

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



**Report of the Trustees and
Financial Statements For The Year Ended 31 December 2011
for
CSiS Charity Fund**

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

**Contents of the Financial Statements
for the Year Ended 31 December 2011**

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

CSIS Charity Fund

Report of the Trustees for the Year Ended 31 December 2011

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 2011. 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	- resigned 31.5.11
Chris Furlong	Treasurer	
Kevin Holliday		
Peter Norris		
Barrie Seaman		- resigned 25.2.12
B Sturtevant		
N W Couling		- appointed 3.2.11
C R Cochrane		- appointed 31.5.11

Company Secretary

Helen Harris

Auditors

Deeks Evans Audit Services Limited
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 2011**

OBJECTIVES AND ACTIVITIES

About the Charity, its Purpose and its Aims

The purpose of CSIS Charity Fund is the relief of need, hardship and distress amongst serving, former and retired civil and public servants and their families. In 2011, the charity made grant payments of just under £803,000 to that end (of which £553,560 was accrued in the 2010 accounts) and pledged over £709,000 for payment in 2012. Details of the grants and the impact they had are shown below. Over the past five years, the charity is proud to have made grants totalling just under £3 million to support worthwhile causes that make a real difference to the lives of individuals.

CSIS Charity Fund is an independent charity linked to the Civil Service Insurance Society (CSIS), a "not for profit" insurance intermediary which markets insurance products exclusively to civil and public servants. The charity's income comes entirely from the annual trading surplus of the Civil Service Insurance Society, plus the investment of its reserves. Virtually all of CSIS's annual trading surplus is paid into the charity under a Deed of Covenant. The money is then distributed to a wide range of organisations, mainly, but not exclusively, civil and public service charities, putting the money back into the community from which it originated. In 2011, CSIS donated a total of £785,000 to the charity.

Sir Gus (now Lord) O'Donnell, Cabinet Secretary and Head of the Civil Service, was Honorary President of both organisations until he retired in December 2011. We are extremely pleased that his successor as Head of the Civil Service, Sir Bob Kerslake, has agreed to become Honorary President of both organisations from 2012.

Achievements in 2011

The Trustees set four main objectives for 2011. They were:

- **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.

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, for example the Church Housing Trust project in Aldershot which provides supported housing for homeless ex-service personnel and the NHS Retirement Fellowship's new "Phone a Friend" contact scheme;
- we also helped to finance three major capital projects in hospices in areas of the country where there are large number of civil and public servants living and working;
- we conducted a review of our support for the Civil Service Benevolent Fund and as a result have substantially simplified the basis of our support for them, while maintaining the level;
- and we recruited two new Trustees, bringing the total to eight.

What the Charity Does

The charity achieves its aims 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. The tables below give full details of the grants we paid out in 2011, as well as those we promised for payment in 2012.

**Report of the Trustees
for the Year Ended 31 December 2011**

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 have for some years been operating a ring fenced fund for topping up the support they provide for care costs and for some specific educational expenses. Under this arrangement, first established in 2003, £125,000 was earmarked within our reserves for the exclusive use of the Civil Service Benevolent Fund (CSBF). This enabled them to draw down, at will but within agreed criteria, monies to help meet those needs such as respite and convalescence which their own rules or limits did not permit them to finance, or only allow them to finance in part. Since the inception of this ring fenced fund, we have been able to make grants totalling £687,000 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.

During 2011, as part of our rolling programme of reviews of our relationship with our long term partners, we conducted a detailed review of our support for CSBF and we concluded that the ring fenced fund arrangement as such had outlived its usefulness. It added a degree of administrative complexity to our relationship with CSBF which we felt was unnecessary and we therefore decided to simplify substantially our support for the Fund. For 2012, therefore, we have decided to pay them a simple, straightforward grant of £250,000 to be used across the board for hardship grants including nursing home top up fees.

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 2011 to a wide range of other bodies. Full details are shown in the tables below.

A major new initiative for us in 2011 was our work with the hospice movement. We have, for several years, been making small grants to children's hospices, but this year, partly because our reserves were running well above the level we considered necessary under our reserves policy, we decided to make several large donations to fund substantial capital projects at some hospices. After careful consideration, and with help and advice from Children's Hospices UK and Help the Hospices, we made the following major grants totalling £163,000:

- £45,000 to Hospiscare, based in Exeter (£25,000 to complete the funding of the building work for their new centre at Tiverton, unlocking £125,000 of promised match funding from a major donor, and £20,000 to pay for a fully accessible garden for the facility),
- £25,000 to St Oswalds children's hospice in Newcastle to fund a wheelchair accessible outdoor area for their young adults,
- £43,000 to Claire House, a children's hospice in the Wirral, for their "Butterfly Suite" to give more privacy and support to bereaved families, and
- £50,000 to St. Joseph's Hospice in Merseyside to upgrade the ground floor accommodation to improve safety and give patients more dignity and privacy.

SUMMARY OF GRANTS APPROVED BY THE TRUSTEES DURING 2011 AND RECOGNISED IN THE ACCOUNTS

	Accrued in 2010 £	Paid in 2011 £	Accrued in 2011 £	Total £
Grants to widows of CSIS policyholders	(31,060)	26,381	40,745	36,066
Grants to help individuals made through other charities	(522,500)	776,602	653,364	907,466
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants recognised in the accounts for 2011	<u>(553,560)</u>	<u>802,983</u>	<u>694,109</u>	<u>943,532</u>

CSIS Charity Fund

**Report of the Trustees
for the Year Ended 31 December 2011**

DETAILS OF GRANTS TO OTHER CHARITIES APPROVED IN 2011

	Accrued in 2010	Paid in 2011	Accrued in 2011	Total
Civil Service Benevolent Fund				
Contribution to general funds	(125,000)	125,000	250,000	250,000
Ring fence fund for care costs and educational expenses	(125,000)	118,446	24,204	17,650
Civil Service Retirement Fellowship				
Support for quarterly Avanti magazine	(40,000)	80,000	80,000	120,000
BT Benevolent Fund				
Contribution to help fund pensioner contact scheme	(50,000)	50,000	55,000	55,000
Rowland Hill Fund				
Support for mobility grants	(35,000)	35,000	37,500	37,500
Benenden Trust Charity				
Donation for individual welfare grants	(25,000)	25,000	25,000	25,000
Railway Benefit Fund				
Contribution to welfare funds	(25,000)	25,000	40,000	40,000
Children's Hospices UK				
Donations for three children's hospices	(15,000)	15,000	15,000	15,000
Crown Housing Association				
Contribution towards three projects in sheltered housing	(14,500)	14,500	16,000	16,000
MOD Family Activity Breaks (FAB) Project				
Scheme to provide holidays for bereaved children	(20,000)	20,000	20,000	20,000
Other Hospices				
Major capital projects in four hospices (see above)	-	163,000	-	163,000
Help the Hospices				
Contribution to core funds	-	2,000	-	2,000
National Council for Voluntary Organisations				
Bursaries to train ex-public servants to manage charities	(5,000)	5,000	5,000	5,000
Post Office Orphans Benevolent Institution				
Support for three year apprenticeship support scheme	(10,000)	37,000	-	27,000
TOP				
Tax help for the elderly	(5,000)	5,000	7,500	7,500
Canterbury Oast Trust				
Helping adults with severe learning difficulties	(5,000)	5,000	5,000	5,000
Relatives and Residents Association				
Help to fund advice line and website to assist carers to find an appropriate nursing home	(10,000)	10,000	10,000	10,000
Prison Officers Association				
Help to set up a stress support helpline	(10,000)	10,000	15,000	15,000
Church Housing				
Supported housing for homeless ex-service personnel	-	-	10,000	10,000
Public and Commercial Services Union (PCS)				
Contribution to the union's Benevolent Fund	-	-	10,000	10,000
National Federation of Occupational Pensioners NFOP				
Contribution to welfare fund.	-	-	10,000	10,000
NHS Retirement Fellowship				
Help to set up "Phone a Friend" contact scheme	-	-	6,160	6,160
HASSRA				
Grants to help disabled sportsmen and women	-	5,000	-	5,000
Overseas Services Pensioners' Association				
Support for convalescent and respite breaks	-	5,000	10,000	15,000
Florence Nightingale				
Contribution for communication aids for blind people	-	5,000	-	5,000
Civil Service Sports Council				
Grants to help disabled sportsmen and women	-	4,156	-	4,156
East Kent Stroke Association				
Help to purchase a mobile unit	-	2,500	-	2,500
Brunswick Organic Nursery				
Helping adults with severe learning difficulties	-	-	2,000	2,000
Donna Care Venture				
Respite care for carers and people with disabilities	-	1,000	-	1,000
Smile for Life				
A charity helping children get access to special equipment	-	5,000	-	5,000
Sweet Dreams Our Angels				
Memory boxes for parents of babies born "sleeping".	-	500	-	500
Teardrop Support Group				
Support group for bereaved parents	-	500	-	500
AIDIS Trust				
Training about adapted computers for disabled people	(3,000)	3,000	-	-
Grants to other charities included in the accounts	<u>(522,500)</u>	<u>776,602</u>	<u>653,364</u>	<u>907,466</u>

**Report of the Trustees
for the Year Ended 31 December 2011**

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 £26,381 in 2011.
- The Civil Service Benevolent Fund (CSBF) send us their Impact Report so that we know the work our general grant of £125,000 contributed to. We also received reports about the individual cases supported by the ring-fenced fund during 2011. Examples of people who we know were helped with our funds include a 62 year old lady with significant health problems who is the main carer for a severely disabled son and who desperately needed respite care after a particularly difficult period, and a wheelchair user with MS and diabetes who needs personal care, catheter and stoma care who was given help to cover the shortfall in his home care costs.
- The £25,000 which we donated to the Benenden Charitable Trust, and which was matched by a donation from Benenden Healthcare Society, goes to help members with problems which fall outside the Society's healthcare scheme. Examples of the individuals the Trust was able to help, with our support, include one lady who had suffered from acne scarring since early teens who was helped with a grant towards laser treatment which has significantly improved her appearance and quality of life. In another case, a member's son who had suffered with malignant tumours of the spine and brain over a number of years was offered a new treatment procedure in London but this involved a number of visits and stays over for the parents who live in the north. They were helped with a grant towards their travelling costs and hotel accommodation.
- The BT Benevolent Fund were given a further £50,000 in 2011, mainly to continue to support their postal pensioner contact scheme which helps to identify people in need and encourage them to ask for help. Since we first provided support for this scheme in 2007, the Fund has been able to assist well over 800 people who would otherwise not have been aware that help was available. Examples of the individuals helped as a result of this contact scheme include a lady who has had two strokes, a heart attack and bladder cancer who needed help to keep her car on the road, a lady who suffers from severe arthritis in her back and whose husband has mobility problems and suffers from dementia, needed help with the cost of installing a stairlift, and an elderly couple, both in poor health, needed help when their boiler broke down leaving them without proper heating.
- 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 2011 include a father and his 13 year old son, both of whom have a muscle wasting disease, who needed a stairlift which has made a significant difference to the whole family, and a lady with osteoarthritis who was becoming housebound because her husband was finding it increasingly difficult to push her manual wheelchair and who was helped to buy a electric powered vehicle. The Fund has also recently launched a Handyperson Scheme to provide financial help with basic household and maintenance tasks for over 60s and disabled people. Following a review of our support for the Fund as part of our annual rolling programme of reviews, we decided to simplify the arrangements and we made a single grant of £35,000 to the Fund for 2011 which they were able to spend on mobility grants without further reference to us, though they continue to give us reports on the cases which our money has helped to support.
- The £15,000 grant we made through Children's Hospices UK provided £5,000 for Butterwick House in Stockton-on-Tees to help fund their Family Support Team, £5,000 for Children's Hospice South West, based in Barnstable, to help build a third hospice to be called Little Harbour in St Austell, Cornwall, and £5,000 for Julia's House Children's Hospice, based in Dorset, for their "Pyjama Appeal" to extend the care it offers to night-time as well as day care.
- The £5,000 grant we gave to Crown Housing Association in 2011 provided help towards improving the communal areas of 40 flats in Islington and much appreciated garden benches and a television and Wii games console for sheltered housing schemes in Scotland. Pictures in their newsletter of the residents enjoying the Wii tell us all we need to know about the impact of our grants. (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 2011**

- The £25,000 grant we gave to the Railway Benefit Fund enabled them to give immediate help to 20 individuals in severe hardship and to increase their funeral grant levels. The fund is a longstanding charity which exists to provide financial and practical help to active and retired railway employees in need. With privatisation of the railways, its funding base had eroded and we have been very pleased to support the excellent work it does.
- The MOD Family Activity Breaks (FAB) project, which we supported for a third 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 48 army, navy and RAF families attended holidays in 2011, in YHA accommodation in Coverack in Cornwall and Whitby in East Yorkshire. The feedback passed on to us from the families continues to be extremely positive. The holidays clearly meet a real need and can make a huge difference to those involved. The MOD website for the scheme shows the sort of activities undertaken and provides ample evidence of what the holidays have meant to some of the bereaved children and their mothers.
- The £5,000 we gave to the Florence Nightingale Aid in Sickness Trust helped to fund specialist computers, software and communications aids for blind people. Examples of the sort of assistance the Trust has provided include a 55 year old sight impaired gentleman helped to buy "Supernova Access" software, a teenager with learning difficulties and autism given a "Go Talk" pocket communication aid, another blind teenager helped to buy "Easy Reader" software which translates printed text into clear speech, and a 59 year old blind lady helped to buy an "Optelec Clear Reader" which enables her to read normal books and newspapers instead of Braille.
- The £10,000 we contributed to the Post Office Orphans Benevolent Institution (POOBI) helped them to fund a further year of their "Rising Stars" bursary scheme and expand it to cover a new apprenticeship support scheme. Examples of the youngsters from low income families who were helped by the scheme include an 18 year old undertaking an acting course at RADA, a disabled 16 year old undertaking carpentry City and Guilds, an 18 year old from a single parent family needing help with course fees and an Apple Mac computer essential for the interactive game design course they were attending, another 16 year old studying aeronautical engineering and a 17 year old studying football coaching at professional level.

Our Grant Giving Policy

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."

CSiS Charity Fund has 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, when 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.

Our grant giving policy reflects the conclusion we drew from a consultation exercise which we conducted in 2008 with our key stakeholders and other organisations, namely that there is a very valuable and particular role that a charity of our size and nature can usefully play if we use our flexibility to supplement the help other charities can give, and help fill gaps in provision, making the best use of our funds and the biggest impact if we concentrate on helping those charities that do not have access to other substantial sources of income. 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. Small amounts of money can make a huge difference to such organisations, so that is in general where we try to focus our efforts.

Reluctantly, and only after much deliberation, we concluded in 2008 that we should not get drawn further into helping individuals directly, and that remains our policy. There is a huge amount of individual need that we could help to meet, but we have 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 retain the flexibility to make exceptions, but we are just too small a charity to handle such casework directly.

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

**Report of the Trustees
for the Year Ended 31 December 2011**

We reviewed the Grant Giving Policy in July 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 continue to provide general support to the Civil Service Benevolent Fund for their hardship grants including top up fees for nursing care costs.
- 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 hope, providing we have the resources, to make further substantial on-off capital grants to hospices, drawing down up to £100,000 a year from our reserves to fund them. In order to protect our ability to support such new projects and new organisations, we have 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. However, it will remain by far our largest beneficiary for the foreseeable future.

Following the 2008 consultation exercise, we have 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 Benevolent Fund during 2011. We plan to review our support for the Overseas Services Pensioners Association in 2012.

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 19 May 2009. This incorporated 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 from the Civil Service Widows and Orphans Fund to CSiS Charity Fund by resolution of the Trustees on 15th June 2009.

The Trustees and Management of the Charity

The charity has eight Trustees who meet regularly. The Trustees held 6 meetings during 2011 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.

**Report of the Trustees
for the Year Ended 31 December 2011**

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 and Deputy Chairman, Ron Churchill, retired in 2011. His involvement with CSIS and with the charity dates back almost 30 years. We are extremely grateful for his long contribution and we miss him very much. We were sad that Barrie Seaman, who took over from Ron as Deputy Chairman in May 2011, had to resign in February 2012 because of competing pressures on his time. We were very sorry to lose him from the board.

Two new Trustees were recruited to the board during 2011, bringing the total to eight. Neil Couling was co-opted to the board on 3 February 2011 and re-appointed for a full term at the General Meeting in May 2011. Charles Cochrane was also appointed to the board at that meeting. Neil has over twenty year's experience as a civil servant in both the local offices and headquarters of the Department for Work and Pensions and its predecessor the Dept for Social Security. He is currently Director for Benefit Strategy at DWP. Charles recently retired as Secretary of the Council of Civil Service Unions (CCSU) having occupied that post since 1995. He had previously been employed by CCSU as Assistant Secretary since 1985, having started work for the Society of Civil and Public Servants (SCPS) in 1979. From 1998, until his retirement, Charles has also undertaken the role of Director of Policy of the Public and Commercial Services Union (PSC).

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 is used flexibly: new Trustees come from different backgrounds with differing levels of experience and degrees of knowledge about the duties of a charity Trustee and some Trustees will have more time 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 have considered the implications of the new Bribery Act and concluded that the existing systems provide adequate safeguards, given the limited risks the charity faces.

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 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 2011 was £785,000. The charity also receives income from investing its reserves, bringing in a further £87,141 in 2011. The overall value of the investments held fell during the year by £207,973, including the withdrawal of £100,000 for making further donations to help fund capital projects in hospices.

At 1 January 2011, the charity held assets of £2.4 million, net of some £553,560 of grants which had been approved in 2010 for payment during 2011 and accrued in the 2010 accounts. During the course of the year, but mainly at the annual grants meeting in October, further grants totalling £943,532 were agreed, some for payment in 2011 and some for payment in 2012. In total, £802,983 of grants were paid out during 2011 and a further £694,109 was approved for payment in 2012. Net of these commitments, the charity held assets of just over £2.2 million at 31 December 2011.

**Report of the Trustees
for the Year Ended 31 December 2011**

Reserves Policy

As explained above, most of the charity's income comes from the trading activities of the Civil Service Insurance Society. This has averaged around £0.6 million a year for the past 5 years. However, CSIS operates in a highly competitive market and it would not be prudent for the charity to depend on that level of income continuing indefinitely. Nor is it prudent to depend on investment income, as events in the financial markets during recent 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 over £2.2 million at 31 December 2011.

Investment Policy

The Trustees' investment policy, which is kept under regular review, is to invest long term money in Charishare (equities), Charinco (fixed interest) and The Charities Property Fund. The investments are held for the charity by 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 and during the year the total return for the Fund was 10.6%. Charinco aims to provide a high level of income from a portfolio of fixed interest securities. As a result of a fall in share values during the year there was a negative return of 6.3% for the fund. 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 5.9%.

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 2012 is based on the following key priorities:

- **To continue to expand and develop our grant giving:** while continuing to make a real difference to the quality of life of the widows of deceased CSIS policyholders who we support directly, and working to develop our relationship with our long standing partners, to seek new and different organisations and projects we can support in order 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, both to help us expand our grant giving and to support CSIS,** by having a well designed website, annual report and other publicity material which explains what we do and our close relationship with 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.

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 2011**

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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.

In so far as the trustees are aware:

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

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

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 2011 on pages twelve to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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 2011**

	Notes	2011 Unrestricted funds £	2010 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	785,000	650,000
Investment income	3	<u>87,141</u>	<u>85,329</u>
Total incoming resources		872,141	735,329
 RESOURCES EXPENDED			
Charitable activities			
Grants to individuals	4	36,829	47,416
Grants to other charities		926,676	915,201
Governance costs	7	<u>29,297</u>	<u>32,386</u>
Total resources expended		992,802	995,003
		-----	-----
NET INCOMING/(OUTGOING) RESOURCES		(120,661)	(259,674)
Other recognised gains/losses			
Gains/losses on investment assets		<u>(107,943)</u>	<u>189,231</u>
Net movement in funds		(228,604)	(70,443)
RECONCILIATION OF FUNDS			
Total funds brought forward		2,451,296	2,521,739
		-----	-----
TOTAL FUNDS CARRIED FORWARD		<u><u>2,222,692</u></u>	<u><u>2,451,296</u></u>

CSiS Charity Fund

**Balance Sheet
At 31 December 2011**

	Notes	2011 Unrestricted funds £	2010 Total funds £
FIXED ASSETS			
Investments	10	2,112,826	2,320,769
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	99,940	164,869
Cash at bank		<u>736,057</u>	<u>551,718</u>
		835,997	716,587
CREDITORS			
Amounts falling due within one year	12	(726,131)	(586,060)
		<u>109,866</u>	<u>130,527</u>
NET CURRENT ASSETS			
		<u>2,222,692</u>	<u>2,451,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,222,692</u>	<u>2,451,296</u>
NET ASSETS			
		<u>2,222,692</u>	<u>2,451,296</u>
FUNDS			
Unrestricted funds	13	<u>2,222,692</u>	<u>2,451,296</u>
TOTAL FUNDS		<u>2,222,692</u>	<u>2,451,296</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 -Trustee

.....
xxx xxxxxx -Trustee

**Notes to the Financial Statements
for the Year Ended 31 December 2011**

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

	2011	2010
	£	£
Donations from CSIS	<u>785,000</u>	<u>650,000</u>

3. INVESTMENT INCOME

	2011	2010
	£	£
Investment income	<u>87,141</u>	<u>85,329</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2011

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (See note 5) £	Support costs (See note 6) £	Totals £
Grants to individuals	36,066	763	36,829
Grants to other charities	<u>907,466</u>	<u>19,210</u>	<u>926,676</u>
	<u>943,532</u>	<u>19,973</u>	<u>963,505</u>

5. GRANTS PAYABLE

	2011 £	2010 £
Grants to individuals	36,066	45,684
Grants to other charities	<u>907,466</u>	<u>895,429</u>
	<u>943,532</u>	<u>941,113</u>

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

	2011 £	2010 £
Grants to other charities	<u>907,466</u>	<u>895,429</u>

6. SUPPORT COSTS

	Management £
Grants to individuals	763
Grants to other charities	<u>19,210</u>
	<u>19,973</u>

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

	Grants to individuals £	Grants to other charities £	2011 Total activities £	2010 Total activities £
Rent	195	4,918	5,113	5,002
Rates	26	645	671	645
Insurance	19	481	500	377
Office expenses	85	2,139	2,224	4,015
Recharged staff costs	<u>438</u>	<u>11,027</u>	<u>11,465</u>	<u>11,465</u>
	<u>763</u>	<u>19,210</u>	<u>19,973</u>	<u>21,504</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

7. GOVERNANCE COSTS

	2011	2010
	£	£
Rent	6,471	6,339
Rates	849	818
Insurance	633	478
Office expenses	2,816	5,090
Recharged staff costs	16,033	14,532
Auditors' remuneration	<u>2,495</u>	<u>5,129</u>
	<u>29,297</u>	<u>32,386</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2011	2010
	£	£
Auditors' remuneration	2,495	5,129
Other operating leases	<u>11,584</u>	<u>11,341</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2011 nor for the year ended 31 December 2010.

Trustees' Expenses

During the year the Trustees were reimbursed £1,618 (2010 : £1,931) in respect of expenses incurred.

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2011	2,320,769
Disposals	(100,000)
Revaluations	<u>(107,943)</u>
At 31 December 2011	<u>2,112,826</u>
NET BOOK VALUE	
At 31 December 2011	<u>2,112,826</u>
At 31 December 2010	<u>2,320,769</u>

There were no investment assets outside the UK.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2011**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other debtors	10,000	10,000
Accrued income	85,000	150,000
Prepayments	<u>4,940</u>	<u>4,869</u>
	<u>99,940</u>	<u>164,869</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other creditors	27,506	26,365
Accrued expenses	<u>698,625</u>	<u>559,695</u>
	<u>726,131</u>	<u>586,060</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 are not accrued.

13. MOVEMENT IN FUNDS

	At 1.1.11 £	Net movement in funds £	At 31.12.11 £
Unrestricted funds			
General fund	2,451,296	(228,604)	2,222,692
	<u>2,451,296</u>	<u>(228,604)</u>	<u>2,222,692</u>

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	872,141	(992,802)	(107,943)	(228,604)
	<u>872,141</u>	<u>(992,802)</u>	<u>(107,943)</u>	<u>(228,604)</u>

14. RELATED PARTY DISCLOSURES

The company is controlled by the Trustees.

During the year £785,000 (2010 : £650,000) was donated to the charity by The Civil Service Insurance Society and £27,498 (2010 : £25,997) was recharged by The Civil Service Insurance Society to cover costs incurred on behalf of the charity.

At the year end the charity owed £27,506 (2010 : £26,365) 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 2011**

	2011 £	2010 £
INCOMING RESOURCES		
Voluntary income		
Donations from CSIS	785,000	650,000
Investment income		
Investment income	<u>87,141</u>	<u>85,329</u>
Total incoming resources	872,141	735,329
RESOURCES EXPENDED		
Charitable activities		
Grants to institutions	907,466	895,429
Direct grants to individuals	<u>36,066</u>	<u>45,684</u>
	943,532	941,113
Governance costs		
Rent	6,471	6,339
Rates	849	818
Insurance	633	478
Office expenses	2,816	5,090
Recharged staff costs	16,033	14,532
Auditors' remuneration	<u>2,495</u>	<u>5,129</u>
	29,297	32,386
Support costs		
Management		
Rent	5,113	5,002
Rates	671	645
Insurance	500	377
Office expenses	2,224	4,015
Recharged staff costs	<u>11,465</u>	<u>11,465</u>
	<u>19,973</u>	<u>21,504</u>
Total resources expended	992,802	995,003
Net expenditure	<u>(120,661)</u>	<u>(259,674)</u>