

Registered number: 06414570
Charity number: 1121671



CSIS Charity Fund
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2016

CSIS Charity Fund
(A company limited by guarantee)

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Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 December 2016

Trustees

Gill Noble, Chairman
Sally Bundock
Charles Cochrane
Beryl Evans, Deputy Chairman
Ray Flanigan (appointed 19 May 2016)
Chris Furlong, Grants Trustee
Rebecca Gooch
Daniel Hewitt
Kevin Holliday
Tom Hoyle
Tunde Ojetola
Craig Pemberton
Brian Sturtevant
Julia Wood, Treasurer

Company registered number

06414570

Charity registered number

1121671

Registered office

7 Colman House
King Street
Maidstone
Kent
ME14 1DD

Company secretary

Helen Harris

Independent auditors

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Handelsbanken
9th Floor
Colman House
King Street
Maidstone
Kent
ME14 1DN

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Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 December 2016

Advisers (continued)

Solicitors

Gill, Turner, & Tucker
Colman House
Maidstone
Kent
ME14 1JE

Investment Managers

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Cordea Savills
Lansdowne House
57 Berkeley Square
London
W1J 6ER

CSIS Charity Fund
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Trustees' report
For the year ended 31 December 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of CSIS Charity Fund (the charity) for the year ended 31 December 2016. The Trustees confirm that the Annual Report and Financial Statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Highlights

The purpose of CSIS Charity Fund is the relief of need, hardship and distress amongst serving, former and retired civil and public servants and their families. In 2016, the charity made grant payments of £736,219 (excluding a £245,041 legacy which was donated to the charity for the sole benefit of The Benenden Charitable Trust and which was paid to them during 2016 as a discretionary grant). A further £925,000 has been budgeted for payment of grants in 2017. Over £820,000 of that has already been awarded, at the Trustees' annual grants meeting in February.

In 2017 we will celebrate the 10th anniversary of our reconstitution as a charitable company. We are enormously proud that by the time of that anniversary, we expect to have made grants totalling of some £7.4 million to just under 100 different charitable organisations, supporting a wide range of worthwhile causes that have made a real difference to the lives of individuals.

The £7.4 million includes:

- £330,000 to the widows of deceased CSIS policyholders;
- £2,486,000 to the Charity for Civil Servants;
- £640,000 to the Civil Service Retirement Fellowship;
- £538,000 to the BT Benevolent Fund;
- £505,000 to the Rowland Hill Fund and POOBI to support serving and retired postal workers;
- £295,000 to the Railway Benefit Fund;
- £220,000 to the MOD Family Activity Breaks (FAB) holiday project for bereaved service families;
- £258,000 to support serving and retired prison and probation officers in Great Britain and Northern Ireland;
- £114,000 to the NHS Retirement Fellowship
- £135,000 to the Education Support Partnership, helping teachers in schools, further and higher education;
- £125,000 to The Benenden Charitable Trust;
- £53,000 to support disabled sportsmen and women through the CSSC and HASSRA;
- £768,000 to support the work of the hospice movement, including making grants ranging from £5,000 to £80,000 to 41 adult and children's hospices in areas of the country where large numbers of civil servants live and work, as well as providing £200,000 to support Hospice UK's Care Strategy and Support Team;
- and just over £900,000 to some 40 other organisations who we believe can help us to achieve our objects of relieving need, hardship and distress amongst former, serving and retired civil and public servants and their families.

This proud record of charitable giving is, of course, only possible because of the continuing success of the Civil Service Insurance Society to which the charity is linked and from which it derives most of its income. Since the charity was reconstituted, Civil Service Insurance Society has donated some £6.2 million to the charity including £736,000 donated in respect of 2016.

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Trustees' report (continued)
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What the Charity Does, its Purpose and its Aims

CSIS Charity Fund is an independent charity linked to the Civil Service Insurance Society (CSIS), a "not for profit" insurance intermediary which markets good quality, competitively priced insurance products exclusively to civil and public servants. The charity's income comes almost entirely from the annual trading surplus of CSIS, plus the investment of its reserves. Virtually all of CSIS's annual trading surplus is paid into the charity under a Deed of Covenant. The money is then distributed by the charity's Trustees to a wide range of organisations, mainly, but not exclusively, civil and public service charities, putting the money back into the community from which it originated. The more policies CSIS sells to satisfied customers, the more money is available to support all of these worthy charitable causes, creating a true virtuous circle. Sir Jeremy Heywood, Cabinet Secretary and Head of Home Civil Service, is Honorary President of both organisations.

The charity achieves its purpose of relieving need, hardship and distress amongst serving, former and retired civil and public servants and their families by giving grants. Some of these are made directly to individuals. In particular, the charity supports directly a small number of widows and other dependants of deceased policy holders of CSIS with annual grants and help with specific costs such as phone bills and replacing cookers and in some cases one off grants to clear debts.

In addition we make grants to a wide range of other charities and not for profit organisations who can help us achieve our aims, either by giving individual welfare support to needy serving, former and retired civil and public servants and their families, or by funding projects which will be of more general benefit to our target groups. Information about our grant giving policies, priorities and procedures is set out on pages 8 - 10, and set out in detail in our Grant Giving Policy which is available to download from our website www.csischarityfund.org.

The section of our website headed "Our Aims and Work" describes in some detail the work we do, the sort of projects we finance and the wide range of organisations we support with links to many of their websites. Further information can be found in the Impact Report we published for the period 2011-12 which is available to download from the website. The sections of the website headed "Finance" and "Grants: Facts, Figures and Our Policy" under "More About Us" provide further information about the history of our grant giving as well as links to download both the Grant Giving Policy and our Annual Reports and Accounts for the past six years. These include tables listing all of the grants we awarded during the relevant years.

Achievements in 2016

Our business plan for 2016 was based on the following key priorities:

- **To review our medium term strategy and update it as necessary**, including reviewing our medium term ambitions, spending plans and reserves policy in the light of financial projections on a range of assumptions about the likely income from CSIS.
- **To continue to develop the scope of our grant giving**, by actively seeking new and different organisations and good quality projects which we can help to support to relieve need, hardship and distress amongst a widening range of our target client groups, while continuing to make a real difference to the quality of life of the widows of deceased CSIS policyholders who we support directly and continuing to provide appropriate support to our long standing partner organisations.
- **To promote increased partnership working amongst the organisations we support**, by pump-priming their innovative projects, fostering joint working between them and publicising their work through information and links on our website.
- **To improve our understanding of the impact of our grant giving**, by strengthening our relationships with the charities we finance, making more visits to projects to see the impact our grants make to individuals, and carrying out more analysis of our spending to judge how well the balance compares with our stated priorities.

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- **To improve the way the charity presents itself**, building on the launch of our new website in 2015 by gaining a better understanding of who our key stakeholders are and the different ways in which we can engage with them most effectively, and working with CSIS to develop publicity material which supports their marketing efforts by raising the profile of the charity and the work we do, helping to make a real difference to the lives of civil and public servants in hardship, need and distress.
- **To make sure that the charity can continue to be well run**, by ensuring that our policies and procedures are kept under regular review and strengthened where necessary, and that there are both short term contingency plans for running the charity with only limited support from CSIS and effective long term succession plans in place for all key posts.

During the year:

- We agreed a new Medium Term Strategic Plan to cover the period from 2017 to 2020. As part of the work on preparing that plan, we reviewed in depth our medium term ambitions, our grant giving priorities, our financial prospects, the risks we face and our ability to manage them, and the reserves we judge we need to hold to ensure we can achieve our medium term ambitions. The plan incorporates a new reserves policy which is set out and explained in on page 14.
- We continued to support our long term partner organisations including the Charity for Civil Servants, BT Benevolent Fund, the Rowland Hill Fund and the Civil Service Retirement Fellowship, and also funded some interesting, worthwhile new projects and organisations around the country. We made contact with several new organisations, most notably the Ambulance Charity to whom we gave a grant in 2016, and more recently the Cavell Nurses Trust to whom we have now also given a substantial grant. We also commissioned research to help us identify other small charitable organisations who support civil and public servants and who might benefit from our help, and we are reaching out to these in 2017, inviting them to apply for grants from a £100K pot of money we have earmarked for this purpose in our 2017 budget.
- We have been proactive in meeting and visiting the organisations we support so we can learn more about them and their plans and ambitions for the future, including inviting two of them to come to our Trustee meetings during 2016 to talk about the work they do. We carried out an in depth review of our support for the Charity for Civil Servants and the Post Office Orphans Institution (POOBI) during the year. We have also put in place new arrangements for allocating individual Trustees to be the main point of contact for each of the charities we support so they can build up a closer relationship with the charity and gain a better understanding of the problems they face and how we can best help them.
- We have introduced a new form for grant applications which asks the charities applying for funds to give us information in a standard format about who the ultimate beneficiaries of the grant will be, whether they are concentrated in one geographic area or spread around the country, what difference the grant will make to them, how the impact on the ultimate beneficiaries will be monitored and assessed, and what will be the charity's own measures of success for the grant. As well as helping us to assess the bids, this will make it easier for us to check after the event that the grants had the intended effect.
- We have been proactive in encouraging better partnership working amongst our beneficiary charities including holding a seminar about carers in January 2017 to which we invited a number of the charities we support and encouraged them to talk to each other about the work they do. A number of potentially promising joint initiatives have emerged from that work which we will endeavour to foster in 2017.
- We have been working with our partner organisations to encourage them to give greater publicity to the awards we have made to them, both to increase the profile of the charity and to improve understanding and awareness of our relationship to CSIS.

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- We begun a detailed, joint review of our relationship with CSIS. The complex, formal Memorandum of Agreement which had governed the administrative arrangements between the two organisations since the charity was incorporated in 2007 ended with the transfer to CSIS in January 2016 of the lease on the accommodation they occupy at Colman House. It was therefore considered timely to look at the working relationship between the two organisations to consider how they can work more closely together and support each other through, for example, joint marketing initiatives, to the extent that their respective regulatory frameworks permit. The review began in November and recommendations will be put to both Boards in early 2017.

Our grant giving in 2016

During 2016 we gave grants to 24 civil and public service and other charities totalling £711,498. Full details of these are set out in note 4 of the Accounts, which lists all the organisations we made grants to during 2016, the amounts we gave them and the grants we have awarded for payment in 2017. Some of the larger and more notable grants were:

- £125,000 to the Charity for Civil Servants,
- £63,710 to the Civil Service Retirement Fellowship for their National Visitors Network and a pilot project to provide respite days for carers, which sadly they were unable to roll out nationally,
- £43,000 to the BT Benevolent Fund for their welfare grants,
- £50,000 to the Rowland Hill Fund,
- £25,000 to the NHS Retirement Fellowship,
- £70,000 to the Railway Benefit Fund,
- £40,000 to the Northern Ireland Prison Officers Central Benevolent Fund, £30,000 of which was to help them install a lift in a block of flats overlooking the sea which is used to provide respite breaks for members who have mobility problems,
- £30,000 to the Ministry of Defence's Family Activity Breaks scheme for the bereaved families of service personnel,
- £30,000 to the Education Support Partnership, for their welfare grants and to help launch a new project to help teachers retrain so they can return to work,
- £30,000 to the Ambulance Service Charity, the first time we have given them a grant, and
- £25,000 to Post Office Orphans Benevolent Institution (POOBI) for their "Rising Stars" scheme and university bursaries.

The majority of other grants were for £15,000 or below, the smallest being £1,000 to Music in Hospitals. We also gave, through Hospice UK, £50,538 to fund projects in five hospices in the South West, providing services in areas where large numbers of civil and public servants live and work.

The majority of the grants we give are unrestricted and for benevolence purposes. However, we also want to ensure that the charities we support are sustainable in the long term and so we supported a number of different projects to help them refocus and restructure. In particular, the £70,000 grant we gave to the Railway Benefit Fund included a £30,000 matching grant for market research to enable the RBF to revise not only its offering, a process which was already partly under way, but also to improve its marketing to strengthen its fundraising efforts. We also awarded a grant of £25,000 to the NHS Retirement Fellowship for two projects, the first being to identify the different types of need across their membership, the opportunities to work with other grant giving organisations, and if there was a requirement for case worker support for individuals in need. The second was a recruitment project to increase the number of members.

What we Know About the Impact of our Grants

As a matter of principle and procedure, we ask the organisations to whom we give grants to tell us how they intend to use the money and what they expect the impact to be, so we can satisfy ourselves that the project or activity is consistent with our aims. We also ask the organisations to report back to us after they have spent the money, and copies of the annual report and accounts are received from all recipient charities. We ask for feedback information and where possible sample case studies when they submit their bids for the following year.

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The following gives some further examples of the difference we know our grants have made:

- We keep in regular touch with the widows we support directly, some of whom we have supported for well over 30 years. We know from talking to them, and from the thank you letters we often get from them, just what a difference our support makes. We paid our widows grants totalling £24,721 in 2016.
- The Charity for Civil Servants send us their Impact Report so that we know the work our general grant of £125,000 contributed to. When requested, we receive sample reports about the individual cases supported by their welfare grants and their website regularly provides further examples. In 2016 we conducted an in depth review of our support for the charity to gain a better understanding of the work they do and the impact it has.
- The £50,000 we donated to the Rowland Hill Fund in 2016 helped to fund their welfare and mobility grants and their recent initiative to recruit local Ambassadors to raise awareness of the charity and the services they provide, support local fundraising, and strengthen the ties with the new Royal Mail Group Ltd and the Post Office Ltd. They provided us with a number of case studies to show the difference the welfare grants can make. For example, a £2,500 grant helped provide a sensory room for an 11 year old boy with severe Autism and ADHD, which can show itself in aggressive behaviour. His father, who is also supporting his wife as she recovers from breast cancer and a brain illness, said "this is a stepping stone to a happier life for all of us." Another grant enabled a lady who suffers from spondylosis to get her doors widened so she could use a power assisted wheelchair. A further grant of £2,250 provided a new boiler for a family where the father of a severely disabled boy had been off work for 7 months suffering from depression and anxiety and attempted suicide. The boiler broke down and they had no central heating or hot water. In yet another case, a grant of £1,700 halted the eviction from her home of a lady recovering from surgery to remove a brain tumour, giving her the chance to recover and get back to work.
- Although these were case studies provided by the Rowland Hill Fund, they are typical of the case studies all of the benevolent funds we support deal with every day. For example, the £30,000 we gave to the Education Support Partnership helped them to provide welfare support grants to some 300 educational professionals including, for example, helping a retired teacher of 35 years with the cost of her husband's funeral, helping a teaching assistant with childcare costs when she was diagnosed with Leukaemia, and helping a former teacher and single father sort out his rent arrears. It also enabled the charity to launch a new Training and Development Fund, which helps keep teachers in teaching and enables unemployed or disabled education staff to gain employment by providing financial support for retraining.
- Our donation of £25,000 to POOBI in 2016 helped fund their University bursary scheme and their "Rising Stars" scheme which provides much needed support for families who have a child who is gifted in the performing arts. We have seen a copy of a thank you letter from one of the students who received a university bursary explaining just what having that extra financial stability had meant to him, which his family could never have provided, enabling him to complete his degree with a 2.1 in BSc Economics.
- The MOD Family Activity Breaks (FAB) project, which we supported for a eighth year in 2016 with a grant of £30,000 has the stated aim of providing bereaved service families with the opportunity to attend activity based holidays in an adventurous but safe environment to encourage friendship, resilience and peer support whilst having fun. Our grant enabled them to run a further holiday for 15 families at their new centre near Lewes in the South Downs. The project's website www.fabcamps.org.uk shows the wide range of activities undertaken and provides ample evidence of what the holidays have meant to some of the bereaved children and their mothers. The feedback from the families continues to confirm that the holidays clearly meet a real need and can make a huge difference to those involved.

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- In December 2015 we made grants totalling £50,600, paid through Hospice UK, to finance six capital projects in Scotland including a contribution to the cost of replacing a much used Jacuzzi in a children's hospice in Edinburgh, a contribution to the cost of buying a bariatric bed for an adult hospice in Edinburgh, and contributions to the refurbishment of therapy units and patient facilities in four other hospices in Glasgow, Renfrewshire and Stirlingshire. We have been sent photos of the completed schemes, assessments of the impact they have had including estimated of the number of patients and family members benefitting from them, and feedback from the users.

Our Grant Giving Principles and Priorities for 2017 to 2020

The formal Objects of the charity are:

"The relief of need, hardship and distress, including (but not exclusively) by the provision of financial and other assistance to serving, former and retired civil and public servants and their dependants either directly or by making grants to other organisations which can provide financial or other support to them"

The Trustees translate this into the following aim:

"To put the trading surplus of CSIS to good use, helping to relieve need, hardship and distress amongst serving, former and retired civil and public servants and their families, both directly and by action in the local communities in which they live."

As part of the work to prepare our new Medium Term Strategic Plan we reviewed our grant giving policies and priorities in some depth. We established a number of guiding principles to provide a framework for our grant giving through to 2020 as follows:

- We will only support worthwhile causes and projects which we can see will make a very real and direct difference to the lives of individuals who are in need, hardship and distress.
- We are too small a charity to handle the casework involved in direct support of any individuals facing hardship, other than the widows of deceased CSIS policyholders. We will therefore work almost exclusively through other charities and not for profit organisations who can help us achieve our aims, either by administering grants on our behalf or by funding projects which will be of more general benefit to our target client group.
- Our most important partners in achieving our aims are, and will continue to be for the foreseeable future, the major civil and public service charities such as the Charity for Civil Servants, BT Benevolent Fund, the Civil Service Retirement Fellowship, and the Rowland Hill Fund, and they will continue to receive the bulk of our grants. However, we will also seek to support as wide a range as we can of the smaller welfare organisations and benevolent funds that provide support to civil and public servants and their dependants. A particular focus will be on the less visible, "unloved" public servants who often do not get the acknowledgement they deserve. Their work is important, often very stressful, but often goes unrecognised.
- Our long standing partners such as the Charity for Civil Servants, BT Benevolent Fund, the Civil Service Retirement Fellowship and the Rowland Hill Fund are important to us because they provide a simple, direct way of channelling money to needy civil and public servants, enabling us to meet our aims without handling individual case work. Our support for them also means we are putting money back into the areas where CSIS currently do most of their business, creating a "virtuous circle" where money is returned to the areas of the public services where it was generated. However, while the "virtuous circle" is an important principle which can help guide our grant-giving, it is not an over-riding or exclusive principle and it will not prevent us from supporting a wide range of other worthwhile organisations and projects which can make a real difference to the lives of individuals in need, hardship and distress.

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- Our wide objects, flexibility and comparatively secure funding from CSIS put us in a privileged position to help fill awkward gaps in provision and support “unfashionable” causes and projects for which it is difficult to raise charitable funds, and we aim to recognise that in our grant giving. In addition to supporting the major public service charities, we believe that we can make the best use of our funds, and have the biggest impact, if we concentrate on helping those charities and not-for-profit organisations that do not have access to other substantial sources of income. Therefore, while we will consider supporting any organisation which approaches us for help, providing the proposal they put to us falls within our Objects, our preference will be to help organisations that do not have access to other substantial sources of income, where our contribution can make a real difference.
- Providing appropriate financial support to the widows, widowers and dependents of deceased CSIS policy holders will remain a key priority for us. They provide a direct link to the CSIS policyholders who provided the money for the charity as well as a key link to the origins of the charity. However, when considering helping new widows or widowers, our aim will be, if at all possible, to provide a single one-off grant that would help resolve their immediate problems, for example, to clear their debts, and get them into a position where they can cope without continuing annual grants.
- Whenever the opportunity arises, we will use our influence to encourage the charities and other not-for-profit organisations we support to work together in the interests of providing a better, “joined up” service for their beneficiaries, spread best practice and reduce wasteful duplication. However, while we have a responsibility to ensure that the organisations we support are well enough run to be capable of delivering the services and projects we fund and to understand the decisions of their Trustees on matters such as the reserves they hold, it is not for us to interfere with the way other charities are run.
- CSIS is our source of funding and its trading success is vital to our ability to achieve our aims and support worthwhile causes. We will therefore try to give them every help and support in their marketing efforts, within the constraints of the regulatory framework we both work within.

Our Published Grant Giving Policy

Our detailed Grant Giving Policy incorporating these principles, which we will continue to keep under regular review, is available to be downloaded from our website www.csischarityfund.org

The policy statement includes information about the Trustees' priorities, funds available, type of projects sought, type of grants we will pay, conditions we generally set on grants, and our procedures and timetable for considering and authorising grants. It reaffirms that, in addition to providing support for the widows and widowers of deceased CSIS policyholders, our primary focus will be on supporting charities and not-for-profit organisations which have a clear and direct link with the public services. However, we will also continue to provide grants to other organisations where Trustees can be satisfied that the beneficiaries will include former, serving and retired civil and public servants and their dependants and which are very clearly and directly relieving need, hardship and distress amongst those they support.

Our aim will be to provide:

- Unrestricted, core funding support for established benevolent funds, especially those providing welfare support for serving, former and retired employees of the less visible “unloved” public services;
- “Pump priming” funding for special short to medium term projects and also for collaborative projects involving two or more charities;
- One off grants to help our partner charities restructure and build up their donor base to ensure that the charities will be there to support their client groups over the long term and
- One off or short term grants to small community based charities and for special cases which our partner charities would otherwise have difficulty funding.

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These categories are not, however, exclusive and we will consider supporting any project which we can see will have a clear and direct impact on any former, serving or retired civil and public servants in need hardship and distress, whatever the cause. In pursuing these priorities, we will continue to look for ways to widen the range of civil and public sector charities we support, find new types of projects to support, and improve the geographical spread of our direct grant giving.

The table below shows how the balance of our grant giving has changed over the past six years and how much more support we are now managing to give to the smaller public sector charities and trade union welfare funds. We will continue to keep the balance of our spending under review throughout the period of the new Medium Term Strategic Plan.

How The Balance of our Grant Giving has Changed Since 2011 (cash paid in year £)

	2016	2015	2014	2013	2012	2011
Widows of deceased CSIS policyholders	26,223	27,273	38,944	35,998	42,675	26,381
Major public service charities we have supported for many years	296,370	420,275	465,500	438,627	456,704	417,650
Smaller public service charities and trade union welfare funds	278,250	200,130	158,500	158,700	151,160	94,155
Smaller charities we have supported for a number of years with ad hoc grants	55,000	55,000	43,000	66,042	63,500	39,500
Hospices and other charities we have supported with one off grants (of which hospices)	71,538	115,600	101,750	123,200	147,000	197,500
	(50,538)	(100,600)	(100,000)	(120,000)	(145,000)	(180,000)
TOTAL	727,381	818,278	807,694	822,567	861,039	775,186

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

CSIS Charity Fund is a company limited by guarantee. Its governing document is the Memorandum and Articles of Association agreed by special resolution of the Members on 19 May 2009, and amended by the Members in a General Meeting held on 14 May 2015. This incorporates a number of provisions of the Companies Act 2006 which had not been included in the original constitution, agreed by the Charity Commission on the 23 November 2007 when the charity was first incorporated. Using the provisions of the new constitution, the name of the charity was changed from the Civil Service Windows and Orphans Fund to CSIS Charity Fund by resolution of the Trustees on the 15 June 2009.

The Trustees and Management of the Charity

The charity currently has fourteen Trustees who meet regularly. The Trustees held seven meetings during 2016, including an "awayday" and we expect to have an average of six to eight meetings a year in the future. The Trustees are not paid though reasonable expenses can be claimed. There are no formal sub committees and all substantial matters are considered by all of the Trustees.

The charity employs no staff directly, however, up until January 2016 there was a Memorandum of Agreement in place between CSIS and CSIS Charity Fund concerning the payment of rent, rates and services which included the services of Mrs Helen Harris who acts as Company Secretary and handles the day to day running of the charity. The Memorandum of Agreement reflected the fact that the charity held the lease on the accommodation in Colman House which CSIS occupies. CSIS took over the lease on 19 January 2016 and much simpler arrangements are now in place between the charity and CSIS, in which CSIS continues to provide administrative support services, including the services of Mrs Helen Harris, without charge, which has been recognised as a donated service in the accounts.

The charity does not use volunteers. The charity does not undertake any direct fundraising and is therefore not a member of the Fundraising Standards Board.

The Trustees have put in place a basic set of policies and procedures which an up to date charity is now expected to have, including a grant giving policy, a reserves policy, investment policy, conflicts of interest policy, procedure for handling complaints, a risk management strategy and risk register and job descriptions for the Trustees and all office holders. These are kept under regular review and updated as necessary.

The main decisions on grants are taken at an annual grants meeting which all Trustees attend. However, procedures are in place to allow grant decisions to be taken at other times and these include delegated authority for a Trustee nominated as the Grants Trustee to approve emergency grants for widows and other dependents of former CSIS policy holders and small additions to grants already awarded.

The Trustees keep under regular review the skills and experience needed in the board. Our aim is to recruit new Trustees as and when the opportunity arises to maintain a board with an appropriate balance of the desired skills and experience, with staggered terms of appointment which will provide for continuity and stability while allowing for some potential turnover of Trustees over the medium term. Given the size and nature of the charity, our aim is to recruit Trustees if possible without the expense of advertising in national newspapers.

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We conducted a Trustee skills audit in December 2013 and discussed succession planning at our 2014 Awayday. In the light of those discussions, we went out to recruit additional Trustees early in 2015 to strengthen the board, increase the diversity of the board and secure better long term succession planning for the key offices. We advertised both on the ACO website and on the NCVO Trustee Bank, as well as asking for the vacancies to be advertised on the Whitehall Black and Ethnic Minority network. The quality of the applications was so high that we decided to appoint four new Trustees immediately, with a further one, Ray Flanigan, who joined the board in May 2016. Ray retired from the Civil Service in 2006, his 32 years ending as Chief Welfare Officer in the Lord Chancellor's Department. Previously he spent three years seconded to the Charity for Civil Servants as Director of their Help and Advisory Services. Since he retired he has remained active in a range of roles within grant-making and other charities with Civil Service connections.

We have an induction procedure for new Trustees which includes a list of documents to be provided, people to meet, and training to be offered. This is kept under regular review and updated as necessary. It is used flexibly. New Trustees come from different backgrounds with differing levels of experience and degrees of knowledge about the duties of a charity Trustee, and some Trustees will have more time than others to devote to optional training. Trustees are encouraged to attend training events and financial briefings from our Investment Managers.

Risk management

The Trustees have a risk management strategy in place which details how we assess, analyse, classify and manage our risks. Where appropriate, systems or procedures have been established to manage the risks to which the charity is exposed or to mitigate the possible consequences, and we keep our risk register under regular review and update it as necessary. We have a rolling programme of reviews in which we aim to discuss one of our key risks in depth at successive Trustee meetings.

Trustees conducted a full review of the risk register at their Awayday in 2015 and concluded that the most important risks to the charity are: overdependence on key individuals; failure to have the impact we intend with our grant giving; reputational risk from the actions of others outside our control; poor investment performance given the current volatility in the financial markets; and the charity's dependence on CSIS for its annual income, given that CSIS operates in a very highly competitive market. We believe these remain our key risks. Our reserves policy (see page 14) is therefore designed, in particular, to protect the work of the charity against the possibility that CSIS may not be able to maintain its present level of profitability indefinitely. Internal systems of control and contingency plans are in place to protect the charity against other risks such as fraud, fire or disruption to the IT systems.

The Trustees reviewed and updated the conflicts of interest policy in 2014, and as part of that work, they carefully considered the implications of the Bribery Act. They concluded that the existing systems provide adequate safeguards, given the limited risks the charity faces. The conflicts of interest policy includes guidance on the acceptance of gifts and hospitality.

The Trustees do not consider it necessary to set up a separate audit committee. However, arrangements have been made for an independent internal auditor to carry out a programme of regular checks and to report twice a year to the Trustees. The auditor has a direct line to the Chairman should he wish to raise urgent matters or concerns arising from any of his audits.

CSIS Charity Fund
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2016

FINANCIAL REVIEW

Overview

Most of the charity's annual income comes from the trading activities of CSIS which, as explained previously, is a small, but highly successful not for profit insurance intermediary, authorised and regulated by the Financial Conduct Authority, which markets good quality, competitively priced insurance products to a wide range of civil and public servants. The two companies are legally and constitutionally separate, but they are linked by a Deed of Covenant put in place under the Gift Aid provisions introduced into the UK tax regime in April 2000 and confirmed when the charity was reconstituted in 2007, under which all but a small amount of the annual trading surplus of CSIS is covenanted irrevocably to the charity.

The donation from CSIS in respect of 2016 was £736,000 of which £350,000 was paid to the charity in December 2016, the balance to be received early in 2017. The charity also received income from investing its cash, bringing in a further £60,034 in 2016. During the year £230,000 of investment funds have been withdrawn to fund our grant giving policy, with the residual investments seeing an increase in value of £136,728, culminating in a net reduction of £93,272 at the balance sheet date.

The accounts for both 2015 and 2016 have been distorted by the receipt of a very large legacy from the estate of Mr John Parker deceased, which the charity was notified of just before Christmas 2015. Although CSIS Charity Fund was clearly named as a major beneficiary, the Will stated that the donor wished the money to be used "for the benefit of The Benenden Charitable Trust". Having consulted the Executor to see if he could shed any light on the donor's intention and having taken appropriate legal advice, the Trustees decided that the right course of action was simply to pass the money straight on to The Benenden Charitable Trust as a discretionary grant.

That decision was taken after 31 December 2015 and so the grant of the money to The Benenden Charitable Trust was not reflected in the 2015 Accounts. However, the 2015 Accounts showed incoming resources of £237,500, comprising the receipt of a cheque for £150,000 in late December 2015 plus a further £87,500 to reflect the estimate we were given of the further payment we might expect when the estate was wound up. In fact a further £95,041 was received from the estate during 2016, and the estate is now closed. We had originally reserved the right to retain sufficient to cover any costs we might incur, for example in seeking legal advice, but these turned out to be minimal and so the whole of the money was all paid over to The Benenden Charitable Trust before the end of 2016. Because we did not believe the money was ever intended for our use, and none of it was retained, we have excluded these large financial transactions from all of our grant giving tables such as the one in Note 4 to the accounts, and from our routine cash flow monitoring.

At 1 January 2016, the charity held assets of £2,513,639, including the £237,500 legacy payment but net of some quarterly payments to our widows which had been approved in 2015 for payment in 2016 and which had therefore been accrued in the 2015 accounts. At the Grants meeting in February 2016 and during the course of the year, additional grants to charitable organisations totalling £711,498 were approved for payment during 2016 along with further grants to our widows, bringing the total of grants paid out during the year to £736,219. Total funds at the end of the year were £2,454,551, including £736,000 received from CSIS of which £350,000 was received just before 31 December 2016.

The distortion to the Accounts caused by the legacy followed an earlier distortion caused by a decision in 2012 to change the date of our annual Grants meeting from October to February. The change made operational sense and a detailed explanation of the effect of it was given in the 2013 Report and Accounts. However, the main consequence of the change is that the Accounts for each year now show a large amount of cash held in the bank at the end of the year with no offsetting accruals. The transition also created a noticeable discontinuity in the way our grant giving appears in the accounts making comparisons over a number of years difficult to interpret, and the receipt of the legacy has further compounded that problem.

CSIS Charity Fund
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2016

Reserves policy

As explained previously, most of the charity's income comes from the trading activities of CSIS. This has averaged around £0.5 to £0.7 million a year for the past 5 years. However, CSIS operates in a highly competitive market and it would not be prudent for the charity to depend on that level of income continuing indefinitely, as the dip in the trading surplus for 2013 to just under £0.5 million demonstrated. Nor is it prudent to depend on investment income, as events in the financial markets during recent years have demonstrated all too vividly.

In setting a reserves policy, we need to allow for the fact that almost all of our income comes from CSIS just before the end of the year and most of our grant payments are made in March. The reserves figure shown in the annual accounts is therefore inflated by a large, temporary injection of cash, which can give a misleading impression of the underlying position. In 2013, therefore, we adopted a reserves policy that "we should not allow our total funds as shown in the accounts at the end of the year, less the cash donation received from CSIS in December, to fall below £1million." We aimed to reduce our reserves to close to that level by the end of 2018 by drawing on the reserves to fund special projects, in particular, a number of large hospice projects. On that definition, our reserves at the end of 2016 were well in excess of the level we felt we need, standing at just over £1.7 million at 31 December 2016, net of the £736,000 expected donation from CSIS, of which £350,000 had been received just before the end of the year.

As part of our work on drawing up our new Medium Term Strategic Plan for 2017 to 2020, we conducted a full review of our reserves policy, including carrying out some financial modelling to explore the risks presented by a number of alternative scenarios. In the light of this, and taking all relevant considerations into account including our existing contractual obligations, the moral obligation we feel we have to provide continuing support our existing widows for as long as they need our help, our wish to give our important partner organisations time to adjust if we had to cut back our spending radically, our medium term ambitions, the advice we have had from CSIS, the risks we face and our ability to manage them, we now judge we only need to hold reserves, excluding the temporary injection of funds from CSIS, of around one year's expenditure, measured as the average of the last three year's spending on grants and running costs.

Our strategic aim is to reduce our reserves to a more appropriate level by the end of the decade, drawing on them as we judge appropriate to support our grant giving. Given the financial modelling we did during 2016, and subject to review each year in the light of experience, we believe this means we can safely plan on being able to spend an average of around £700,000 a year for the next five years, and possibly a little more than that if the income from CSIS does not drop below £500,000 a year and/or we benefit from unexpected windfall gains on our investment portfolio.

Consistent with the above, we have formally adopted the following reserves policy:

"Given the potential risks to our income from CSIS and to the value of our investments, and taking account of the our wish to support our existing widows for as long as they need our help, complete any projects we are funding and give our important partner organisations time to adjust, we believe that we should not allow our total funds as shown in the accounts at the end of the year, less the cash donation received from CSIS in December, to fall below the average of our spending in the previous three years (ie, grants and running costs in the accounting year and the two previous years). While continuing to act prudently, and subject to review in the light of experience, we will aim to reduce our reserves to the level of the new reserves policy by the end of the decade."

CSIS Charity Fund
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2016

Investment Policy

The Trustees' investment policy, which is kept under regular review, is to invest long term money in Charishare (equities), Charinco (fixed interest) and The Charities Property Fund. The investments are held for the charity by BlackRock Investment Managers and Cordea Savills. Sufficient cash for short term needs is held on deposit at our bank, Handelsbanken.

The Chairman, Treasurer and one of the Trustees, Dan Hewitt, met with BlackRock in December to review the performance of the Charishare and Charinco investments. Charishare aims to provide medium to long term capital and income appreciation by investing mainly in UK listed Companies and during the year the total return for the Fund was 12.93%. Charinco aims to provide a high level of income from a portfolio of fixed interest securities. During the year, the total return for the Fund was 7.65%. The Charities Property Fund aims to provide an attractive level of income plus capital growth by investing in a diversified UK Commercial Property portfolio. During the year the total return was 6.16%.

MEETING THE PUBLIC BENEFIT TEST

As noted above, the formal Objects of the charity are the relief of need, hardship and distress, including (but not exclusively) by the provision of financial and other assistance to serving, former and retired civil and public servants and their dependants either directly or by making grants to other organisations which can provide financial or other support to them. Our Memorandum and Articles of Association enable us to interpret the term "civil and public servants" quite widely to include, for example, the civil service, armed forces, the NHS, teachers and other local authority employees, government agencies and privatised bodies which were formerly part of the civil service, such as BT and the Post Office.

As will be seen from our grant giving policy above, the Trustees are prepared to consider supporting any appropriate organisation which approaches the charity for help, providing the proposal falls within the charity's Objects. Furthermore, we are taking active steps to expand the range of projects and activities we support and to improve the geographical spread of our direct grant giving, for example, by ensuring that the hospice projects we support are spread around the country, as well as being in places where we know large numbers of civil and public servants live and work. The major civil and public sector charities we support already have national coverage and so our grant giving helps to support individuals throughout the UK.

OUR PLANS FOR THE FUTURE

Our medium term ambitions, confirmed in the new Medium Term Strategic Plan we have adopted for 2017 to 2020, are:

- To be seen by both the organisations we work with, and by existing and potential CSIS policy holders, as caring, supportive, flexible, and responsive to new ideas.
- Through close working with and monitoring of our partner organisations, to know that our grant giving is making a genuine difference to the lives of individuals in need, hardship and distress, in particular for the client groups we see as our priority.
- To ensure that the impact of our grant giving is spread throughout the UK and its diverse communities by working with as wide a range of civil and public service charities and other not-for-profit organisations as we can.
- To have a good story to tell in our publicity material about the sort of impact our grant giving is having on individuals in hardship and distress, which will support CSIS's marketing efforts.

CSIS Charity Fund
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2016

We plan to judge our success in achieving these ambitions by:

- Seeking feedback from our partner organisations about whether they have found us to be caring, supportive, flexible, and responsive to new ideas.
- Considering the quality of the case studies we collect from our partners which illustrate how they have been able to use our funds to relieve need, hardship and distress in individual cases.
- Visiting projects we have supported and where possible talking directly to individuals who have benefited from the projects.
- Analysing the balance of our spending between the different groups of organisation and client groups which benefit from them, to check that they are consistent with our intentions, reflect the full diversity of our target client groups, and provide a good geographic spread.

Consistent with the above, our Business Plan for 2017 is based on the following key priorities:

- **To continue to develop the scope of our grant giving in line with our new Medium Term Strategic Plan**, by actively seeking new and different organisations and good quality projects which we can help to support to relieve need, hardship and distress amongst a widening range of our target client groups, while continuing to make a real difference to the quality of life of the widows of deceased CSIS policyholders who we support directly and continuing to provide appropriate support to our long standing partner organisations.
- **To promote increased partnership working amongst the organisations we support**, by pump-priming their innovative projects, fostering joint working between them and publicising their work through information and links on our website.
- **To improve our understanding of the impact of our grant giving**, by strengthening our relationships with the charities we finance, making more visits to projects to see the impact our grants make to individuals, and carrying out more analysis of our spending to judge how well the balance compares with our stated priorities.
- **To improve the way the charity presents itself**, by gaining a better appreciation of who our key stakeholders are and the different ways in which we can engage with them most effectively, and working more closely with CSIS to develop publicity material which supports their marketing efforts by raising the profile of the charity and the work we do, helping to make a real difference to the lives of civil and public servants in hardship, need and distress.
- **To make sure that the charity can continue to be well run**, by ensuring that our policies and procedures are kept under regular review and strengthened where necessary, and that there are both short term contingency plans for running the charity with only limited support from CSIS and effective long term succession plans in place for all key posts.

CSIS Charity Fund
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 December 2016

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of CSIS Charity Fund for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 19 May 2017 and signed on their behalf by:



Helen Harris
Company Secretary

CSIS Charity Fund
(A company limited by guarantee)

Independent auditors' report to the members of CSIS Charity Fund

We have audited the financial statements of CSIS Charity Fund for the year ended 31 December 2016 set out on pages 20 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

CSIS Charity Fund
(A company limited by guarantee)

Independent auditors' report to the members of CSIS Charity Fund

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury
19 May 2017

CSIS Charity Fund
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 December 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	776,964	7,541	784,505	760,500
Investments	3	60,034	-	60,034	70,958
Total income		836,998	7,541	844,539	831,458
Expenditure on:					
Charitable activities	6,7	794,454	245,041	1,039,495	880,310
Total expenditure	9	794,454	245,041	1,039,495	880,310
Net income / (expenditure) before investment gains		42,544	(237,500)	(194,956)	(48,852)
Net gains on investments	12	136,728	-	136,728	46,754
Net income / (expenditure) before other recognised gains and losses		179,272	(237,500)	(58,228)	(2,098)
Net movement in funds		179,272	(237,500)	(58,228)	(2,098)
Reconciliation of funds:					
Total funds brought forward		2,276,139	237,500	2,513,639	2,515,737
Total funds carried forward		2,455,411	-	2,455,411	2,513,639

All activities relate to continuing operations.

The notes on pages 23 to 33 form part of these financial statements.

CSIS Charity Fund
(A company limited by guarantee)
Registered number: 06414570

Balance sheet
As at 31 December 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	12		1,699,454		1,792,726
Current assets					
Debtors	13	398,965		334,992	
Cash at bank and in hand		376,303		397,567	
		<u>775,268</u>		<u>732,559</u>	
Creditors: amounts falling due within one year					
	14	<u>(19,311)</u>		<u>(11,646)</u>	
Net current assets			<u>755,957</u>		<u>720,913</u>
Net assets			<u><u>2,455,411</u></u>		<u><u>2,513,639</u></u>
Charity Funds					
Restricted funds	16				237,500
Unrestricted funds	16		<u>2,455,411</u>		<u>2,276,139</u>
Total funds			<u><u>2,455,411</u></u>		<u><u>2,513,639</u></u>

The financial statements were approved by the Trustees on 19 May 2017 and signed on their behalf, by:



Gill Noble, Chairman

Julia Wood, Treasurer

The notes on pages 23 to 33 form part of these financial statements.

CSIS Charity Fund
(A company limited by guarantee)

Cash flow statement
For the year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	18	<u>(311,298)</u>	<u>(289,920)</u>
Cash flows from investing activities:			
Dividends and interest from investments		60,034	70,958
Proceeds from sale of investments		230,000	310,000
Net cash provided by investing activities		<u>290,034</u>	<u>380,958</u>
Change in cash and cash equivalents in the year		(21,264)	91,038
Cash and cash equivalents brought forward		<u>397,567</u>	<u>306,529</u>
Cash and cash equivalents carried forward	19	<u><u>376,303</u></u>	<u><u>397,567</u></u>

CSIS Charity Fund
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

CSIS Charity Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1, together with six members comprising five former Trustees and The Civil Service Insurance Society. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably, which is in accordance with the Charities SORP (FRS 102).

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

CSIS Charity Fund
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2016

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that a settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Going concern

The charity's main source of income is the receipt of a donation from The Civil Service Insurance Society.

In order to meet its day to day working capital requirements the charity is dependent upon this donation, the nature of which are primarily awarded on an annual basis and the significant reserves the charity has accumulated.

After making enquiries, the Trustees have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CSIS Charity Fund
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2016

1. Accounting policies (continued)

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations from The Civil Service Insurance Society	736,000	-	736,000	483,000
Other donations	-	-	-	10,000
Donated services	40,964	-	40,964	30,000
Legacies	-	7,541	7,541	237,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	776,964	7,541	784,505	760,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and legacies, £523,000 was to unrestricted funds and £237,500 was to restricted funds

3. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	60,034	-	60,034	70,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total investment income, £70,958 was to unrestricted funds and £NIL was to restricted funds.

CSIS Charity Fund
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 December 2016

4. Grants paid to other charities in 2016 and approved for payment in 2017

	Paid out in 2016 £	Approved in February 2017 £
The Charity for Civil Servants		
Contribution to welfare work including support for care home fees	125,000	250,000
Civil Service Retirement Fellowship		
Support for National Visitors Network and pilot of Carers Support Scheme	63,710	-
BT Benevolent Fund		
Support for pensioners contact scheme and welfare payments	43,000	60,000
Post Office Orphans Benevolent Institution		
Support for University Bursaries, "Rising Stars" scheme and apprenticeships	25,000	30,000
Rowland Hill Fund		
Support for mobility grants and events to recruit and train local ambassadors	50,000	50,000
MOD Family Activity Breaks (FAB) Project		
Scheme to provide activity holidays for bereaved service families	30,000	30,000
Overseas Services Pensioner' Benevolent Society		
Support for welfare grants including convalescence and respite breaks	7,000	3,000
Civil Service Sports Council		
Grants to help disabled and disadvantaged sportsmen and women	3,250	5,000
HASSRA		
Grants to help disabled and disadvantaged sportsmen and women	-	5,000
NI Prison Service Central Benevolent Fund		
Contribution to general welfare fund and disabled lift for holiday accommodation	40,000	25,000
Railway Benefit Fund		
Support for welfare grants and market research to inform refocusing of charity	70,000	40,000
NHS Retirement Fellowship		
Support for welfare grants and research to inform long term refocusing of charity	25,000	27,000
Education Support Partnership		
Support for welfare grants and retraining of teachers who need to change career	30,000	60,000
National Association of Probation Officers (The Edridge Fund)		
Contribution to welfare grants	10,000	10,000
National Federation of Occupational Pensioner NFOP		
Contribution to welfare fund	8,000	8,000

CSIS Charity Fund
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Notes to the financial statements
For the year ended 31 December 2016

Grants paid to other charities in 2016 and approved for payment in 2017 (continued)

	Paid out in 2016 £	Approved in February 2017 £
Public and Commercial Services Union (PCS)		
Contribution to the union's Benevolent fund	10,000	10,000
Prison Officers Association Welfare Fund		
Support for stress helpline, welfare grants and rehabilitation for injured officers	15,000	20,000
Cavell Nurses' Trust		
Support for nurses, midwives and healthcare assistants in hardship and need	-	30,000
The Ambulance Services Charity		
Welfare support for members of the ambulance services and their families	30,000	20,000
Canterbury Oast Trust		
Helping adults with severe learning difficulties	15,000	20,000
Relatives and Residents Association		
Funding for advice line, "Keys to Care", and support for refocusing of charity	30,000	-
Tax Help for Older People (TOP)		
Tax help for the elderly including supporting a training video for volunteers	10,000	10,000
Veterans Aid		
Support for homeless veterans	10,000	-
Scotty's Little Soldiers		
Funding for a new website for charity supporting bereaved service families	10,000	-
Splitz		
To support work with military families at risk of experiencing domestic abuse	-	10,000
Chilterns MS Centre		
Support for people in the Chilterns area suffering from MS	-	10,000
Music in Hospitals		
Sponsorship of several live concerts in hospitals and ex-service care homes	1,000	5,000
Hospice UK		
Funding for capital projects in hospices in the South West and support for carers	50,538	50,000
Joint projects to encourage co-operation amongst the charities we support	-	16,500
Provision for grants during 2017 to charities who are new to us	-	100,000
Total	711,498	904,500

These figures exclude the legacy explained on page 13.

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Notes to the financial statements
For the year ended 31 December 2016

5. Analysis of grants

	Grants to Institutions 2016 £	Grants to Individuals 2016 £	Total 2016 £	Total 2015 £
Grants to individuals	-	24,721	24,721	27,341
Grants to other charities	956,539	-	956,539	791,005
Total	956,539	24,721	981,260	818,346

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Grants to individuals	27,408	-	27,408	30,224
Grants to other charities	762,528	245,041	1,007,569	845,778
	789,936	245,041	1,034,977	876,002

In 2015, of the total expenditure, £876,002 was expenditure from unrestricted funds and £NIL was expenditure from restricted funds.

7. Governance costs

	Total funds 2016 £	Total funds 2015 £
Auditors' remuneration	3,540	3,540
Accountancy	978	768
	4,518	4,308

8. Support costs

	Grants to individuals £	Grants to other charities £	Total 2016 £	Total 2015 £
Rent & rates	545	10,349	10,894	15,349
Insurance	65	1,242	1,307	1,156
Office expenses	577	10,939	11,516	11,151
Recharged staff costs	1,500	28,500	30,000	30,000
	2,687	51,030	53,717	57,656

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Notes to the financial statements
For the year ended 31 December 2016

9. Analysis of resources expended by expenditure type

	Other costs 2016 £	Total 2015 £
Grants to individuals	27,408	30,224
Grants to other charities	1,007,569	845,778
Charitable activities	1,034,977	876,002
Expenditure on governance	4,518	4,308
	1,039,495	880,310

10. Analysis of resources expended by activities

	Grant funding of activities 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Grants to individuals	24,721	2,687	27,408	30,224
Grants to other charities	956,539	51,030	1,007,569	845,778
Total	981,260	53,717	1,034,977	876,002

11. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Auditors' remuneration - audit	3,540	3,540
Operating lease rentals	-	11,645

During the year, no Trustees received any remuneration (2015 - £NIL).
 During the year, no Trustees received any benefits in kind (2015 - £NIL).
 9 Trustees received reimbursement of expenses amounting to £3,266 in the current year, (2015 - 9 Trustees - £3,013).

CSIS Charity Fund
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Notes to the financial statements
For the year ended 31 December 2016

12. Fixed asset investments

	Listed securities £
Market value	
At 1 January 2016	1,792,726
Disposals	(230,000)
Revaluations	136,728
	<hr/>
At 31 December 2016	1,699,454 <hr/> <hr/>

Investments at market value comprise:

	2016 £	2015 £
Listed investments	1,699,454	1,792,726
	<hr/> <hr/>	<hr/> <hr/>

All the fixed asset investments are held in the UK

13. Debtors

	2016 £	2015 £
Other debtors	-	10,000
Prepayments and accrued income	398,965	324,992
	<hr/>	<hr/>
	398,965 <hr/> <hr/>	334,992 <hr/> <hr/>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Accruals	4,324	4,759
Grants accrued - individual	4,647	6,287
Grants accrued - other charities	10,340	600
	<hr/>	<hr/>
	19,311 <hr/> <hr/>	11,646 <hr/> <hr/>

In accordance with the company's accounting policy all grants which have been unconditionally offered to beneficiaries but not paid before the balance sheet date are shown as a liability in the financial statements. Grants that are offered subject to conditions are not accrued.

CSIS Charity Fund
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Notes to the financial statements
For the year ended 31 December 2016

15. Financial instruments

Financial assets - debt instruments measured at amortised cost

	2016 £	2015 £
Other debtors	-	10,000
Accrued income	398,673	320,500
	<u>398,673</u>	<u>330,500</u>

Financial liabilities - measured at amortised cost

	2016 £	2015 £
Accruals	5,184	4,759
Grants accrued - individual	4,647	6,287
Grants accrued - to other charities	10,340	600
	<u>20,171</u>	<u>11,646</u>

16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General Funds	2,276,139	836,998	(794,454)	136,728	2,455,411
Restricted funds					
John Parker Fund	237,500	7,541	(245,041)	-	-
Total of funds	<u>2,513,639</u>	<u>844,539</u>	<u>(1,039,495)</u>	<u>136,728</u>	<u>2,455,411</u>

The John Parker restricted fund represents amounts received from the Will of John Parker Deceased. All amounts received have been paid to The Benenden Charitable Trust in the form of a grant which reflects the wishes stated in the Will.

CSIS Charity Fund
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Notes to the financial statements
For the year ended 31 December 2016

16. Statement of funds (continued)

Summary of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
General funds	2,276,139	836,998	(794,454)	136,728	2,455,411
Restricted funds	237,500	7,541	(245,041)	-	-
	<u>2,513,639</u>	<u>844,539</u>	<u>(1,039,495)</u>	<u>136,728</u>	<u>2,455,411</u>

17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fixed asset investments	1,699,454	-	1,699,454	1,792,726
Current assets	775,268	-	775,268	732,558
Creditors due within one year	(19,311)	-	(19,311)	(11,645)
	<u>2,455,411</u>	<u>-</u>	<u>2,455,411</u>	<u>2,513,639</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(58,228)	(2,098)
Adjustment for:		
Gains on investments	(136,728)	(46,755)
Dividends, interest and rents from investments	(60,034)	(70,958)
Increase in debtors	(63,973)	(140,687)
Increase/(decrease) in creditors	7,665	(29,422)
Net cash used in operating activities	<u>(311,298)</u>	<u>(289,920)</u>

19. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	376,303	397,567
Total	<u>376,303</u>	<u>397,567</u>

CSIS Charity Fund
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Notes to the financial statements
For the year ended 31 December 2016

20. Related party transactions

During the year, the charity received donations of £736,000 (2015: £483,000) from The Civil Service Insurance Society. K M Holliday, a trustee of the charity, is a director of The Civil Service Insurance Society.

During the year, the Civil Service Insurance Society incurred costs on behalf of the charity in the sum of £40,964 (2015: £30,000), but did not recharge these. Consequently, the costs and the associated donation have been included within the financial statements as a donated service.

At 31 December 2016, the charity was owed £386,000 by The Civil Service Insurance Society (2015: £233,000).

21. Controlling party

The charity is controlled by its Board of Trustees.