of Trustees' responsibilities

The trustees, who are also the directors of the School of Civic Education for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the Charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Directors on16.09.2019... and signed on it behalf by:

Auditor



John Lloyd

Carter Backer Winter LLP (CBW) Chartered Accountant and Business Advisors (UK) were re-appointed by the Board of Directors as SCE's auditors during the reporting year.

SCHOOL OF CIVIC EDUCATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SCHOOL OF CIVIC EDUCATION

Opinion

We have audited the financial statements of School of Civic Education (the 'charity') for the period ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the period 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

SCHOOL OF CIVIC EDUCATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SCHOOL OF CIVIC EDUCATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Woosey (Senior Statutory Auditor)
for and on behalf of Carter Backer Winter LLP

Chartered Accountants
Statutory Auditor

30th September 2019

66 Prescott Street
London
E1 8NN

SCHOOL OF CIVIC EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2018

| | | Unrestricted funds £ | Restricted funds £ | Period ended 31 December 2018 £ | Year ended 31 January 2018 £ |
|---|-------|----------------------------|--------------------------|---|--|
| | Notes | | | | |
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 22,210 | 755,527 | 777,737 | 718,094 |
| | | | | | |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 4 | - | 19,099 | 19,099 | 5,904 |
| | | | | | |
| Charitable activities | 5 | 22,210 | 701,694 | 723,904 | 677,490 |
| | | | | | |
| Other | 9 | - | 34,734 | 34,734 | 29,895 |
| | | | | | |
| Total resources expended | | 22,210 | 755,527 | 777,737 | 713,289 |
| | | | | | |
| Net income for the year/ Net movement in funds | | - | - | - | 4,805 |
| | | | | | |
| Fund balances at 1 February 2018 | | - | - | - | (4,805) |
| | | | | | |
| Fund balances at 31 December 2018 | | - | - | - | - |

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SCHOOL OF CIVIC EDUCATION

BALANCE SHEET

AS AT 31 DECEMBER 2018

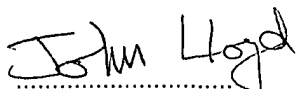
| | | 31 December 2018 | | 31 January 2018 | |
|---|-------|------------------|----------|-----------------|----------|
| | Notes | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 11 | 37,951 | | 38,993 | |
| Cash at bank and in hand | | 172,165 | | 69,445 | |
| | | <u>210,116</u> | | <u>108,438</u> | |
| Creditors: amounts falling due within one year | 13 | (210,116) | | (108,438) | |
| Net current assets | | | - | | - |
| Income funds | | | | | |
| Unrestricted funds | | | - | | - |
| | | | <u>-</u> | | <u>-</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 December 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledges his responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16.09.2019



John Lloyd

Trustee

Company Registration No. 09958251

SCHOOL OF CIVIC EDUCATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2018

| | Notes | 2018 £ | £ | 2018 £ | £ |
|---|-------|-----------|---------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 19 | | 102,719 | | (51,784) |
| Net cash used in investing activities | | | - | | - |
| Net cash used in financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 102,719 | | (51,784) |
| Cash and cash equivalents at beginning of period | | | 69,435 | | 121,219 |
| Cash and cash equivalents at end of period | | | 172,154 | | 69,435 |
| Relating to: | | | | | |
| Cash at bank and in hand | | | 172,165 | | 69,445 |
| Short term deposits included in current asset investments | | | - | | - |
| Bank overdrafts included in creditors payable within one year | | | (11) | | (10) |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

School of Civic Education is a private company limited by guarantee incorporated in England and Wales. The registered office is 202 Grangewood House, Oakwood Hill, Loughton, IG10 3TZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Management do not consider there to be any material judgements or estimation and uncertainty requiring disclosure.

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

3 Donations and legacies

| | Unrestricted funds | Restricted funds | 31 December 2018 | 31 January 2018 |
|---|-----------------------|---------------------|---------------------|--------------------|
| | £ | £ | £ | £ |
| Donations and gifts | 551 | - | 551 | 1,429 |
| Grants | 21,659 | 755,527 | 777,186 | 716,665 |
| | <u>22,210</u> | <u>755,527</u> | <u>777,737</u> | <u>718,094</u> |
| For the period ended 31 January 2018 | <u>29,935</u> | <u>688,159</u> | | <u>718,094</u> |

4 Raising funds

| | 31 December 2018 | 31 January 2018 |
|--|---------------------|--------------------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Seeking donations, grants and legacies | 19,099 | 4,694 |
| Travel | - | 1,210 |
| | <u>19,099</u> | <u>5,904</u> |
| Fundraising and publicity | <u>19,099</u> | <u>5,904</u> |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

5 Charitable activities

| | 31 December 2018 £ | 31 January 2018 £ |
|---|--------------------------|-------------------------|
| Charitable activities | 202,197 | 108,234 |
| Core seminar | 494,456 | 466,596 |
| International forum | 59,837 | 68,390 |
| Issue based seminar | 5,086 | 7,777 |
| | <u>674,480</u> | <u>650,997</u> |
| Share of support costs (see note 6) | 34,771 | 15,503 |
| Share of governance costs (see note 6) | 14,653 | 10,990 |
| | <u>723,904</u> | <u>677,490</u> |
| Analysis by fund | | |
| Unrestricted funds | 22,210 | |
| Restricted funds | 701,694 | |
| | <u>723,904</u> | |
| For the period ended 31 January 2018 | | |
| Unrestricted funds | | 29,935 |
| Restricted funds | | 647,555 |
| | | <u>677,490</u> |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

6 Support costs

| | Support costs £ | Governance costs £ | 31 December 2018 £ | 31 January 2018 £ | Basis of allocation |
|--|--------------------|-----------------------|-----------------------|----------------------|---------------------|
| Travel | 15,284 | - | 15,284 | 6,910 | |
| Telecommunication and data cost | 2,992 | - | 2,992 | 2,483 | |
| Postage | 67 | - | 67 | 162 | |
| Sundries | 12,265 | - | 12,265 | 787 | |
| Bank charges | 3,963 | - | 3,963 | 4,464 | |
| Translation | 200 | - | 200 | 697 | |
| Audit, accountancy and legal fee | - | 14,653 | 14,653 | 10,990 | Governance |
| | <u>34,771</u> | <u>14,653</u> | <u>49,424</u> | <u>26,493</u> | |
| Analysed between Charitable activities | <u>34,771</u> | <u>14,653</u> | <u>49,424</u> | <u>26,493</u> | |

Governance costs includes payments to the auditors of £5,040 (2018- £4,800) for audit fees.

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

8 Employees

Number of employees

The average monthly number employees during the period was:

| | 31 December 2018 Number | 31 January 2018 Number |
|-------------------------|-------------------------------|------------------------------|
| | <u>1</u> | <u>1</u> |
| Employment costs | 31 December 2018 £ | 31 January 2018 £ |
| Wages and salaries | 34,017 | 35,000 |
| Social security costs | 517 | 718 |
| Other pension costs | 200 | 36 |
| | <u>34,734</u> | <u>35,754</u> |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

9 Other

| | 31 December 2018 | 31 January 2018 |
|----------------------|---------------------|--------------------|
| | £ | £ |
| Wages and salaries | 34,017 | 29,141 |
| Social security cost | 517 | 718 |
| Pension cost | 200 | 36 |
| | <u>34,734</u> | <u>29,895</u> |

10 Financial instruments

| | 31 December 2018 | 31 January 2018 |
|---|---------------------|--------------------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | <u>2,511</u> | <u>38,993</u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | <u>210,116</u> | <u>108,438</u> |

11 Debtors

| | 31 December 2018 | 31 January 2018 |
|---|---------------------|--------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | 2,511 | 38,993 |
| Prepayments | 35,440 | - |
| | <u>37,951</u> | <u>38,993</u> |

Other debtors include grants receivable of £1,932 (2018: £38,477).

12 Loans and overdrafts

| | 2018 £ | 2018 £ |
|-------------------------|-----------|-----------|
| Bank overdrafts | <u>11</u> | <u>10</u> |
| Payable within one year | <u>11</u> | <u>10</u> |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

13 Creditors: amounts falling due within one year

| | Notes | 31 December 2018 £ | 31 January 2018 £ |
|------------------------------|-------|--------------------------|-------------------------|
| Bank overdrafts | 12 | 11 | 10 |
| Other creditors | | 50 | 16 |
| Accruals and deferred income | | 210,055 | 108,412 |
| | | <u>210,116</u> | <u>108,438</u> |

14 Deferred income

| | 2018 £ | 2018 £ |
|---|----------------|---------------|
| Balance as at 1 February 2018 | 47,900 | 99,485 |
| Amount released to income earned from charitable activities | (47,900) | (99,485) |
| Amount deferred in the year | 202,955 | 47,900 |
| Balance as at 31 December 2018 | <u>202,955</u> | <u>47,900</u> |

Deferred income include grants received that have not yet been spent of £202,955 (2018: £47,900)

15 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

16 Restricted funds

| | Balance at 1 February 2018 | Incoming resources | Resources expended | Balance at 31 December 2018 |
|---|----------------------------------|-----------------------|-----------------------|-----------------------------------|
| | £ | £ | £ | £ |
| Foreign & Commonwealth Office British Embassy | - | 125,220 | (125,220) | - |
| Council of Europe | - | 94,444 | (94,444) | - |
| European Wergeland Centre | - | 23,221 | (23,221) | - |
| Charles Stewart MOTT Foundation | - | 62,091 | (62,091) | - |
| Norwegian Institute of of International Affairs | - | 232,963 | (232,963) | - |
| Supporters of Civil Society in Russia | - | 50,258 | (50,258) | - |
| Stockholm Institute of Transition Economics | - | 167,330 | (167,330) | - |
| | - | 755,527 | (755,527) | - |

Movement in funds - prior year

| | Balance at 1 February 2017 | Incoming resources | Resources expended | Balance at 31 January 2018 |
|---|----------------------------------|-----------------------|-----------------------|-------------------------------|
| | £ | £ | £ | £ |
| Foreign & Commonwealth Office British Embassy | - | 136,099 | (136,099) | - |
| Council of Europe | - | 94,233 | (94,233) | - |
| European Wergeland Centre | - | 15,191 | (15,191) | - |
| European Endowment for Democracy | - | 59,400 | (59,400) | - |
| Charles Stewart MOTT Foundation | - | 47,509 | (47,509) | - |
| Norwegian Institute of of International Affairs | - | 207,958 | (207,953) | 5 |
| Supporters of Civil Society in Russia | - | 15,470 | (10,670) | 4,800 |
| Stockholm Institute of Transition Economics | - | 112,299 | (112,299) | - |
| | - | 688,159 | (683,354) | 4,805 |

SCHOOL OF CIVIC EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

17 Unrestricted funds

Unrestricted funds are free reserves held by the charity.

| | Balance at 1 February 2018 | Movement in funds | | Balance at 31 December 2018 |
|--------------------------|----------------------------------|-----------------------|-----------------------|-----------------------------|
| | £ | Incoming resources | Resources expended | £ |
| Robert Bosch Stiftung | - | 14,619 | (14,619) | - |
| Ithaca Trust | - | 7,040 | (7,040) | - |
| General fund | - | 551 | (551) | - |
| | - | 22,210 | (22,210) | - |

Movement in funds - prior year

| | Balance as at 1 February 2017 | Incoming resources | Resources expended | Balance at 31 January 2018 |
|--------------------------|--|-----------------------|-----------------------|----------------------------|
| | £ | £ | £ | £ |
| Robert Bosch Stiftung | - | 1,429 | (1,429) | - |
| Anonymous donor | - | 17,534 | (17,534) | - |
| General fund | - | 10,972 | (10,972) | - |
| | - | 29,935 | (29,935) | - |

18 Related party transactions

There were no disclosable related party transactions during the period (2018 - none).

| 19 Cash generated from operations | 31 December 2018 £ | 31 January 2018 £ |
|---------------------------------------|--------------------------|-------------------------|
| (Deficit)/surplus for the period | - | 4,805 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 1,042 | (38,993) |
| Increase in creditors | 101,677 | 178,646 |
| Cash generated from operations | 102,719 | 144,458 |