

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



**Report of the Trustees and Financial Statements
For The Year Ended 31 December 2010**

Deeks Evans Audit Services Limited
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

**Contents of the Financial Statements
for the Year Ended 31 December 2010**

	Page
Report of the Trustees	1-10
Report of the Independent Auditors	11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14-17
Detailed Statement of Financial Activities	18

**Report of the Trustees
for the Year Ended 31 December 2010**

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 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

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	Chairman
Ron Churchill	Deputy Chairman
Chris Furlong	Treasurer
Kevin Holliday	
Peter Norris	
Derek Renn (retired 25.5.10)	
Barrie Seaman	
Brian Sturtevant (appointed 25.5.10)	

Company Secretary

Helen Harris

Auditors

Deeks Evans Audit Services Limited
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

Solicitors

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

Bankers

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

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 2010**

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 2010, the charity made grant payments of just under £534,264 towards that end (of which £146,711 was accrued in the 2009 accounts) and pledged nearly £553,560 for payment in 2011 – see tables below for details. The Charity (and its predecessor) has made payments totalling more than £2,600,000 over the past five years to support good causes.

CSiS Charity Fund is a charity with a long history, dating back over a hundred years. It was originally a discretionary benevolent fund called the Civil Service Widows and Orphan's Fund providing extra financial support exclusively to the dependants of deceased policyholders of the Civil Service Insurance Society (CSIS). However, 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.

A governance review in 2007 opened the way to a further expansion in the work of the charity. A new charitable company was incorporated on 31 October 2007 with clearer Objects and a new constitution which allowed us to be more flexible and innovative in the way we can operate. We changed our name to CSiS Charity Fund in 2009.

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 2010, CSIS donated a total of £650,000 to the charity. Sir Gus O'Donnell KCB, Cabinet Secretary and Head of the Civil Service, is Honorary President of both organisations.

The Purpose and Aim of the Charity

The Trustees' overall aim for the charity, consistent with the wording of our Objects and our new name, 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 2010

We set ourselves three main objectives for 2010. They 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 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.

We made good progress against all of our objectives. In particular:

- we identified a number of new organisations doing excellent work which could benefit from our support and as a result we are now helping to fund some very interesting, worthwhile new projects around the country;
- our new website went live on 12th May 2010, providing information about the work of the charity including details of the organisations we have worked with and a number of specific case studies to illustrate the difference our grants have made, and well as information about our history, finances and governance; and
- we have produced a small leaflet with information about the charity to send to our contacts, hand out at conferences and publicity events, and include in joining packs for new CSIS policyholders, as appropriate.

**Report of the Trustees
for the Year Ended 31 December 2010**

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, during 2009 and 2010, for some specific 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 £604,000 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.

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 2010 to a wide range of other bodies, some for payment in 2010, and some for payment in 2011. Full details are shown in the tables below.

SUMMARY OF GRANTS APPROVED BY THE TRUSTEES DURING 2010 AND RECOGNISED IN THE ACCOUNTS

	Accrued in 2009 £	Paid in 2010 £	Accrued in 2010 £	Total £
Grants to widows of CSIS policyholders	(26,711)	41,335	31,060	45,684
Grants to help individuals made through other charities	(120,000)	492,929	522,500	895,429
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants recognised in the accounts for 2010	<u>(146,711)</u>	<u>534,264</u>	<u>553,560</u>	<u>941,113</u>

**Report of the Trustees
for the Year Ended 31 December 2010**

DETAILS OF GRANTS TO OTHER CHARITIES APPROVED IN 2010

	Accrued in 2009	Paid in 2010 £	Accrued in 2010 £	Total £
Civil Service Benevolent Fund				
Contribution to general funds	-	125,000	125,000	250,000
Ring fence fund for care costs and educational expenses	-	114,929	125,000	239,929
Civil Service Retirement Fellowship				
Support for quarterly Avanti magazine	(50,000)	80,000	40,000	70,000
BT Benevolent Fund				
Contribution to help fund pensioner contact scheme	(50,000)	50,000	50,000	50,000
Rowland Hill Fund				
Support for mobility grants	-	32,000	35,000	67,000
Benenden Trust Charity				
Donation for individual welfare grants	-	25,000	25,000	50,000
Overseas Services Pensioners' Association				
Support for convalescent and respite breaks	(5,000)	5,000	-	-
Railway Benefit Fund				
Contribution to welfare funds	-	-	25,000	25,000
Crown Housing Association				
Contribution towards three projects in sheltered housing used by ex-public servants	(5,000)	5,000	14,500	14,500
Children's Hospices UK				
Donations for three hospices	-	10,000	15,000	25,000
MOD Family Activity Breaks (FAB) Project				
Scheme to provide holidays for bereaved children	-	20,000	20,000	40,000
Help for Hospices				
Contribution to general funds	-	2,000	-	2,000
National Council for Voluntary Organisations				
Bursaries to train ex-public servants to manage charities	-	3,000	5,000	8,000
AIDIS Trust				
To train teachers, parents and professionals about how adapted computers can help disabled people	-	-	3,000	3,000
Post Office Orphans Benevolent Institution				
Support for new apprenticeship support scheme	-	-	10,000	10,000
TOP				
Tax help for the elderly	(5,000)	5,000	5,000	5,000
UNISON				
Short breaks for victims of domestic abuse	-	5,000	-	5,000
Northern Ireland Retired Prison Officers Fellowship				
Further visit by widows to the prison officers memorial garden at Lichfield arboretum	-	6,000	-	6,000
Canterbury Oast Trust				
Helping adults with severe learning difficulties	(5,000)	5,000	5,000	5,000
Relatives and Residents Association				
Help to set up an advice line and website to assist carers to find an appropriate nursing home	-	-	10,000	10,000
Prison Officers Association				
Help to set up a stress support helpline	-	-	10,000	10,000
	-----	-----	-----	-----
Grants to other charities included in the accounts	(120,000)	492,929	522,500	895,429
	=====	=====	=====	=====

**Report of the Trustees
for the Year Ended 31 December 2010**

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, and from the thank you letters we often get from them, just what a difference our support makes. We paid our widows grants totalling £41,335 in 2010, including an additional £150 each which we sent them in January 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 90 year old widow went into residential care after a deterioration in health following a fall and broken hip. Her daughter is a carer for her husband who is suffering from MS. CSiS was able to help top up fees for a care home close to the daughter to help pastoral support and regular visits.
- 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 was diagnosed with cancer of the tongue and suffered from various health problems as a result of the treatment he received, needed expensive restorative dentistry which he could not afford and which the Charitable Trust funded. In another case, the Trust, with CSiS Charity Fund help, paid to convert a garage into a sterile room so a lady could have dialysis at home instead of in hospital after work.
- The BT Benevolent Fund were given a further £50,000 in 2010, mainly to accelerate their postal pensioner contact scheme which in turn helps to identify people in need sooner. Since we first provided support for this scheme the Fund has been able to assist well over 200 people who would otherwise not have been aware that help was available. Examples of individuals the Fund has been able to support as a result of this contact scheme include an elderly couple struggling to stay in their home despite severe disability whose boiler was condemned and turned off as unsafe leaving them without heating or hot water, and an elderly gentleman living in sheltered accommodation who needed help to buy a new mattress and repair some chairs and who is now receiving a regular weekly grant.
- For many years, we have shared the cost of the mobility grants awarded by the Rowland Hill Fund, providing a sum which could be drawn down during the year as needed. Examples of individuals who were helped by this scheme in 2010 include a mother of three with a 5 year old child disabled by talipes (club foot) who needed help to buy a washing machine, a retired postman with severe arthritis who required a larger electronically powered vehicle to use outdoors, and a lady with spondylitis who needed help to have her bathroom adapted so she did not need to wash in the sink. Following a review of our support for the Fund as part of our annual rolling programme of reviews, we have decided to simplify the arrangements and have made a single grant of £35,000 to the Fund for 2011 which they will be able to spend on mobility grants without further reference to us, though we will continue to get reports on the cases which our money has helped to support.
- The £10,000 grant we made through Children's Hospices UK 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 sibling support programme provides activity weekends for brothers and sisters of children who come into the hospice, giving them the opportunity to share feelings and experiences with other children who are going through the same as them.
- The £5,000 grant we gave to Crown Housing Association in 2010 enabled 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. We were touched to see the personal letters from several of those who had benefited from the scheme telling us the huge difference it had made 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.)

**Report of the Trustees
for the Year Ended 31 December 2010**

- The MOD Family Activity Breaks (FAB) project, which we supported for a second year with a grant of £20,000, 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. A total of 50 army, navy and RAF families attended holidays in 2010, in YHA accommodation in Coverack in Cornwall, Conwy in North Wales and Whitby in East Yorkshire. The feedback passed on to us from the families is extremely positive. The holidays clearly meet a real need and can make a huge difference to those involved. A short video slide show on the MOD website sums up what the holidays have meant to some of the bereaved children and their mothers.
- In 2009, we made it possible for some of 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. 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. However, not all of the widows were able to go, so we provided a second grant of £6,000 to the Northern Ireland Retired Prison Officers Fellowship to help pay for a further trip in 2010. Again, the feedback we received confirmed just how important and healing this trip had been to all those who went on it.
- The £5,000 we contributed to the Post Office Orphans Benevolent Institution (POOBI) helped them to fund a further year of their "Rising Stars" bursary scheme to enable youngsters from hard up families with musical or artistic talent to attend summer school courses. Five bursaries were awarded in 2010. The feedback from the individuals involved in the scheme has been extremely positive. Apart from the specific skills the youngsters learned, the experience of meeting young people from all over the UK with similar interests and talents is of tremendous benefit.

Our Grant Giving Policy

During 2008, the Trustees conducted a highly successful consultation exercise with the charity's key stakeholders and a large range of other organisations from small benevolent funds to large national charities and including several "umbrella" organisations. The exercise was invaluable in helping us to shape a future direction for the charity and our grant giving policy reflects the lessons we learned from the exercise.

The main conclusion we drew was 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.

We keep our medium term aim, priorities and Grant Giving Policy under regular review, updating them in the light both of our developing financial position and experience we gain as we make more contacts with new organisations that can help us to achieve our aims. We reviewed the Grant Giving Policy in June 2010 and again in January 2011, and confirmed 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 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.

**Report of the Trustees
for the Year Ended 31 December 2010**

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 the Rowland Hill Fund during 2010. To protect our ability to support new projects and organisations, we decided, 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. We propose to review our support for the Civil Service Benevolent Fund during 2011 as the next of our rolling reviews.

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.

The Trustees and Management of the Charity

The charity has seven Trustees who meet regularly. The Trustees held 6 meetings during 2010 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 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 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 dependants of former CSIS policy holders or for current or potential beneficiaries of the CSBF ring fenced fund.

During 2009, the Trustees 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. The 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.

One of the charity's longest serving Trustees, Derek Renn, retired in 2010. His involvement with CSIS and with the charity dates back to 1981. We are extremely grateful for his long contribution and we miss him very much. Brian Sturtevant was appointed at the General Meeting in May to take his place on the board. After a long career as National Officer of the Public and Commercial Services Union, Brian was General Secretary of the Civil Service Pensioners Alliance for ten years until 2008 and he has worked with CSIS over many years.

**Report of the Trustees
for the Year Ended 31 December 2010**

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.

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 2010 was £650,000.

The charity also receives income from investing its reserves, which in 2010 amounted to £85,329. The overall value of the investments held grew during the year by £189,231.

At 1 January 2010, the charity held assets totalling just over £2.5 million, net of some £146,711 of grants which had been approved in 2009 for payment during 2010 and accrued in the 2009 accounts. During the course of the year, but mainly at the annual grants meeting in October, further grants totalling £1,087,824 were agreed, some for payment in 2010 and some for payment in 2011. In total, £534,264 of grants were paid out during 2010 and a further £553,560 was approved for payment in 2011. Net of these accrued commitments, the charity held assets of £2,451,296 at 31 December 2010.

Comparisons between 2009 and 2010 are complicated by the fact that £374,000 of grants which the Trustees approved in principle in 2009 for payment in 2010 were not recognised in the 2009 accounts because firm commitments had not been given to the recipients by the year end. In contrast, following a change in our procedures, all grants approved in 2010 for payment in 2011 have been recognised in the 2010 accounts.

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. Our reserves are currently well in excess of that, standing at just under £2.5 million at 31 December 2010.

**Report of the Trustees
for the Year Ended 31 December 2010**

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 15.3% 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 7.8% 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 11.2%.

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.

OUR PLANS FOR THE FUTURE

Our Business Plan for 2011 is based on the following key priorities:

To expand and develop our grant giving: while 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 expand and develop our range of contacts and seek new and different organisations and projects we can support to help relieve need, hardship and distress amongst our target client groups.

To gain a better understanding of the benefits our donations to other charities create in order to improve the targeting of our grant giving.

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, with a strong and effective board and internal systems of control fully in line with Charity Commission guidance and best practice for a charity of our size and risk profile.

An important task for 2011 is to appoint two new Trustees, one to replace a very longstanding and valued Trustee, our Deputy Chairman Ron Churchill, who is due to retire in May, and an additional Trustee to bring our number to eight. We also plan to work with CSIS on raising greater awareness of the charity amongst their many customers and contacts. However, we see our key task for the year ahead to be to continue to seek out new organisations to support and projects to fund, and we hope, in particular, to identify one or two larger projects which we can support with substantial grants drawn down from our reserves.

**Report of the Trustees
for the Year Ended 31 December 2010**

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:

.....
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 2010 on pages five to ten. 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 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 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 three.

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 2010 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 Audit Services Limited
3 Boyne Park
Tunbridge Wells
Kent
TN4 8EN

Date:

**Statement of Financial Activities
for the Year Ended 31 December 2010**

	Notes	2010 Unrestricted funds £	2009 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	650,000	514,050
Investment income	3	<u>85,329</u>	<u>95,145</u>
Total incoming resources		735,329	609,195
 RESOURCES EXPENDED			
Charitable activities			
Grants to individuals	4	47,416	30,666
Grants to other charities		915,201	386,239
Governance costs	7	<u>32,386</u>	<u>30,330</u>
Total resources expended		995,003	447,235
 NET INCOMING/(OUTGOING) RESOURCES			
		(259,674)	161,960
 Other recognised gains/losses			
Gains/losses on investment assets		<u>189,231</u>	<u>243,157</u>
Net movement in funds		(70,443)	405,117
 RECONCILIATION OF FUNDS			
Total funds brought forward		2,521,739	2,116,622
 TOTAL FUNDS CARRIED FORWARD		 <u><u>2,451,296</u></u>	 <u><u>2,521,739</u></u>

CSiS Charity Fund

**Balance Sheet
At 31 December 2010**

	Notes	2010 Unrestricted funds £	2009 Total funds £
FIXED ASSETS			
Investments	10	2,320,769	2,131,538
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	164,869	78,576
Cash at bank		<u>551,718</u>	<u>488,088</u>
		716,587	566,664
CREDITORS			
Amounts falling due within one year	12	(586,060)	(176,463)
		<u>130,527</u>	<u>390,201</u>
NET CURRENT ASSETS			
		<u>2,451,296</u>	<u>2,521,739</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,451,296</u>	<u>2,521,739</u>
NET ASSETS			
		<u>2,451,296</u>	<u>2,521,739</u>
FUNDS			
Unrestricted funds	13	<u>2,451,296</u>	<u>2,521,739</u>
TOTAL FUNDS		<u>2,451,296</u>	<u>2,521,739</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 and were signed on its behalf by:

.....
Gill Noble CB -Trustee

.....
Ron Churchill -Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2010**

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, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard 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

	2010	2009
	£	£
Donations from CSIS	<u>650,000</u>	<u>514,050</u>

3. INVESTMENT INCOME

	2010	2009
	£	£
Investment income	<u>85,329</u>	<u>95,145</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5) £	Support costs (See note 6) £	Totals £
Grants to individuals	45,684	1,732	47,416
Grants to other charities	<u>895,429</u>	<u>19,772</u>	<u>915,201</u>
	<u>941,113</u>	<u>21,504</u>	<u>962,617</u>

5. GRANTS PAYABLE

	2010 £	2009 £
Grants to individuals	45,684	29,367
Grants to other charities	<u>895,429</u>	<u>369,871</u>
	<u>941,113</u>	<u>399,238</u>

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

	2010 £	2009 £
Grants to other charities	<u>895,429</u>	<u>369,871</u>

6. SUPPORT COSTS

	Management £
Grants to individuals	1,732
Grants to other charities	<u>19,772</u>
	<u>21,504</u>

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

	Grants to individuals £	Grants to other charities £	2010 Total activities £	2009 Total activities £
Rent	403	4,599	5,002	4,437
Rates	52	593	645	641
Insurance	30	347	377	562
Office expenses	323	3,692	4,015	1,667
Recharged staff costs	<u>924</u>	<u>10,541</u>	<u>11,465</u>	<u>10,360</u>
	<u>1,732</u>	<u>19,772</u>	<u>21,504</u>	<u>17,667</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2010

7. GOVERNANCE COSTS

	2010	2009
	£	£
Rent	6,339	5,676
Rates	818	820
Insurance	478	718
Office expenses	5,090	2,132
Legal fees	-	1,695
Recharged staff costs	14,532	13,251
Auditors' remuneration	<u>5,129</u>	<u>6,038</u>
	<u>32,386</u>	<u>30,330</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2010	2009
	£	£
Auditors' remuneration	5,129	6,038
Other operating leases	<u>11,341</u>	<u>10,113</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2010 nor for the year ended 31 December 2009.

Trustees' Expenses

During the year the Trustees were reimbursed £1,931 (2009 : £1,467) in respect of expenses incurred.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2010	2,131,538
Revaluations	<u>189,231</u>
At 31 December 2010	<u>2,320,769</u>
NET BOOK VALUE	
At 31 December 2010	<u>2,320,769</u>
At 31 December 2009	<u>2,131,538</u>

There were no investment assets outside the UK.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2010**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Other debtors	10,000	10,000
Accrued income	150,000	64,050
Prepayments	<u>4,869</u>	<u>4,526</u>
	<u>164,869</u>	<u>78,576</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Other creditors	26,365	23,584
Accrued expenses	<u>559,695</u>	<u>152,879</u>
	<u>586,060</u>	<u>176,463</u>

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 which have not been satisfied by the year end are not accrued.

13. MOVEMENT IN FUNDS

	At 1.1.10	Net movement in funds	At 31.12.10
	£	£	£
Unrestricted funds			
General fund	2,521,739	(70,443)	2,451,296
	<u>2,521,739</u>	<u>(70,443)</u>	<u>2,451,296</u>
TOTAL FUNDS			

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	735,329	(995,003)	189,231	(70,443)
	<u>735,329</u>	<u>(995,003)</u>	<u>189,231</u>	<u>(70,443)</u>
TOTAL FUNDS				

14. RELATED PARTY DISCLOSURES

The company is controlled by the Trustees.

During the year £650,000 (2009 : £514,050) was donated to the charity by The Civil Service Insurance Society and £25,997 (2009 : £23,611) was recharged by The Civil Service Insurance Society to cover costs incurred on behalf of the charity.

At the year end the charity owed £26,365 (2009 : £23,584) to The Civil Service Insurance Society.

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

**Detailed Statement of Financial Activities
for the Year Ended 31 December 2010**

	2010 £	2009 £
INCOMING RESOURCES		
Voluntary income		
Donations from CSiS	650,000	514,050
Investment income		
Investment income	<u>85,329</u>	<u>95,145</u>
Total incoming resources	735,329	609,195
RESOURCES EXPENDED		
Charitable activities		
Grants to institutions	895,429	369,871
Direct grants to individuals	<u>45,684</u>	<u>29,367</u>
	941,113	399,238
Governance costs		
Rent	6,339	5,676
Rates	818	820
Insurance	478	718
Office expenses	5,090	2,132
Legal fees	-	1,695
Recharged staff costs	14,532	13,251
Auditors' remuneration	<u>5,129</u>	<u>6,038</u>
	32,386	30,330
Support costs		
Management		
Rent	5,002	4,437
Rates	645	641
Insurance	377	562
Office expenses	4,015	1,667
Recharged staff costs	<u>11,465</u>	<u>10,360</u>
	<u>21,504</u>	<u>17,667</u>
Total resources expended	995,003	447,235
	_____	_____
Net (expenditure)/income	<u>(259,674)</u>	<u>161,960</u>