

**REGISTERED COMPANY NUMBER: 06414570 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1121671**



**Report of the Trustees and Financial Statements  
For The Year Ended 31 December 2009**

Deeks Evans  
Registered Auditors  
Chartered Accountants  
3 Boyne Park  
Tunbridge Wells  
Kent  
TN4 8EN

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for the Year Ended 31 December 2009**

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## CSiS Charity Fund

### Report of the Trustees for the Year Ended 31 December 2009

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### CHANGE OF NAME

The charitable company passed a special resolution on 15 June 2009 changing its name from The Civil Service Widows' and Orphans' Fund to CSiS Charity Fund.

#### REFERENCE AND ADMINISTRATIVE DETAILS

##### Registered Company number

06414570 (England and Wales)

##### Registered Charity number

1121671

##### Registered office

7 Colman House  
King Street  
Maidstone  
Kent  
ME14 1DD

##### Trustees

Gill Noble  
Ron Churchill  
Chris Furlong  
Kevin Holliday  
Peter Norris  
Derek Renn  
Barrie Seaman

Chairman  
Deputy Chairman  
Treasurer

- appointed 19.5.09

##### Company Secretary

Helen Harris

##### Auditors

Deeks Evans  
Registered Auditors  
Chartered Accountants  
3 Boyne Park  
Tunbridge Wells  
Kent  
TN4 8EN

##### Bankers

Lloyds TSB Bank plc  
3rd Floor  
Black Horse House  
Tonbridge  
Kent  
TN9 1QS

##### Solicitors

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

##### Investment Managers

Black Rock Investment Managers  
33 King William Street  
London  
EC4R 9AS

Mayflower Management Co Ltd  
2 Gresham Street  
London  
EC2V 7QN

**Report of the Trustees  
for the Year Ended 31 December 2009**

**OBJECTIVES AND ACTIVITIES**

**About the Charity**

The purpose of the Charity is the relief of need, hardship and distress amongst civil and public servants and their dependants. In 2009, the charity made grant payments of just under £602,000 towards that end and pledged nearly £521,000 for payment in 2010 (of which just under £147,000 has been accrued in the accounts – see tables below for details). The Charity (and its predecessor) has made payments totalling more than £2,275,000 over the past five years to support good causes.

CSIS Charity Fund is the newly adopted name of the Civil Service Widows and Orphan's Fund (CSWOF), a charity with a long history, dating back about a hundred years. It was originally a discretionary benevolent fund providing extra financial support exclusively to the dependants of deceased policyholders of the Civil Service Insurance Society (CSIS), but its activities were expanded when it was registered as a charity in 1979 and it began making substantial donations to other civil and public service charities, including the Civil Service Benevolent Fund, the Rowland Hill Fund, the BT Benevolent Fund and the Civil Service Retirement Fellowship. Further development was hampered, however, by an obsolete governance structure and Objects which were hard to interpret.

In 2007, following a governance review by the former Trustees, the Charity Commission agreed that the activities and assets of the charity could be transferred into a new charitable company, retaining its existing name but with an up-to-date constitution and much clearer Objects which would allow the charity to be far more flexible and innovative in the way it could operate, and in the work it could do. The new charitable company was incorporated on 31 October 2007 and the funds were transferred on 1 January 2008.

The charity's income comes entirely from the annual trading surplus of the Civil Service Insurance Society, which is covenanted irrevocably to the charity, plus the investment of its reserves. In 2009, CSIS donated a total of £514,050 to the charity.

**Our New Name**

During 2009 we changed the name of the charity to CSIS Charity Fund. The Trustees had long felt that name Civil Service Widows and Orphan's Fund was outdated and confusing. It did not reflect the full spread of work the charity was already doing, far less the areas of work we hoped to expand into, and it said nothing about our important relationship with CSIS. After much deliberation we chose the new name which we believe gives a clearer message about who we are and what we do, and which links the charity firmly with CSIS while making it clear that we are a separate, independent charity and not part of CSIS. We have also chosen a new logo, which is now registered as a trademark, and we have work well in hand to produce a website which we will launch during 2010.

**The Purpose and Aim of the Charity**

The Trustees' overall aim for the charity, consistent with our new name and the wording of our Objects, is to put the trading surplus of the Civil Service Insurance Society 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.

**Achievements in 2009**

We set ourselves three main objectives at the start of the year and we have made good progress against all of them. Our objectives were:

- **To expand and develop our grant giving:** in addition to continuing to make a real difference to the quality of life of the individuals who we support directly and through the CSBF ring-fenced fund, to consolidate and build on the progress we made through the 2008 consultation exercise, maintaining and expanding our new range of contacts and seeking to find new and even better ways to relieve need, hardship and distress amongst our target client groups.
- **To improve the image and raise the profile of the charity** by adopting a new name, website and publicity material which explains what we do and which links the charity clearly to CSIS while making it clear that we are a separate independent charity.
- **To make sure that the charity is well run:** to complete the work of putting in place a strong and effective governance structure for the Charity and appropriate internal systems of control which are in line with Charity Commission guidance and best practice for a charity of our size and risk profile.

**Report of the Trustees  
for the Year Ended 31 December 2009**

**What the Charity Does**

The charity achieves its aim 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 the Civil Service Insurance Society (CSIS) with annual grants and help with specific costs such as phone bills, replacing cookers, etc. 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 client group. Some examples are given below.

**Grant Giving - Our Partnership With The Civil Service Benevolent Fund**

Our main partner in achieving our aims is the Civil Service Benevolent Fund. In addition to a general grant which we give them, we operate a ring fenced fund for topping up the support they can provide for care costs and special educational expenses. Under this arrangement, first established in 2002, £125,000 is earmarked within our reserves for the exclusive use of the Civil Service Benevolent Fund (CSBF). This enables them to draw, at will but within agreed criteria, monies to help meet those needs such as respite and convalescence which their own rules or limits do not permit them to finance, or only allow them to finance in part. The money goes to help named individuals.

Since the inception of this ring fenced fund, we have been able to make grants totalling £502,000 to provide direct support to needy serving, former and retired civil servants and their families, with the Civil Service Benevolent Fund handling all of the necessary case work and day to day administration.

The ring fenced fund was expanded in 2005 to enable the Civil Service Benevolent Fund to set up a scheme to provide help with books, equipment and accommodation costs for students in higher education whose parents are facing financial difficulties. Sadly the scheme proved too expensive to run given all the other demands on our resources, including rapidly growing demand for help with nursing care costs, and the Trustees reluctantly decided to close the scheme to new applicants from 1 January 2010. Continuing support with accommodation costs will, however, be offered for up to two years to students who have already started their courses with our help. A further expansion of the scheme to provide extra help for families who have children with special needs was piloted during 2009, but it was decided not to proceed with it.

**Other partners and Grant Recipients**

In addition to the work we do with the Civil Service Benevolent Fund, we made a number of grants during the course of 2009 to a wide range of other bodies, some for payment in 2009, and some for payment in 2010. Full details are shown in the table below. Because of the nature of the commitments given to prospective recipients of the grants, some of these are accrued as liabilities in the accounts to 31 December 2009 and others are not, in line with the charity's accounting policy.

**SUMMARY OF GRANTS APPROVED BY THE TRUSTEES DURING 2009 AND RECOGNISED IN THE ACCOUNTS**

	Accrued in 2008 £	Paid in 2009 £	Accrued in 2009 £	Total £
Grants to widows of CSIS policyholders	(31,685)	34,341	26,711	29,367
Grants to help individuals made through other charities	<u>(317,339)</u>	<u>567,210</u>	<u>120,000</u>	<u>369,871</u>
Total grants recognised in the accounts for 2009	<u>(349,024)</u>	<u>601,551</u>	<u>146,711</u>	<u>399,238</u>

**Report of the Trustees  
for the Year Ended 31 December 2009**

**DETAILS OF GRANTS TO OTHER CHARITIES APPROVED IN 2009**

	Accrued in 2008	Paid in 2009 £	Accrued in 2009 £	Total £
<b>Civil Service Benevolent Fund</b>				
Contribution to general funds	(125,000)	125,000	-	-
Ring fence fund for care costs and educational expenses	(13,339)	186,231	-	172,892
<b>Civil Service Retirement Fellowship</b>				
Support for quarterly Avanti magazine	(80,000)	80,000	50,000	50,000
<b>BT Benevolent Fund</b>				
Contribution to general funds	(50,000)	50,000	50,000	50,000
<b>Rowland Hill Fund</b>				
Support for mobility grants	-	17,979	-	17,979
<b>Benenden Trust Charity</b>				
Donation for individual welfare grants	-	25,000	-	25,000
<b>Overseas Services Pensioners' Association</b>				
Support for convalescent and respite breaks	-	-	5,000	5,000
<b>Careways Trust</b>				
Mobility scooter station in sheltered accommodation	-	15,000	-	15,000
<b>Crown Housing Association</b>				
Stair lifts and help with decorating sheltered housing used by ex-public servants	(20,000)	20,000	5,000	5,000
<b>Children's Hospices UK</b>				
Donations for two hospices in the North East	(10,000)	10,000	-	-
<b>MOD Family Activity Breaks (FAB) Project</b>				
Scheme to provide holidays for bereaved children	(10,000)	10,000	-	-
<b>Northern Ireland Retired Prison Officers Fellowship</b>				
Trip to National Memorial Arboretum	(6,000)	6,000	-	-
<b>National Council for Voluntary Organisations</b>				
Bursaries to train ex-public servants to manage charities	(3,000)	3,000	-	-
<b>HASSRA</b>				
Grants to help disabled sportsmen and women	-	5,000	-	5,000
<b>Post Office Orphans Benevolent Institution</b>				
Support for "Rising Stars" project	-	5,000	-	5,000
<b>TOP</b>				
Tax help for the elderly	-	2,500	5,000	7,500
<b>Jessie's Fund</b>				
Grants towards musical instruments	-	500	-	500
<b>Pickering Drop-In Centre</b>				
Support for cancer victims and families	-	1,000	-	1,000
<b>Canterbury Oast Trust</b>				
Helping adults with severe learning difficulties	-	-	5,000	5,000
<b>Civil Service Sports Council</b>				
Grants to help disabled sportsmen and women	-	5,000	-	5,000
<b>Grants to other charities included in the accounts</b>	<u>(317,339)</u>	<u>567,210</u>	<u>120,000</u>	<u>369,871</u>

## CSiS Charity Fund

### Report of the Trustees for the Year Ended 31 December

The following grants were also approved by the Trustees in 2009 for payment in 2010, but these have not been recognised as liabilities in the accounts to 31 December 2009.

	£
<b>Civil Service Benevolent Fund</b> Ring fence fund for care costs and educational expenses	250,000
<b>Rowland Hill Fund</b> Support for mobility grants	25,000
<b>Benenden Trust Charity</b> Donation for individual welfare grants	25,000
<b>Civil Service Sports Council (CSSC)</b> Grants to help disabled sportsmen and women	5,000
<b>HASSRA</b> Grants to help disabled sportsmen and women	5,000
<b>Civil Service Retirement Fellowship</b> Support for Fellowship Brach activities	30,000
<b>MOD Family Activity Breaks (FAB) Project</b> Scheme to provide holidays for bereaved children	10,000
<b>Unison</b> Short breaks for victims of domestic abuse	5,000
<b>Children's Hospices UK</b> Support for hospices in Oswestry, Conwy and Blackpool	10,000
<b>Northern Ireland Retired Prison Officers Fellowship</b> Further visit by widows to the prison officers' memorial garden at Litchfield arboretum	6,000
<b>National Council for Voluntary Organisations</b> Grants for re-training civil servants for charitable work	<u>3,000</u>
	<u>374,000</u>

#### What we Know About the Impact our Grants Have Made

As a matter of principle and procedure, we ask 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.

The following gives some 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 over 30 years. We know from talking to them what a difference our support makes and we often get thank you letters from them. We paid our widows grants totalling £34,341 in 2009, and sent them a further £150 each early in 2010 to help them keep warm during the long spell of bitterly cold weather.
- The Civil Service Benevolent Fund (CSBF) send us their Impact Report so that we know the work our general grant of £125,000 contributes to. We also receive regular reports about the individual cases supported by the ring-fenced fund we operate with CSBF. One applicant who is severely disabled, confined to a wheelchair, and suffers from Cerebral Palsy wanted to take a respite break at a Christian Hospital and place of Healing. CSiS Charity Fund Trustees were pleased to contribute towards the cost of a two week stay to make this possible. Many other deserving beneficiaries were helped with grants towards convalescent or respite care. Help is also given on a weekly basis towards the cost of increased nursing home fees which the applicant is unable to meet. This enables the resident to stay in the Nursing Home where they have made friends and have lived, in some cases, for many years.

**Report of the Trustees  
for the Year Ended 31 December 2009**

- The £25,000 we donated to the Benenden Charitable Trust, which was matched by a donation from Benenden Healthcare Society, helps members with healthcare problems outside of the NHS Scheme. For example, one beneficiary who suffers with various health conditions has greatly reduced mobility and was finding it difficult to remain independent. A contribution was given towards adapting the bath and toilet in order to help the beneficiary remain in their own home.
- The BT Benevolent Fund were given £50,000 to accelerate their postal pensioner contact scheme which in turn helps to identify people in need sooner. They have been able to assist over a 100 people who otherwise would probably have no idea that they were there to help. We are also providing funding for their Care in the Community Scheme aimed at helping elderly people to remain independent in their own homes. Numbers under this scheme are relatively low at present, but steadily increasing, and the need is definitely there.
- The Rowland Hill Fund split the cost of all their mobility grants with CSiS Charity Fund. Up to £25,000 was pledged to the Fund in 2009, of which £17,979 was drawn down during the course of the year in support their disabled beneficiaries.
- The £10,000 grant we made through Children's Hospices UK has provided £5,000 of support for a sibling support project in the hospices in Oswestry and Conwy run by Hope House, and £5,000 of general funding for Brian House Children's Hospice in Blackpool, areas where large numbers of public servants live and work.
- The £5,000 grant we have promised to Crown Housing Association will enable them to offer 25 elderly and infirm tenants the opportunity to have two rooms in their houses redecorated. Many of these tenants are housebound, they have no family or friends to call on, and they have been living in their houses for up to 15 years without being able to afford to have any rooms redecorated. The scheme will make a huge difference to their quality of life. (Crown Housing Association was originally set up to provide sheltered accommodation for retired civil servants but now provides affordable housing for people who work in any area of the public sector, such as the NHS, education, ambulance and police services and local authorities.)
- The support we gave to HASSRA helped them to give bursaries to a disabled civil servant who wants to become a professional qualified diver, to a keen amateur photographer who wants to obtain recognised qualifications, and to a disabled pool player to help him continue to compete in Wheelchair Pool at World Championship level.
- The MOD Family Activity Breaks (FAB) pilot project which we supported with a grant of £10,000 had 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. A total of 23 army, navy and RAF families attended holidays in YHA accommodation in Coverack in Cornwall and Whitby in East Yorkshire. The feedback from the families was extremely positive and the holidays seem to be meeting a real need. In October 2009 we provisionally earmarked a further £10,000 for the scheme for 2010 (and that is shown in the table above), but having seen the difference the scheme is making to those involved, we have been happy to double that to £20,000. A short video slide show on [www.army.mod.uk/fab](http://www.army.mod.uk/fab) sums up what the holidays meant to some of the bereaved children and their mothers involved.
- The £6,000 grant we awarded to the Northern Ireland Retired Prison Officers Fellowship in 2008 made it possible for the widows and colleagues of the twenty-nine members of the Northern Ireland Prison Service who were murdered during the 'Troubles' to visit the memorial to the officers in the National Arboretum in Lichfield in May 2009. The reports we received confirmed how much the trip had meant to all those who went on it, helping to bring closure to a very distressing period in the friends' and relatives' lives. Not all of the widows were able to go on the trip and we have provided money towards a further trip in 2010.
- The £5,000 we contributed to the Post Office Orphans Benevolent Institution (POOBI) helped them to launch a bursary scheme, under the banner of the "Rising Stars" project, to enable youngsters from hard up families with musical or artistic talent to attend summer school courses. Three bursaries were awarded and the feedback from the individuals involved has been extremely positive. Apart from the specific skills the youngsters learned, the experience of meeting your people from all over the UK with similar interests and talents has been of tremendous benefit. It is hoped that six bursaries will be awarded in 2010.

**Report of the Trustees  
for the Year Ended 31 December 2009**

**Our Grant Giving Policy**

During 2008, the Trustees conducted a highly successful consultation exercise with the charity's key stakeholders and a range of other organisations from small benevolent funds to large national charities and including several "umbrella" organisations. We made some excellent new contacts, got a lot of helpful advice on the roles the charity can most usefully play, and got some excellent ideas for new types of projects we can consider. The exercise was invaluable in helping us to shape a future direction for the charity.

The main conclusion we drew from the exercise is that there is a very valuable and particular role that a charity of the size and nature of ours can usefully play, namely to use our flexibility to supplement the help other charities can give, and help fill gaps in provision. We concluded, reluctantly and only after much deliberation, that we should not get drawn further into helping individuals directly. There is a huge amount of individual need that we could help to meet, but we concluded that it is only practical for us to do so by working through other organisations that can handle the personal contact and casework for us. We will retain the flexibility to make exceptions, but we are just too small a charity to handle such casework directly.

We also concluded that in general we can make the biggest impact with our funds if we concentrate on helping those charities that do not have access to other substantial sources of income. Small amounts of money can make a huge difference to such organisations, so that is where we will want to focus our future efforts.

In the light of the consultation exercise, we drafted a new medium term aim for the charity, set ourselves some priorities for 2009 and we adopted a revised Grant Giving Policy. The revised Grant Giving Policy which the Trustees adopted in January 2009 sets out, as our top priority:

- to provide continuing financial support to the widows and other dependants of deceased policy holders of the Civil Service Insurance Society (CSIS), which the charity supports with annual grants and help with specific costs such as phone bills, replacing cookers, etc

These will continue to be the first call on our funds and we will arrange our finances (through our reserves policy, see below) in such a way as to protect our ability to continue to fund them for as long as they need our help. Our next priorities, subject to annual review, are:

- to provide continuing financial support to the existing and potential beneficiaries of the ring-fenced fund for care costs and educational expenses which the charity operates in partnership with the Civil Service Benevolent Fund (CSBF).
- to continue to provide general support to the Civil Service Benevolent Fund.
- to provide support to the other civil and public service charities with which CSiS Charity Fund has had a long standing relationship, most notably the BT Benevolent Fund, the Rowland Hill Fund and the Civil Service Retirement Fellowship, and other civil and public service charities as appropriate.

In addition, and to the extent that resources permit, 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.

We will consider supporting any appropriate organisation which approaches the charity for help, providing the proposal falls within the charity's Objects. However, 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.

In the light of the consultation exercise, we also decided to put in place an annual rolling programme of reviews of our grants to the charities with whom we have a long standing relationship to ensure that our support is still relevant, well targeted and appropriate. We reviewed our support for the Civil Service Retirement Fellowship during 2009 and propose to review our support for The Rowland Hill Fund during 2010. To protect our ability to support new projects and organisations, we propose, as a rough rule of thumb, that the Civil Service Benevolent Fund should receive no more than 50% of the yearly amount donated by CSiS to CSiS Charity Fund, although it will remain our largest beneficiary for the foreseeable future.

**Report of the Trustees  
for the Year Ended 31 December 2009**

**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 the Charity Commission on 23rd November 2007. This incorporates a number of the provisions of the Companies Act 2006 which had not been included in the original constitution, agreed by the Charity Commission on the 23rd November 2007. Using the provisions of that new constitution, the name of the charity was changed to CSiS Charity Fund by resolution of the Trustees on 15th June 2009 and registered at Companies House on 9th July 2009 and with the Charity Commission on 22nd May 2009.

**The Trustees and Management of the Charity**

The charity has seven Trustees who meet regularly. The Trustees held 7 meetings during 2009 and 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 sub-committees and all substantial matters are considered by all of the Trustees.

The charity employs no staff directly but there is a Memorandum of Agreement between CSiS and CSiS Charity Fund concerning the payment of rent, rates and services. This includes the services of Mrs Helen Harris who acts as Company Secretary and handles the day-to-day running of the charity. The charity does not use volunteers.

The main decisions on grants are taken at an annual grants meeting, chaired by the Deputy Chairman, 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 the Deputy Chairman to approve emergency grants for widows and other dependants of former CSiS policy holders or for current or potential beneficiaries of the CSBF ring fenced fund.

When the new charity started work in 2008, a key task for the new board was to put in place the basic set of policies and procedures which an up-to-date charity is now expected to have. Accordingly, within the first few months of 2008, the Trustees adopted an interim grant giving policy, and put in place a provisional reserves policy, investment policy, conflicts of interest policy, a risk register and job descriptions for the Trustees and all office holders. These have now all been reviewed and either endorsed or amended in the light of experience.

During 2009, the Trustees also agreed a policy on the skills and experience the board will need in the longer term. Trustees also agreed that, given the size and nature of the charity, new Trustees should normally be recruited through the charity's existing networks of contacts, including senior contacts in relevant Government departments. Vacancies should only be advertised if those routes failed to identify suitable candidates, and then only through the NCVO or similar free websites.

Only one new Trustee was appointed during 2009, Barrie Seaman, who was retiring as Chief Executive of the BT Benevolent Fund, a long standing contact of the charity. Three Trustees were reappointed at the AGM in May with differing periods of appointment to provide for continuity and stability, while allowing for some potential turnover of Trustees. New Trustees will be recruited as and when the opportunity arises, to maintain an appropriate balance of the desired skills on the board.

An induction procedure for new Trustees has been agreed which includes a list of documents to be provided, people to meet, and training to be offered. This will be used flexibly: new Trustees will 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 to devote to optional training than others. Trustees are encouraged to attend training events and financial briefings from our Investment Managers.

**Risk management**

The Trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been compiled and this is regularly reviewed and updated by the Trustees. Where appropriate, systems or procedures have been established to manage the risks to which the charity is exposed or to mitigate the possible consequences.

At present, the main risks to the charity are poor investment performance, given the current volatility in the financial markets, and its dependence on CSiS for its annual income, given that CSiS operates in a highly competitive business. The reserves policy is 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 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.

**Report of the Trustees  
for the Year Ended 31 December 2009**

**FINANCIAL REVIEW**

**Overview**

Most of the charity's annual income comes from the trading activities of the Civil Service Insurance Society, which is a small, but highly successful not-for-profit insurance intermediary, authorised and regulated by the Financial Services Authority, which markets insurance to a wide range of civil and public servants. The two companies are legally and constitutionally separate, but they are linked by a Deed under which all but a very small amount of the annual trading surplus of CSIS is covenanted irrevocably to the charity under the Gift Aid provisions introduced into the UK tax regime in April 2000. The donation in 2009 was £514,050.

The charity also receives income from investing its reserves, which in 2009 amounted to £95,145. The overall value of the investments held grew during the year by £243,157.

At 1 January 2009, the charity held assets totalling just over £2.1 million, net of some £317,339 of grants which had been approved in 2008 for payment during 2009. During the course of the year, but mainly at the annual grants meeting in October, further grants totalling £583,238 were agreed, some for payment in 2009 and some for payment in 2010. In total, £601,551 of grants were paid out during 2009 and a further £520,711 was approved for payment in 2010. Net of these accrued commitments, the charity held assets of £2,521,739 at 31 December 2009.

**Reserves Policy**

As explained above, most of the charity's income comes from the trading activities of the Civil Service Insurance Society. For the last 5 years this has averaged some £0.5 to £0.6 million a year. 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. Nor is it prudent to depend on investment income, as events in the financial markets during the last two years has demonstrated all too vividly.

The Trustees have therefore agreed a reserves policy designed, in particular, to protect the charity's ability to support its existing individual beneficiaries and pay the care home costs for existing beneficiaries of the Civil Service Benevolent Fund ring fenced fund for as long as their need exists. Taking all relevant factors into account, including an independent actuarial valuation commissioned in 2008 of the liabilities for continuing payments to individual beneficiaries, we believe we should aim to keep our reserves at about £1.3 million to £1.5 million.

**Investment Policy**

The Trustees' investment policy, which they keep 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 Black Rock Investment Managers and Mayflower Management Co Ltd. Sufficient cash for short term needs is held on deposit at Lloyds TSB Bank Plc.

Charishare aims to provide medium to long term capital and income appreciation by investing mainly in UK listed Companies. During the year the total return for the Fund was 29.1%. 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 2.3%. 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 1.5%.

**MEETING THE PUBLIC BENEFIT TEST**

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. The major civil and public sector charities we support already have national coverage.

Report of the Trustees  
for the Year Ended 31 December 2009

OUR PLANS FOR THE FUTURE

Our Business Plan for 2010 is based on the following key priorities:

- **To expand and develop our grant giving:** in addition to continuing to make a real difference to the quality of life of the individuals who we support directly and through the CSBF ring-fenced fund, to consolidate and build on the progress we have made since the 2008 consultation exercise, maintaining and expanding our new range of contacts and seeking to find new and even better ways to relieve need, hardship and distress amongst our target client groups.
- **To improve the image and raise the profile of the charity** by publicising our new name and logo, and by having a well designed website, annual report and other publicity material which explains what we do and which links the charity clearly to CSIS while making it clear that we are a separate independent charity.
- **To make sure that the charity is well run;** to maintain a strong and effective governance structure for the Charity with a strong board and internal systems of control which are fully in line with Charity Commission guidance and best practice for a charity of our size and risk profile.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of CSiS Charity Fund for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and 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 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company`s auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company`s auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Original Signed by Helen Harris 2/6/10

.....  
Helen Harris - Secretary

Date: .....

## Report of the Independent Auditors to the Members of CSiS Charity Fund

We have audited the financial statements of CSiS Charity Fund for the year ended 31 December 2009 on pages twelve to nineteen. The financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006 . Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out on page ten.

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

We report to you our opinion as to whether the financial statements give a true and fair view, are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and are prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion the information given in the Report of the Trustees is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

### Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Richard Young (Senior Statutory Auditor)  
for and on behalf of Deeks Evans  
Registered Auditors  
Chartered Accountants  
3 Boyne Park  
Tunbridge Wells  
Kent  
TN4 8EN

Date: Original signed by Richard Young 2/6/10

**Statement of Financial Activities  
for the Year Ended 31 December 2009**

		Year Ended 31.12.09 Unrestricted funds £	Period 31.10.07 to 31.12.08 Total funds £
<b>INCOMING RESOURCES</b>	Notes		
<b>Incoming resources from generated funds</b>			
Voluntary income	2	514,050	528,500
Investment income	3	95,145	102,125
<b>Other incoming resources</b>		<u>-</u>	<u>2,994,406</u>
<b>Total incoming resources</b>		609,195	3,625,031
<b>RESOURCES EXPENDED</b>			
<b>Charitable activities</b>	4		
Grants to individuals		30,666	69,369
Grants to other charities		386,239	813,227
<b>Governance costs</b>	7	<u>30,330</u>	<u>37,880</u>
<b>Total resources expended</b>		447,235	920,476
<b>NET INCOMING RESOURCES</b>		161,960	2,704,555
<b>Other recognised gains/losses</b>			
Gains/losses on investment assets		<u>243,157</u>	<u>(587,933)</u>
<b>Net movement in funds</b>		405,117	2,116,622
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		2,116,622	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>2,521,739</u>	<u>2,116,622</u>

**CSiS Charity Fund**

**Balance Sheet  
At 31 December 2009**

	Notes	2009 Unrestricted funds £	2008 Total funds £
<b>FIXED ASSETS</b>			
Investments	11	2,131,538	1,888,381
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	12	78,576	152,343
Cash at bank		<u>488,088</u>	<u>453,633</u>
		566,664	605,976
<b>CREDITORS</b>			
Amounts falling due within one year	13	(176,463)	(377,735)
<b>NET CURRENT ASSETS</b>		<u>390,201</u>	<u>228,241</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,521,739</u>	<u>2,116,622</u>
<b>NET ASSETS</b>		<u>2,521,739</u>	<u>2,116,622</u>
<b>FUNDS</b>	14		
Unrestricted funds		<u>2,521,739</u>	<u>2,116,622</u>
<b>TOTAL FUNDS</b>		<u>2,521,739</u>	<u>2,116,622</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 2/6/10 and were signed on its behalf by:

Original signed by Gill Noble 2/6/10

.....  
Gill Noble -Trustee

Original signed by Ron Churchill 2/6/10

.....  
Ron Churchill –Trustee

**Notes to the Financial Statements  
for the Year Ended 31 December 2009**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

**Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

**Resources expended**

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. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Allocation and apportionment of costs**

Costs are apportioned between activities on a pro-rata basis based on the cost of staff time allocated to each activity.

Total support costs attributable to charitable activities are apportioned pro-rata to the value of grants paid in the year.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

**2. VOLUNTARY INCOME**

	Year Ended 31.12.09	Period 31.10.07 to 31.12.08
	£	£
Donations from CSIS	<u>514,050</u>	<u>528,500</u>

**3. INVESTMENT INCOME**

	Year Ended 31.12.09	Period 31.10.07 to 31.12.08
	£	£
Investment income	<u>95,145</u>	<u>102,125</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009**

**4. CHARITABLE ACTIVITIES COSTS**

	Grant funding of activities (See note 5) £	Support costs (See note 6) £	Totals £
Grants to individuals	29,367	1,299	30,666
Grants to other charities	<u>369,871</u>	<u>16,368</u>	<u>386,239</u>
	<u>399,238</u>	<u>17,667</u>	<u>416,905</u>

**5. GRANTS PAYABLE**

	Year Ended 31.12.09 £	Period 31.10.07 to 31.12.08 £
Grants to individuals	29,367	67,858
Grants to other charities	<u>369,871</u>	<u>794,703</u>
	<u>399,238</u>	<u>862,561</u>

The total grants paid to institutions during the year was as follows:

	Year Ended 31.12.09 £	Period 31.10.07 to 31.12.08 £
Grants to other charities	<u>369,871</u>	<u>794,703</u>

**6. SUPPORT COSTS**

	Management £
Grants to individuals	1,299
Grants to other charities	<u>16,368</u>
	<u>17,667</u>

Support costs, included in the above, are as follows:

	Grants to individuals £	Grants to other charities £	Total activities £ Year Ended 31.12.09	Total activities £ Period 31.10.07 to 31.12.08
Rent	326	4,111	4,437	5,284
Rates	47	594	641	1,274
Insurance	41	521	562	610
Office expenses	123	1,544	1,667	2,317
Recharged staff costs	<u>762</u>	<u>9,598</u>	<u>10,360</u>	<u>10,550</u>
	<u>1,299</u>	<u>16,368</u>	<u>17,667</u>	<u>20,035</u>

**CSiS Charity Fund**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009**

**7. GOVERNANCE COSTS**

	Year Ended 31.12.09	Period 31.10.07 to 31.12.08
	£	£
Rent	5,676	6,118
Rates	820	1,476
Insurance	718	706
Office expenses	2,132	2,682
Legal fees	1,695	8,838
Recharged staff costs	13,251	12,214
Auditors' remuneration	<u>6,038</u>	<u>5,846</u>
	<u>30,330</u>	<u>37,880</u>

**8. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	Year Ended 31.12.09	Period 31.10.07 to 31.12.08
	£	£
Auditors' remuneration	6,038	5,846
Other operating leases	<u>10,113</u>	<u>11,402</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2009 nor for the period ended 31 December 2008.

**Trustees' Expenses**

During the year the Trustees were reimbursed £1,467 (2008 : £1,750) in respect of expenses incurred.

**10. EXCEPTIONAL ITEMS**

Exceptional items consist of £2,994,406 which represents the net assets of this charity's predecessor, The Civil Service Widows' and Orphans' Fund (charity number: 279058), which were transferred to this charity on 1 January 2008.

**11. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 January 2009	1,888,381
Impairments	(29,028)
Reversal of impairments	<u>272,185</u>
At 31 December 2009	<u>2,131,538</u>
<b>NET BOOK VALUE</b>	
At 31 December 2009	<u>2,131,538</u>
At 31 December 2008	<u>1,888,381</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

11. FIXED ASSET INVESTMENTS - continued

There were no investment assets outside the UK.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Other debtors	10,000	10,000
Accrued income	64,050	128,500
Prepayments	<u>4,526</u>	<u>13,843</u>
	<u>78,576</u>	<u>152,343</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Other creditors	23,584	22,711
Accrued expenses	<u>152,879</u>	<u>355,024</u>
	<u>176,463</u>	<u>377,735</u>

14. MOVEMENT IN FUNDS

	At 1.1.09 £	Net movement in funds £	At 31.12.09 £
<b>Unrestricted funds</b>			
General fund	2,116,622	405,117	2,521,739
	<u>2,116,622</u>	<u>405,117</u>	<u>2,521,739</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	609,195	(447,235)	243,157	405,117
	<u>609,195</u>	<u>(447,235)</u>	<u>243,157</u>	<u>405,117</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

15. CAPITAL COMMITMENTS

The charity has pledged grants of £374,000 which have not been recognised as a liability.

The grants are as follows:

	£
<b>Civil Service Benevolent Fund</b>	
Ring fence fund for care costs and educational expenses	250,000
<b>Rowland Hill Fund</b>	
Support for mobility grants	25,000
<b>Benenden Trust Charity</b>	
Donation for individual welfare grants	25,000
<b>Civil Service Sports Council (CSSC)</b>	
Grants to help disabled sportsmen and women	5,000
<b>HASSRA</b>	
Grants to help disabled sportsmen and women	5,000
<b>Civil Service Retirement Fellowship</b>	
Support for Fellowship Brach activities	30,000
<b>MOD Family Activity Breaks (FAB) Project</b>	
Scheme to provide holidays for bereaved children	10,000
<b>Unison</b>	
Short breaks for victims of domestic abuse	5,000
<b>Children's Hospices UK</b>	
Support for hospices in Oswestry, Conwy and Blackpool	10,000
<b>Northern Ireland Retired Prison Officers Fellowship</b>	
Further visit by widows to the prison officers memorial garden at Litchfield arboretum	6,000
<b>National Council for Voluntary Organisations</b>	
Grants for re-training civil servants for charitable work	<u>3,000</u>
	<u><u>374,000</u></u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009**

**16. RELATED PARTY DISCLOSURES**

The company is controlled by the Trustees.

During the year £514,050 (2008 : £528,500) was donated to the charity by The Civil Service Insurance Society and £23,611 (2008 : £22,764) was recharged by The Civil Service Insurance Society to cover costs incurred on behalf of the charity.

At the year end the charity owed £23,584 (2008 : £22,711) to The Civil Service Insurance Society.

K M Holliday is a director of The Civil Service Insurance Society.

The charity was previously run as an unincorporated charity, The Civil Service Widows' and Orphans' Fund (charity number: 279058). On 1 January 2008 all of the assets and liabilities of the previous entity were transferred to the new charity. The net value of assets and liabilities which were transferred amounted to £2,994,406.

The amount of £2,994,406 includes an amount of £548,000 accounting for a difference in accounting policy between the original charity and the new incorporated charity. The incorporated charity accounts for grants payable to other charities when paid or when a legal or constructive obligation has arisen. The unincorporated charity accounted for grants payable when they were approved by the Trustees, irrespective of obligation.

G N Noble, D F Renn, R C Churchill and C J Furlong were directors of CSAAS Trustees Limited, a company responsible for the administration of the original unincorporated charity.

**Detailed Statement of Financial Activities  
for the Year Ended 31 December 2009**

	Year Ended 31.12.09 £	Period 31.10.07 to 31.12.08 £
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Donations from CSIS	514,050	528,500
<b>Investment income</b>		
Investment income	95,145	102,125
<b>Other incoming resources</b>		
Exceptional items	<u>-</u>	<u>2,994,406</u>
<b>Total incoming resources</b>	609,195	3,625,031
<b>RESOURCES EXPENDED</b>		
<b>Charitable activities</b>		
Grants to institutions	369,871	794,703
Direct grants to individuals	<u>29,367</u>	<u>67,858</u>
	399,238	862,561
<b>Governance costs</b>		
Rent	5,676	6,118
Rates	820	1,476
Insurance	718	706
Office expenses	2,132	2,682
Legal fees	1,695	8,838
Recharged staff costs	13,251	12,214
Auditors' remuneration	<u>6,038</u>	<u>5,846</u>
	30,330	37,880
<b>Support costs</b>		
<b>Management</b>		
Rent	4,437	5,284
Rates	641	1,274
Insurance	562	610
Office expenses	1,667	2,317
Recharged staff costs	<u>10,360</u>	<u>10,550</u>
	<u>17,667</u>	<u>20,035</u>
<b>Total resources expended</b>	447,235	920,476
<b>Net income</b>	<u><u>161,960</u></u>	<u><u>2,704,555</u></u>

This page does not form part of the statutory financial statements